Fuji Electric

Innovating *Energy Technology*

Fuji Electric Report Financials

2020

Contents

Consolidated Financial Highlights

Years ended March 31	Millions of yen 2016	2017	2018	2019	2020	Thousands of U.S. dollars*1 2020
Operating Results						
Net sales	¥813,550	¥837,765	¥893,451	¥914,915	¥900,604	$8,338,926
Japan	597,757	632,723	674,744	682,503	679,719	6,293,695
Overseas	215,793	205,042	218,707	232,412	220,885	2,045,231
Operating income	45,006	44,709	55,962	59,972	42,515	393,658
Net Income Attributable to Owners of Parent	30,644	40,978	37,763	40,267	28,793	266,606
R&D and Capital Investment						
R&D expenditures	¥ 35,949	¥ 34,910	¥ 35,620	¥ 33,669	¥ 34,457	$ 319,047
Plant and equipment investment*2	27,650	27,149	26,465	43,338	48,208	446,377
Depreciation and amortization*3	29,723	29,445	30,151	30,906	32,319	299,256
Cash Flows						
Cash flows from operating activities	¥ 48,450	¥ 58,185	¥ 53,146	¥ 54,949	¥ 46,087	$ 426,737
Cash flows from investing activities	(19,410)	9,748	(14,550)	(21,448)	(27,621)	(255,752)
Free cash flow	29,040	67,934	38,596	33,501	18,466	170,984
Cash flows from financing activities	(31,567)	(56,082)	(46,887)	(38,172)	16,918	156,646
Financial Position						
Total assets*4	¥845,378	¥886,663	¥914,744	¥952,659	¥996,827	$9,229,885
Total net assets	260,980	323,863	366,546	392,061	406,002	3,759,282
Shareholders' equity	230,399	291,216	330,636	352,922	365,620	3,385,368
Net interest-bearing debt	189,374	141,578	130,177	124,850	153,617	1,422,387
Interest-bearing debt	220,213	183,465	163,507	153,985	217,364	2,012,630
Financial Indicators						
Ratio of operating income to net sales (%)	5.5	5.3	6.3	6.6	4.7	—
ROE (Return on equity) (%)	11.8	15.7	12.1	11.8	8.0	—
ROA (Return on assets) (%)*4	3.5	4.7	4.2	4.3	3.0	—
Equity ratio (%)*4	27.3	32.8	36.1	37.0	36.7	—
Net debt-equity ratio (times)*5	0.8	0.5	0.4	0.4	0.4	—
Debt-equity ratio (times)*6	1.0	0.6	0.5	0.4	0.6	—
Per Share Data*7			Yen			U.S. dollars*1
Net income	¥ 42.90	¥ 57.36	¥ 264.34	¥ 281.89	¥ 201.57	$ 1.866
Net assets	322.52	407.68	2,314.50	2,470.65	2,559.60	23.700
Cash dividends	10.00	11.00	14.00	48.00	80.00	0.741
Others			Headcount			
Employees	26,508	26,503	27,009	27,416	27,960	—
Japan	17,635	17,716	17,704	17,647	17,681	—
Overseas	8,873	8,787	9,305	9,769	10,279	—

*1 The U.S. dollar amounts represent the arithmetic results of translating yen into dollars at ¥108 = U.S. $1, the approximate exchange rate at March 31, 2020.
*2 Plant and equipment investment is the total of investment in tangible fixed assets, including acquisition amounts for lease contracts.
*3 Depreciation and amortization expense is the total of the depreciation of tangible fixed assets and amortization of intangible assets.
*4 Effective April 1, 2018, the Company have adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, revised on February 16, 2018). As such, major management indicators in consolidated accounting period as of March 31, 2018 have been adjusted to retroactively apply said accounting standards.
*5 Net debt-equity ratio is the ratio of net interest-bearing debt (interest-bearing debt + lease obligations – cash and cash equivalents) to shareholders' equity.
*6 Debt-equity ratio is the ratio of interest-bearing debt to shareholders' equity.
*7 Effective October 1, 2018, the Company conducted an 1-for-5 common stock consolidation. Amounts for net income per share and net assets per share have been calculated assuming that the stock consolidation took place on April 1, 2017. The amount of dividend ¥48 per share for the year ended March 31, 2019 is total of the interim dividend of ¥8 per share and the year-end dividend of ¥40 per share. Since the Company conducted an 1-for-5 common stock consolidation effective October 1, 2018, the interim dividend of ¥8 does not reflect stock consolidation effect and the annual dividend of ¥40 reflects stock consolidation effect. If the stock consolidation effect is also considered to the interim dividend per share, the interim dividend of ¥8 per share without the effect is equivalent to ¥40 per share with the stock consolidation effect. Accordingly, the annual dividend for fiscal 2018 amounted to ¥80 per share, including adjusted interim dividend of ¥40 per share and year-end dividend ¥40 per share.

Management's Discussion and Analysis

Overview

In fiscal 2019, we launched a five-year Medium-Term Management Plan called "Reiwa Prosperity 2023." The final year of the plan is fiscal 2023, when we will celebrate the 100th anniversary. Under the plan, we are promoting various growth strategies. These include focusing resources on growth fields—namely, power electronics systems and power semiconductors—while expanding our overseas business.

The operating environment in fiscal 2019 saw ongoing curtailment of investments, especially in China, resulting mainly from protracted U.S.-China trade friction that continued from the previous fiscal year, as well as bearish exports of machine tools from Japan due to slowdowns in overseas markets. Against this backdrop, the global COVID-19 pandemic, which struck during the fourth quarter, greatly restricted economic activities as unprecedented rules were enforced, including factory closures and limitations on people's movement. The result was a severe environment caused by a growing sense of uncertainty.

To help prevent the spread of COVID-19, the Company asked employees working at the head office, branches, and other business sites in Japan to work from home whenever possible. Employees who cannot work from home, including those working at production sites, were asked to take steps to prevent the spread of the virus through various measures, such as adopting staggered work hours and avoiding confined spaces, large gatherings, and close interactions. Overseas, we suspended operations at some factories at the instruction of local governments.

Financial Performance

Net Sales

Net sales in fiscal 2019 decreased by 1.6% year on year, to ¥900,604 million.

In the Electric Devices and Power Generation segment sales increased year on year. However, sales in Power Electronics Systems Energy, Power Electronics Systems Industry and Food and Beverage Distribution segment decreased year on year. Domestic sales decreased by 0.4%, to ¥679,719 million. Overseas sales decreased by 5.0%, to ¥220,885 million.

The ratio of overseas sales decreased by 0.9 percentage point, to 24.5% year on year.

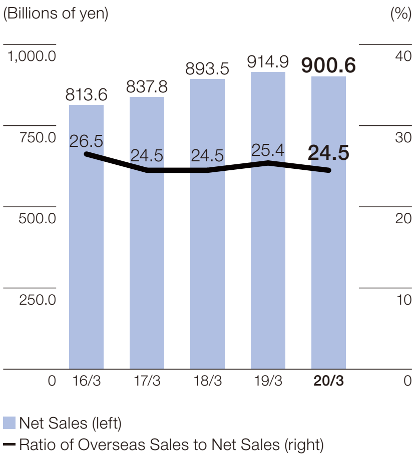
Cost of Sales, Selling, General and Administrative Expenses and Operating Income

The cost of sales was ¥680,068 million,which is the same level as the previous year, and the ratio of cost of sales to net sales increased by 1.2 percentage point, to 75.5%.

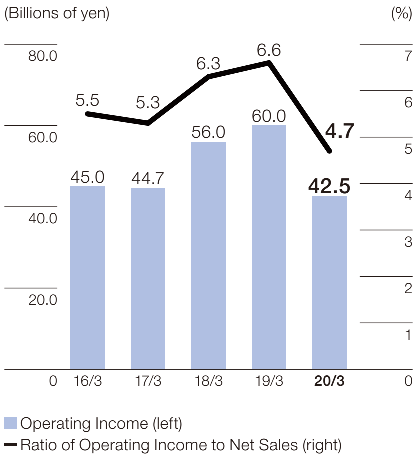
Selling, general and administrative expenses increased by 1.7% year on year, to ¥178,021 million. The ratio of selling, general and administrative expenses to net sales increased by 0.6 percentage point, to 19.8%.

Operating income decreased by ¥17,457 million year on year, to ¥42,515 million, due to a decrease in net sales and production volumes, impact of foreign exchange rate, and investment in the power semiconductor business, partially offset by cost reduction. The operating margin decreased by 1.8 percentage point, to 4.7% year on year.

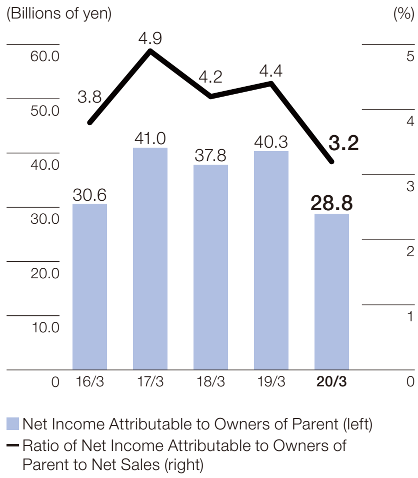
Net Sales / Ratio of Overseas Sales to Net Sales



Operating Income / Ratio of Operating Income to Net Sales



Net Income Attributable to Owners of Parent / Ratio of Net Income Attributable to Owners of Parent to Net Sales



Non-Operating Income (Expenses) and Ordinary Income

Non-operating income (net) decreased by ¥1,509 million year on year,to ¥1,998 million. This decrease was primarily due to a foreign exchange loss of ¥1,326 million, compared to a foreign exchange gain of ¥89 million yen in the previous year.

As a result, ordinary income decreased by ¥18,966 million to 44,513 million.

Extraordinary Income (Loss), Income before Income Taxes and Non-Controlling Interests

Extraordinary income totaled ¥2,771 million and included a gain on sales of noncurrent assets and a gain in sales of investment securities. This represented a ¥320 million year-on-year increase due to an increase in gain on sales of investment securities, which were partially offset by a reduction in foreign currency translation adjustments reversal gains.

Extraordinary loss totaled ¥3,423 million and included a loss on disposal of noncurrent assets, a loss on devaluation of investment securities and a loss on compensation for damage. This represented a ¥220 million year-on-year decrease due to the impairment loss recorded in the previous fiscal year, partially offset by an increased devaluation of investment securities.

Net Income

Income before income taxes decreased by ¥18,427 million year on year, to ¥43,860 million. After subtracting ¥11,989 million in income taxes (the net of income taxes-current and income taxes-deferred) and ¥3,078 million in net income attributable to non-controlling interests, net income attributable to owners of parent decreased by ¥11,474 million from the previous fiscal year, to ¥28,793 million.

Results by Business Segment

Power Electronics Systems—Energy Solutions

Net sales: ¥218,013 million (a decrease of 2.7% year on year)
Operating income: ¥12,322 million (a decrease of ¥4,507 million year on year)

Net sales and operating income decreased year on year mainly due to a decline in demand for the ED&C components business, partially offset by strong demand in facility / power source system business.

- In the energy management business, net sales and operating income decreased year on year primarily due to the lower demand for smart meters and the impact of large-scale orders for overseas in the previous fiscal year, partially offset by strong demand in power supply equipment for industry and railways.
- In the facility / power source system business, net sales and operating income increased primarily driven by increased large-scale orders from overseas, partially offset by the impact of large-scale domestic projects in the previous fiscal year.
- In the ED&C components business, sales decreased year-on-year due to a decrease in demand from machine set manufacturers and operating income decreased due to a decrease in demand and an increase in costs associated with product defects.

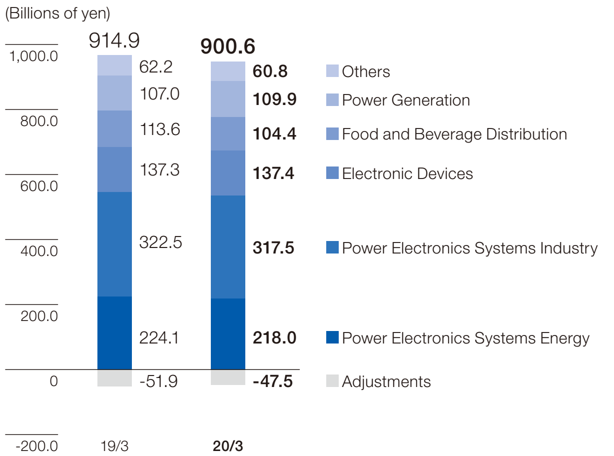
Orders received in fiscal 2019 (Power Electronics Systems—Energy Solutions segment of Fuji Electric Co., Ltd., non-consolidated-basis) totaled ¥132.6 billion.

Power Electronics Systems—Industry Solutions

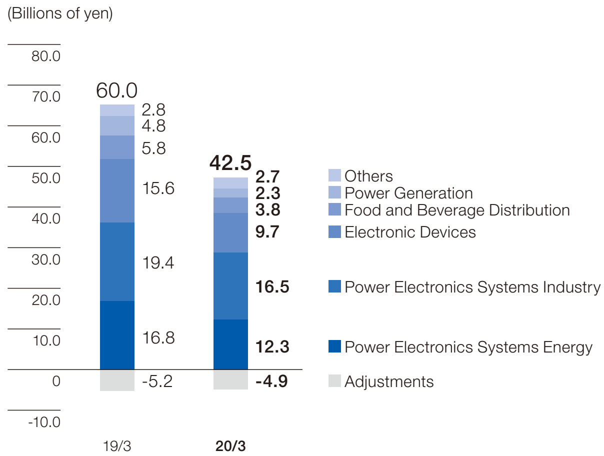
Net sales: ¥317,482 million (a decrease of 1.6% year on year)
Operating income: ¥16,547 million (a decrease of ¥2,870 million year on year)

Net sales and operating income decreased due to weak demand in the factory automation business, caused by the impact of U.S.-China trade friction and COVID-19, and the impact of large-scale orders in the equipment construction

Net Sales by Segment



Operating Income (Loss) by Segment



business in the previous year. These decreases were partially offset by strong demand in IT solutions business.

- In the factory automation business, net sales and operating income decreased due to weak demand mainly in domestic and Chinese markets for low-voltage inverters and FA components, affected by U.S.-China trade friction. In addition, these decreases were attributable to the suspension of operations in China, caused by COVID-19 and decreased demand in Asia and Europe.
- In the social solutions business, net sales decreased year on year primarily due to large-scale orders in the previous fiscal year, but operating income increased due to cost reductions.
- In the equipment construction business, net sales decreased mainly due to large-scale orders in the previous fiscal year, but operating income increased due to cost reductions.
- In the IT solutions business, net sales and operating income increased year on year due to increases in orders from the academic sector and the public sector.

Orders received in fiscal 2019 (Power Electronics Systems Industry segment of Fuji Electric Co., Ltd., non-consolidated-basis) totaled ¥162.3 billion.

Electronic Devices

Net sales: ¥137,421 million (the same level as the previous year)
Operating income: ¥9,718 million (a decrease of ¥5,905 million year on year)

- In the electronic devices business, net sales were the same level as the previous year due to lower demand in industrial fields, primarily in the Chinese market caused by the impact of U.S.-China trade friction and COVID-19, and the impact of foreign exchange, partially offset by increased demand for power semiconductors for electric vehicles (xEV). Operating income decreased due to an increase in expenses for investment relating to power semiconductor production capacity enhancement for electric vehicles (xEV), foreign exchange effects, and product repair costs.

Orders received in fiscal 2019 (Electronic Devices segment of Fuji Electric Co., Ltd., non-consolidated-basis) totaled ¥94.8 billion.

Food and Beverage Distribution

Net sales: ¥104,413 million (a decrease of 8.1% year on year)
Operating income: ¥3,842 million (a decrease of ¥1,914 million year on year)

- In the vending machine business, net sales and operating income decreased year on year primarily due to weak demand in domestic and Chinese market and extension of the installation plan in those areas, caused by the impact of COVID-19.
- In the store distribution business, net sales decreased due to weak demand, affected by COVID-19, for store equipment used in convenience stores. However, operating income increased, driven by cost reduction.

Orders received in fiscal 2019 (Food and Beverage Distribution segment of Fuji Electric Co., Ltd., non-consolidated-basis) totaled ¥95.4 billion.

Power Generation

Net sales: ¥109,891 million (an increase of 2.7% year on year)
Operating income: ¥2,298 million (a decrease of ¥2,452 million year on year)

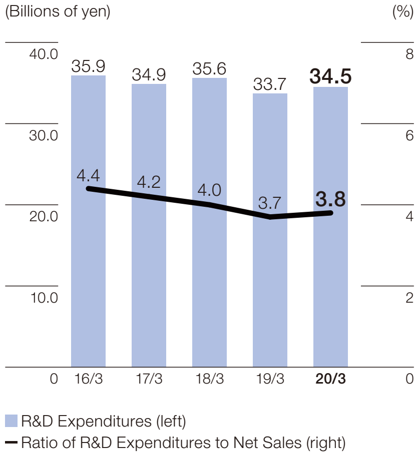
- In the power generation plant field, net sales increased year on year due to large-scale orders for thermal power generation facilities. However, operating income decreased year on year as a result of an unfavorable sales mix and an increase in expenses for large overseas projects.

Orders received in fiscal 2019 (Power and New Energy segment of Fuji Electric Co., Ltd., non-consolidated-basis) totaled ¥74.8 billion.

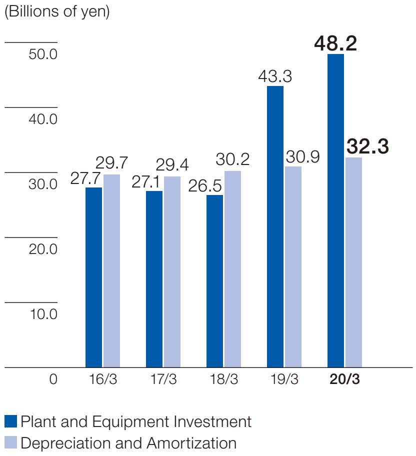
Others

Net sales: ¥60,846 million (a decrease of 2.2% year on year)
Operating income: ¥2,697 million (a decrease of ¥71 million year on year)

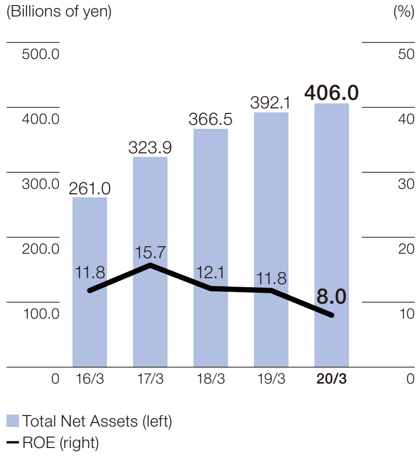
R&D Expenditures / Ratio of R&D Expenditures to Net Sales



Plant and Equipment Investment / Depreciation and Amortization



Total Net Assets / ROE



R&D Investment and Plant and Equipment Investment

R&D

In order to establish a foundation as a sustainable growth company, Fuji Electric is focused on research and development activities that create solutions producing value for customers by utilizing the synergies of power electronics technology and power semiconductor technology as well as combining competitive components, systems and fundamental technologies.

In addition, the company works to develop new products in line with its business strategy, localize overseas product development, enhance theme exploration through utilizing technology marketing, and improve development productivity.

The Company's R&D expenditures in fiscal 2019 totaled ¥34,457 million.

As of March 31, 2020, the number of industrial property rights which were registered in Japan and overseas and held by Fuji Electric stood at 12,956.

Plant and Equipment Investment

Plant and equipment investment, including leases, amounted to ¥48,208 million in fiscal 2019. These were directed toward increasing production capacity and streamlining production lines, mainly for power electronics systems and electronic devices.

Major investments were as follows.

In the Power Electronics Systems Energy segment, we completed construction of a new production facility at Fuji Electric Manufacturing (Thailand) Co., Ltd. aimed at expanding our systems business in Asia. We also started construction of an engineering center at the Chiba Factory to strengthen our lineup of energy-related products.

In the Power Electronics Systems Industry segment, we made investments to streamline production lines at the Suzuka Factory and Tokyo Factory. These were aimed at increasing in-house production and thus enhancing the competitiveness of our inverters and measuring instruments.

In the Electronic Devices segment, we continued making large-scale investments in the Yamanashi Factory, as we did in the previous year, aimed at increasing production capacity of power semiconductor chips, mainly for automobiles. We also made investments for back-end processes in our domestic and overseas factories to increase production of in-vehicle pressure sensors and large-capacity IGBT modules for power converters.

In the Food and Beverage Distribution segment, we invested in streamlining production at the Mie Plant using the IoT to establish an integrated production line for vending machines.

Financial Position

Total Assets

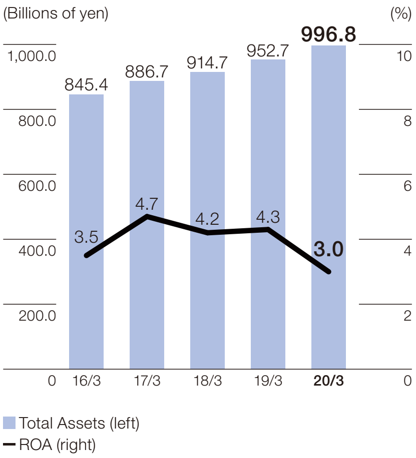
Total assets on March 31, 2020, stood at ¥996,827 million, an increase of ¥44,168 million from the end of the previous fiscal year.

Current Assets and Current Liabilities

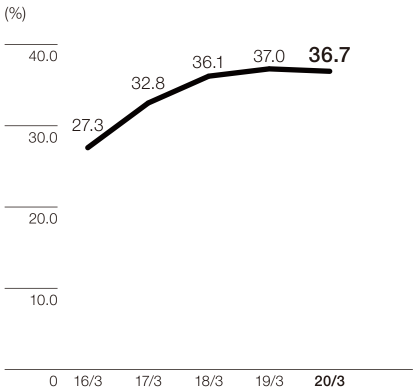
Total current assets increased ¥22,596 million from the previous fiscal year-end, to ¥595,692 million. This increase is primarily due to an increase of ¥34,612 million in cash and cash equivalents and ¥11,141 million in inventories, partially offset by a decrease of ¥14,327 million in trade receivables.

Total current liabilities decreased ¥2,734 million from the previous fiscal year-end, to ¥423,160 million. This decrease is primarily due to a decrease of ¥9,717 million in current portion of long-term debt and ¥16,755 million in trade payables, partially offset by an increase of ¥41,263 million in short-term debt.

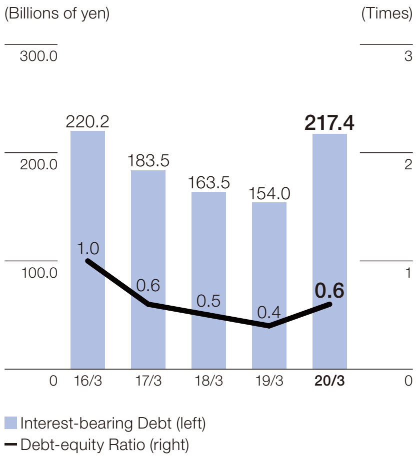
Total Assets / ROA



Equity Ratio



Interest-bearing Debt / Debt-equity Ratio



Noncurrent Assets
Total noncurrent assets increased by ¥21,572 million year on year, to ¥401,135 million on March 31, 2020. Net property, plant and equipment were ¥201,892 million, an increase of ¥19,768 million year on year. Total investments and other assets amounted to ¥199,243 million, an increase of ¥1,804 million year on year. This increase is mainly due to a ¥7,208 million increase in other investments and other assets, partially offset by a decrease of ¥5,060 million, due to the sale.

Long-term Liabilities
Total long-term liabilities increased by ¥32,961 million from the previous fiscal year-end, to ¥167,665 million. This increase is mainly due to an increase in long term debt and lease obligations by ¥13,056 million and ¥14,049 million, respectively.

Net Assets
Net assets as of March 31, 2020, totaled ¥406,002 million, an increase of ¥13,941 million from the previous fiscal year-end. This increase was mainly attributable to an increase of ¥17,365 million in retained earnings. As a result, the equity ratio stood at 36.7%, a decrease of 0.3 percentage points year on year.

Debt
Interest-bearing debt as of the fiscal year-end totaled ¥217,364 million, an increase of ¥63,379 million year on year. The ratio of interest-bearing debt to total assets was 21.8%, an increase of 5.6 percentage points year on year.

Cash Flow
Consolidated free cash flow (net cash provided by (used in) operating activities + net cash provided by (used in) investing activities) was a positive ¥18,466 million, a ¥15,035 million decrease from the previous fiscal year's positive free cash flow of ¥33,501 million.

Cash Flows from Operating Activities
Net cash provided by operating activities was ¥46,087 million, compared with ¥54,949 million in the previous fiscal year. Major factors of cash increase included income before income taxes and a decrease in trade receivables. Major factors of cash decrease included payment of income taxes, an increase in inventories and a decrease in trade payables. Cash flows from operating activities decreased by ¥8,862 million year on year.

Cash Flows from Investing Activities
Net cash used in investing activities was ¥27,621 million, compared with net cash used in investing activities of ¥21,448 million, in the previous fiscal year. This was primarily a result of the purchase of property, plant and equipment.

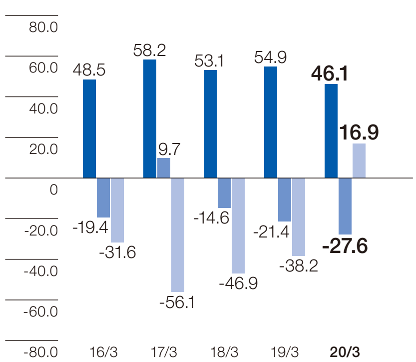
Net cash used in investing activities increased by ¥6,173 million year on year.

Cash Flows from Financing Activities
Net cash provided by financing activities was ¥16,918 million, compared with net cash used in financing activities of ¥38,172 million, in the previous fiscal year. This was primarily due to an increase in short-term loans payable.

Net cash provided by financing activities increased by ¥55,090 million year on year.

Cash Flows

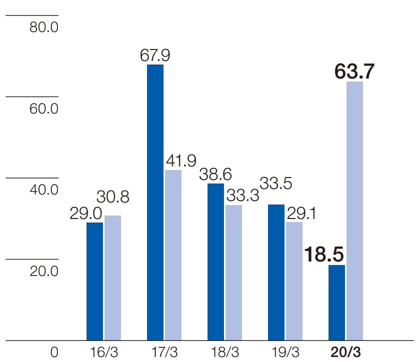
(Billions of yen)



■ Cash Flows from Operating Activities
■ Cash Flows from (Used in) Investing Activities
■ Cash Flows from (Used in) Financing Activities

Free Cash Flow / Cash and Cash Equivalents

(Billions of yen)



■ Free Cash Flow
■ Cash and Cash Equivalents

Risk Factors

Fuji Electric manages business and other risks in a coordinated, systematic manner and takes appropriate measures to minimize the impact of such risks. The following factors were judged to have a potential future effect on Fuji Electric's business performance and financial position. Any forward-looking statements in the following are based on the judgment of management as of the date of submitting the securities report (August 6, 2020).

(1) Management Strategies, Business Strategies, and Operating Environment

Fuji Electric works to swiftly concentrate management resources on businesses earmarked for growth while making capital and R&D investments aimed at expanding and developing its businesses. With respect to semiconductor-related capital investments, which require large amounts of money, we make decisions based on negotiations with customers regarding physical quantities and pricing. Regarding R&D investments, we emphasize consistency with our business strategies and contribution to our businesses. Based on our roadmap, we pursue R&D on fundamental and advanced technologies that support Fuji Electric's future. Here,the management engages in regular deliberations about key development themes and constantly reviews the roadmap according to market changes. However, the semiconductor field is characterized by short product cycles, major fluctuations in product supply/demand levels, and intense competition. In some cases, therefore, we may be unable to recover our investment, which may affect its business performance and financial position.

Fuji Electric considers protection of the global environment to be an important management priority and announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In addition, we created our Environmental Vision 2050, which aims to make efforts across the supply chain aimed at realizing a low-carbon society, recycling-oriented society, and a society in harmony with nature. In these and other ways, we are advancing efforts to realize a sustainable society through our energy- and environment-related businesses and continuously disseminating such information. However, stricter enforcement of the Paris Agreement and other environmental regulations, as well as assessments by ESG evaluation institutions may lead to stronger criticism of part of Fuji Electric's operations (coal-fired power generation business), which may affect its business performance and financial position.

Fuji Electric has business bases around the world and provides products and services to markets and customers in multiple regions. The spread of COVID-19 in many countries has led to emergency declarations, lockdowns, and other restrictions on economic activities. These have had various effects on Fuji Electric's business activities, including restrictions on sales activities, factory operation suspensions, and limitations on construction site visits. If restrictions are further tightened, it could increase the impact on Fuji Electric's business activities, which may affect its business performance and financial position.

(2) Corporate Governance

Fuji Electric is working to strengthen its corporate governance by improving management transparency and auditing functions during normal times. However, an unprecedented event may lead to deficiencies in our internal control and audit functions, resulting in corporate governance breakdown and business disruption, etc., which may affect our business performance and financial position.

(3) Business Reorganizations, Alliances, and Withdrawals

Fuji Electric actively engages in M&As, joint ventures, business alliances, and the like with third parties in order to strengthen its competitiveness in each business field. As part of these activities, we share our corporate philosophy, management policy, code of conduct, business plans, business strategies, and so on to facilitate integration of our business strategies, technologies, products, and human resources. Through management meetings and other forums, we strive to maintain close communication with partners and build good relationships with them. Due to differences in systems and cultures, however, we may be unable to achieve the desired outcomes, which may affect our business performance and financial position.

(4) Orders, Marketing, and Sales Promotion

Fuji Electric is developing operations actively in overseas markets, focusing particularly on expanding sales in China and other Asian markets. We have sales offices in various markets to better understand customer trends and centrally manage the information we collects for analysis and consideration and otherwise strive not to miss business opportunities. We also work to reduce costs and expenses in order to minimize the impact of domestic and overseas trends on our business performance. However, any number of events may affect our business performance and financial position. These include deteriorating market conditions in each country —including private capital investments and public expenditures— as well as sudden changes in supply and demand of products, intensifying competition, and the resultant significant falls in prices.

Fuji Electric receives orders for large-scale plant projects in power electronics systems and power generation. In order to secure appropriate profits in each project, we work to improve the accuracy of our quotations at the time of order receipt and strengthen project management afterwards. After receipt of orders, however, any number of events may affect our business performance and financial position. These include unanticipated specification changes, process delays, and profitability declines due to natural disasters and the like.

(5) Development and Design Engineering

Fuji Electric has established an R&D system to accelerate research and development and constantly monitors market, customer needs and the latest technological trends. At the same time, we conduct R&D aimed at creating strong components and systems, focused on power electronics and power semiconductor technologies, and R&D to develop solutions that generate customer value through combinations of elemental technologies. Due to rapid technological advances, however, we may lose our advantage over other companies, and product development may not proceed as planned, making it impossible to launch new product at the right time. Any of these events may affect our business performance and financial position.

(6) Procurement

Fuji Electric deploys various means, including product swaps, to reduce the risk of rising raw material prices. However, in addition to increasing raw material and components prices against the background of a weak yen, such changes as the drastically increasing demand in emerging nations may result in tightened supply and demand as regards materials and raw materials and significant increases in their prices. Any of these events may affect our business performance and financial position.

(7) Production, Manufacturing, Shipping, Logistics, Installation, Delivery, and Service

Fuji Electric always keeps track of the latest physical quantity flows by sharing information between its sales and business departments at management meetings and other forums. We have also built an optimal production management system that can respond to changes in physical quantity flows by such as improving productivity and promoting local production for local consumption. However, an unprecedented event could result in increased/decreased demand and other changes in physical quantity flows, leading to delayed responses and inventory shortages/surpluses, which may affect our business performance and financial position.

Through reforms of its supply chain, Fuji Electric works to promote “completely localized” manufacturing through local production for local consumption while also emphasizing global procurement. However, an unprecedented event could result in restrictions on human and commodity movements and disruptions to our distribution network. This could prevent our supply chain from functioning and cause delays in deliveries, which may affect our business performance and financial position.

(8) Quality Assurance

Fuji Electric has established a quality control system for the products it manufactures and sells and strives to ensure high quality standards. Although we have made the necessary insurance arrangements, an unprecedented event could cause quality-related problems to arise, which may affect our business performance and financial position. In addition, we have received reports of a defect in some of our power semiconductors used in specific fields. We are currently examining the degree of potential risk and will make appropriate disclosures if we identify any significant impact on our business performance and financial position.

(9) Human Resources and Labor

The business activities of Fuji Electric depend heavily on its human resources. To attract and develop excellent human resources in various fields—such as technology, production, sales, and business management—we focus on cultivating professional human resources who will help strengthen our global competitiveness. We also actively conduct employee education and training and are expanding mid-career recruitment and other measures to attract exceptional human resources. However, failure to attract and develop such important human resources may have an impact on our business performance and financial position.

(10) Finance and Accounting

Seeking to minimize fund-raising costs, Fuji Electric constantly examines the optimal mix of corporate bonds, commercial paper, and short-term and long-term borrowings, in order to ensure flexible and stable financing arrangements. However, an unexpected increase in interest rates could raise the interest rate burden on our interest-bearing debt, which may have an impact on our business performance and financial position.

Fuji Electric works to strengthen credit management, including by monitoring long-overdue receivables and the financial status of business partners, in order to enhance its collection of trade receivables. However, restrictions on economic activities and economic downturn could cause business partners’ cash flows to deteriorate and prevent us from recovering debts, which may have an impact on our business performance and financial position.

(11) Legal and Ethical

Fuji Electric engages in business in various fields and regions, and as such is subject to the laws and regulations of each country. The Fuji Electric Compliance Promotion Committee, chaired by our representative director, spearheads efforts to ensure rigorous compliance with laws and regulations. We also have a compliance program that clearly identifies roles and responsibilities covering each aspect of legal regulations—namely, internal rules, monitoring, auditing, and education—and our compliance structure also includes a whistleblowing system. However, any occurrence of legal violations and the like may have an impact on our business performance and financial position.

In preparation for lawsuits and other legal disputes, Fuji Electric has formed a task force aimed at building a system to ensure that necessary procedures (fact investigation, corrective action, recurrence prevention, internal write-down, and disclosure) and are conducted promptly. However, we may be ordered to pay unexpectedly large amounts of damages, which, depending on the nature of the decision, may have an impact on our business performance and financial position.

Fuji Electric strives to effectively protect intellectual property rights and develop products and technologies that respect the rights of other companies. Due to the speed of technological innovation and the global expansion of our business activities, however, intellectual property disputes could arise, which may have an impact on our business performance and financial position.

(12) Political and Socioeconomic Trends

Fuji Electric engages in currency exchange contracts, based on certain criteria, to minimize the impact of foreign exchange fluctuations. However, any changes in exchange rates, primarily between the yen and the U.S. dollar, may have an impact on our business performance and financial position.

Fuji Electric develops its business in many overseas markets, mainly in China and other Asian markets, and always closely monitors the latest information on geopolitical risks. We are also diversifying our production and sales bases in preparation for unexpected risks.

However, any of the following events may have an impact on our business performance and financial position:

- Unexpected enactment of laws/regulations and changes in tax systems with adverse effects
- Disadvantageous political situations
- Social turmoil due to social upheaval, terrorism, war, and the like

(13) Trends of Shareholder and Other Investors

Fuji Electric attaches great importance to disclosure of financial information, active disclosure of non-financial information, and communication with shareholders and institutional investors. We also strive to foster understanding of our management through sincere and accurate disclosure of information according to our Disclosure Policy. However, the intentions of stockholders and other investors may differ from those of the Company's management, which could result in a vote against the election of directors. Also, a shareholder proposal against management could cause disruption of our operations. These and other events may have an impact on our business performance and financial position.

(14) Natural Disasters and Accidents

Fuji Electric has business bases all over the world and is committed to fulfilling its responsibilities to customers and society by continuously supplying products and services in the event of disaster or accident. To this end, we established a dedicated crisis management team to spearhead fire and disaster prevention efforts, formulation of a business continuity plan (BCP), and adoption of necessary insurance arrangements in order to"strengthen our business continuity capability." However, any number of events may have an impact on our business performance and financial position. These include large-scale disasters or accidents at/near our business sites, which could cause damage of production equipment, interruption of operations, and delays in product shipments.

(15) External Attacks

To address increasingly diversified and sophisticated cyber-security threats, Fuji Electric established a countermeasure system and a security response organization (CSIRT/SOC) to monitor and suppress any attacks. We are also continuously strengthening our response capabilities—in such areas as defense, detection system reinforcement, and cyber training—to prepare for the emergence of new threats. However, any number of events may have an impact on our business performance and financial position. These include system malfunction and information leakage due to external attacks (such as cyber-terrorism), resulting in loss of social trust.

(16) Individual Event (Impact of COVID-19)

Fuji Electric has established a set of "Contingency Plan" to implement in times of emergency resulting from various risks that may affect its operations. Based on these procedures, we set up the "New Coronavirus Infection Prevention and Business Continuity Promotion Countermeasures Headquarters, " chaired by the president, to address the COVID-19 pandemic. The stated policy is to "take prompt and appropriate measures with top priority on respecting human life, preventing the spread of infections, and minimizing damage." Under this policy, we are collecting and aggregating information related to COVID-19 and taking measures to prevent the spread of infections (for example, enforcing rules, such as hand washing and hand sanitizing; avoiding confined spaces, large gatherings, and close interactions; and asking employees to work from home and staggered work hours), while also emphasizing business continuity. However, we may be forced to suspend various business activities, including production and sales, if infections occur in the workplace or among customers and business partners, which may have an impact on our business performance and financial position.

Consolidated Balance Sheets

As of March 31, 2020 and 2019

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Assets			
Current Assets:			
Cash and cash equivalents (Note 6)	¥ 63,746	¥ 29,134	$ 590,243
Short-term investments (Notes 5, 6 and 7)	327	169	3,035
Trade receivables (Note 6)	294,504	308,831	2,726,889
Allowance for doubtful accounts	(2,597)	(2,084)	(24,053)
Inventories (Note 4)	188,113	176,972	1,741,788
Other current assets	51,599	60,074	477,771
Total Current Assets	595,692	573,096	5,515,673
Property, Plant and Equipment (Note 5):			
Land	35,504	35,032	328,741
Buildings and structures	251,118	243,822	2,325,170
Machinery and equipment	216,080	212,587	2,000,749
Lease assets (Note 19)	95,860	76,218	887,599
Construction in progress	5,045	9,211	46,718
Others	1,391	—	12,857
	604,998	576,870	5,601,834
Less accumulated depreciation	(403,106)	(394,746)	(3,732,460)
Net Property, Plant and Equipment	201,892	182,124	1,869,374
Investments and Other Assets:			
Investment securities (Notes 5, 6 and 7):			
Unconsolidated subsidiaries and affiliates	19,897	24,614	184,237
Other	108,391	108,734	1,003,629
Long-term loans receivable	672	710	6,229
Net defined benefit asset (Note 11)	15,083	16,382	139,664
Deferred tax assets (Note 16)	17,756	16,825	164,415
Other investments and other assets (Note 19)	37,866	30,658	350,577
Allowance for doubtful accounts	(422)	(484)	(3,913)
Total Investments and Other Assets	199,243	197,439	1,844,838
Total Assets	¥996,827	¥952,659	$9,229,885

The accompanying Notes to the Consolidated Financial Statements are an integral part of these statements.

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Liabilities and Net Assets			
Current Liabilities:			
Short-term debt (Notes 5, 6 and 9)	¥ 70,771	¥ 29,508	$ 655,287
Current portion of long-term debt (Notes 5, 6 and 9)	17,071	26,788	158,066
Trade payables (Notes 5 and 6)	179,914	196,669	1,665,878
Lease obligations (Notes 6 and 10)	15,668	11,991	145,077
Advances received	47,203	45,496	437,068
Income taxes payable (Note 16)	6,625	10,892	61,351
Other current liabilities (Notes 16 and 23)	85,908	104,550	795,428
Total Current Liabilities	423,160	425,894	3,918,155
Long-term Liabilities:			
Long-term debt (Notes 5, 6, and 9)	73,604	60,548	681,523
Lease obligations (Notes 6 and 10)	39,197	25,148	362,941
Net defined benefit liability (Note 11)	50,011	45,794	463,067
Provision for directors' retirement benefits	193	215	1,790
Deferred tax liabilities (Note 16)	1,172	475	10,861
Other long-term liabilities (Note 23)	3,488	2,524	32,266
Total Long-term Liabilities	167,665	134,704	1,552,448
Total Liabilities	590,825	560,598	5,470,603
Contingent Liabilities (Note 18):			
Net Assets (Note 24)			
Shareholders' Equity:			
Capital stock (Note 12):			
Authorized - 320,000,000 shares			
Issued- 149,296,991 shares as of March 31, 2020	47,586	—	440,612
149,296,991 shares as of March 31, 2019	—	47,586	—
Capital surplus	45,949	46,067	425,457
Retained earnings	241,305	223,940	2,234,313
Treasury stock at cost (Note 12) :			
6,454,259 shares as of March 31, 2020	(7,327)	—	(67,847)
6,451,315 shares as of March 31, 2019	—	(7,316)	—
Total Shareholders' Equity	327,513	310,277	3,032,535
Accumulated Other Comprehensive Income (Loss):			
Valuation difference on available-for-sale securities	44,606	43,974	413,028
Deferred gains or losses on hedges (Notes 6 and 8)	(231)	(280)	(2,142)
Foreign currency translation adjustments	(3,544)	368	(32,826)
Remeasurements of defined benefit plans	(2,724)	(1,417)	(25,227)
Total Accumulated Other Comprehensive Income	38,107	42,645	352,833
Non-controlling interests	40,382	39,139	373,914
Total Net Assets	406,002	392,061	3,759,282
Total Liabilities and Net Assets	¥996,827	¥952,659	$9,229,885

Consolidated Statements of Income

Years ended March 31, 2020 and 2019

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Net Sales	¥900,604	¥914,915	$8,338,926
Cost of Sales (Note 13)	680,068	679,877	6,296,925
Gross Profit	220,536	235,038	2,042,001
Selling, General and Administrative Expenses (Notes 13 and 14)	178,021	175,066	1,648,343
Operating Income	42,515	59,972	393,658
Non-Operating Income (Expenses):			
Interest and dividend income	2,830	3,122	26,212
Interest expense	(1,405)	(1,377)	(13,012)
Provision of allowance for doubtful accounts for subsidiaries and affiliates	(60)	(520)	(556)
Foreign exchange gains (losses)	(1,326)	89	(12,278)
Equity in earnings of affiliates	1,416	1,682	13,120
Other, net	543	511	5,017
	1,998	3,507	18,503
Ordinary Income	44,513	63,479	412,161
Extraordinary Loss, Net (Note 15)	(653)	(1,192)	(6,042)
Income Before Income Taxes	43,860	62,287	406,119
Income Taxes (Note 16)	11,989	17,217	111,011
Net Income	31,871	45,070	295,108
Net Income Attributable To Non-controlling Interests	3,078	4,803	28,502
Net Income Attributable To Owners of Parent (Note 24)	¥ 28,793	¥ 40,267	$ 266,606

The accompanying Notes to the Consolidated Financial Statements are an integral part of these statements.

Consolidated Statements of Comprehensive Income

Years ended March 31, 2020 and 2019

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Net Income	¥31,871	¥45,070	$295,108
Other Comprehensive Income (Loss) (Note 17)			
Valuation difference on available-for-sale securities	608	(3,782)	5,638
Deferred gains or losses on hedges	49	(369)	455
Foreign currency translation adjustments	(4,574)	(1,361)	(42,358)
Remeasurements of defined benefit plans	(1,531)	(1,106)	(14,184)
Share of other comprehensive income of associates accounted for using equity method	402	201	3,722
Total Other Comprehensive loss	(5,046)	(6,417)	(46,727)
Comprehensive Income	¥26,825	¥38,653	$248,381
Comprehensive Income Attributable to:			
Owners of parent	¥24,254	¥34,082	$224,577
Non-controlling interests	2,571	4,571	23,804

The accompanying Notes to the Consolidated Financial Statements are an integral part of these statements.

Consolidated Statements of Changes in Net Assets

Years ended March 31, 2020 and 2019

	Thousands	Millions of yen										
	Number of shares of capital stock	Capital stock	Capital surplus	Retained earnings	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasure-ments of defined benefit plans	Treasury stock	Total	Non-controlling interests	Total net assets
Balance at March 31, 2018	746,484	¥47,586	¥45,986	¥195,517	¥47,665	¥ 88	¥ 1,574	¥ (496)	¥(7,284)	¥330,636	¥35,910	¥366,546
Net income attributable to owners of parent	—	—	—	40,267	—	—	—	—	—	40,267	—	40,267
Change of scope of consolidation	—	—	—	(416)	—	—	—	—	—	(416)	—	(416)
Cash dividends	—	—	—	(11,428)	—	—	—	—	—	(11,428)	—	(11,428)
Purchase of treasury stock	—	—	—	—	—	—	—	—	(32)	(32)	—	(32)
Sales of treasury stock	—	—	2	—	—	—	—	—	0	2	—	2
Change in treasury shares of parent arising from transactions with non-controlling shareholders	—	—	79	—	—	—	—	—	—	79	—	79
Net changes of items other than shareholders' equity	(597,188)	—	—	—	(3,691)	(368)	(1,206)	(921)	—	(6,186)	3,229	(2,957)
Balance at March 31, 2019	149,296	¥47,586	¥46,067	¥223,940	¥43,974	¥(280)	¥ 368	¥(1,417)	¥(7,316)	¥352,922	¥39,139	¥392,061
Net income attributable to owners of parent	—	—	—	28,793	—	—	—	—	—	28,793	—	28,793
Change of scope of consolidation	—	—	—	—	—	—	—	—	—	—	—	—
Cash dividends	—	—	—	(11,428)	—	—	—	—	—	(11,428)	—	(11,428)
Purchase of treasury stock	—	—	—	—	—	—	—	—	(11)	(11)	—	(11)
Sales of treasury stock	—	—	1	—	—	—	—	—	0	1	—	1
Change in treasury shares of parent arising from transactions with non-controlling shareholders	—	—	(119)	—	—	—	—	—	—	(119)	—	(119)
Net changes of items other than shareholders' equity		—	—	—	632	49	(3,912)	(1,307)	—	(4,538)	1,243	(3,295)
Balance at March 31, 2020	**149,296**	**¥47,586**	**¥45,949**	**¥241,305**	**¥44,606**	**¥(231)**	**¥(3,544)**	**¥(2,724)**	**¥(7,327)**	**¥365,620**	**¥40,382**	**¥406,002**

	Thousands of U.S. dollars (Note 3)										
	Capital stock	Capital surplus	Retained earnings	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasure-ments of defined benefit plans	Treasury stock	Total	Non-controlling interests	Total net assets
Balance at March 31, 2019	$440,612	$426,548	$2,073,519	$407,175	$(2,597)	$ 3,411	$(13,128)	$(67,745)	$3,267,795	$362,404	$3,630,199
Net income attributable to owners of parent	—	—	266,606	—	—	—	—	—	266,606	—	266,606
Change of scope of consolidation	—	—	—	—	—	—	—	—	—	—	0
Cash dividends	—	—	(105,812)	—	—	—	—	—	(105,812)	—	(105,812)
Purchase of treasury stock	—	—	—	—	—	—	—	(107)	(107)	—	(107)
Sales of treasury stock	—	10	—	—	—	—	—	5	15	—	15
Change in treasury shares of parent arising from transactions with non-controlling shareholders	—	(1,101)	—	—	—	—	—	—	(1,101)	—	(1,101)
Net changes of items other than shareholders' equity	—	—	—	5,853	455	(36,237)	(12,099)	—	(42,028)	11,510	(30,518)
Balance at March 31, 2020	**$440,612**	**$425,457**	**$2,234,313**	**$413,028**	**$(2,142)**	**$(32,826)**	**$(25,227)**	**$(67,847)**	**$3,385,368**	**$373,914**	**$3,759,282**

The accompanying Notes to the Consolidated Financial Statements are an integral part of these statements.

Consolidated Statements of Cash Flows

Years ended March 31, 2020 and 2019

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Cash Flows from Operating Activities:			
Income before income taxes	¥43,860	¥62,287	$406,119
Depreciation and amortization	32,319	30,906	299,256
Increase in allowance for doubtful accounts	352	802	3,267
Interest and dividend income	(2,830)	(3,122)	(26,212)
Interest expense	1,405	1,377	13,012
Foreign exchange losses (gains)	149	(544)	1,385
Gain on sales of noncurrent assets	(245)	(96)	(2,272)
Gain on sales of investment securities	(2,525)	(1,055)	(23,388)
Loss on disposal of noncurrent assets	1,517	1,121	14,048
Loss on devaluation of investment securities	1,481	279	13,714
Impairment loss	0	2,242	0
Foreign currency translation adjustments reversal gains	0	(1,299)	0
Changes in operating assets and liabilities:			
Trade receivables	12,127	(21,949)	112,296
Inventories	(11,873)	(26,937)	(109,941)
Trade payables	(15,159)	12,410	(140,367)
Advances received	1,557	(3,129)	14,421
Other, net	(900)	12,186	(8,340)
Cash generated from operations	61,235	65,479	566,998
Interest and dividends received	2,830	3,142	26,212
Interest expenses paid	(1,396)	(1,412)	(12,929)
Income taxes paid	(16,582)	(12,260)	(153,544)
Net cash provided by operating activities	46,087	54,949	426,737
Cash Flows from Investing Activities:			
Purchase of property, plant and equipment	(22,699)	(15,932)	(210,181)
Proceeds from sales of property, plant and equipment	741	354	6,867
Purchase of investment securities	(638)	(639)	(5,915)
Proceeds from sales of investment securities	8,956	1,600	82,932
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(9,422)	0	(87,250)
Payments of loans receivable	(7,825)	(7,381)	(72,459)
Collection of loans receivable	7,768	7,339	71,928
Other, net	(4,502)	(6,789)	(41,674)
Net cash used in investing activities	(27,621)	(21,448)	(255,752)
Cash Flows from Financing Activities:			
Net Increase (decrease) in short-term loans payable	41,203	(2,680)	381,511
Proceeds from long-term loans payable	30,126	3,044	278,949
Repayment of long-term loans payable	(26,663)	(2,068)	(246,883)
Proceeds from issuance of bonds	—	10,000	0
Redemption of bonds	—	(20,000)	0
Repayments of lease obligations	(14,625)	(13,106)	(135,424)
Proceeds from sales of treasury stock	1	2	15
Purchase of treasury stock	(11)	(32)	(107)
Cash dividends paid	(11,428)	(11,428)	(105,812)
Cash dividends paid to non-controlling interests	(1,442)	(1,340)	(13,360)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(242)	(512)	(2,244)
Other, net	(1)	(52)	1
Net cash provided by (used in) financing activities	16,918	(38,172)	156,646
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(772)	338	(7,155)
Net Increase (Decrease) in Cash and Cash Equivalents	34,612	(4,333)	320,476
Cash and Cash Equivalents at Beginning of Year	29,134	33,329	269,767
Increase in Cash and Cash Equivalents Resulting from Change of Scope of Consolidation	—	138	0
Cash and Cash Equivalents at End of Year	¥63,746	¥29,134	$590,243

The accompanying Notes to the Consolidated Financial Statements are an integral part of these statements.

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, 2020 include the accounts of the Company and its 73 significant subsidiaries and its 4 subsidiaries and affiliates are accounted for by the equity method (72 and 4 in 2019).

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, net income (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

Marketable securities classified as other securities are stated at fair value. Unrealized gains and losses, net of taxes, are reported in a separate component of net assets.

Nonmarketable securities classified as other securities 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 and interest rate and currency swap agreements as a means of managing its interest rate and foreign currency exposures on certain liabilities.

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.

c) The interest rate and currency swaps which qualify for hedge accounting and meet criteria for exceptional accounting treatment ("Tokurei shori") and allocation treatment ("Furiate shori") under hedge accounting are accounted for integrated treatment ("Ittai shori").

f. Depreciation

1) Tangible fixed assets (excluding leased assets)

Depreciation is computed by the declining-balance method at rates based on the estimated useful lives of the assets, while the straight-line method is applied to the buildings of the Company and its domestic consolidated subsidiaries acquired after April 1, 1998 and the facilities attached to buildings and the other non-building structures acquired after April 1, 2016. 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. Finance leases other than those that were deemed to transfer the ownership of the leased assets to the lessees and contracted before April 1, 2008, are accounted for by the method that is applicable to ordinary operating leases.

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. Retirement Benefits

(1) 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) The prior service costs are amortized by the straight-line method within the average remaining years of service of the employees 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.

i. Provision for Directors' Retirement Benefits

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

j. Research and Development Costs

Research and development costs are charged to income as incurred.

k. Recognition for Revenue and Costs

For long-term construction contracts whose outcome can be estimated reliably, the percentage-of-completion method is adopted. The stage of completion of a contract is determined by the percentage of the cost incurred to date to the estimated total cost. When the outcome of the construction contracts can not be estimated reliably, the completed-contract method is adopted.

l. 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.

m. 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.

n. 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 shareholders' 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.

o. Accounting for Consumption Taxes

The Japanese consumption taxes withheld and consumption taxes paid are not included in the accompanying consolidated statements of income.

p. Adapting Tax Effect Accounting for the Transition from Consolidated Tax Return Filing System to Japanese Group Relief System

Regarding the transition to the group tax sharing system, established under the "Law that partially amends the Income Tax Law" (Law No. 8 of 2 years of Reiwa), and revised items of the Non-consolidated Tax Return Filing System in relation to the transition, Fuji electric and some domestic consolidated subsidiaries did not adopt the "Implementation Guidance on Tax Effect Accounting" (Accounting Standard Board of Japan ("ASBJ") statement No.28 issued on February 16, 2018) paragraph 44, in accordance with "Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (Practical Solution No. 39 issued on March 30, 2020) paragraph 3. Therefore, the amount of deferred tax assets and deferred tax liabilities were based on the tax law before the revision.

q. Amounts Per Share

Basic net income per share is computed based on the net income attributable to common shareholders of the parent and the weighted average number of shares of common stock outstanding during the year, and diluted net income per share is computed based on the net income 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.

r. Accounting Standards Issued but not yet Effective

- "Accounting Standard for Revenue Recognition" (Accounting Standard Board of Japan ("ASBJ") statement No. 29 issued on March 30, 2018)
- "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30 issued on March 30, 2018)
- "Implementation Guidance on Disclosures about Fair Value of Financial Instruments." (ASBJ Guidance No. 19 issued on March 31, 2020)

(1) Overview

The International Accounting Standards Board (IASB) and the United States Financial Accounting Standards Board (FASB) worked together toward development of a comprehensive accounting standard for revenue recognition and "Revenue from Contracts with Customers" was issued as IFRS 15 by the IASB and as ASC 606 by the FASB in May, 2014. IFRS 15 became effective for annual reporting periods beginning on or after January 1, 2018 and ASC 606 became effective for the periods beginning on or after December 15, 2017. In light of these circumstances, the ASBJ developed and issued a comprehensive accounting standard for revenue recognition together with an implementation guidance.

The ASBJ's basic policy for developing accounting standard for revenue recognition is to build the standard on the core principle of IFRS 15 in terms of international comparability between financial statements that is one of the benefits of convergence toward IFRS 15. It also stated that alternative accounting treatment may be additionally adopted locally, to make consideration to the current Japanese practices if necessary, provided such alternative treatments would not impair international comparability.

(2) Scheduled date of adoption

The Companies expect to adopt the accounting standard and implementation guidance from the beginning of the fiscal year ending March 31, 2022.

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

The Companies are currently evaluating the effect of the adoption of this accounting standard and implementation guidance on the consolidated financial statements.

- "Accounting Standard for Fair Value Measurement" (Accounting Standard Board of Japan ("ASBJ") statement No. 30 issued on July 4, 2019)
- "Accounting Standard for Measurement of Inventories" (Accounting Standard Board of Japan ("ASBJ") statement No. 9 issued on July 4, 2019)
- "Accounting Standard for Financial Instruments" (Accounting Standard Board of Japan ("ASBJ") statement No. 10 issued on July 4, 2019)
- "Implementation Guidance on Accounting Standard for Fair Value Measurement" (Accounting Standard Board of Japan ("ASBJ") statement No. 31 issued on July 4, 2019)
- "Implementation Guidance on Disclosures about Fair Value of Financial Instruments." (Accounting Standard Board of Japan ("ASBJ") statement No. 19 issued on March 31, 2020)

(1) Overview

The International Accounting Standards Board (IASB) and the United States Financial Accounting Standards Board (FASB) provide nearly identical detailed guidance on fair value measurements (IFRS 13 "Fair Value Measurements" in International Financial Reporting Standards (IFRS), the Accounting Standards Codification Topic 820 "Fair Value Measurement" in the United States). In light of these circumstances, the ASBJ improved consistency between domestic and international accounting standards with regard to the guidance and disclosure mainly on the fair value of financial instruments, and issued "Accounting Standard for Fair Value Measurement" and relating accounting standards. The ASBJ's basic policy for developing accounting standard for fair value measurement is to basically adopt all the provisions of IFRS 13 in order to improve the comparability of financial statements between domestic and foreign companies by using a uniform calculation method. It also stated that alternative accounting treatment may be additionally adopted locally, to make consideration to the current Japanese practices if necessary, provided such alternative treatments would not impair international comparability.

(2) Scheduled date of adoption

The Companies expect to adopt the accounting standard and implementation guidance from the beginning of the fiscal year ending March 31, 2022.

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

The effect of the adoption of this accounting standard and implementation guidance on the consolidated financial statements is yet to be determined.

- "Accounting Standard for Disclosure of Accounting Estimates" (Accounting Standard Board of Japan ("ASBJ") statement No. 31 issued on March 31, 2020)

(1) Overview

International Accounting Standards (IAS) 1 "Presentation of financial statements" paragraph 125, issued by the International Accounting Standards Board (IASB) in 2003, requires to disclose the "Sources of estimation uncertainty". The ASBJ received a request for consideration of requiring disclosure as note information under Japanese standards as well, as that information is highly useful to users of financial statements. Then the ASBJ developed and issued Accounting Standard for Disclosure of Accounting Estimates. The ASBJ's basic policy for developing the accounting standard is that specific disclosure contents should be determined by entities with consideration of disclosure purposes, and in developing the standard, the ASBJ referred to IAS 1 paragraph 125.

(2) Scheduled date of adoption

The Companies expect to adopt the accounting standard and implementation guidance from the beginning of the fiscal year ending March 31, 2021.

- The revised “Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections” (Accounting Standard Board of Japan (“ASBJ”) statement No. 24 issued on March 31, 2020)

(1) Overview

In response to the recommendation to consider the enhancement of the note information related “Accounting principles and procedures adopted when the provisions of relevant accounting standards are not clear”, the ASBJ revised and issued Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections. When developing the revision, the provisions of accounting standard Interpretations (Note 1-2) will be taken over in order not to affect the past practices when the provisions of related accounting standards are clear.

(2) Scheduled date of adoption

The Companies expect to adopt the accounting standard and implementation guidance from the beginning of the fiscal year ending March 31, 2021.

s. Additional Information

About the effects of novel coronavirus (COVID-19) pandemic

The novel coronavirus (COVID-19) pandemic has restricted economic activity on an unprecedented scale in many countries. Due to the tough situation, we are facing problems such as extensions of delivery and capital investment cutbacks. Since it is very difficult to predict how long it will spread and when it will end, we estimate impairments of fixed assets, based on the information available at the end of the consolidated fiscal year and the assumption that the condition will continue for a certain period of the next consolidated fiscal year.

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 ¥108=U.S.$1, the approximate exchange rate as of March 31, 2020. The U.S. dollar amounts are presented solely for the convenience of the readers outside Japan.

Note 4. Inventories

Inventories as of March 31, 2020 and 2019 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Merchandise and finished goods	¥ 66,866	¥ 62,185	$ 619,137
Work in process	67,875	63,914	628,474
Raw materials	53,372	50,873	494,177
Inventories	¥188,113	¥176,972	$1,741,788

Losses on valuation of inventories with lower profitability were ¥489 million ($4,533 thousand) and ¥390 million for the years ended March 31, 2020 and 2019, 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, short-term debt and long-term debt as of March 31, 2020 and 2019 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Investment securities	¥ 12	¥ 14	$ 115
Property, plant and equipment	1,438	1,545	13,323
Intangible assets	405	415	3,740
Total	¥1,855	¥1,974	$17,178

Collateralized liabilities as of March 31, 2020 and 2019 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Trade payables	¥ 46	¥ 77	$ 433
Short-term debt	224	891	2,075
Long-term debt	63	101	584
Total	¥333	¥1,069	$3,092

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 exchange risk. The Companies hedge the 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 exchange risk. The Companies hedge the 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 14 years at the longest after the balance sheet date. Some are exposed to interest rate fluctuation and exchange risk and the Companies hedge such risk by interest rate and currency swap transactions.

Regarding derivatives, the Companies employ foreign exchange forward contracts to reduce the risk of foreign currency exchange movements that arise from the previously mentioned receivables and payables denominated in foreign currencies. In addition, the Companies use interest rate and currency swap transactions to reduce the interest rate fluctuation and exchange risk of loans, and use commodityswap 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 the risk of foreign currency exchange movements that arise from the previously mentioned receivables and payables denominated in foreign currencies. In addition, the Companies use interest rate and currency swap transactions to reduce the interest rate and exchange fluctuation risk of loans, and 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

The estimated fair value of financial instruments is their price based on their market price and other indicators. When there is no market price available, it includes prices which are reasonably computed.

Since variable factors are taken into account in computing the price, this price 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, 2020 and 2019, estimated fair value and the variance between them are shown in the following table. Financial instruments whose estimated fair value is deemed to be extremely difficult to obtain are not included (Please refer to Note 2).

	Millions of yen		
	2020		
	Carrying amounts	Fair value	Variance
Cash and cash equivalents	¥ 63,746	¥ 63,746	¥ —
Trade receivables	294,504	294,461	(43)
Investment securities	113,511	125,474	11,963
Trade payables	(179,914)	(179,914)	—
Short-term debt	(70,771)	(70,771)	—
Current portion of long-term debt	(17,071)	(17,086)	15
Lease obligations (Current Liabilities)	(15,668)	(15,668)	—
Long-term debt	(73,604)	(73,719)	115
Lease obligations (Long-term Liabilities)	(39,197)	(39,602)	405
Derivatives			
Derivative transactions to which hedge accounting is not applied	15	15	—
Derivative transactions to which hedge accounting is applied	(333)	(333)	—

	Millions of yen		
	2019		
	Carrying amounts	Fair value	Variance
Cash and cash equivalents	¥ 29,134	¥ 29,134	¥ —
Trade receivables	308,831	308,808	(23)
Investment securities	117,739	128,010	10,271
Trade payables	(196,669)	(196,669)	—
Short-term debt	(29,508)	(29,508)	—
Current portion of long-term debt	(26,788)	(26,788)	—
Lease obligations (Current Liabilities)	(11,991)	(11,991)	—
Long-term debt	(60,548)	(61,044)	496
Lease obligations (Long-term Liabilities)	(25,148)	(25,472)	324
Derivatives			
Derivative transactions to which hedge accounting is not applied	24	24	—
Derivative transactions to which hedge accounting is applied	(404)	(404)	—

	Thousands of U.S. dollars (Note 3)		
	2020		
	Carrying amounts	Fair value	Variance
Cash and cash equivalents	$ 590,243	$ 590,243	$ —
Trade receivables	2,726,889	2,726,498	(391)
Investment securities	1,051,033	1,161,803	110,770
Trade payables	(1,665,878)	(1,665,878)	—
Short-term debt	(655,287)	(655,287)	—
Current portion of long-term debt	(158,066)	(158,205)	139
Lease obligations (Current Liabilities)	(145,077)	(145,077)	—
Long-term debt	(681,523)	(682,585)	1,062
Lease obligations (Long-term Liabilities)	(362,941)	(366,686)	3,745
Derivatives			
Derivative transactions to which hedge accounting is not applied	148	148	—
Derivative transactions to which hedge accounting is applied	(3,087)	(3,087)	—

(*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.

Notes: 1. Methods for computing the estimated fair value of financial instruments, and information on securities and derivatives

(1) Cash and cash equivalents
Since these items are settled in a short period of time, estimated fair values are virtually the same as the carrying amounts.

(2) Trade receivables
Fair values of trade receivables, classified by each maturity, are based on the present value discounted by the interest rate determined taking into account the term until maturity and the credit risk.

(3) Investment securities
Stocks are valued at the exchange trading price. For information on securities classified by the purpose of holding, please refer to "Note 7. Securities."

(4) Trade payables, (5) Short-term debt, (6) Current portion of long-term debt (except bonds) and (7) Lease obligations (Current Liabilities)
Since these items are settled in a short period of time, estimated fair values are virtually the same as the carrying amounts.

(6) Current portion of long-term debt (bonds) and (8) Long-term debt (bonds)
Fair values of bonds issued by the Company are based on each market price.

(8) Long-term debt (except bonds) and (9) Lease obligations (Long-term Liabilities)
Fair values of these items are based on the present value of the total of principal and interest discounted by the interest rate applied if similar new borrowings and new lease transactions were entered into.

(10) Derivatives
Please refer to "Note 8. Derivatives."

2. Items for which obtaining an estimated fair value is deemed to be extremely difficult

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
	Carrying amounts	Carrying amounts	Carrying amounts
Unlisted stocks (including stocks of unconsolidated subsidiaries and affiliates)	¥14,777	¥15,608	$136,832

Because the items in the preceding table do not have market price and obtaining the estimated fair values of these items is deemed to be extremely difficult, fair value has not been disclosed in (3) Investment securities.

3. Redemption schedule for monetary assets and securities with maturity dates as of March 31, 2020 and 2019:

	Millions of yen			
	2020			
	Within 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 years
Cash and cash equivalents	¥ 63,746	¥ —	¥ —	¥ —
Trade receivables	286,796	7,191	515	—
Total	¥350,542	¥ 7,191	¥515	¥ —

	Millions of yen			
	2019			
	Within 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 years
Cash and cash equivalents	¥ 29,134	¥ —	¥ —	¥ —
Trade receivables	299,560	9,206	64	—
Total	¥328,694	¥ 9,206	¥ 64	¥ —

	Thousands of U.S. dollars (Note 3)			
	2020			
	Within 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 years
Cash and cash equivalents	$ 590,243	$ —	$ —	$ —
Trade receivables	2,655,524	66,588	4,777	—
Total	$ 3,245,767	$ 66,588	$ 4,777	$ —

4. 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."

Note 7. Securities

1. Other Securities as of March 31, 2020 and 2019 were as Follows:

	Millions of yen			
	2020			
	Cost	Carrying amounts	Unrealized gains	Unrealized losses
Marketable securities classified as other securities				
Equity securities	¥39,873	¥104,420	¥65,616	¥(1,069)
Debt securities	—	—	—	—
Others	—	—	—	—
Total	¥39,873	¥104,420	¥65,616	¥(1,069)

	Millions of yen			
	2019			
	Cost	Carrying amounts	Unrealized gains	Unrealized losses
Marketable securities classified as other securities				
Equity securities	¥41,069	¥104,610	¥64,104	¥(563)
Debt securities	—	—	—	—
Others	—	—	—	—
Total	¥41,069	¥104,610	¥64,104	¥(563)

	Thousands of U.S. dollars (Note 3)			
	2020			
	Cost	Carrying amounts	Unrealized gains	Unrealized losses
Marketable securities classified as other securities				
Equity securities	$369,200	$966,857	$607,557	$ (9,900)
Debt securities	—	—	—	—
Others	—	—	—	—
Total	$369,200	$966,857	$607,557	$ (9,900)

Note: The following is not included in the preceding tables because it does not have market price and obtaining an estimated fair value is deemed to be extremely difficult:
Unlisted stocks (Values in the consolidated balance sheets as of March 31, 2020 and 2019 were ¥3,971 million ($36,772 thousand) and ¥4,124 million, respectively.)

2. Sales of Other Securities for the Years Ended March 31, 2020 and 2019 were as Follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Proceed from sales	¥1,434	¥1,590	$13,286
Gain on sales	718	1,055	6,653
Loss on sales	(10)	—	(96)

3. Impairment of Other Securities for the Years Ended March 31, 2020 and 2019 were as Follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Impairment losses	¥1,481	¥ 279	$13,714

Note 8. Derivatives

1. Derivative Transactions to which Hedge Accounting is Not Applied

	Millions of yen			
	2020			
	Contract amount	Contract amount over 1 year	Fair value	Unrealized gain/loss
Foreign currency forward contracts:				
Receivables:				
U.S. Dollar	¥ 952	¥ —	¥ (5)	¥ (5)
Euro	714	—	13	13
Won	216	—	0	0
Baht	144	—	4	4
Payables:				
U.S. Dollar	294	—	2	2
Yen	770	—	48	48
Singapore Dollar	884	—	(47)	(47)
Total	¥3,974	¥ —	¥ 15	¥ 15

	Millions of yen			
	2019			
	Contract amount	Contract amount over 1 year	Fair value	Unrealized gain/loss
Foreign currency forward contracts:				
Receivables:				
U.S. Dollar	¥2,708	¥ —	¥(16)	¥(16)
Euro	1,924	—	54	54
Won	112	—	(0)	(0)
Baht	136	—	(3)	(3)
Yuan Renminbi	1,624	—	(13)	(13)
Payables:				
U.S. Dollar	205	—	2	2
Yen	22	—	0	0
Total	¥6,731	¥ —	¥ 24	¥ 24

	Thousands of U.S. dollars (Note 3)			
	2020			
	Contract amount	Contract amount over 1 year	Fair value	Unrealized gain/loss
Foreign currency forward contracts:				
Receivables:				
U.S. Dollar	$ 8,776	$ —	$ (56)	$ (56)
Euro	6,616	—	126	126
Won	2,006	—	3	3
Baht	1,340	—	39	39
Payables:				
U.S. Dollar	2,731	—	24	24
Yen	7,135	—	450	450
Singapore Dollar	8,194	—	(438)	(438)
Total	$36,798	$ —	$ 148	$ 148

Note: The fair value is estimated based on forward exchange rates.

2. Derivative Transactions to which Hedge Accounting is Applied

(1) Currency-related contracts

Hedge accounting method	Type of derivative	Principal items hedged	Millions of yen 2020 Contract amount	Contract amount over 1 year	Fair value
Deferral hedge method	Foreign currency forward contracts:				
	Receivables:	Accounts receivable-trade			
	U.S. Dollar		¥ 1,795	¥ —	¥ (97)
	Euro		159	19	(1)
	Payables:	Accounts payable-trade			
	U.S. Dollar		3,204	54	13
	Euro		10,328	5,077	(217)
	Pound sterling		2	—	0
	Indian Rupee		2,460	—	(31)
Allocation method	Foreign currency forward contracts:				
	Receivables:	Accounts receivable-trade			
	U.S. Dollar		¥ 3,170	¥ —	
	Euro		86	—	
	Yuan Renminbi		152	—	
	Baht		105	—	(Note2)
	Payables:	Accounts payable-trade			
	U.S. Dollar		914	—	
	Euro		243	—	
	Pound sterling		2	—	
	Total		¥22,620	¥5,150	¥ (333)

Hedge accounting method	Type of derivative	Principal items hedged	Millions of yen 2019 Contract amount	Contract amount over 1 year	Fair value
Deferral hedge method	Foreign currency forward contracts:				
	Receivables:	Accounts receivable-trade			
	U.S. Dollar		¥ 5,461	¥1,814	¥ (223)
	Euro		2,048	—	20
	Baht		25	—	(1)
	Payables:	Accounts payable-trade			
	U.S. Dollar		3,750	—	42
	Euro		6,375	2,537	(242)
	Singapore Dollar		32	—	0
Allocation method	Foreign currency forward contracts:				
	Receivables:	Accounts receivable-trade			
	U.S. Dollar		¥ 2,201	¥ —	
	Yuan Renminbi		184	—	
	Baht		168	—	(Note2)
	Payables:	Accounts payable-trade			
	U.S. Dollar		1,078	—	
	Euro		178	—	
	Total		¥21,500	¥4,351	¥ (404)

Hedge accounting method	Type of derivative	Principal items hedged	Contract amount	Contract amount over 1 year	Fair value
			Thousands of U.S. dollars (Note 3)		
			2020		
Deferral hedge method	Foreign currency forward contracts:				
	Receivables:	Accounts receivable-trade			
	U.S. Dollar		$ 16,623	$ —	$ (905)
	Euro		1,475	184	(11)
	Payables:	Accounts payable-trade			
	U.S. Dollar		29,669	501	126
	Euro		95,582	47,007	(2,003)
	Pound sterling		28	—	(2)
	Indian Rupee		22,782	—	(292)
Allocation method	Foreign currency forward contracts:				
	Receivables:	Accounts receivable-trade			
	U.S. Dollar		$ 29,352	$ —	
	Euro		804	—	
	Yuan Renminbi		1,415	—	
	Baht		977	—	(Note2)
	Payables:	Accounts payable-trade			
	U.S. Dollar		8,466	—	
	Euro		2,253	—	
	Pound sterling		24	—	
	Total		$209,450	$47,692	$ (3,087)

Notes: 1. The fair value is estimated based on forward exchange rates.
2. Since amounts in foreign currency forward contracts treated by the allocation method are handled together with accounts receivable-trade and accounts payable-trade that are subject to hedging, the estimated fair value of such contracts is included in the fair value of accounts receivable-trade or accounts payable-trade.

(2) Interest-rate-related contracts

Hedge accounting method	Type of derivative	Principal items hedged	Contract amount	Contract amount over 1 year	Fair value
			Millions of yen		
			2020		
Exceptional accounting treatment and allocation treatment	Interest rate and currency swap contracts (Floating rate receipts / Fixed rate payments)	Long-term loans payable	¥1,835	¥1,835	(Note2)

Hedge accounting method	Type of derivative	Principal items hedged	Contract amount	Contract amount over 1 year	Fair value
			Millions of yen		
			2019		
Exceptional accounting treatment and allocation treatment	Interest rate and currency swap contracts (Floating rate receipts / Fixed rate payments)	Long-term loans payable	¥1,835	¥1,835	(Note2)

Hedge accounting method	Type of derivative	Principal items hedged	Contract amount	Contract amount over 1 year	Fair value
			Thousands of U.S. dollars (Note 3)		
			2020		
Exceptional accounting treatment and allocation treatment	Interest rate and currency swap contracts (Floating rate receipts / Fixed rate payments)	Long-term loans payable	$16,993	$16,993	(Note2)

Notes: 1. The fair value is principally based on the quotes obtained from the correspondent financial institutions.
2. Since amounts in interest rate swaps which qualify for hedge accounting and meet specific matching criteria are handled together with long-term loans payable that are subject to hedging, the estimated fair value of such interest rate swaps is included in the fair value of the long-term loans payable.

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

Short-term debt as of March 31, 2020 and 2019 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Loans, principally from banks	¥19,271	¥21,508	$178,435
Commercial paper	51,500	8,000	476,852
Short-term debt	¥70,771	¥29,508	$655,287

Note: The weighted average interest rates on short-term debt as of March 31, 2020 and 2019 were 0.45% and 1.21%, respectively.

Long-term debt as of March 31, 2020 and 2019 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Loans, principally from banks and insurance companies	¥40,675	¥37,336	$376,626
Bonds issued by the Company:			
0.38% Yen unsecured straight bonds due September 4, 2020	15,000	15,000	138,889
0.28% Yen unsecured straight bonds due August 31, 2023	15,000	15,000	138,889
0.40% Yen unsecured straight bonds due May 21, 2027	10,000	10,000	92,593
0.40% Yen unsecured straight bonds due May 25, 2028	10,000	10,000	92,593
	90,675	87,336	839,589
Less: Portion due within one year	17,071	26,788	158,066
Long-term debt	¥73,604	¥60,548	$681,523

Note: The weighted average interest rates on loans, principally from banks and insurance companies, as of March 31, 2020 and 2019 were 0.40% and 0.57%, respectively.

As of March 31, 2020, 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)
2022	¥ 4,332	$ 40,104
2023	30,242	280,025
2024	17,530	162,320
2025	1,500	13,889
2026 thereafter	20,000	185,185
Total	¥73,604	$681,523

Note 10. Lease Obligations

Lease obligations as of March 31, 2020 and 2019 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Short-term	¥15,668	¥11,991	$145,077
Long-term	39,197	25,148	362,941
Total	¥54,865	¥37,139	$508,018

Note: The weighted average interest rates on lease obligations as of March 31, 2020 and 2019 were 1.88% and 1.70%, respectively.

As of March 31, 2020, the aggregate annual maturities of lease obligations were as follows:

Years ending March 31,	Millions of yen	Thousands of U.S. dollars (Note 3)
2022	¥14,220	$131,675
2023	10,586	98,021
2024	7,726	71,541
2025	4,586	42,467
2026 thereafter	2,079	19,237
Total	¥39,197	$362,941

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, 2020 and 2019 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Retirement benefit obligation at the beginning of the year	¥181,387	187,344	$1,679,512
Service cost	3,167	3,202	29,332
Interest cost	2,409	2,488	22,313
Actuarial loss	1,406	1,296	13,020
Retirement benefits paid	(11,524)	(12,950)	(106,706)
Prior service cost	(681)	(0)	(6,307)
Others	28	7	246
Retirement benefit obligation at the end of the year	¥176,192	¥181,387	$1,631,410

(2) The changes in plan assets at fair value except for plans accounted for by a simplified method during the years ended March 31, 2020 and 2019 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Plan assets at fair value at the beginning of the year	¥153,859	¥186,726	$1,424,627
Expected return on plan assets	2,117	2,166	19,604
Actuarial gain	(2,819)	(462)	(26,105)
Contributions by the Companies	1,219	1,753	11,290
Retirement benefits paid	(10,965)	(11,771)	(101,529)
Redemption of the retirement benefit trust assets	—	(24,556)	—
Others	(6)	3	(59)
Plan assets at fair value at the end of the year	¥143,405	¥153,859	$1,327,828

(3) The changes in net defined benefit liability calculated by a simplified method during the years ended March 31, 2020 and 2019 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Retirement benefit obligation at the beginning of the year	¥1,884	¥1,792	$17,447
Retirement benefit expenses	493	280	4,572
Retirement benefits paid	(79)	(47)	(733)
Contributions	(147)	(139)	(1,366)
Others	(11)	(2)	(99)
Net defined benefit liability at the end of the year	¥2,140	¥1,884	$19,821

(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)
	2020	2019	2020
Funded retirement benefit obligation	¥175,370	¥180,868	$1,623,804
Plan assets at fair value	(146,953)	(157,467)	(1,360,677)
	28,417	23,401	263,127
Unfunded retirement benefit obligation	6,510	6,010	60,276
Net amount of liabilities and assets recognized in the consolidated balance sheet	¥ 34,927	¥ 29,411	$ 323,403
Net defined benefit liability	50,011	45,794	463,067
Net defined benefit asset	(15,084)	(16,383)	(139,664)
Net amount of liabilities and assets recognized in the consolidated balance sheet	¥ 34,927	¥ 29,411	$ 323,403

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

(5) The components of retirement benefit expenses for the years ended March 31, 2020 and 2019 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Service cost	¥3,167	¥3,202	$29,332
Interest cost	2,409	2,488	22,313
Expected return on plan assets	(2,117)	(2,166)	(19,604)
Amortization of actuarial loss	1,654	181	15,316
Amortization of prior service cost	(280)	17	(2,595)
Retirement benefit expenses calculated by simplified method	493	280	4,572
Others	106	129	967
Retirement benefit expenses	¥5,432	¥4,131	$50,301

(6) The components of remeasurements of defined benefit plans included in other comprehensive income (before tax effect) for the years ended March 31, 2020 and 2019 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Prior service cost	¥ (400)	¥ (17)	$ (3,712)
Actuarial gain and loss	2,569	1,575	23,797
Total	¥2,169	¥1,558	$20,085

(7) The components of remeasurements of defined benefit plans included in accumulated other comprehensive income (before tax effect) as of March 31, 2019 and 2018 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Unrecognized prior service cost	¥ (6,479)	¥ (6,078)	$(59,991)
Unrecognized actuarial gain and loss	10,087	7,516	93,400
Total	¥ 3,608	¥ 1,438	$ 33,409

(8) The breakdown of plan assets by major category as of March 31, 2020 and 2019 were as follows:

	2020	2019
Debt securities	40%	40%
Deposit	24	25
Equity securities	14	15
General accounts at life insurance companies	21	18
Others	1	2
Total	100%	100%

Note: Retirement benefit trust established for the corporate pension plans is included and equivalent to 9% of total amount of plan assets as of March 31, 2020 and 9% of total amount of plan assets as of March 31, 2019.

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, 2020 and 2019 were as follows:

	2020	2019
Discount rates	0.27% – 1.40%	0.27% – 1.40%
Long-term expected rates of return on plan assets	mainly 2.0%	mainly 2.0%
Expected rates of salary increase	0.0% – 8.6%	2.5% – 8.6%

3. Information on Defined Contribution Pension Plans

Contributions of defined contribution pension plans for the years ended March 31, 2020 and 2019 were ¥4,724 million ($43,745 thousand) and ¥4,708 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, 2020 and 2019 were ¥15 million ($139 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, 2020 and 2019 were as follows:

	Thousands of shares			
	March 31, 2019	Increase in the year	Decrease in the year	March 31, 2020
Shares outstanding:				
Common stock	149,296	—	—	149,296
Total	149,296	—	—	149,296
Treasury stock:				
Common stock	6,451	3	—	6,454
Total	6,451	3	—	6,454

	Thousands of shares			
	March 31, 2018	Increase in the year	Decrease in the year	March 31, 2019
Shares outstanding:				
Common stock	746,484	—	597,188	149,296
Total	746,484	—	597,188	149,296
Treasury stock:				
Common stock	32,215	19	25,783	6,451
Total	32,215	19	25,783	6,451

Note for the year ended March 31, 2020

The increase of treasury stock of common stock amounted to 3 thousand is due to purchase of shares of less than one voting unit.

Notes for the year ended March 31, 2019

1. Fuji Electric conducted an 1-for-5 common stock consolidation effective October 1, 2018.
2. The decrease of shares outstanding of common stock amounted to 597,188 thousand is due to stock consolidation.
3. The increase of treasury stock of common stock amounted to 19 thousand consists of the increase amounted to 2 thousand due to purchase of fractions less than a share as a result of the stock consolidation, and the increase amounted to 17 thousand (Before the stock consolidation: 13 thousand, after stock consolidation: 3 thousand) due to purchase of shares of less than a share trading unit associated with the stock consolidation.
4. The decrease of treasury stock of common stock amounted to 25,783 thousand consists of the stock consolidation amounted to 25,782 thousand and the sales of shares of less than a share trading unit amounted to 1 thousand (Before the stock consolidation: 0 thousand, after stock consolidation: 0 thousand).

2. Dividends

(1) Dividends paid

For the year ended March 31, 2020

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, 2019	Common stock	¥5,713	$52,906	¥40.0	$0.37	March 31, 2019	June 5, 2019
Meeting of the Board of Directors on October 31, 2019	Common stock	5,713	52,906	40.0	0.37	September 30, 2019	December 3, 2019

For the year ended March 31, 2019

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 24, 2018	Common stock	¥5,714	¥8.0	March 31, 2018	June 6, 2018
Meeting of the Board of Directors on October 25, 2018	Common stock	5,714	8.0	September 30, 2018	December 4, 2018

(2) Dividends with the cut-off date in the year ended March 31, 2020 and effective date in the year ending March 31, 2021

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 29, 2020	Common stock	**¥5,713**	**$52,905**	Retained Earnings	**¥40.0**	**$0.37**	March 31, 2020	June 29, 2020

Dividends with the cut-off date in the year ended March 31, 2019 and effective date in the year ended March 31, 2020

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, 2019	Common stock	¥5,713	Retained Earnings	¥40.0	March 31, 2019	June 5, 2019

Note 13. Research and Development Costs

Research and development costs charged to income were ¥34,457 million ($319,047 thousand) and ¥33,669 million for the years ended March 31, 2020 and 2019, respectively.

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	**2020**
Research and development costs	**¥34,457**	¥33,669	**$319,047**

Note 14. Selling, General and Administrative Expenses

Major components of selling, general and administrative expenses for the years ended March 31, 2020 and 2019 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	**2020**
Salaries and wages	**¥81,061**	¥79,830	**$750,570**
Retirement benefit expenses	**4,592**	3,974	**42,523**
Research and development costs	**30,366**	29,581	**281,172**

Note 15. Extraordinary Income, Net

Extraordinary income, net, for the years ended March 31, 2020 and 2019 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	**2020**
Extraordinary income			
Gain on sales of noncurrent assets	**¥ 245**	¥ 96	**$ 2,272**
Gain on sales of investment securities	**2,525**	1,055	**23,388**
Foreign currency translation adjustments reversal gains	**—**	1,299	**—**
Extraordinary loss			
Loss on disposal of noncurrent assets	**(1,517)**	(1,121)	**(14,048)**
Loss on devaluation of investment securities	**(1,481)**	(279)	**(13,714)**
Loss on compensation for damage	**(425)**	—	**(3,940)**
Impairment loss	**—**	(2,242)	**—**
Extraordinary income (loss), net	**¥ (653)**	¥(1,192)	**$ (6,042)**

Note 16. Income Taxes

1. The Components of Income Taxes for the Years Ended March 31, 2020 and 2019 were as Follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Current	¥12,488	¥16,051	$115,637
Deferred	(499)	1,166	(4,626)
Income taxes	¥11,989	¥17,217	$111,011

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, 2020 and 2019 were as Follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Deferred tax assets			
Net defined benefit liability	¥22,069	¥21,609	$204,346
The investment deduction of the foreign consolidated subsidiaries	12,021	13,668	111,310
Inventories	8,448	7,596	78,225
Accrued employees' bonuses	6,965	6,860	64,495
Investment securities	6,443	6,366	59,660
Tangible fixed assets	1,935	2,185	17,924
Other	7,510	7,259	69,514
Gross deferred tax assets	65,391	65,543	605,474
Less: Valuation allowance	(20,321)	(21,554)	(188,157)
Total deferred tax assets	45,070	43,989	417,317
Deferred tax liabilities			
Unrealized gain on other securities	(20,082)	(19,700)	(185,951)
Investment securities	(2,423)	(2,451)	(22,441)
Other	(5,981)	(5,488)	(55,371)
Gross deferred tax liabilities	(28,486)	(27,639)	(263,763)
Net deferred tax assets (liabilities)	¥16,584	¥16,350	$153,554

3. The Reconciliation Between the Statutory Income Tax Rate and the Effective Income Tax Rate for the Years Ended March 31, 2020 and 2019 were as Follows:

	2020	2019
Statutory income tax rate	30.6 %	30.6 %
Tax credits	(3.8)	(3.6)
Tax rate difference of overseas consolidated subsidiaries	(5.7)	(2.8)
Valuation allowance	(0.1)	(0.1)
Permanent difference resulting from non-taxable income, including dividends received	(2.1)	(0.4)
Permanent difference resulting from expenses not deductible for income tax purposes	2.9	2.0
Consolidation adjustment for gain on sales of investment securities	3.5	—
Other	2.0	1.9
Effective income tax rate	27.3 %	27.6 %

Note 17. Consolidated Statements of Comprehensive Income

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

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Valuation difference on available-for-sale securities:			
Amount arising during the year	¥ 1,049	¥(4,246)	$ 9,717
Reclassification adjustments	(58)	(931)	(541)
Before tax effect	991	(5,177)	9,176
Tax effect	(383)	1,395	(3,538)
Valuation difference on available-for-sale securities	608	(3,782)	5,638
Deferred gains or losses on hedges:			
Amount arising during the year	70	(532)	655
Before tax effect	70	(532)	655
Tax effect	(21)	163	(201)
Deferred gains or losses on hedges	49	(369)	455
Foreign currency translation adjustments:			
Amount arising during the year	(4,574)	(443)	(42,358)
Reclassification adjustments	0	(1,300)	0
Before tax effect	(4,574)	(1,743)	(42,358)
Tax effect	—	382	—
Foreign currency translation adjustments	(4,574)	(1,361)	(42,358)
Remeasurements of defined benefit plans:			
Amount arising during the year	(3,542)	(1,757)	(32,802)
Reclassification adjustments	1,373	199	12,717
Before tax effect	(2,169)	(1,558)	(20,085)
Tax effect	638	452	5,901
Remeasurements of defined benefit plans	(1,531)	(1,106)	(14,184)
Share of other comprehensive income of associates accounted for using equity method:			
Amount arising during the year	299	68	2,775
Reclassification adjustments	103	133	948
Share of other comprehensive income of associates accounted for using equity method	402	201	3,722
Total other comprehensive loss	¥(5,046)	¥(6,417)	$(46,727)

Note 18. Contingent Liabilities

Contingent liabilities as of March 31, 2020 and 2019 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Guarantees	¥11,127	¥15,169	$103,034

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.”

In addition, finance leases other than those that were deemed to transfer the ownership of the leased assets to the lessees and contracted before April 1, 2008, are accounted for by the method that is applicable to ordinary operating leases.

Pro forma information of those leased property such as acquisition cost, accumulated depreciation, accumulated impairment loss, obligations under finance leases, lease expense, depreciation expense, interest expense and impairment loss on an “as if capitalized” basis for the years ended March 31, 2020 and 2019 were as follows:

(a) Acquisition cost and accumulated depreciation under finance leases:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Acquisition cost	¥ 240	¥1,103	$2,225
Accumulated depreciation	232	1,029	2,144
Net leased property	¥ 8	¥ 74	$ 81

(b) Obligations under finance leases:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Due within one year	¥ 20	¥ 83	$ 188
Due after one year	10	31	95
Total	¥ 30	¥ 114	$ 283

(c) Lease expense, depreciation expense and interest expense under finance leases:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Lease expense	¥ 86	¥ 98	$ 797
Depreciation expense	71	82	660
Interest expense	2	5	23

(d) Method of calculating estimated depreciation expense

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

(e) Method of calculating estimated interest expense

Interest expense is computed and allocated to each period using the interest method assuming interest expense to be the excess of total lease payments over the acquisition cost.

2. Operating Lease Transactions

The minimum rental commitments under noncancellable operating leases as of March 31, 2020 and 2019 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Due within one year	¥1,604	¥2,244	$14,858
Due after one year	2,705	1,518	25,041
Total	¥4,309	¥3,762	$39,899

Note 20. 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 five reporting segments, principally based on the business headquarters, that take into account the similarity of category and nature of products and services: Power Electronics Systems Energy, Power Electronics Systems Industry, Electronic Devices, Food and Beverage Distribution and Power and New Energy. These segments except for Electronic Devices and Power and New Energy consist of 2 or more business segments.

As of April 1, 2019, due to changes in the organizational structure, the reporting segment of Power Electronics Systems — Energy Solutions and Power Electronics Systems — Industry Solutions have been changed to Power Electronics Systems Energy and Power Electronics Systems Industry, respectively.

Also, Power and New Energy, the name of the reporting segment, has been changed to Power Generation.

The change in the name of the reporting segment will not affect the segment information.

The reporting segment information for the year ended March 31, 2019 has been reclassified to reflect this change.

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

Reporting segments	Main products and services
Power Electronics Systems Energy	Power distribution, smart meters, industrial substation, railway substation, industrial power supplies, datacenters, uninterruptible power systems (UPSs), electrical facilities, switchboards, power distribution and control equipment
Power Electronics Systems Industry	Inverters, motors, FA components (servos/ controllers), measuring instruments and sensors, FA systems drive control systems, measuring and control systems, transport systems, radiation monitoring systems, electricity and air conditioning equipment construction, information systems
Electronic Devices	Power semiconductors, magnetic disks
Food and Beverage Distribution	Beverage vending machines, vending machines for food and other goods, store equipment, currency handling equipment
Power Generation	Geothermal power generation, hydroelectric power generation, solar power generation, wind power generation, fuel cells, thermal power generation

(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 calculated based on operating income 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 as of March 31, 2020 and 2019 and for the years then ended were as follows:

	Millions of yen								
Year ended March 31, 2020	Power Electronics Systems Energy	Power Electronics Systems Industry	Electronic Devices	Food and Beverage Distribution	Power Generation	Others	Total	Adjustments	Consolidated
Sales, profits or losses and assets by reporting segments									
Net sales									
Sales to third parties	¥214,851	¥307,013	¥134,384	¥104,052	¥109,278	¥31,026	¥900,604	¥ —	¥900,604
Inter-segment sales and transfers	3,162	10,469	3,037	361	613	29,820	47,462	(47,462)	—
Total sales	218,013	317,482	137,421	104,413	109,891	60,846	948,066	(47,462)	900,604
Segment profits (losses)	¥ 12,322	¥ 16,547	¥ 9,718	¥ 3,842	¥ 2,298	¥ 2,697	¥ 47,424	¥ (4,909)	¥ 42,515
Segment assets	¥201,907	¥275,030	¥202,694	¥ 88,336	¥ 74,046	¥35,013	¥877,026	¥119,801	¥996,827
Other items									
Depreciation and amortization	¥ 5,679	¥ 6,059	¥ 15,071	¥ 2,399	¥ 1,216	¥ 885	¥ 31,309	¥ 1,010	¥ 32,319
Investments for companies applied equity method	¥ 10,051	¥ 1,722	¥ —	¥ —	¥ —	¥ —	¥ 11,773	¥ —	¥ 11,773
Capital expenditures	¥ 6,865	¥ 7,677	¥ 31,739	¥ 2,633	¥ 1,087	¥ 698	¥ 50,699	¥ 868	¥ 51,567

Year ended March 31, 2019	Millions of yen Power Electronics Systems Energy	Power Electronics Systems Industry	Electronic Devices	Food and Beverage Distribution	Power Generation	Others	Total	Adjustments	Consolidated
Sales, profits or losses and assets by reporting segments									
Net sales									
Sales to third parties	¥219,758	¥309,572	¥133,828	¥113,345	¥106,921	¥31,491	¥914,915	¥ —	¥914,915
Inter-segment sales and transfers	4,378	12,910	3,506	261	91	30,739	51,885	(51,885)	—
Total sales	224,136	322,482	137,334	113,606	107,012	62,230	966,800	(51,885)	914,915
Segment profits (losses)	¥ 16,829	¥ 19,417	¥ 15,623	¥ 5,756	¥ 4,750	¥ 2,767	¥ 65,142	¥ (5,170)	¥ 59,972
Segment assets	¥204,522	¥264,054	¥172,699	¥ 78,733	¥116,144	¥33,960	¥870,112	¥82,547	¥952,659
Other items									
Depreciation and amortization	¥ 5,668	¥ 6,267	¥ 13,168	¥ 2,498	¥ 1,367	¥ 874	¥ 29,842	¥ 1,064	¥ 30,906
Investments for companies applied equity method	¥ 14,828	¥ 1,426	¥ —	¥ —	¥ —	¥ —	¥ 16,254	¥ —	¥ 16,254
Capital expenditures	¥ 6,443	¥ 7,006	¥ 20,451	¥ 2,647	¥ 1,193	¥ 929	¥ 38,669	¥ 869	¥ 39,538

Year ended March 31, 2020	Thousands of U.S. dollars (Note 3) Power Electronics Systems Energy	Power Electronics Systems Industry	Electronic Devices	Food and Beverage Distribution	Power Generation	Others	Total	Adjustments	Consolidated
Sales, profits or losses and assets by reporting segments									
Net sales									
Sales to third parties	$1,989,369	$2,842,714	$1,244,298	$ 963,449	$1,011,836	$ 287,260	$8,338,926	$ —	$8,338,926
Inter-segment sales and transfers	29,279	96,941	28,123	3,343	5,673	276,105	439,464	(439,464)	—
Total sales	2,018,648	2,939,655	1,272,421	966,792	1,017,509	563,365	8,778,390	(439,464)	8,338,926
Segment profits (losses)	$ 114,100	$ 153,216	$ 89,982	$ 35,581	$ 21,287	$ 24,950	$ 439,116	$ (45,458)	$ 393,658
Segment assets	$1,869,518	$2,546,576	$1,876,804	$ 817,927	$ 685,612	$ 324,173	$8,120,610	$1,109,275	$9,229,885
Other items									
Depreciation and amortization	$ 52,586	$ 56,106	$ 139,553	$ 22,221	$ 11,267	$ 8,163	$ 289,896	$ 9,360	$ 299,256
Investments for companies applied equity method	$ 93,064	$ 15,948	$ —	$ —	$ —	$ —	$ 109,012	$ —	$ 109,012
Capital expenditures	$ 63,569	$ 71,090	$ 293,880	$ 24,383	$ 10,072	$ 6,442	$ 469,436	$ 8,040	$ 477,476

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 2020	2019	Thousands of U.S. dollars (Note 3) 2020
Corporate expense*	¥(4,932)	¥(5,187)	$(45,675)
Elimination of intersegment sales	23	17	217
Total	¥(4,909)	¥(5,170)	$(45,458)

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

	Millions of yen 2020	2019	Thousands of U.S. dollars (Note 3) 2020
Corporate assets*	¥ 266,851	¥ 262,858	$ 2,470,846
Elimination of intersegment transactions	(147,050)	(180,311)	(1,361,571)
Total	¥ 119,801	¥ 82,547	$ 1,109,275

* 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 income (loss) in the consolidated statements of income.

2. Related Information

Related information as of March 31, 2020 and 2019 and for the years then ended were as follows:

Geographic information

(a) Sales

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Japan	¥679,719	¥682,503	$6,293,695
Asia (except for China), Others	124,623	121,733	1,153,895
China	62,644	78,368	580,046
Europe	18,961	16,477	175,569
America	14,657	15,834	135,721
Consolidated	¥900,604	¥914,915	$8,338,926

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

(b) Tangible fixed assets

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Japan	¥160,998	¥141,585	$1,490,729
Asia (except for China), Others	26,505	24,900	245,393
China	13,214	14,354	122,359
Europe	598	660	5,545
America	577	625	5,348
Consolidated	¥201,892	¥182,124	$1,869,374

3. Information on Impairment Loss of Fixed Assets by Each Reporting Segment

Information on impairment loss of fixed assets by each reporting segment for the years ended March 31, 2020 and 2019 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Power Electronics Systems Energy	¥ —	¥ 34	$ —
Power Electronics Systems Industry	—	572	—
Electronic Devices	—	—	—
Food and Beverage Distribution	—	—	—
Power and New Energy	—	1,636	—
Others	—	—	—
Total	¥ —	¥2,242	$ —

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, 2020 and 2019 were as follows:

	Millions of yen						
Year ended March 31, 2020	Power Electronics Systems Energy	Power Electronics Systems Industry	Electronic Devices	Food and Beverage Distribution	Power Generation	Others	Consolidated
Amortization	¥ 292	¥ 455	¥ 11	¥ —	¥ —	¥ —	¥ 758
Balance as of March 31	¥ —	¥6,642	¥ 53	¥ —	¥ —	¥ —	¥6,695

	Millions of yen						
Year ended March 31, 2019	Power Electronics Systems Energy	Power Electronics Systems Industry	Electronic Devices	Food and Beverage Distribution	Power Generation	Others	Consolidated
Amortization	¥ 292	¥ 134	¥ 11	¥ —	¥186	¥ —	¥ 623
Balance as of March 31	¥ 292	¥ 580	¥ 64	¥ —	¥ —	¥ —	¥ 936

	Thousands of U.S. dollars (Note 3)						
Year ended March 31, 2020	Power Electronics Systems Energy	Power Electronics Systems Industry	Electronic Devices	Food and Beverage Distribution	Power Generation	Others	Consolidated
Amortization	$2,712	$ 4,221	$ 89	$ —	$ —	$ —	$ 7,022
Balance as of March 31	$ —	$61,507	$ 486	$ —	$ —	$ —	$61,993

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

None

Note 21. Information on Transactions with Related Parties

For the year ended March 31, 2020

Transactions with the Company's consolidated subsidiaries and related parties were as follows:

Type	Name	Location	Capital or investments in capital: Millions of yen	Capital or investments in capital: Thousands of U.S. dollars (Note 3)	Business description	Holding ratio of voting rights (Owned)	Relationship
Affiliated company	METAWATER Co., Ltd	Chiyoda-ku, Tokyo	¥11,946	$110,618	Plant Engineering	24.4	Production sales Interlocking directors

Transaction	Amounts: Millions of yen	Amounts: Thousands of U.S. dollars (Note 3)	Accounts	Ending balance (Millions of yen)
Sale of securities of the affiliated company	(Proceed) ¥7,484	(Proceed) $69,300	—	—
	(Gain) ¥1,772	(Gain) $16,416	—	—

Note: This transaction was due to the sale of a portion of the Company's shares in response to the tender offer for treasury stock by Metawater Co., Ltd.

Note 22. Business Combinations

Business Combination by Acquisition

1. Overview of the business combination

(1) Name of the acquired company and description of its business

Name of the acquired company : Consul Neowatt Power Solutions Private Limited (CNPS)

Description of business : Development, manufacturing, engineering, sales, and service of UPSs, servo voltage stabilizers, active harmonic filters, off-grid solar inverters and other customized power electronic solutions.

(2) Major reason for the business combination

CNPS is a leading manufacturer of power supply equipment in India. Uninterruptible power systems (UPSs), which is the CNPS's main product, is winning the first place of the domestic market share in the country. CNPS is also achieving many business results of sales to manufacturing, medical and social infrastructure industries etc. in India. The company is expanding its power electronics systems business in India through obtaining CNPS's price competitive products, manufacturing bases and sales and service bases which are locating throughout India mainly targeting on markets of manufacturers and data centers, which is active in recent years.

(3) Date of the business combination

August 30, 2019

(4) Legal form of the business combination

Share acquisition in consideration of cash

(5) Name of the company after the business combination

Fuji Electric Consul Neowatt Private Limited

(6) Percentage of voting rights acquired

100%

(7) Basis for determining an acquiring company

The Company acquired the shares in consideration of cash.

2. Period of acquiree's results included in the consolidated financial statements

From October 1, 2019 to March 31, 2020

3. Acquisition cost

		Millions of yen	Thousands of U.S. dollars (Note 3)
Consideration for acquisition	Cash	¥9,458	$87,575
Acquisition cost		¥9,458	$87,575

4. Major acquisition-related cost

	Millions of yen	Thousands of U.S. dollars (Note 3)
Advisory fees and others	¥ 163	$1,511

5. Amount of goodwill incurred, reasons for the goodwill incurred and the method and period of amortization

	Millions of yen	Thousands of U.S. dollars (Note 3)
(1) Amount of goodwill incurred	¥6,610	$61,209

(2) Reason for the goodwill incurred
Arose from excess profitability expected from future business development

(3) Method and period of amortization
Goodwill is amortized by the straight-line method over 10 years.

6. Assets acquired and liabilities assumed on the date of the business combination

	Millions of yen	Thousands of U.S. dollars (Note 3)
Current assets	¥3,225	$29,863
Non-Current assets	419	3,881
Total assets	¥3,644	$33,744
Current liabilities	¥2,528	$23,414
Non-Current liabilities	56	513
Total liabilities	¥2,584	$23,927

7. Details of cotingent consideration specified in the business combination agreement and accounting policies

Based on the share transfer agreement, additional payment will be made as certain events occur in the future. In addition, if there is a change in the consideration for acquisition, the acquisition cost, goodwill amount and goodwill amortization amount are adjusted as if it had been paid at the time of acquisition.

8. Effect on the consolidated statements of income assuming the business combination had been carried out on April1, 2019, and the calculation method

The effect for the year ended March 31, 2020 was immaterial.

Note 23. 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 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 12 and 49 years and use a discount rate equivalent to the interest rate of government bonds corresponding to the use period (0.3% 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, 2020 and 2019 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2020	2019	2020
Balance at the beginning of the year	**¥1,918**	¥1,931	**$17,766**
Increase due to acquisition of property, plant and equipment	**—**	3	**—**
Adjustment due to passage of time	**6**	6	**60**
Decrease due to fulfillment of obligations	**(28)**	(22)	**(263)**
Balance at the end of the year	**¥1,896**	¥1,918	**$17,563**

Note 24. Amounts Per Share

Information of amounts per share as of March 31, 2020 and 2019 and for the years then ended were as follows:

	Yen		U.S. dollars (Note 3)
	2020	2019	2020
Net assets per share	**¥2,559.60**	¥2,470.65	**$23.700**
Net income per share	**201.57**	281.89	**1.866**

Diluted net income per share in 2020 and 2019 are not disclosed because there is no potential common stock that has a dilutive effect.

The Company conducted an 1-for-5 common stock consolidation effective October 1, 2018.

Net assets per share and Net income per share are calculated assuming that the share consolidation was executed at the beginning of the year ended March 31, 2018.

Independent Auditor's Report

Ernst & Young ShinNihon LLC
Hibiya Mitsui Tower, Tokyo Midtown Hibiya
1-1-2 Yurakucho, Chiyoda-ku
Tokyo 100-0006, Japan

Tel: +81 3 3503 1036
Fax:+81 3 3503 1506
ey.com

Building a better working world

Independent Auditor's Report

The Board of Directors
Fuji Electric Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Fuji Electric Co., Ltd. and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheet as at March 31, 2020, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

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

Responsibilities of Management, the Corporate Auditor and the Board of Corporate Auditors for the Consolidated Financial Statements

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

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

The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Group's financial reporting process.

Building a better
working world

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

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

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

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

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

We also provide the Corporate Auditor and the Board of Corporate Auditors with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

EY
Building a better
working world

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2020 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 3 to the consolidated financial statements.

Ernst & Young ShinNihon LLC
Tokyo, Japan

August 6, 2020

狩野 茂行

Shigeyuki Kano
Designated Engagement Partner
Certified Public Accountant

伊藤 正広

Masahiro Ito
Designated Engagement Partner
Certified Public Accountant

大貫 一紀

Kazunori Onuki
Designated Engagement Partner
Certified Public Accountant

A member firm of Ernst & Young Global Limited

Fuji Electric Co., Ltd.

Gate City Ohsaki, East Tower,
11-2, Osaki 1-chome, Shinagawa-ku, Tokyo 141-0032, Japan
Contacts: Public and Investor Relations Dept.
TEL: +81-3-5435-7111 www.fujielectric.com/

00A9-E-0015b Published in Japan 2020.11