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, 2023 include the accounts of the Company and its 70 significant subsidiaries and its 4 subsidiaries and affiliates are accounted for by the equity method (71 and 4 in 2022).

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

Investments in unconsolidated subsidiaries and affiliates are stated at cost.

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

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

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

b. Cash Equivalents

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

c. Inventories

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

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

d. Securities

Other securities

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

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

e. Derivatives and Hedging Activities

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

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

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

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

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

f. Depreciation

1) Tangible fixed assets (excluding leased assets)

Depreciation is computed by the 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. Provision for Directors' Retirement Benefits

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

i. Provision for product warranties

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

j. Retirement Benefits

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

k. Research and Development Costs

Research and development costs are charged to income as incurred.

l. Recognition for Revenue and Costs

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

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

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

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

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

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

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

m. Income Taxes

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

n. Foreign Currency Transactions

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

o. Foreign Currency Financial Statements

Assets, liabilities, and revenue and expense accounts of the foreign consolidated subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date except for 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.

p. Amounts Per Share

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

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

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

The Company and some domestic consolidated subsidiaries applied the Group Tax Sharing System from the beginning of the current fiscal year.

r. Accounting Standard for Disclosure of Accounting Estimates

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

(1) Amounts recorded for the year ended March 31, 2023

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	2023
Sales	¥107,118	¥94,957	$805,398
Ending balance of contract assets (construction contract receivable for the previous fiscal year)	56,693	46,349	426,270

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

(2) Supplemental information for understanding the consolidated financial statements

a. Calculation method

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

b. Key assumption

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

c. Effect on the subsequent fiscal year

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

2. Calculation of defined benefit obligation

(1) Amounts recorded for the year ended March 31, 2023

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	2023
Net defined benefit asset	¥19,918	¥22,516	$149,762
Net defined benefit liability	60,345	57,590	453,727
Remeasurements of defined benefit plans	(2,013)	1,107	(15,142)

(2) Supplemental information for understanding the consolidated financial statements

a. Calculation method

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

b. Key assumption

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

c. Effect on the subsequent fiscal year

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

s. Change in accounting policy

Application of “Accounting Standard for Fair Value Measurement”

From the beginning of the current fiscal year, the Companies applied the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ statement No. 31 issued on June 17, 2021). In accordance with the transitional treatment stipulated in paragraph 27-2 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement,” the new accounting policy “Implementation Guidance on Accounting Standard for Fair Value Measurement” will be applied in the future. The application does not affect the consolidated financial statements.

t. Unapplied accounting standards

- **“Accounting Standard for Income Taxes - Current” (ASBJ Statement No. 27, October 28, 2022, Accounting Standards Board of Japan)**
- **“Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No. 25, October 28, 2022)**
- **“Implementation Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022, ASBJ)**

(1) Overview

Transferring the practical guidelines on tax effect accounting at the JICPA to the ASBJ has been completed, after the release of ASBJ Statement No. 28 “Partial Amendments to Accounting Standard for Tax Effect Accounting” etc. in February 2018. In the course of deliberations, two issues would be considered again after the release of ASBJ Statement No.28. The result of consideration as follows.

- Classification of tax expenses (taxation on other comprehensive income)
- Tax effect on the sale of shares of subsidiaries or affiliates when the group corporation taxation is applied.

(2) Schedule date of adoption

The accounting standard will be applied from the beginning of the fiscal year ending March 31, 2025.

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

The effect of the application of the “Accounting Standard for Income Taxes-Current” and other related accounting standards on the consolidated financial statements is currently under evaluation.

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 ¥133=U.S.$1, the approximate exchange rate as of March 31, 2023. The U.S. dollar amounts are presented solely for the convenience of the readers outside Japan.

Note 4. Inventories

Inventories as of March 31, 2023 and 2022 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	2023
Merchandise and finished goods	¥ 64,500	¥ 55,051	$ 484,967
Work in process	54,642	51,827	410,847
Raw materials	79,549	63,417	598,106
Inventories	¥198,691	¥170,295	$1,493,920

Losses on valuation of inventories with lower profitability were ¥2,109 million ($15,861 thousand) and ¥71 million for the years ended March 31, 2023 and 2022, 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, 2023 and 2022 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	2023
Investment securities	¥ 17	¥ 17	$ 133
Property, plant and equipment	424	443	3,189
Total	¥ 441	¥ 460	$3,322

Collateralized liabilities as of March 31, 2023 and 2022 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	2023
Trade payables	¥ 78	¥ 78	$ 589
Short-term debt	291	153	2,189
Total	¥ 369	¥ 231	$2,778

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 15 years at the longest after the balance sheet date. Some are exposed to interest rate fluctuation and exchange risk.

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 commodity swap transactions to reduce the risk of fluctuation of commodity prices for raw materials. As hedging instruments under hedge accounting, the Companies enter into these derivative transactions in accordance with Companies' policies to reduce the corresponding risk to each hedged item. The Companies compare the market change of hedged items and hedging instruments or the cash flow changes. Assessment of effectiveness for hedging activities depends on the ratio of the amount of change.

(3) Systems for management of financial instruments risk

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

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

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

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

The Companies, in principle, employ foreign exchange forward contracts to reduce 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 commodity swap transactions to reduce the risk of fluctuation of commodity prices for raw materials.

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

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

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

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

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

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

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

Carrying amounts on the consolidated balance sheets as of March 31, 2023 and 2022, estimated fair value and the variance between them are shown in the following table.

	Millions of yen		
	2023		
	Carrying amounts	Fair value	Variance
Accounts receivable-trade	¥236,462	¥236,308	¥ (154)
Investment securities	93,158	100,430	7,272
Bonds	(35,000)	(34,832)	(168)
Long-term debt	(28,600)	(28,566)	(34)
Lease obligations	(70,157)	(70,517)	360
Derivatives			
Derivative transactions to which hedge accounting is not applied	(239)	(239)	—
Derivative transactions to which hedge accounting is applied	348	348	—

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

	Millions of yen
	2023
	Carrying amounts
Unlisted stocks (including stocks of unconsolidated subsidiaries and affiliates)	¥15,301

	Millions of yen		
	2022		
	Carrying amounts	Fair value	Variance
Accounts receivable-trade	¥217,731	¥217,702	¥ (29)
Investment securities	110,217	121,365	11,148
Bonds	(35,000)	(34,851)	(149)
Long-term debt	(66,276)	(66,264)	(12)
Lease obligations	(60,562)	(60,908)	346
Derivatives			
Derivative transactions to which hedge accounting is not applied	(150)	(150)	—
Derivative transactions to which hedge accounting is applied	731	731	—

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

	Millions of yen
	2022
	Carrying amounts
Unlisted stocks (including stocks of unconsolidated subsidiaries and affiliates)	¥16,098

	Thousands of U.S. dollars (Note 3)		
	2023		
	Carrying amounts	Fair value	Variance
Accounts receivable-trade	$1,777,912	$1,776,756	$ (1,156)
Investment securities	700,443	755,113	54,670
Bonds	(263,157)	(261,898)	1,259
Long-term debt	(215,037)	(214,789)	248
Lease obligations	(527,497)	(530,207)	(2,710)
Derivatives			
Derivative transactions to which hedge accounting is not applied	(1,801)	(1,801)	—
Derivative transactions to which hedge accounting is applied	2,619	2,619	—

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

	Thousands of U.S. dollars (Note 3)
	2023
	Carrying amounts
Unlisted stocks (including stocks of unconsolidated subsidiaries and affiliates)	$115,045

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

Note 1: Redemption schedule for monetary assets and securities with maturity dates as of March 31, 2023 and 2022:

	Millions of yen			
	2023			
	Within 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 years
Cash and cash equivalents	¥ 84,165	¥ —	¥ —	¥ —
Notes receivable-trade	76,013	—	—	—
Accounts receivable-trade	231,349	2,622	2,491	—
Total	¥391,527	¥ 2,622	¥ 2,491	¥ —

	Millions of yen			
	2022			
	Within 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 years
Cash and cash equivalents	¥ 91,350	¥ —	¥ —	¥ —
Notes receivable-trade	75,521	—	—	—
Accounts receivable-trade	215,671	1,579	482	—
Total	¥382,542	¥ 1,579	¥ 482	¥ —

	Thousands of U.S. dollars (Note 3)			
	2023			
	Within 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 years
Cash and cash equivalents	$ 632,823	$ —	$ —	$ —
Notes receivable-trade	571,529	—	—	—
Accounts receivable-trade	1,739,464	19,716	18,733	—
Total	$ 2,943,816	$ 19,716	$ 18,733	$ —

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

3. Fair value of financial instruments by levels

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

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

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

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

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

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

	Millions of yen			
	2023			
	Fair value			
Class of financial instrument	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Equity securities	¥83,754	¥ —	¥ —	¥83,754
Total financial assets at fair value	¥83,754	¥ —	¥ —	¥83,754
Derivatives				
Currency derivatives	¥ —	¥ 108	¥ —	¥ 108
Total derivatives at fair value	¥ —	¥ 108	¥ —	¥ 108

	Millions of yen			
	2022			
	Fair value			
Class of financial instrument	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Equity securities	¥99,698	¥ —	¥ —	¥99,698
Total financial assets at fair value	¥99,698	¥ —	¥ —	¥99,698
Derivatives				
Currency derivatives	¥ —	¥ 581	¥ —	¥ 581
Total derivatives at fair value	¥ —	¥ 581	¥ —	¥ 581

Class of financial instrument	Thousands of U.S. dollars (Note 3) 2023 Fair value Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Equity securities	$629,733	$ —	$ —	$629,733
Total financial assets at fair value	$629,733	$ —	$ —	$629,733
Derivatives				
Currency derivatives	$ —	$ 819	$ —	$ 819
Total derivatives at fair value	$ —	$ 819	$ —	$ 819

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

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

Class of financial instrument	Millions of yen 2023 Fair value Level 1	Level 2	Level 3	Total
Accounts receivable-trade	¥ —	¥236,308	¥ —	¥236,308
Investment securities				
Unconsolidated subsidiaries and affiliates				
Shares of Affiliates	16,675	—	—	16,675
Total financial assets at fair value	¥16,675	¥236,308	¥ —	¥252,984
Bonds	¥ —	¥ 34,832	¥ —	¥ 34,832
Long-term debt	—	28,566	—	28,566
Lease obligations	—	70,519	—	70,519
Total financial liabilities at fair value	¥ —	¥133,917	¥ —	¥133,917

Class of financial instrument	Millions of yen 2022 Fair value Level 1	Level 2	Level 3	Total
Accounts receivable-trade	¥ —	¥217,702	¥ —	¥217,702
Investment securities				
Unconsolidated subsidiaries and affiliates				
Shares of Affiliates	21,666	—	—	21,666
Total financial assets at fair value	¥21,666	¥217,702	¥ —	¥239,368
Bonds	¥ —	¥ 34,851	¥ —	¥ 34,851
Long-term debt	—	66,264	—	66,264
Lease obligations	—	60,909	—	60,909
Total financial liabilities at fair value	¥ —	¥162,024	¥ —	¥162,024

Class of financial instrument	Thousands of U.S. dollars (Note 3) 2023 Fair value Level 1	Level 2	Level 3	Total
Accounts receivable-trade	$ —	$1,776,756	$ —	$1,776,756
Investment securities				
Unconsolidated subsidiaries and affiliates				
Shares of Affiliates	125,380	—	—	125,381
Total financial assets at fair value	$125,380	$1,776,756	$ —	$1,902,137
Bonds	$ —	$ 261,898	$ —	$ 261,898
Long-term debt	—	214,789	—	214,789
Lease obligations	—	530,207	—	530,207
Total financial liabilities at fair value	$ —	$1,006,895	$ —	$1,006,895

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

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

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

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

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

(5) Long-term debt (except bonds) and (6) Lease obligations
Fair values of long-term debt and lease obligations are based on the present value of the total principal and interest discounted by the interest rate that takes into account the maturity and the credit risk. The fair value is classified as Level 2.

Note 7. Securities

1. Other securities as of March 31, 2023 and 2022 were as follows:

	Millions of yen			
	2023			
	Cost	Carrying amounts	Unrealized gains	Unrealized losses
Marketable securities classified as other securities				
Equity securities	¥18,002	¥83,754	¥65,761	¥ (9)
Debt securities	—	—	—	—
Others	—	—	—	—
Total	¥18,002	¥83,754	¥65,761	¥ (9)

Note: Securities with no quoted market price is not included in the preceding tables:
Unlisted stocks (Values in the consolidated balance sheets as of March 31, 2023 was ¥4,035 million.)

	Millions of yen			
	2022			
	Cost	Carrying amounts	Unrealized gains	Unrealized losses
Marketable securities classified as other securities				
Equity securities	¥24,726	¥ 99,698	¥75,961	¥ (989)
Debt securities	—	—	—	—
Others	—	—	—	—
Total	¥24,726	¥ 99,698	¥75,961	¥ (989)

Note: Securities with no quoted market price is not included in the preceding tables:
Unlisted stocks (Values in the consolidated balance sheets as of March 31, 2022 was ¥4,062 million.)

	Thousands of U.S. dollars (Note 3)			
	2023			
	Cost	Carrying amounts	Unrealized gains	Unrealized losses
Marketable securities classified as other securities				
Equity securities	$135,356	$629,733	$494,444	$ (67)
Debt securities	—	—	—	—
Others	—	—	—	—
Total	$135,356	$629,733	$494,444	$ (67)

Note: Securities with no quoted market price is not included in the preceding tables:
Unlisted stocks (Values in the consolidated balance sheets as of March 31, 2023 was $30,344 thousand.)

2. Sales of other securities for the years ended March 31, 2023 and 2022 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	2023
Proceeds from sales	¥15,053	¥16,388	$113,185
Gain on sales	9,064	9,627	68,153
Loss on sales	(298)	(21)	(2,245)

3. Impairment of other securities for the years ended March 31, 2023 and 2022 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	2023
Impairment losses	¥1,236	¥ 239	$9,294

Note 8. Derivatives

1. Derivative transactions to which hedge accounting is not applied

	Millions of yen			
	2023			
	Contract amount	Contract amount over 1 year	Fair value	Unrealized gain/loss
Foreign currency forward contracts:				
Receivables:				
U.S. dollar	¥ 688	¥ —	¥ (8)	¥ (8)
Euro	2,329	—	(39)	(39)
Won	155	—	1	1
Baht	1,488	—	(16)	(16)
Payables:				
U.S. dollar	341	—	(0)	(0)
Yuan Renminbi	4,988	—	(177)	(177)
Yen	49	—	(0)	(0)
Total	¥10,038	¥ —	¥(239)	¥(239)

	Millions of yen			
	2022			
	Contract amount	Contract amount over 1 year	Fair value	Unrealized gain/loss
Foreign currency forward contracts:				
Receivables:				
U.S. dollar	¥ 678	¥ —	¥ (35)	¥ (35)
Euro	1,787	—	(77)	(77)
Won	286	—	(12)	(12)
Payables:				
U.S. dollar	259	—	6	6
Yen	1,956	—	(34)	(34)
Australia Dollar	27	—	2	2
Total	¥4,993	¥ —	¥(150)	¥(150)

	Thousands of U.S. dollars (Note 3)			
	2023			
	Contract amount	Contract amount over 1 year	Fair value	Unrealized gain/loss
Foreign currency forward contracts:				
Receivables:				
U.S. dollar	$ 5,179	$ —	$ (60)	$ (60)
Euro	17,518	—	(300)	(300)
Won	1,171	—	10	10
Baht	11,194	—	(125)	(125)
Payables:				
U.S. dollar	2,567	—	(4)	(4)
Yuan Renminbi	37,480	—	(1,320)	(1,320)
Yen	370	—	(2)	(2)
Total	$75,479	$ —	$(1,801)	$(1,801)

2. Derivative transactions to which hedge accounting is applied

Currency-related contracts

Hedge accounting method	Type of derivative	Principal items hedged	Millions of yen 2023 Contract amount	Contract amount over 1 year	Fair value
Deferral hedge method	Foreign currency forward contracts:				
	Receivables:	Accounts receivable-trade			
	U.S. Dollar		¥ 3,522	¥ 257	¥ (52)
	Euro		3,889	—	(46)
	Payables:	Accounts payable-trade			
	U.S. Dollar		550	—	0
	Euro		2,726	987	451
	Baht		612	—	(10)
	Singapore Dollar		176	—	5
	Yuan Renminbi		7	—	0
Allocation method	Foreign currency forward contracts:				
	Receivables:	Accounts receivable-trade			
	U.S. Dollar		¥ 680	¥ —	
	Baht		797	—	
	Yuan Renminbi		180	—	
	Payables:	Accounts payable-trade			
	U.S. Dollar		227	—	
	Yen		4,142	—	
	Total		¥17,508	¥1,244	¥ 348

Hedge accounting method	Type of derivative	Principal items hedged	Millions of yen 2022 Contract amount	Contract amount over 1 year	Fair value
Deferral hedge method	Foreign currency forward contracts:				
	Receivables:	Accounts receivable-trade			
	U.S. Dollar		¥ 993	¥ —	¥ (4)
	Euro		2,910	—	(10)
	Payables:	Accounts payable-trade			
	U.S. Dollar		2,323	—	183
	Euro		4,127	2,353	560
	Australia Dollar		0	—	0
	Baht		23	—	2
Allocation method	Foreign currency forward contracts:				
	Receivables:	Accounts receivable-trade			
	U.S. Dollar		¥ 189	¥ —	
	Euro		70	—	
	Yuan Renminbi		213	—	
	Baht		515	—	(Note2)
	Singapore Dollar		85	—	
	Payables:	Accounts payable-trade			
	U.S. Dollar		621	—	
	Euro		0	—	
	Yen		85	—	
	Total		¥12,154	¥2,353	¥ 731

Hedge accounting method	Type of derivative	Principal items hedged	Thousands of U.S. dollars (Note 3) 2023 Contract amount	Contract amount over 1 year	Fair value
Deferral hedge method	Foreign currency forward contracts:				
	Receivables:	Accounts receivable-trade			
	U.S. Dollar		$ 26,457	$1,936	$ (391)
	Euro		29,244	—	(349)
	Payables:	Accounts payable-trade			
	U.S. Dollar		4,138	—	2
	Euro		20,499	7,423	3,395
	Baht		4,604	—	(79)
	Singapore Dollar		1,324	—	41
	Yuan Renminbi		58	—	0
Allocation method	Foreign currency forward contracts:				
	Receivables:	Accounts receivable-trade			
	U.S. Dollar		$ 5,112	$ —	
	Baht		5,997	—	
	Yuan Renminbi		1,356	—	
	Payables:	Accounts payable-trade			
	U.S. Dollar		1,710	—	
	Yen		31,144	—	
	Total		$131,643	$9,359	$2,619

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

Short-term debt as of March 31, 2023 and 2022 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	2023
Loans, principally from banks	¥9,099	¥14,691	$68,415
Short-term debt	¥9,099	¥14,691	$68,415

Note: The weighted average interest rates on short-term debt as of March 31, 2023 and 2022 were 4.09% and 1.92%, respectively.

Long-term debt as of March 31, 2023 and 2022 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	2023
Loans, principally from banks and insurance companies	¥ 66,376	¥ 96,569	$499,068
Bonds issued by the Company:			
0.28% Yen unsecured straight bonds due August 31, 2023	15,000	15,000	112,781
0.40% Yen unsecured straight bonds due May 21, 2027	10,000	10,000	75,187
0.40% Yen unsecured straight bonds due May 25, 2028	10,000	10,000	75,187
	101,376	131,569	762,226
Less: Portion due within one year	37,776	30,293	284,031
Long-term debt	¥ 63,600	¥101,276	$478,195

Note: The weighted average interest rates on loans, principally from banks and insurance companies, as of March 31, 2023 and 2022 were 0.26% and 0.26%, respectively.

As of March 31, 2023, 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)
2025	¥28,500	$214,288
2026	100	751
2027	—	—
2028	10,000	75,187
2029 thereafter	10,000	75,187
Total	¥48,600	$365,413

Note 10. Lease Obligations

Lease obligations as of March 31, 2023 and 2022 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	2023
Short-term	¥23,261	¥19,584	$174,900
Long-term	46,895	40,978	352,597
Total	¥70,156	¥60,562	$527,497

Note: The weighted average interest rates on lease obligations as of March 31, 2023 and 2022 were 2.23% and 2.01%, respectively.

As of March 31, 2023, the aggregate annual maturities of lease obligations were as follows:

Years ending March 31,	Millions of yen	Thousands of U.S. dollars (Note 3)
2025	¥16,630	$125,039
2026	12,578	94,577
2027	9,473	71,227
2028	5,573	41,903
2029 thereafter	2,641	19,850
Total	¥46,895	$352,596

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, 2023 and 2022 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	2023
Retirement benefit obligation at the beginning of the year	¥169,152	¥173,241	$1,271,822
Service cost	3,015	3,374	22,673
Interest cost	2,263	2,331	17,020
Actuarial loss	277	295	2,083
Retirement benefits paid	(11,547)	(11,826)	(86,821)
Prior service cost	(37)	1,709	(282)
Others	38	28	283
Retirement benefit obligation at the end of the year	¥163,161	¥169,152	$1,226,778

(2) The changes in plan assets at fair value except for plans accounted for by a simplified method during the years ended March 31, 2023 and 2022 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	2023
Plan assets at fair value at the beginning of the year	¥136,420	¥143,162	$1,025,720
Expected return on plan assets	1,561	2,074	11,741
Actuarial gain	(2,880)	1,241	(21,660)
Contributions by the Companies	734	627	5,522
Retirement benefits paid	(10,554)	(10,689)	(79,357)
Others	8	5	61
Plan assets at fair value at the end of the year	¥125,289	¥136,420	$ 942,027

(3) The changes in defined benefit liability and asset calculated by a simplified method during the years ended March 31, 2023 and 2022 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	2023
Retirement benefit obligation at the beginning of the year	¥2,447	¥2,211	$18,404
Defined benefit asset at the beginning of the year	(104)	(10)	(787)
Retirement benefit expenses	333	324	2,510
Retirement benefits paid	(126)	(229)	(953)
Contributions	(18)	(36)	(141)
Others	23	83	181
Defined benefit liability at the end of the year	¥2,564	¥2,447	$19,284
Defined benefit asset at the end of the year	¥ (9)	¥ (104)	$ (70)

(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)
	2023	2022	2023
Funded retirement benefit obligation	¥158,124	¥164,259	$1,188,904
Plan assets at fair value	(127,105)	(138,328)	(955,674)
	31,019	25,931	233,230
Unfunded retirement benefit obligation	9,408	9,143	70,734
Net amount of liabilities and assets recognized in the consolidated balance sheet	¥ 40,427	¥ 35,074	$ 303,964
Net defined benefit liability	60,345	57,590	$ 453,727
Net defined benefit asset	(19,918)	(22,516)	$ (149,763)
Net amount of liabilities and assets recognized in the consolidated balance sheet	¥ 40,427	¥ 35,074	$ 303,964

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

(5) The components of retirement benefit expenses for the years ended March 31, 2023 and 2022 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	2023
Service cost	¥3,015	¥3,374	$22,673
Interest cost	2,263	2,331	17,020
Expected return on plan assets	(1,561)	(2,074)	(11,741)
Amortization of actuarial loss	(877)	1,475	(6,597)
Amortization of prior service cost	(769)	(774)	(5,788)
Retirement benefit expenses calculated by simplified method	333	324	2,510
Others	109	325	822
Retirement benefit expenses	¥2,513	¥4,981	$18,899

(6) The components of remeasurements of defined benefit plans included in other comprehensive income (before tax effect) for the years ended March 31, 2023 and 2022 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	2023
Prior service cost	¥ 732	¥ 2,484	$ 5,505
Actuarial gain and loss	4,044	(2,404)	30,410
Total	¥4,776	¥ 80	$35,915

(7) The components of remeasurements of defined benefit plans included in accumulated other comprehensive income (before tax effect) as of March 31, 2023 and 2022 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	2023
Unrecognized prior service cost	¥ (2,538)	¥ (3,270)	$ (19,088)
Unrecognized actuarial gain and loss	4,614	571	34,703
Total	¥ 2,076	¥ (2,699)	$ 15,615

(8) The breakdown of plan assets by major category as of March 31, 2023 and 2022 were as follows:

	2023	2022
Debt securities	33%	36%
Deposit	20	21
Equity securities	18	19
General accounts at life insurance companies	29	23
Others	0	1
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, 2023 and 9% of total amount of plan assets as of March 31, 2022.

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, 2023 and 2022 were as follows:

	2023	2022
Discount rates	0.27% – 1.40%	0.27% – 1.40%
Long-term expected rates of return on plan assets	mainly 1.5%	mainly 2.0%
Expected rates of salary increase	0.0% – 5.1%	0.0% – 5.1%

3. Information on defined contribution pension plans

Contributions of defined contribution pension plans for the years ended March 31, 2023 and 2022 were ¥4,702 million ($35,360 thousand) and ¥4,786 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, 2023 and 2022 were ¥14 million ($109 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, 2023 and 2022 were as follows:

	Thousands of shares			
	March 31, 2022	Increase in the year	Decrease in the year	March 31, 2023
Shares outstanding:				
Common stock	149,296	—	—	149,296
Total	149,296	—	—	149,296
Treasury stock:				
Common stock	6,461	1	0	6,462
Total	6,461	1	0	6,462

	Thousands of shares			
	March 31, 2021	Increase in the year	Decrease in the year	March 31, 2022
Shares outstanding:				
Common stock	149,296	—	—	149,296
Total	149,296	—	—	149,296
Treasury stock:				
Common stock	6,457	3	0	6,461
Total	6,457	3	0	6,461

The increases of treasury stock were due to purchase of shares of less than one voting unit and the decreases of treasury stock were due to sales of shares at the request of shareholders who own less than one voting unit for the years ended March 31, 2023 and 2022.

2. Dividends

(1) Dividends paid

For the year ended March 31, 2023

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 26, 2022	Common stock	¥7,855	$59,067	¥55.0	$0.41	March 31, 2022	June 8, 2022
Meeting of the Board of Directors on October 27, 2022	Common stock	7,855	59,067	55.0	0.41	September 30, 2022	December 5, 2022

For the year ended March 31, 2022

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 27, 2021	Common stock	¥6,427	¥45.0	March 31, 2021	June 9, 2021
Meeting of the Board of Directors on October 28, 2021	Common stock	6,427	45.0	September 30, 2021	December 2, 2021

(2) Dividends with the cut-off date in the year ended March 31, 2022 and effective date in the year ending March 31, 2023

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 25, 2023	Common stock	**¥8,570**	**$64,436**	Retained Earnings	**¥60.0**	**$0.45**	March 31, 2023	June 7, 2023

Dividends with the cut-off date in the year ended March 31, 2021 and effective date in the year ended March 31, 2022

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 27, 2021	Common stock	¥6,427	Retained Earnings	¥45.0	March 31, 2021	June 9, 2021

Note 13. Research and Development Costs

Research and development costs charged to income for the years ended March 31, 2023 and 2022 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	**2023**
Research and development costs	**¥36,216**	¥33,756	**$272,303**

Note 14. Selling, General and Administrative Expenses

Major components of selling, general and administrative expenses for the years ended March 31, 2023 and 2022 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	**2023**
Salaries and wages	**¥86,542**	¥83,890	**$650,698**
Retirement benefit expenses	**3,552**	4,512	**26,708**
Research and development costs	**31,081**	29,416	**233,695**

Note 15. Extraordinary Income, Net

Extraordinary income, net, for the years ended March 31, 2023 and 2022 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	**2023**
Extraordinary income			
Gain on sales of noncurrent assets	**¥ 939**	¥ 179	**$ 7,060**
Gain on sales of investment securities	**10,214**	10,358	**76,808**
Extraordinary loss			
Loss on disposal of noncurrent assets	**(569)**	(632)	**(4,281)**
Loss on devaluation of investment securities	**(1,236)**	(239)	**(9,293)**
Loss on sales of investment securities	**(298)**	—	**(2,245)**
Provision for loss on liquidation of subsidiaries and associates	**(1,115)**	—	**(8,390)**
Factory integration expenses	**—**	(335)	**—**
Loss on withdrawal from business	**—**	(141)	**—**
Extraordinary income (loss), net	**¥ 7,935**	¥9,190	**$ 59,659**

Note 16. Income Taxes

1. The components of income taxes for the years ended March 31, 2023 and 2022 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	2023
Current	¥26,318	¥21,846	$197,876
Deferred	794	2,085	5,975
Income taxes	¥27,112	¥23,931	$203,851

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, 2023 and 2022 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	2023
Deferred tax assets			
Net defined benefit liability	¥20,189	¥20,003	$151,799
Inventories	8,808	8,272	66,227
Accrued employees' bonuses	7,943	7,583	59,728
Investment securities	6,989	6,735	52,555
Tangible fixed assets	1,981	2,147	14,895
Other	9,842	8,857	73,989
Gross deferred tax assets	55,752	53,597	419,193
Less: Valuation allowance	(10,189)	(9,107)	(76,612)
Total deferred tax assets	45,563	44,490	342,581
Deferred tax liabilities			
Unrealized gain on other securities	(20,510)	(23,444)	(154,215)
Investment securities	(1,124)	(1,342)	(8,457)
Other	(8,378)	(7,998)	(62,983)
Gross deferred tax liabilities	(30,012)	(32,784)	(225,655)
Net deferred tax assets (liabilities)	¥15,551	¥11,706	$116,926

3. The reconciliation between the statutory income tax rate and the effective income tax rate for the years ended March 31, 2023 and 2022 were as follows:

	2023	2022
Statutory income tax rate	30.6%	30.6%
Tax credits	(3.7)	(3.2)
Tax rate difference of overseas consolidated subsidiaries	(3.0)	(3.1)
Permanent difference resulting from non-taxable income, including dividends received	(0.3)	(0.3)
Permanent difference resulting from expenses not deductible for income tax purposes	1.7	1.2
Valuation allowance	0.9	—
Other	2.1	1.8
Effective income tax rate	28.3%	27.0%

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

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

Note 17. Consolidated Statements of Comprehensive Income

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

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	2023
Valuation difference on available-for-sale securities:			
Amount arising during the year	¥ (1,070)	¥ 3,627	$ (8,048)
Reclassification adjustments	(8,128)	(9,504)	(61,116)
Before tax effect	(9,198)	(5,877)	(69,164)
Tax effect	2,996	1,655	22,528
Valuation difference on available-for-sale securities	(6,202)	(4,222)	(46,636)
Deferred gains or losses on hedges:			
Amount arising during the year	(382)	266	(2,879)
Before tax effect	(382)	266	(2,879)
Tax effect	117	(81)	882
Deferred gains or losses on hedges	(265)	185	(1,997)
Foreign currency translation adjustments:			
Amount arising during the year	8,175	13,959	61,470
Reclassification adjustments	24	—	177
Before tax effect	8,199	13,959	61,648
Tax effect	(24)	24	(170)
Foreign currency translation adjustments	8,175	13,983	61,478
Remeasurements of defined benefit plans:			
Amount arising during the year	(3,130)	(781)	(23,541)
Reclassification adjustments	(1,646)	701	(12,374)
Before tax effect	(4,776)	(80)	(35,915)
Tax effect	1,497	43	11,257
Remeasurements of defined benefit plans	(3,279)	(37)	(24,658)
Share of other comprehensive income of associates accounted for using equity method:			
Amount arising during the year	(18)	(56)	(136)
Reclassification adjustments	72	76	546
Share of other comprehensive income of associates accounted for using equity method	54	20	410
Total other comprehensive income	¥ (1,517)	¥ 9,929	$ (11,403)

Note 18. Contingent Liabilities

Contingent liabilities as of March 31, 2023 and 2022 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	2023
Guarantees	¥4,067	¥4,733	$30,586

Note 19. Leases

1. Finance lease transactions

(1) Leased assets

Leased assets primarily consist of machinery and equipment and software.

(2) Depreciation method for leased assets

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

2. Operating lease transactions

The minimum rental commitments under noncancellable operating leases as of March 31, 2023 and 2022 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	2023
Due within one year	¥2,376	¥2,350	$17,867
Due after one year	4,570	6,275	34,363
Total	¥6,946	¥8,625	$52,230

Note 20. Revenue Recognition

1. Disaggregation of revenue

Disaggregation of revenue by geographical region for the year ended March 31, 2023 and 2022 were as follows:

Year ended March 31, 2023	Millions of yen: Power Electronics Energy	Power Electronics Industry	Semiconductors	Power Generation	Food and Beverage Distribution	Others	Subtotal	Adjustments	Total
Japan	¥181,920	¥278,337	¥101,704	¥64,851	¥91,095	¥54,335	¥ 772,242	¥(54,852)	¥ 717,390
Asia and other areas	61,939	36,269	26,228	18,404	1,395	1,891	146,126	(884)	145,242
China	12,921	19,684	51,891	231	2,021	3,509	90,257	(905)	89,352
Europe	1,334	9,105	22,271	408	—	2	33,120	(1)	33,119
America	5,964	10,054	4,134	3,442	746	54	24,394	(50)	24,344
Revenue from contracts with customers	¥264,078	¥353,449	¥206,228	¥87,336	¥95,257	¥59,791	¥1,066,139	¥(56,692)	¥1,009,447

Year ended March 31, 2022	Millions of yen: Power Electronics Energy	Power Electronics Industry	Semiconductors	Power Generation	Food and Beverage Distribution	Others	Subtotal	Adjustments	Total
Japan	¥164,304	¥255,720	¥ 81,596	¥64,531	¥85,647	¥49,918	¥701,716	¥(45,895)	¥655,821
Asia and other areas	46,971	29,711	26,321	11,535	1,344	1,717	117,599	(749)	116,850
China	15,649	24,621	54,564	232	3,523	3,052	101,641	(1,106)	100,535
Europe	436	7,091	12,324	118	—	2	19,971	0	19,971
America	3,611	7,006	4,002	2,147	269	22	17,057	(8)	17,049
Revenue from contracts with customers	¥230,971	¥324,149	¥178,807	¥78,563	¥90,783	¥54,711	¥957,984	¥(47,758)	¥910,226

Year ended March 31, 2023	Thousands of U.S. dollars (Note 3): Power Electronics Energy	Power Electronics Industry	Semiconductors	Power Generation	Food and Beverage Distribution	Others	Subtotal	Adjustments	Total
Japan	$1,367,820	$2,092,761	$ 764,694	$487,602	$684,930	$408,530	$5,806,337	$(412,427)	$5,393,910
Asia and other areas	465,696	272,692	197,197	138,374	10,478	14,246	1,098,683	(6,652)	1,092,031
China	97,156	148,001	390,164	1,737	15,200	26,370	678,628	(6,805)	671,823
Europe	10,032	68,462	167,455	3,072	—	2	249,023	(1)	249,022
America	44,847	75,595	31,083	25,880	5,615	398	183,418	(376)	183,042
Revenue from contracts with customers	$1,985,551	$2,657,511	$1,550,593	$656,665	$716,223	$449,546	$8,016,089	$(426,261)	$7,589,828

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

2. Foundational information to understand revenue

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) Sales of standard goods

The Companies are engaged in sales goods and construction contracts such as power distribution and control equipment in Power Electronics Energy segment, inverters, FA components, measuring instruments and sensors in Power Electronics Industry segment, power semiconductors for industrial and vehicles in Semiconductors segment and beverage vending machines, vending machines for food and other goods, store equipment and currency handling equipment in Food and Beverage Distribution segment.

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

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

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

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

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

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

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

(3) Rendering of services

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

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

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

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

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

(1) Contract assets and contract liabilities

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

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

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

Revenue recognized in current fiscal year that was included in the contract liability balance for the years ended March 31, 2023 and 2022 were ¥29,024 million ($218,227 thousand) and ¥20,377 million, respectively.

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

(2) Transaction price allocated to the remaining performance obligations

The aggregate amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) for the years ended March 31, 2023 and 2022 were ¥424,692 million ($3,193,179 thousand) and ¥324,578 million, respectively. Of this amount, Power Electronics Energy, Power Electronics Industry and Power Generation have contracts that recognize revenue over time.

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

Power Electronics Energy:	within 2 years (within 3 years in previous fiscal year)
Power Electronics Industry:	within 3 years (within 4 years in previous fiscal year)
Power Generation:	within 5 years (within 6 years in previous fiscal year)

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

Note 21. Segment Information

1. Segment information

(1) Outline of reporting segments

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

Accordingly, the Companies have the following 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 Energy, Power Electronics Industry, Semiconductors, Power Generation, and Food and Beverage Distribution. These segments except for Semiconductors and Power Generation consist of 2 or more business segments.

Also, business segments have been changed in Power Electronics Energy and Power Electronics Industry due to the organaizational change.

The segments information of previous fiscal year has been reported on the basis of the reporting segment that this change has been reflected.

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

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

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

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

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

Reporting segment information for the years ended March 31, 2023 and 2022 were as follows:

	Millions of yen								
Year ended March 31, 2023	Power Electronics Energy	Power Electronics Industry	Semiconductors	Power Generation	Food and Beverage Distribution	Others	Total	Adjustments	Consolidated
Sales, profits or losses and assets by reporting segments									
Net sales									
Sales to third parties	¥258,936	¥333,704	¥201,581	¥87,169	¥94,274	¥33,783	¥1,009,447	¥ —	¥1,009,447
Inter-segment sales and transfers	5,142	19,745	4,647	167	983	26,008	56,692	(56,692)	—
Total sales	264,078	353,449	206,228	87,336	95,257	59,791	1,066,139	(56,692)	1,009,447
Segment profits (losses)	¥ 26,884	¥ 24,882	¥ 32,186	¥ 3,550	¥ 4,350	¥ 3,752	¥ 95,604	¥ (6,722)	¥ 88,882
Segment assets	¥241,043	¥322,828	¥314,704	¥79,430	¥73,470	¥35,954	¥1,067,429	¥114,123	¥1,181,552
Other items									
Depreciation and amortization	¥ 5,746	¥ 7,536	¥ 27,146	¥ 1,299	¥ 2,131	¥ 893	¥ 44,751	¥ 1,187	¥ 45,938
Investments for companies applied equity method	¥ 10,821	¥ 1,812	¥ —	¥ —	¥ —	¥ —	¥ 12,633	¥ —	¥ 12,633
Capital expenditures	¥ 7,983	¥ 9,706	¥ 72,657	¥ 1,230	¥ 2,191	¥ 571	¥ 94,338	¥ 2,021	¥ 96,359

	Millions of yen								
Year ended March 31, 2022	Power Electronics Energy	Power Electronics Industry	Semiconductors	Power Generation	Food and Beverage Distribution	Others	Total	Adjustments	Consolidated
Sales, profits or losses and assets by reporting segments									
Net sales									
Sales to third parties	¥227,415	¥308,625	¥174,249	¥78,487	¥90,191	¥31,259	¥910,226	¥ —	¥ 910,226
Inter-segment sales and transfers	3,556	15,524	4,558	76	592	23,452	47,758	(47,758)	—
Total sales	230,971	324,149	178,807	78,563	90,783	54,711	957,984	(47,758)	910,226
Segment profits (losses)	¥ 21,217	¥ 23,823	¥ 27,136	¥ 3,124	¥ 3,007	¥ 2,839	¥ 81,146	¥ (6,311)	¥ 74,835
Segment assets	¥212,671	¥310,254	¥267,172	¥79,490	¥75,047	¥35,034	¥979,668	¥137,444	¥1,117,112
Other items									
Depreciation and amortization	¥ 5,668	¥ 7,647	¥ 20,827	¥ 1,291	¥ 2,537	¥ 904	¥ 38,874	¥ 1,095	¥ 39,969
Investments for companies applied equity method	¥ 12,043	¥ 1,851	¥ —	¥ —	¥ —	¥ —	¥ 13,894	¥ —	¥ 13,894
Capital expenditures	¥ 5,518	¥ 10,486	¥ 39,543	¥ 1,047	¥ 1,149	¥ 624	¥ 58,367	¥ 1,680	¥ 60,047

Year ended March 31, 2023	Power Electronics Energy	Power Electronics Industry	Semiconductors	Power Generation	Food and Beverage Distribution	Others	Total	Adjustments	Consolidated
	Thousands of U.S. dollars (Note 3)								
Sales, profits or losses and assets by reporting segments									
Net sales									
Sales to third parties	$1,946,890	$2,509,059	$1,515,647	$655,407	$708,833	$253,993	$7,589,829	$ —	$7,589,829
Inter-segment sales and transfers	38,662	148,452	34,946	1,258	7,391	195,552	426,261	(426,261)	—
Total sales	1,985,552	2,657,511	1,550,593	656,665	716,224	449,545	8,016,090	(426,261)	7,589,829
Segment profits (losses)	$ 202,137	$ 187,089	$ 242,006	$ 26,697	$ 32,708	$ 28,194	$ 718,831	$ (50,544)	$ 668,287
Segment assets	$1,812,356	$2,427,279	$2,366,196	$597,219	$552,412	$270,327	$8,025,789	$ 858,061	$8,883,850
Other items									
Depreciation and amortization	$ 43,204	$ 56,664	$ 204,105	$ 9,772	$ 16,029	$ 6,720	$ 336,494	$ 8,907	$ 345,401
Investments for companies applied equity method	$ 81,362	$ 13,629	$ —	$ —	$ —	$ —	$ 94,991	$ —	$ 94,991
Capital expenditures	$ 60,029	$ 72,979	$ 546,296	$ 9,250	$ 16,475	$ 4,282	$ 709,311	$ 15,197	$ 724,508

Notes: 1. Others segment consisted of business segments not attributable to reporting segments and included financial services, real estate operations, insurance agency services, travel agency services, printing and information services, etc.

2. The adjustments for segment information above were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	2023
Corporate expense*	¥ (6,730)	¥ (6,270)	$ (50,607)
Elimination of intersegment sales	8	(41)	63
Total	¥ (6,722)	¥ (6,311)	$ (50,544)

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

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	2023
Corporate assets*	¥ 299,458	¥ 288,299	$ 2,251,564
Elimination of intersegment transactions	(185,337)	(150,855)	(1,393,504)
Total	¥ 114,121	¥ 137,444	$ 858,060

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

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

2. Related Information

Related information for the years ended March 31, 2023 and 2022 were as follows:

Geographic information

(a) Sales

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	2023
Japan	¥ 717,390	¥655,821	$5,393,910
Asia (except for China), Others	145,242	116,850	1,092,031
China	89,352	100,535	671,823
Europe	33,119	19,971	249,022
America	24,344	17,049	183,042
Consolidated	¥1,009,447	¥910,226	$7,589,828

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

(b) Tangible fixed assets

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	2023
Japan	¥217,360	¥191,526	$1,634,292
Asia (except for China), Others	47,985	24,085	360,778
China	16,798	16,779	126,303
Europe	606	612	4,559
America	1,163	673	8,749
Consolidated	¥283,912	¥233,675	$2,134,681

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

None

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

Information on amortization of goodwill and unamortized balance by each reporting segment for the year ended March 31, 2023 and 2022 were as follows:

	Millions of yen						
Year ended March 31, 2023	Power Electronics Energy	Power Electronics Industry	Semiconductors	Power Generation	Food and Beverage Distribution	Others	Consolidated
Amortization	¥ —	¥ 823	¥ 12	¥ —	¥ —	¥ —	¥ 835
Balance as of March 31	¥ —	¥5,152	¥ 28	¥ —	¥ —	¥ —	¥5,180

	Millions of yen						
Year ended March 31, 2022	Power Electronics Energy	Power Electronics Industry	Semiconductors	Power Generation	Food and Beverage Distribution	Others	Consolidated
Amortization	¥ —	¥ 817	¥ 11	¥ —	¥ —	¥ —	¥ 828
Balance as of March 31	¥ —	¥5,934	¥ 38	¥ —	¥ —	¥ —	¥5,972

	Thousands of U.S. dollars (Note 3)						
Year ended March 31, 2023	Power Electronics Energy	Power Electronics Industry	Semiconductors	Power Generation	Food and Beverage Distribution	Others	Consolidated
Amortization	$ —	$ 6,189	$ 89	$ —	$ —	$ —	$ 6,278
Balance as of March 31	$ —	$38,737	$ 216	$ —	$ —	$ —	$38,953

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

None

Note 22. Information on Transactions with Related Parties

For the year ended March 31, 2023

None

Note 23. Business Combinations

For the year ended March 31, 2023

This disclosure is omitted due to the immateriality.

Note 24. Asset Retirement Obligations

Asset retirement obligations recorded on the consolidated balance sheets

1. Outline of asset retirement obligations

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

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

2. Calculation method of asset retirement obligations

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

3. Changes in the total amounts of asset retirement obligations

Changes in the total amounts of asset retirement obligations for the years ended March 31, 2023 and 2022 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2023	2022	2023
Balance at the beginning of the year	¥2,523	¥1,900	$18,973
Increase due to acquisition of tangible fixed assets	3	—	26
Change in estimate	—	642	—
Adjustment due to passage of time	6	6	50
Decrease due to fulfillment of obligations	(9)	(25)	(76)
Balance at the end of the year	¥2,523	¥2,523	$18,973

Note 25. Amounts Per Share

Information on amounts per share for the years ended March 31, 2023 and 2022 was as follows:

	Yen		U.S. dollars (Note 3)
	2023	2022	2023
Net assets per share	¥3,620.23	¥3,310.80	$27.220
Profit per share	429.50	410.68	3.229

Note: Diluted profit per share in 2023 and 2022 is not disclosed because there is no potential common stock that has a dilutive effect.