

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, 2021 include the accounts of the Company and its 74 significant subsidiaries and its 4 subsidiaries and affiliates are accounted for by the equity method (73 and 4 in 2020).

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. 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.

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) 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.

k. Research and Development Costs

Research and development costs are charged to income as incurred.

l. Recognition for Revenue and Costs

For the portion of work completed up to the end of the current period for construction contracts for which completion is deemed to be certain, the percentage-of-completion method is adopted (the cost-to-cost method is used in estimating progress toward completion of construction). When the outcome of the construction contracts can not be estimated reliably, the completed-contract method is adopted.

m. Income Taxes

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

n. Foreign Currency Transactions

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

o. Foreign Currency Financial Statements

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

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

p. Accounting for Consumption Taxes

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

q. 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 the 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 31, 2020) paragraph 3. Therefore, the amount of deferred tax assets and deferred tax liabilities were based on the tax law before the revision.

r. 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.

s. Accounting Standard for Disclosure of Accounting Estimates

1. Recognition of construction revenue based on the percentage-of-completion method

(1) Amounts recorded for the year ended March 31, 2021

	Millions of yen	Thousands of U.S. dollars (Note 3)
	2021	2021
Construction revenues	¥66,897	\$608,159
Ending balance of construction contract receivable	¥30,754	\$279,585

Note: The above amounts are stated for incomplete or undelivered construction contracts as of the end of the current fiscal year, to which the percentage-of-completion method is applied. (Construction contracts which have been completed and delivered are not included.)

(2) Supplemental information for understanding the financial statements

a. Calculation method

The Companies apply the percentage-of-completion method for the portion of work completed up to the end of the current period for construction contracts for which completion is deemed to be certain. Revenue for which the percentage-of-completion method is applied is measured based on progress toward completion of construction, and progress toward completion is determined based on the ratio of costs incurred up to the end of the current period to the estimate of the total cost of construction.

b. Principle assumption

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

c. Effect on the subsequent fiscal year

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

2. Provision for product warranties for costs of corrective measures in response to defects in certain power semiconductors for certain customers

(1) Amounts recorded for the year ended March 31, 2021

	Millions of yen	Thousands of U.S. dollars (Note 3)
	2021	2021
Ending balance of the provision for product warranties for costs of corrective measures in response to defects in certain power semiconductors for certain customers	¥15,476	\$140,691

(2) Supplemental information for understanding the financial statements

a. Calculation method

Considering expected product defects of power semiconductors in specific fields, the Companies recorded provision for product warranties to prepare for the expenditure of guarantee costs related to product quality.

b. Principle assumption

The provision for product warranties for costs of corrective measures in response to defects was calculated by assuming a scope of incidence of the defect based on factors such as the application by customers of equipment in which the products were incorporated and the usage conditions of such equipment, in consideration of reports of defects in products stemming from procured parts inside of the products and arising in certain environments in which the products were used.

c. Effect on the subsequent fiscal year

In the case of that assumptions used to estimate provision for product warranties differ from actual results, financial statements for the subsequent fiscal year may be affected.

3. Measurement of defined benefit obligation

(1) Amounts recorded for the year ended March 31, 2021

	Millions of yen	Thousands of U.S. dollars (Note 3)
	2021	2021
Net defined benefit asset	¥21,043	\$191,301
Net defined benefit liability	¥53,322	\$484,752
Remeasurements of defined benefit plans	¥ 1,351	\$ 12,289

(2) Supplemental information for understanding the 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. Principle assumption

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

c. Effect on the subsequent fiscal year

In the case of 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.

Note: 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, the Companies make accounting estimations 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.

t. Accounting Standards Issued but not yet Effective

- “Accounting Standard for Revenue Recognition” (Accounting Standard Board of Japan (“ASBJ”) statement No. 29 issued on March 31, 2020)
- “Implementation Guidance on Accounting Standard for Revenue Recognition” (ASBJ Guidance No. 30 issued on March 26, 2021)
- “Implementation Guidance on Disclosures about Fair Value of Financial Instruments.” (ASBJ Guidance No. 19 issued on March 31, 2020)

(1) Overview

International Accounting Standards Board (“IASB”) and 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 detailed guidance on similar 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). Based on the situation, the ASBJ improved the comparability of financial statements, with regard to the guidance and disclosure mainly on the fair value of financial instruments, between domestic and international accounting standards, 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 implementation guidance.

(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 undecided.

u. Changes in presentations

(1) Consolidated Balance Sheets

“Provision for product warranties” was previously included in “Other current liabilities” in “Current Liabilities.” Since its materiality has increased, “Provision for product warranties” is represented independently from the current fiscal year. In addition, to reflect the change in presentation, previous financial statements have been reclassified. As a result, “Other current liabilities” of ¥85,908 million was reclassified to “Provision for product warranties” of ¥219 million and “Current Liabilities” of ¥85,689 million.

(2) Consolidated Statements of Cash Flows
 “Increase in provision for product warranties” was previously included in “Other, net” in “Cash Flows from Operating Activities.” Since its materiality has increased, “Increase in provision for product warranties” is represented independently from the current fiscal year. To reflect the change in presentation, previous financial statements have been reclassified. As a result, “Other, net” of negative ¥900 million was reclassified to “Increase in provision for product warranties” of ¥60 million and “Other, net” of negative ¥960 million.

(3) Adaption of “Accounting Standard for Disclosure of Accounting Estimates”

From the year ended March 31, 2021, “Accounting Standard for Disclosure of Accounting Estimates” (Accounting Standard Board of Japan (“ASBJ”) statement No. 31 issued on March 31, 2020) is adapted and disclosed in “s. Accounting Standard for Disclosure of Accounting Estimates.” However, accounting estimates related to the previous fiscal year are not described in accordance with the accounting standard paragraph 3 supplemental rule for provisional measures.

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

¥110=U.S.\$1, the approximate exchange rate as of March 31, 2021. The U.S. dollar amounts are presented solely for the convenience of the readers outside Japan.

Note 4. Inventories

Inventories as of March 31, 2021 and 2020 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Merchandise and finished goods	¥ 66,319	¥ 66,866	\$ 602,906
Work in process	65,023	67,875	591,121
Raw materials	51,848	53,372	471,343
Inventories	¥183,190	¥188,113	\$1,665,370

Losses on valuation of inventories with lower profitability were ¥50 million (\$461 thousand) and ¥489 million for the years ended March 31, 2021 and 2020, 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, 2021 and 2020 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Investment securities	¥ 21	¥ 12	\$ 194
Property, plant and equipment	585	1,438	5,327
Intangible assets	379	405	3,440
Total	¥ 985	¥ 1,855	\$ 8,961

Collateralized liabilities as of March 31, 2021 and 2020 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Trade payables	¥ 37	¥ 46	\$ 338
Short-term debt	479	224	4,355
Long-term debt	—	63	—
Total	¥ 516	¥ 333	\$ 4,693

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 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 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, 2021 and 2020, 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		
	2021		
	Carrying amounts	Fair value	Variance
Cash and cash equivalents	¥ 75,332	¥ 75,332	¥ —
Trade receivables	319,644	319,611	(33)
Investment securities	122,284	136,587	14,303
Trade payables	(167,260)	(167,260)	—
Short-term debt	(17,601)	(17,601)	—
Current portion of long-term debt	(4,142)	(4,142)	—
Lease obligations (Current Liabilities)	(18,376)	(18,376)	—
Long-term debt	(131,686)	(131,785)	99
Lease obligations (Long-term Liabilities)	(43,226)	(43,744)	518
Derivatives			
Derivative transactions to which hedge accounting is not applied	(200)	(200)	—
Derivative transactions to which hedge accounting is applied	464	464	—

	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)	—

	Thousands of U.S. dollars (Note 3)		
	2021		
	Carrying amounts	Fair value	Variance
Cash and cash equivalents	\$ 684,845	\$ 684,845	\$ —
Trade receivables	2,905,860	2,905,561	(299)
Investment securities	1,111,678	1,241,700	130,022
Trade payables	(1,520,551)	(1,520,551)	—
Short-term debt	(160,018)	(160,018)	—
Current portion of long-term debt	(37,657)	(37,657)	—
Lease obligations (Current Liabilities)	(167,063)	(167,063)	—
Long-term debt	(1,197,148)	(1,198,047)	899
Lease obligations (Long-term Liabilities)	(392,964)	(397,677)	4,713
Derivatives			
Derivative transactions to which hedge accounting is not applied	(1,826)	(1,826)	—
Derivative transactions to which hedge accounting is applied	4,225	4,225	—

(*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)
	2021	2020	2021
	Carrying amounts	Carrying amounts	Carrying amounts
Unlisted stocks (including stocks of unconsolidated subsidiaries and affiliates)	¥13,997	¥14,777	\$127,252

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, 2021 and 2020:

	Millions of yen			
	2021			
	Within 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 years
Cash and cash equivalents	¥ 75,332	¥ —	¥ —	¥ —
Trade receivables	313,253	5,920	470	—
Total	¥388,585	¥ 5,920	¥470	¥ —

	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	¥ —

	Thousands of U.S. dollars (Note 3)			
	2021			
	Within 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 years
Cash and cash equivalents	\$ 684,845	\$ —	\$ —	\$ —
Trade receivables	2,847,754	53,827	4,279	—
Total	\$3,532,599	\$53,827	\$4,279	\$ —

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, 2021 and 2020 were as follows:

	Millions of yen			
	2021			
	Cost	Carrying amounts	Unrealized gains	Unrealized losses
Marketable securities classified as other securities				
Equity securities	¥31,558	¥112,491	¥81,413	¥(480)
Debt securities	—	—	—	—
Others	—	—	—	—
Total	¥31,558	¥112,491	¥81,413	¥(480)

	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)

	Thousands of U.S. dollars (Note 3)			
	2021			
	Cost	Carrying amounts	Unrealized gains	Unrealized losses
Marketable securities classified as other securities				
Equity securities	\$286,899	\$1,022,649	\$740,126	\$(4,376)
Debt securities	—	—	—	—
Others	—	—	—	—
Total	\$286,899	\$1,022,649	\$740,126	\$(4,376)

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, 2021 and 2020 were ¥4,015 million (\$36,501 thousand) and ¥3,971 million, respectively.)

2. Sales of other securities for the years ended March 31, 2021 and 2020 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
	Proceed from sales	¥49,224	¥1,434
Gain on sales	40,864	718	371,500
Loss on sales	(0)	(10)	(0)

3. Impairment of other securities for the years ended March 31, 2021 and 2020 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
	Impairment losses	¥1,018	¥1,481

Note 8. Derivatives

1. Derivative transactions to which hedge accounting is not applied

	Millions of yen			
	2021			
	Contract amount	Contract amount over 1 year	Fair value	Unrealized gain/loss
Foreign currency forward contracts:				
Receivables:				
U.S. Dollar	¥1,013	¥ —	¥ (50)	¥ (50)
Euro	1,882	—	(70)	(70)
Won	340	—	(10)	(10)
Yuan Renminbi	2,302	—	(48)	(48)
Payables:				
U.S. Dollar	1,445	—	16	16
Yen	1,933	—	(39)	(39)
Singapore Dollar	9	—	0	0
Yuan Renminbi	111	—	1	1
Total	¥9,035	¥ —	¥(200)	¥(200)

	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

	Thousands of U.S. dollars (Note 3)			
	2021			
	Contract amount	Contract amount over 1 year	Fair value	Unrealized gain/loss
Foreign currency forward contracts:				
Receivables:				
U.S. Dollar	\$ 9,185	\$ —	\$ (462)	\$ (462)
Euro	17,115	—	(637)	(637)
Won	3,091	—	(96)	(96)
Yuan Renminbi	20,934	—	(444)	(444)
Payables:				
U.S. Dollar	13,144	—	154	154
Yen	17,580	—	(363)	(363)
Singapore Dollar	85	—	5	5
Yuan Renminbi	1,010	—	17	17
Total	\$82,144	\$ —	\$ (1,826)	\$ (1,826)

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

2. Derivative transactions to which hedge accounting is applied

(1) Currency-related contracts

			Millions of yen		
			2021		
Hedge accounting method	Type of derivative	Principal items hedged	Contract amount	Contract amount over 1 year	Fair value
	Foreign currency forward contracts:				
	Receivables: Accounts receivable-trade				
	U.S. Dollar		¥ 634	¥ 215	¥ (46)
	Euro		2,023	—	(10)
	Baht		38	—	(3)
	Payables: Accounts payable-trade				
	U.S. Dollar		157	—	7
	Euro		5,216	3,710	516
	Singapore Dollar		2	—	0
	Foreign currency forward contracts:				
	Receivables: Accounts receivable-trade				
	U.S. Dollar		¥ 244	¥ —	
	Euro		¥ 88	—	
	Yuan Renminbi		132	—	
	Baht		108	—	(Note2)
	Singapore Dollar		833	—	
	Payables: Accounts payable-trade				
	U.S. Dollar		6	—	
	Yen		833	—	
	Total		¥10,314	¥3,925	¥ 464

			Millions of yen		
			2020		
Hedge accounting method	Type of derivative	Principal items hedged	Contract amount	Contract amount over 1 year	Fair value
	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)
	Singapore Dollar		2,460	—	(31)
	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)

			Thousands of U.S. dollars (Note 3)		
			2021		
Hedge accounting method	Type of derivative	Principal items hedged	Contract amount	Contract amount over 1 year	Fair value
Deferral hedge method	Foreign currency forward contracts:				
	Receivables:	Accounts receivable-trade			
	U.S. Dollar		\$ 5,765	\$ 1,960	\$ (418)
	Euro		18,393	—	(96)
	Baht		350	—	(31)
	Payables:	Accounts payable-trade			
	U.S. Dollar		1,427	—	70
	Euro		47,381	33,722	4,698
	Singapore Dollar		21	—	2
Allocation method	Foreign currency forward contracts:				
	Receivables:	Accounts receivable-trade			
	U.S. Dollar		\$ 2,226	\$ —	
	Euro		\$ 807	—	
	Yuan Renminbi		1,207	—	
	Baht		984	—	(Note2)
	Singapore Dollar		7,575	—	
	Payables:	Accounts payable-trade			
	U.S. Dollar		60	—	
	Yen		7,575	—	
	Total		\$93,771	\$35,682	\$4,225

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

			Millions of yen		
			2021		
Hedge accounting method	Type of derivative	Principal items hedged	Contract amount	Contract amount over 1 year	Fair value
Exceptional accounting treatment and allocation treatment	Interest rate and currency swap contracts (Floating rate receipts / Fixed rate payments)	Long-term loans payable	¥ 1,835	—	(Note2)

			Millions of yen		
			2020		
Hedge accounting method	Type of derivative	Principal items hedged	Contract amount	Contract amount over 1 year	Fair value
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)

			Thousands of U.S. dollars (Note 3)		
			2021		
Hedge accounting method	Type of derivative	Principal items hedged	Contract amount	Contract amount over 1 year	Fair value
Exceptional accounting treatment and allocation treatment	Interest rate and currency swap contracts (Floating rate receipts / Fixed rate payments)	Long-term loans payable	\$16,684	—	(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, 2021 and 2020 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Loans, principally from banks	¥17,601	¥19,271	\$160,018
Commercial paper	—	51,500	—
Short-term debt	¥17,601	¥70,771	\$160,018

Note: The weighted average interest rates on short-term debt as of March 31, 2021 and 2020 were 1.26% and 0.45%, respectively.

Long-term debt as of March 31, 2021 and 2020 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Loans, principally from banks and insurance companies	¥100,828	¥40,675	\$ 916,623
Bonds issued by the Company:			
0.38% Yen unsecured straight bonds due September 4, 2020	—	15,000	—
0.28% Yen unsecured straight bonds due August 31, 2023	15,000	15,000	136,364
0.40% Yen unsecured straight bonds due May 21, 2027	10,000	10,000	90,909
0.40% Yen unsecured straight bonds due May 25, 2028	10,000	10,000	90,909
	135,828	90,675	1,234,805
Less: Portion due within one year	4,142	17,071	37,657
Long-term debt	¥131,686	¥73,604	\$1,197,148

Note: The weighted average interest rates on loans, principally from banks and insurance companies, as of March 31, 2021 and 2020 were 0.26% and 0.40%, respectively.

As of March 31, 2021, 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)
2023	¥ 30,264	\$ 275,119
2024	52,798	479,985
2025	28,524	259,317
2026	100	909
2027 thereafter	20,000	181,818
Total	¥131,686	\$1,197,148

Note 10. Lease Obligations

Lease obligations as of March 31, 2021 and 2020 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Short-term	¥18,376	¥15,668	\$167,063
Long-term	43,226	39,197	392,964
Total	¥61,602	¥54,865	\$560,027

Note: The weighted average interest rates on lease obligations as of March 31, 2021 and 2020 were 2.07% and 1.88%, respectively.

As of March 31, 2021, the aggregate annual maturities of lease obligations were as follows:

Years ending March 31,	Millions of yen	Thousands of U.S. dollars (Note 3)
2023	¥15,487	\$140,800
2024	12,092	109,936
2025	8,269	75,175
2026	4,937	44,885
2027 thereafter	2,441	22,168
Total	¥43,226	\$392,964

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, 2021 and 2020 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Retirement benefit obligation at the beginning of the year	¥176,192	¥181,387	\$1,601,748
Service cost	3,115	3,167	28,326
Interest cost	2,349	2,409	21,356
Actuarial loss	2,529	1,406	22,998
Retirement benefits paid	(11,408)	(11,524)	(103,711)
Prior service cost	(109)	(681)	(997)
Deference arising from the change from simplified method to principle method	533	—	4,852
Others	40	28	355
Retirement benefit obligation at the end of the year	¥173,241	¥176,192	\$1,574,926

(2) The changes in plan assets at fair value except for plans accounted for by a simplified method during the years ended March 31, 2021 and 2020 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Plan assets at fair value at the beginning of the year	¥143,405	¥153,859	\$1,303,686
Expected return on plan assets	2,009	2,117	18,266
Actuarial gain	7,226	(2,819)	65,697
Contributions by the Companies	665	1,219	6,046
Retirement benefits paid	(10,710)	(10,965)	(97,367)
Deference arising from the change from simplified method to principle method	562	—	5,111
Others	5	(6)	41
Plan assets at fair value at the end of the year	¥143,162	¥143,405	\$1,301,480

(3) The changes in defined benefit liability and asset calculated by a simplified method during the years ended March 31, 2021 and 2020 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Retirement benefit obligation at the beginning of the year	¥2,140	¥1,884	\$19,461
Retirement benefit expenses	192	493	1,747
Retirement benefits paid	(84)	(79)	(765)
Contributions	(86)	(147)	(786)
Deference arising from the change from simplified method to principle method	22	—	201
Others	17	(11)	148
Defined benefit liability at the end of the year	¥2,211	¥2,140	\$20,106
Defined benefit asset at the end of the year	¥ (10)	—	\$ (100)

(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)
	2021	2020	2021
Funded retirement benefit obligation	¥171,106	¥175,370	\$ 1,555,511
Plan assets at fair value	(146,055)	(146,953)	(1,327,771)
	25,051	28,417	227,740
Unfunded retirement benefit obligation	7,228	6,510	65,711
Net amount of liabilities and assets recognized in the consolidated balance sheet	¥ 32,279	¥ 34,927	\$ 293,451
Net defined benefit liability	53,322	50,011	484,752
Net defined benefit asset	(21,043)	(15,084)	(191,301)
Net amount of liabilities and assets recognized in the consolidated balance sheet	¥ 32,279	¥ 34,927	\$ 293,451

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

(5) The components of retirement benefit expenses for the years ended March 31, 2021 and 2020 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Service cost	¥3,115	¥3,167	\$28,326
Interest cost	2,349	2,409	21,356
Expected return on plan assets	(2,009)	(2,117)	(18,266)
Amortization of actuarial loss	2,418	1,654	21,982
Amortization of prior service cost	(833)	(280)	(7,573)
Retirement benefit expenses calculated by simplified method	192	493	1,747
Deferral arising from the change from simplified method to principle method	(6)	—	(58)
Others	92	106	838
Retirement benefit expenses	¥5,318	¥5,432	\$48,352

(6) The components of remeasurements of defined benefit plans included in other comprehensive income (before tax effect) for the years ended March 31, 2021 and 2020 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Prior service cost	¥ 723	¥ (400)	\$ 6,576
Actuarial gain and loss	(7,111)	2,569	(64,655)
Total	¥ (6,388)	¥ 2,169	\$ (58,079)

(7) The components of remeasurements of defined benefit plans included in accumulated other comprehensive income (before tax effect) as of March 31, 2021 and 2020 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Unrecognized prior service cost	¥ (5,755)	¥ (6,479)	\$ (52,324)
Unrecognized actuarial gain and loss	2,975	10,087	27,046
Total	¥ (2,780)	¥ 3,608	\$ (25,278)

(8) The breakdown of plan assets by major category as of March 31, 2021 and 2020 were as follows:

	2021	2020
Debt securities	37%	40%
Deposit	22	24
Equity securities	19	14
General accounts at life insurance companies	22	21
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, 2021 and 9% of total amount of plan assets as of March 31, 2020.

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, 2021 and 2020 were as follows:

	2021	2020
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% – 5.1%	0.0% – 8.6%

3. Information on defined contribution pension plans

Contributions of defined contribution pension plans for the years ended March 31, 2021 and 2020 were ¥4,819 million (\$43,815 thousand) and ¥4,724 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, 2021 and 2020 were ¥15 million (\$137 thousand) and ¥15 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, 2021 and 2020 were as follows:

	Thousands of shares			
	March 31, 2020	Increase in the year	Decrease in the year	March 31, 2021
Shares outstanding:				
Common stock	149,296	—	—	149,296
Total	149,296	—	—	149,296
Treasury stock:				
Common stock	6,454	3	0	6,457
Total	6,454	3	0	6,457

	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	0	6,454
Total	6,451	3	0	6,454

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, 2021 and 2020.

2. Dividends

(1) Dividends paid

For the year ended March 31, 2021

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 29, 2020	Common stock	¥5,713	\$51,942	¥40.0	\$0.36	March 31, 2020	June 29, 2020
Meeting of the Board of Directors on October 29, 2020	Common stock	5,713	51,942	40.0	0.36	September 30, 2020	December 1, 2020

For the year ended March 31, 2020

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 23, 2019	Common stock	¥5,713	¥40.0	March 31, 2019	June 5, 2019
Meeting of the Board of Directors on October 31, 2019	Common stock	5,713	40.0	September 30, 2019	December 3, 2019

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

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 27, 2021	Common stock	¥6,427	\$58,434	Retained Earnings	¥45.0	\$0.41	March 31, 2021	June 9, 2021

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

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 29, 2020	Common stock	¥5,713	Retained Earnings	¥40.0	March 31, 2020	June 29, 2020

Note 13. Research and Development Costs

Research and development costs charged to income were ¥33,562 million (\$305,114 thousand) and ¥34,457 million for the years ended March 31, 2021 and 2020, respectively.

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Research and development costs	¥33,562	¥34,457	\$305,114

Note 14. Selling, General and Administrative Expenses

Major components of selling, general and administrative expenses for the years ended March 31, 2021 and 2020 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Salaries and wages	¥82,860	¥81,061	\$753,276
Retirement benefit expenses	4,845	4,592	44,048
Research and development costs	29,452	30,366	267,754

Note 15. Extraordinary Income, Net

Extraordinary income, net, for the years ended March 31, 2021 and 2020 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Extraordinary income			
Gain on sales of noncurrent assets	¥ 280	¥ 245	\$ 2,550
Gain on sales of investment securities	40,864	2,525	371,500
Extraordinary loss			
Loss on disposal of noncurrent assets	(552)	(1,517)	(5,022)
Loss on devaluation of investment securities	(1,019)	(1,481)	(9,258)
Impairment loss	(963)	—	(8,757)
Costs of corrective measures for product defects	(25,727)	—	(233,891)
Loss on compensation for damage	—	(425)	—
Extraordinary income (loss), net	¥ 12,883	¥ (653)	\$117,122

Note 16. Impairment Loss

For the year ended March 31, 2021, the Companies recognized an impairment loss on the following asset groups:

Usage	Location	Classification	Millions of yen	Thousands of U.S. dollars (Note 3)
Business assets - production equipment	Thailand	Machinery and equipment, Lease equipment and other assets	¥627	\$5,701
Business assets - other	Ibaraki Prefecture	Buildings and structures, Land	¥174	\$1,587
Assets to be disposed	Mie Prefecture	Construction in progress	¥162	\$1,469

The Companies determine the asset group by considering the categories of management accounting.

Regarding the above business assets - production equipment, the Companies recognized an impairment loss of ¥627 million (\$5,701 thousand) on the machinery and other assets as an extraordinary loss up to the recoverable amounts, reviewing future plans based on the current business environment of consolidated subsidiaries in the substation business. The impairment loss consisted of ¥171 million (\$1,562 thousand) for machinery and equipment and ¥331 million (\$3,018 thousand) for lease equipment and ¥125 million (\$1,121 thousand) for other assets. The recoverable amount of the assets group was assessed with its value-in-use discounted at a rate of 12.6%.

Regarding the Business assets-other, the Companies recognized an impairment loss of ¥174 million (\$1,587 thousand)

on the buildings and structures and land, which were converting to warehouse accompanying the reorganization of the production bases, as an extraordinary loss up to the recoverable amounts. The impairment loss consisted of ¥72 million (\$659 thousand) for buildings and structures and ¥102 million (\$928 thousand) for land. The recoverable amount of the asset group was assessed with the net realizable value. Further, as it was difficult to sell, the net realizable value was assessed at zero.

Regarding the assets to be disposed, the Companies recognized an impairment loss of ¥162 million (\$1,469 thousand) on construction in progress as an extraordinary loss up to the recoverable amounts as they were not expected to be used. The recoverable amount of the asset group was assessed with the net realizable value. Further, as it was difficult to sell or convert to other use, the net realizable value was assessed at zero.

Note 17. Income Taxes

1. The components of income taxes for the years ended March 31, 2021 and 2020 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Current	¥21,423	¥12,488	\$194,755
Deferred	(3,482)	(499)	(31,647)
Income taxes	¥17,941	¥11,989	\$163,108

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, 2021 and 2020 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Deferred tax assets			
Net defined benefit liability	¥19,979	¥22,069	\$181,635
The investment deduction of the foreign consolidated subsidiaries	11,893	12,021	108,123
Inventories	7,728	8,448	70,259
Accrued employees' bonuses	6,919	6,965	62,901
Investment securities	6,814	6,443	61,947
Tangible fixed assets	1,937	1,935	17,613
Other	12,537	7,510	113,953
Gross deferred tax assets	67,807	65,391	616,431
Less: Valuation allowance	(21,409)	(20,321)	(194,623)
Total deferred tax assets	46,398	45,070	421,808
Deferred tax liabilities			
Unrealized gain on other securities	(25,125)	(20,082)	(228,417)
Investment securities	(1,358)	(2,423)	(12,352)
Other	(6,911)	(5,981)	(62,820)
Gross deferred tax liabilities	(33,394)	(28,486)	(303,589)
Net deferred tax assets (liabilities)	¥13,004	¥16,584	\$118,219

3. The reconciliation between the statutory income tax rate and the effective income tax rate for the years ended March 31, 2021 and 2020 were as follows:

	2021	2020
Statutory income tax rate	30.6%	30.6%
Tax credits	(4.0)	(3.8)
Tax rate difference of overseas consolidated subsidiaries	(3.3)	(5.7)
Valuation allowance	1.7	(0.1)
Permanent difference resulting from non-taxable income, including dividends received	(0.4)	(2.1)
Permanent difference resulting from expenses not deductible for income tax purposes	1.0	2.9
Consolidation adjustment for gain on sales of investment securities	—	3.5
Other	2.8	2.0
Effective income tax rate	28.4%	27.3%

Note 18. 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)
	2021	2020	2021
Valuation difference on available-for-sale securities:			
Amount arising during the year	¥57,286	¥ 1,049	\$520,791
Reclassification adjustments	(40,843)	(58)	(371,302)
Before tax effect	16,443	991	149,489
Tax effect	(5,043)	(383)	(45,847)
Valuation difference on available-for-sale securities	11,400	608	103,642
Deferred gains or losses on hedges:			
Amount arising during the year	798	70	7,256
Before tax effect	798	70	7,256
Tax effect	(245)	(21)	(2,222)
Deferred gains or losses on hedges	553	49	5,034
Foreign currency translation adjustments:			
Amount arising during the year	5,938	(4,574)	53,962
Before tax effect	5,938	(4,574)	53,962
Tax effect	—	—	—
Foreign currency translation adjustments	5,938	(4,574)	53,962
Remeasurements of defined benefit plans:			
Amount arising during the year	4,803	(3,542)	43,670
Reclassification adjustments	1,585	1,373	14,409
Before tax effect	6,388	(2,169)	58,079
Tax effect	(1,969)	638	(17,899)
Remeasurements of defined benefit plans	4,419	(1,531)	40,180
Share of other comprehensive income of associates accounted for using equity method:			
Amount arising during the year	97	299	883
Reclassification adjustments	(312)	103	(2,842)
Share of other comprehensive income of associates accounted for using equity method	(215)	402	(1,959)
Total other comprehensive income	¥22,095	¥ (5,046)	\$200,859

Note 19. Contingent Liabilities

Contingent liabilities as of March 31, 2021 and 2020 were as follows:

(1) Guarantees

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Guarantees	¥6,505	¥11,127	\$59,145

(2) Product defects

For some of our power semiconductors in specific fields, the company recorded ¥25,727 million (\$233,891 thousand) costs of corrective measures for product defects as an extraordinary loss. The part of the costs was reasonably estimated based on factors such as the application by customers of equipment in which the products were incorporated and the usage conditions of such equipment. However, events occurring which are not considered in the estimation may incur additional costs.

Note 20. 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, 2021 and 2020 were as follows:

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

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Acquisition cost	¥ 133	¥ 240	\$1,212
Accumulated depreciation	133	232	1,212
Net leased property	—	¥ 8	—

(b) Obligations under finance leases:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Due within one year	¥ 10	¥ 20	\$ 93
Due after one year	—	10	—
Total	¥ 10	¥ 30	\$ 93

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

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Lease expense	¥ 10	¥ 86	\$ 95
Depreciation expense	8	71	79
Interest expense	0	2	4

(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, 2021 and 2020 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Due within one year	¥ 2,444	¥ 1,604	\$22,227
Due after one year	8,107	2,705	73,699
Total	¥10,551	¥ 4,309	\$95,926

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 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 Generation. These segments except for Electronic Devices and Power Generation consist of 2 or more business segments.

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

Reporting segments	Main products and services
Power Electronics Systems Energy	Substations, energy management systems, smart meters, uninterruptible power systems (UPSs), switchboards, power distribution and control equipment
Power Electronics Systems Industry	Inverters, motors, servo systems, controllers, programmable display, measuring instruments, sensors, FA systems, drive control systems, measuring and control systems, transport systems, scrubber systems, radiation monitoring systems, electricity construction, air conditioning equipment construction, ICT equipment and software
Electronic Devices	Power semiconductors for industrial and vehicles, 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 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, 2021 and 2020 and for the years then ended were as follows:

Year ended March 31, 2021	Millions of yen							Total	Adjustments	Consolidated
	Power Electronics Systems Energy	Power Electronics Systems Industry	Electronic Devices	Food and Beverage Distribution	Power Generation	Others				
Sales, profits or losses and assets by reporting segments										
Net sales										
Sales to third parties	¥ 206,559	¥ 332,294	¥ 154,033	¥ 76,300	¥ 80,114	¥ 26,627	¥ 875,927	¥ —	¥ 875,927	
Inter-segment sales and transfers	2,670	13,590	3,451	256	238	26,068	46,273	(46,273)	—	
Total sales	209,229	345,884	157,484	76,556	80,352	52,695	922,200	(46,273)	875,927	
Segment profits (losses)	¥ 14,018	¥ 21,781	¥ 17,652	¥ (5,280)	¥ 2,517	¥ 2,215	¥ 52,903	¥ (4,308)	¥ 48,595	
Segment assets	¥ 203,048	¥ 307,864	¥ 215,624	¥ 82,411	¥ 67,052	¥ 37,390	¥ 913,389	¥ 138,563	¥ 1,051,952	
Other items										
Depreciation and amortization	¥ 5,879	¥ 6,660	¥ 18,049	¥ 2,519	¥ 1,263	¥ 863	¥ 35,233	¥ 961	¥ 36,194	
Investments for companies applied equity method	¥ 10,995	¥ 1,729	¥ —	¥ —	¥ —	¥ —	¥ 12,724	¥ —	¥ 12,724	
Capital expenditures	¥ 7,380	¥ 7,042	¥ 21,507	¥ 2,131	¥ 1,136	¥ 499	¥ 39,695	¥ 1,297	¥ 40,992	

Year ended March 31, 2020	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	¥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, 2021	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	\$1,877,817	\$3,020,859	\$1,400,303	\$ 693,643	\$ 728,313	\$ 242,045	\$7,962,980	\$ —	\$7,962,980
Inter-segment sales and transfers	24,265	123,541	31,377	2,323	2,166	236,994	420,666	(420,666)	—
Total sales	1,902,082	3,144,400	1,431,680	695,966	730,479	479,039	8,383,646	(420,666)	7,962,980
Segment profits (losses)	\$ 127,437	\$ 198,010	\$ 160,475	\$ (48,007)	\$ 22,884	\$ 20,145	\$ 480,944	\$ (39,165)	\$ 441,779
Segment assets	\$1,845,893	\$2,798,766	\$1,960,222	\$ 749,194	\$ 609,566	\$ 339,903	\$8,303,544	\$1,259,665	\$9,563,209
Other items									
Depreciation and amortization	\$ 53,450	\$ 60,552	\$ 164,086	\$ 22,907	\$ 11,489	\$ 7,817	\$ 320,301	\$ 8,738	\$ 329,039
Investments for companies applied equity method	\$ 99,955	\$ 15,718	\$ —	\$ —	\$ —	\$ —	\$ 115,673	\$ —	\$ 115,673
Capital expenditures	\$ 67,096	\$ 64,026	\$ 195,526	\$ 19,381	\$ 10,328	\$ 4,508	\$ 360,865	\$ 11,794	\$ 372,659

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)
	2021	2020	2021
Corporate expense*	¥ (4,314)	¥ (4,932)	\$ (39,226)
Elimination of intersegment sales	6	23	61
Total	¥ (4,308)	¥ (4,909)	\$ (39,165)

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

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Corporate assets*	¥ 276,445	¥ 266,851	\$ 2,513,145
Elimination of intersegment transactions	(137,882)	(147,050)	(1,253,480)
Total	¥ 138,563	¥ 119,801	\$ 1,259,665

* 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, 2021 and 2020 and for the years then ended were as follows:

Geographic information

(a) Sales

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Japan	¥654,020	¥679,719	\$5,945,639
Asia (except for China), Others	108,207	124,623	983,694
China	83,874	62,644	762,495
Europe	16,512	18,961	150,113
America	13,314	14,657	121,039
Consolidated	¥875,927	¥900,604	\$7,962,980

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

(b) Tangible fixed assets

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Japan	¥168,724	¥160,998	\$1,533,863
Asia (except for China), Others	25,449	26,505	231,333
China	14,327	13,214	130,251
Europe	605	598	5,504
America	653	577	5,942
Consolidated	¥209,758	¥201,892	\$1,906,893

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, 2021 and 2020 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Power Electronics Systems Energy	¥ 801	¥ —	\$7,288
Power Electronics Systems Industry	162	—	1,469
Electronic Devices	—	—	—
Food and Beverage Distribution	—	—	—
Power Generation	—	—	—
Others	—	—	—
Total	¥ 963	¥ —	\$8,757

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, 2021 and 2020 were as follows:

Year ended March 31, 2021	Millions of yen						Consolidated
	Power Electronics Systems Energy	Power Electronics Systems Industry	Electronic Devices	Food and Beverage Distribution	Power Generation	Others	
Amortization	¥ —	¥ 843	¥ 10	¥ —	¥ —	¥ —	¥ 853
Balance as of March 31	¥ —	¥6,294	¥ 44	¥ —	¥ —	¥ —	¥6,338

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

Year ended March 31, 2021	Thousands of U.S. dollars (Note 3)						Consolidated
	Power Electronics Systems Energy	Power Electronics Systems Industry	Electronic Devices	Food and Beverage Distribution	Power Generation	Others	
Amortization	\$ —	\$ 7,669	\$ 89	\$ —	\$ —	\$ —	\$ 7,758
Balance as of March 31	\$ —	\$57,226	\$ 396	\$ —	\$ —	\$ —	\$57,622

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, 2021

None

For the year ended March 31, 2020

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

Type	Name	Location	Capital or investments in capital Millions of yen	Business description	Holding ratio of voting rights (Owned)
Affiliated company	METAWATER Co., Ltd	Chiyoda-ku, Tokyo	¥11,946	Plant Engineering	24.4

Relationship	Transaction	Amounts Millions of yen	Accounts	Ending balance (Millions of yen)
		(Proceed)		
Production sales	Sale of securities of	¥7,484	—	—
interlocking directors	the affiliated company	(Gain)		
		¥1,772	—	—

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 23. Business Combinations

For the year ended March 31, 2021

None

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 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 17 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, 2021 and 2020 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2021	2020	2021
Balance at the beginning of the year	¥1,896	¥1,918	\$17,243
Adjustment due to passage of time	6	6	57
Decrease due to fulfillment of obligations	(2)	(28)	(23)
Balance at the end of the year	¥1,900	¥1,896	\$17,277

Note 25. Amounts Per Share

Information of amounts per share as of March 31, 2021 and 2020 and for the years then ended were as follows:

	Yen		U.S. dollars (Note 3)
	2021	2020	2021
Net assets per share	¥2,919.34	¥2,559.60	\$26.539
Net income per share	293.52	201.57	2.668

Diluted net income per share in 2021 and 2020 are not disclosed because there is no potential common stock that has a dilutive effect.