FUJIMI INCORPORATED

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Integrated Report 2025

FUJIMI INCORPORATED

Polishing our technologies and bringing people together

Our polishing technologies are utilized in the semiconductor industry and various other industries. By enabling our customers to polish their products, Fujimi is helping to build a more comfortable future for all.

CONTENTS

Editorial Policy

This report integrates financial information, such as management strategies, business overview, and business performance, with non-financial information, such as environmental, social, and governance information. It is designed to inform investors and other stakeholders of the Group's efforts to enhance corporate value over the medium- to long-term in an easy-to-understand way. This report summarizes our progress in the Medium & Long Term Business Plan 2023, information related to CSR and sustainability, and an overview of our business segments.

Our hope is that this will be a useful communication tool to provide a better understanding of our Group's vision from the present into the future as we seek sustainable growth.

Report Positioning

Key points/summarized ⟷ Comprehensive/detailed

Financial reports	Non-financial reports (Environmental, social, and governance)
Integrated reports	
Annual securities reports	
Investor relations website	CSR & sustainability website

Reporting Scope

■ Period covered:
Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025), with partial reporting from the fiscal year ending March 31, 2026

■ Scope of the report:
Fujimi Incorporated and its consolidated subsidiaries

■ Accounting standards: Japanese GAAP

■ Issue date: November 2025

On Prospective Statements

Fujimi Incorporated's plans, forecasts, and other such statements in this report are based on information currently available to the Company and are subject to risks and uncertainties.

Therefore, please be aware that these statements are subject to various risks and uncertainties that could cause actual results and performance to differ materially from those described.

Corporate Philosophy

Corporate Mission

Our mission is to develop new, innovative technologies and applications with a commitment to environmental sustainability, thereby enabling the advancement of technology for the betterment of humanity.

Management Policy

- We adopt the customer's point of view to create solutions that meet the customer's needs and expectations.
- We aim to be a company that motivates employees to excel by creating a great work culture.
- We excel in the ever changing business environment by actively taking on new challenges and continuing to innovate.
- We adhere to rules and regulations and strive to improve the quality of our technologies and management, thereby strengthening our stakeholders' confidence and trust.

Code of Conduct

- We act with customer satisfaction in mind.
- We strive to identify the root cause of an issue and resolve it quickly.
- We challenge ourselves to succeed with passion, sincerity and creativity.
- We respect each person's ideas and opinions.
- We conduct ourselves with pride, honesty and integrity.

Corporate Vision

Business Identity

We offer the world's highest level of technology in the powder and surface fields, and aim to be an "excellent company." Being an "excellent company" means more than excellent business performance. It means that we as a company achieve the following three things.

- We proactively adapt to changes and strive for sustainable growth.
- Each person works with passion, enthusiasm, and integrity to achieve the corporate philosophy and vision.
- Contribute to the achievement of a sustainable society while reducing the environmental impact.

Corporate Cultural Vision

Fujimi will be a strong, kind and exciting company.

- Create an open climate conducive to friendly competition. (Strong)
- Respect, cooperate with, and appreciate colleagues. (Kind)
- Have a dream, and form a working group to achieve that dream. (Exciting)

Business Structure Vision

Fujimi will strengthen its existing businesses while aggressively taking on challenges in new fields. We will construct a stable business that is balanced between the semiconductor (silicon and CMP*) and non-semiconductor fields.

*Chemical-Mechanical Planarization

Message from the President

Committed to honing our skills and perfecting quality, working with our customers to embark on creating new value

Keishi Seki
President and CEO

Review of performance in fiscal 2025

Net sales reached a record high, driven by products for advanced semiconductors

The global semiconductor market in the fiscal year ended March 31, 2025 remained imbalanced. Though demand for advanced semiconductor devices for AI applications continued to drive the market, demand from the PC, smartphone, and automotive sectors remained lackluster, and overall recovery remained sluggish.

In this environment, sales of chemical-mechanical planarization (CMP) products for advanced semiconductors and silicon wafer-related products remained strong. As a result, for the consolidated fiscal year under review, net sales marked a record high at 62,503 million yen (up 21.5% year on year), while operating profit was 11,780 million yen (up 42.8% year on year), ordinary profit was 12,251 million yen (up 36.8% year on year), and profit attributable to owners of parent was 9,428 million yen (up 45.1% year on year).

Progress of the Medium & Long Term Business Plan 2023 and growth strategies

Emphasizing our commitment to problem-solving grounded in relationships of trust with customers

As per our commitments in the Medium & Long Term Business Plan 2023 (FY2024–FY2029), we aim to evolve from an abrasives manufacturer to a “Powder & Surface Company” and contribute to the realization of a sustainable society. At the same time, we have declared that we will actively carry out sustainability management to achieve sustainable growth and corporate value enhancement.

These medium- and long-term strategies are supported by the high competitiveness of our existing businesses in the global market. Our firm position is demonstrated by an approximately 80–90% share of the global market for lapping and final polishing materials for silicon wafers, as well as a global share of approximately 10% in CMP products for semiconductor devices.

Based on the technologies we have accumulated by developing abrasives over the years, we have earned a reputation that has made the name Fujimi synonymous with the concept of abrasives. More recently, however, miniaturization has progressed rapidly in the field of advanced semiconductors, and as designs have become more sophisticated, materials have diversified and processes have become more complex. As a result, the quality requirements of our customers have become more stringent and diverse.

To effectively respond to these shifts in market conditions, we must further evolve our development, manufacturing, and quality control processes. In this context, we firmly recognize the need to more strongly demonstrate our commitment to sincerely addressing customer challenges and finding solutions together, as well as our sense of duty as professionals in the world of abrasives, more than ever before. To further strengthen the competitiveness of our existing businesses, we are aggressively investing in facilities, technology development, and human resource development.

Growth investment

Responding to increasingly sophisticated market needs through strategic investment in facilities and R&D

Amidst increasing geopolitical uncertainty, the semiconductor market is expected to continue to grow on the back of the progress of generative AI. In response, the silicon wafer and semiconductor manufacturers we serve are accelerating large-scale capital investments.

Anticipating future demand growth and technological innovation, we are making capital investments and strengthening our production system in stages in Japan and overseas. During the period of the current Medium & Long Term Business Plan 2023, we plan to invest a total of 55 billion yen, including the construction of a new plant and R&D center in Kakamigahara City, Gifu Prefecture, as well as expansion of our facilities in the U.S. and Taiwan.

To meet the demands of advancing quality and technological standards, we are also introducing cutting-edge equipment and promoting automation, enhancing our facilities beyond the initial plan. Although depreciation expenses may temporarily increase and put pressure on profits, we view this as an essential initiative for sustainable growth in a severely competitive environment.

Business portfolio

Diversifying and stabilizing business risks by expanding in fields other than abrasives and semiconductors

Currently, semiconductor-related businesses account for more than 80% of our sales, resulting in a business structure susceptible to market fluctuations. To stabilize our business portfolio in light of this risk, we are focusing on exploring and nurturing new businesses in fields other than semiconductors and abrasives, in parallel with further strengthening our semiconductor-related businesses.

As one of our initiatives in non-semiconductor fields, the polishing solutions business leverages our polishing technologies and expertise to provide not only abrasive materials alone but also total solutions, including proposals for optimal polishing methods according to application, as well as related consumables, equipment, and processing.

A specific example is a newly developed polishing compound for automotive exteriors, for which we have already begun deliveries to customers.

As for non-abrasive domains, we are also actively developing new products that apply powder technology. Currently, our powder materials for thermal spraying applications are used in diverse industries such as semiconductor equipment, aircraft, and steel, contributing to improved durability and higher functionality of machine parts. We are also focusing on the development and marketing of specialty materials with new functions added by controlling powder shape or compounding powder, resulting in products such as cemented carbide powders for 3D printers.

Through these efforts, we are steadily diversifying our business domains and product applications and will continue to take on the challenge of achieving stable and sustainable growth.

Human capital

Strengthening organizational capabilities with more specialists and diverse talent

Securing and developing talented human resources is essential for the sustainable growth of a company.

Message from the President

Although we have been methodically taking action under our human resource strategy, the recent sophistication of our customers' needs, particularly with the further development of polishing technology, has changed the type of human resources we require.

For us, chemical capabilities, especially knowledge of organic chemistry, have become one of the most important keywords. Traditionally, our strengths have been in inorganic and ceramic chemistry. However, knowledge of organic chemistry is essential for understanding additives (such as acids, alkalis, polymers, metal ion sequestering agents) that greatly affect the performance of polishing slurries (polishing particles dispersed in a pH-adjusted aqueous solution). Especially in the silicon and CMP businesses, it is required to design slurries for each application based on an understanding of the mechanisms of chemical reactions and the characteristics of organic materials.

The use of digital transformation is also an important factor. At development sites, the use of AI in composition design and performance verification is contributing to improved polishing performance. Moving forward, we believe AI will be effective in optimizing production management in manufacturing environments as well. This includes managing increasingly complex production processes and flexibly adapting to sudden changes in supply and demand within the semiconductor domain.

Securing and developing talent is essential to implement these initiatives, and this requires a certain amount of time and investment. Therefore, our first steps will be to carefully identify, visualize, and share the the aim of improving the productivity of the entire organization.

While we take action to support our new talent needs, we also continue to focus on initiatives for the participation and advancement of women. We are seeing results already from a global perspective; at our consolidated subsidiaries in the U.S. and Taiwan, we are seeing women, in positions such as president, officer, and those at the general manager level. In addition to management skills, we also believe that specialized knowledge and skills are important, and we are emphasizing the development of a wide range of career paths.

To support actions in these areas, we are designing a flexible structure so that employees can chart diverse career paths according to their individual aspirations. We will continue to strive to realize a work environment where everyone can build a career suited to them with peace of mind.

Shareholder returns

Paying stable dividends with a long-term perspective

The structurally cyclical nature of the semiconductor industry makes short-term fluctuations in performance inevitable. In order to meet the expectations of our shareholders and investors in this environment, we have positioned the appropriate return of profits as an important management issue. Our fundamental policy is to actively return profits to shareholders based on our performance, aiming for a consolidated payout ratio of dividends. Going forward, we will strive to communicate Fujimi's situation and initiatives accurately and in a timely manner through our IR activities. This will help us to further strengthen the trust and relationship with our stakeholders.

We kindly ask our stakeholders to consider the Company's future from a long-term perspective.

We sincerely ask for your continued understanding and unwavering support of our initiatives.

Fostering a corporate culture
Establishing an awareness of actions based on integrity

Becoming the first responder when customers are in trouble

We believe that the reason we have been able to maintain stable growth since our founding is because of our daily efforts to sincerely address the problems and requests of our customers. This attitude is essential for us to become the kind of organization that customers reach out to first in times of need, fulfilling the vision we aim for in our basic strategy.

At the same time, our unwavering values of pride and responsibility in manufacturing and ensuring Fujimi is a trusted partner have led to further growth. These are the unique Fujimi traits that our predecessors have built and we have inherited, and they remain the foundation of the Company. We place importance on the concept of integrity, which encompasses sincerity, pride, responsibility, trust, and more. Integrity means a strong awareness of compliance with laws and ethics, a commitment to fair judgment, an unbiased sense of justice, and an attitude of objectively looking at and rigorously evaluating oneself while respecting the character of others. Employees who value this integrity have devoted themselves to providing high quality products and services by sincerely addressing each and every process at the manufacturing site.

The pride and responsibility in manufacturing that has been passed down since our founding will continue to be the driving force behind our technology and quality, and will lead to the creation of products that address the challenges of our customers and the development of relationships that earn their trust. In order to keep this trust, an attitude of doing the right thing right is of utmost importance. Fraud and rule violations are serious risks that can shake the very survival of a company and undermine the trust of customers and all other stakeholders. To ensure that product specifications are met, strict adherence to internal and external rules is essential.

In order to ensure that Fujimi is always a trusted partner, each of us will embody integrity and work positively in our daily operations. Our mission is to continue safeguard our status as a trusted partner by passing on our pride and responsibility in manufacturing to the next generation, while sincerely addressing challenges.

Celebrating our 75th anniversary

Aiming to be a "strong, kind, and exciting company" that continues to take on challenges without fear of change

The year 2025 marks a major milestone, the 75th anniversary of our founding. This success is entirely due to the warm support and patronage from all our stakeholders, including our customers, business partners, community, each of our employees, and of course our shareholders and investors. We express our heartfelt gratitude to you all.

To fulfill our Corporate Mission, which is to "develop new, innovative technologies and applications with a commitment to environmental sustainability, thereby enabling the advancement of technology for the betterment of humanity," it is essential that we achieve sustainable growth as a company. To achieve this, we must build a system that can adapt flexibly and quickly to the rapidly changing economic and market environment, while we ourselves continue to evolve.

Responsiveness to change comes from the entire company working in unison toward a unified direction, with each individual acting not only to achieve their own goals, but also with an awareness of the results for the team and the organization as a whole. I would like to build a workplace that is rewarding and fulfilling by encouraging each individual to take initiative, work proactively to solve problems, and strive to resolve issues.

To fulfill our Corporate Mission, I intend to make every effort going forward to create a company in which all our employees can take pride and feel a sense of belonging by layering our ideal image of a "strong, kind, and exciting" company over this kind of organizational state.

Growth Trajectory

Fujimi was founded as a manufacturer of precision abrasives for optical lenses. After entering the semiconductor field, the Company enjoyed steady growth. Today, we work to build new businesses and expand further.

From 1950

Established as Japan's first manufacturer of synthetic precision abrasives

In 1950, founder Teruji Koshiyama established Fujimi Abrasives in Nagoya, Aichi Prefecture. At the request of an optical device manufacturer, he began research and development of abrasives for polishing optical glass products such as lenses for sights. He succeeded in commercialization, launching production of the first synthetic precision abrasives made in Japan. In 1953, he incorporated the company, establishing the Fujimi Abrasives Manufacturing Co., Ltd. The newly-established company then worked to elevate the quality of its polishing materials and expanded its sales channels to the whetstone industry. Until that time, abrasive materials had been solely imported from abroad and were not produced domestically.

From 1957

Entered the semiconductor field, developing Japan's first domestically-produced polishing slurry

In 1957, Fujimi began supplying FO, an abrasive for polishing germanium semiconductor substrates (wafers) used in transistor radios. This marked our first foray into the semiconductor industry, which has now become a core field of business. Later, as silicon became more prevalent in forming semiconductor substrates, we began developing polishing slurries that combined abrasive grains optimal for silicon wafer processing with chemicals that promoted and assisted polishing. In 1967, we successfully commercialized GLANZOX, Japan's first domestically-produced polishing slurry for silicon wafers. Today, we enjoy dominant market share worldwide in polishing materials for silicon wafers.

From 1969

Expanded overseas, establishing offices in the U.S. and Malaysia

After visiting the United States in 1969 and seeing the business potential offered there, we established a sales office in the state of Illinois in 1984. Under the banner of "the world's No. 1 abrasives manufacturer," in 1988 we established a manufacturing facility in the state of Oregon, home to major semiconductor manufacturers. We equipped this facility with development and sales functions and made it the cornerstone of growth for our CMP business. In 1983, we also developed polishing materials for substrates to be used in hard disk drives (HDDs), which were being researched as a recording medium for personal computers and other devices. In 1995, Fujimi-Micro Technology Sdn. Bhd was established in Malaysia, a hotbed of hard disk manufacturers, to establish manufacturing and sales functions. Since that time, we have solidified our position in the hard disk polishing material market.

From 1995

Entered the semiconductor CMP field; established facilities in Europe and Taiwan

In 1995, the CMP process had begun to be widely used in semiconductor manufacturing. It was at this time that we commercialized the PLANERLITE CMP polishing material for semiconductor devices, which would be adopted by semiconductor manufacturers in various countries. Then, in 2000, we opened the R&D Center in Kakamigahara City, Gifu Prefecture, equipped with the same level of advanced facilities as our customers, to accelerate product development in cooperation with our U.S. subsidiary. In subsequent years, Fujimi earned greater and greater recognition in the semiconductor industry, including Intel's Preferred Quality Supplier Award*1 in 2002, and its highest honor, the Supplier Continuous Quality Improvement Award*2 in 2004. These milestones marked the strong growth of our CMP business. In 2004, two arms of Fujimi Europe were established in the United Kingdom and Germany to serves as sales hubs for Europe; these would be consolidated in Germany in 2010. Later, as the semiconductor industry's focus shifted to Asia, we opened representative offices in Taiwan, China, and South Korea between 2005 and 2008. In 2011, Fujimi Taiwan Limited was established and equipped with development, manufacturing, and sales functions, while in 2013, Fujimi Korea Limited (now closed) was established in South Korea. By building this network, we established a system to rapidly address customer needs in the field of cutting-edge semiconductors.

*1 Known as the PQS Award, this is awarded by Intel in recognition of suppliers that demonstrate a relentless pursuit of excellence and steadfast professionalism in their business activities.

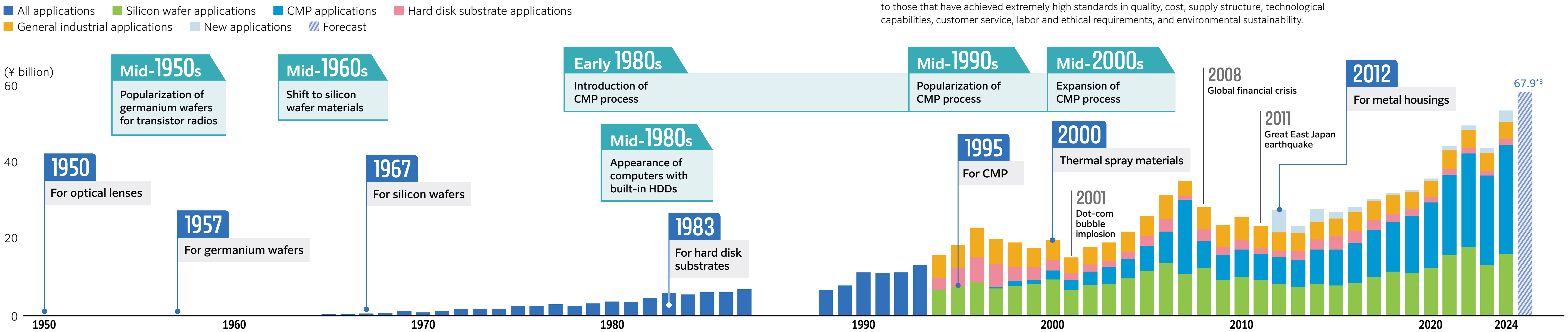
*2 Known as the SCQI Award, this is awarded by Intel in recognition of its most outstanding suppliers, provided to those that have achieved extremely high standards in quality, cost, supply structure, technological capabilities, customer service, labor and ethical requirements, and environmental sustainability.

From 2000

Tackling challenges in new business fields, evolving from an abrasives manufacturer to a "Powder & Surface Company"

After many years of devoting itself to new businesses based on its abrasives technology, Fujimi launched its thermal spray materials business in 2000. Today, we help customers to have longer lifespans and evolved functionality of products and manufacturing equipment for steel, aircraft parts, semiconductor manufacturing equipment, and other applications. Also, the technology we have cultivated in the area of thermal spray materials is now being utilized in the development of ultrahard materials for metal 3D printers. Moreover, a project to generate new businesses outside of the semiconductor field in 2012 led to the creation of products for metal casings for electronic devices, and these contributed revenue at a time when the global financial crisis posed great and lingering challenges for the semiconductor market. Utilizing the experience gained in new businesses like these, we now provide total solutions for the surfacing needs of customers in various industries, including not only abrasives but also polishing equipment and peripheral consumable materials. In 2015, the Advanced Technology Research Center was established to bolster our fundamental technologies and explore new business opportunities in non-abrasive fields. Then, in 2024, we welcomed Nanko Abrasives Industry Co., Ltd. to the Group. Our aim is to establish a stable balance between businesses in semiconductor-related and non-semiconductor-related fields, making the leap from being an abrasives manufacturer to a "Powder & Surface Company."

Sales over Time



*3 From performance forecast announced in November 2025

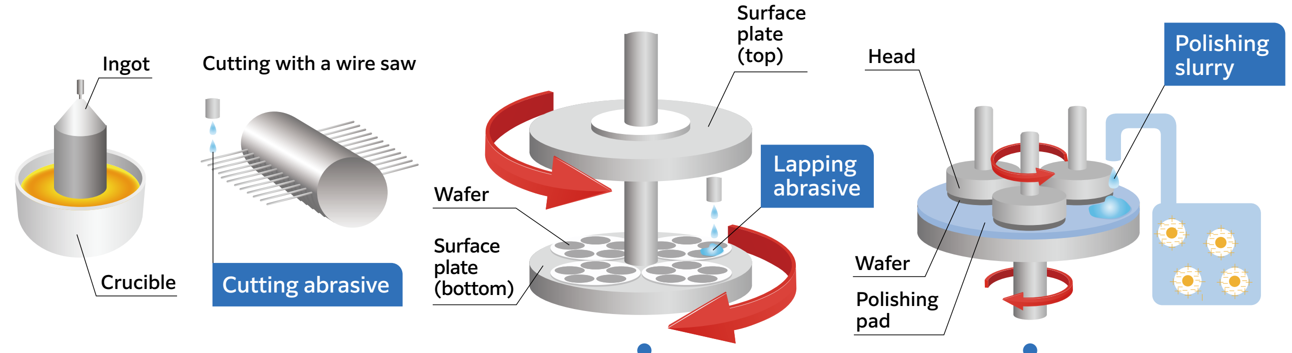
Fujimi's Unique Qualities

Abrasives are essential to the semiconductor manufacturing process; Fujimi ensures that these materials are provided.

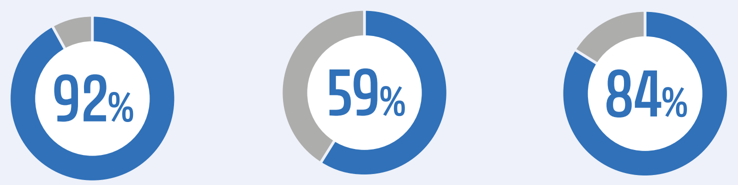
Semiconductor Manufacturing Process

Silicon wafer manufacturers

Purifying → Cutting → Lapping process → Polishing process

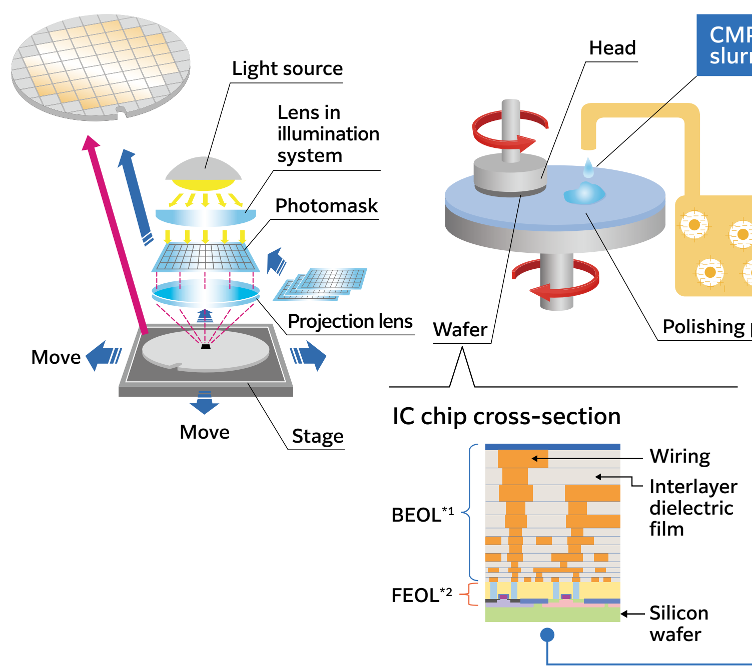


Global market share
(Estimated by Fujimi as of March 2025)

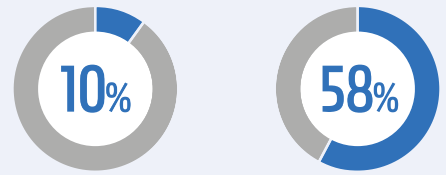


Semiconductor device manufacturers

Photolithography process → CMP process → Dicing process → Sealing process



Global market share
(Estimated by Fujimi as of March 2025)



*1 Abbreviation for Back End of Line, a wiring process
*2 Abbreviation for Front End of Line, a transistor element fabrication process

Major business domains

Abrasives for semiconductors

High profitability

Operating profit margin
FY2025
19%

Dominant in specific market

Global market share of abrasives for silicon wafers
No. 1

Strong financial base

Equity ratio
As of March 2025
84%

Stable, high shareholder returns

Dividend payout ratio
55% or more

Strong technological capabilities

Number of patents held
As of March 2025
1,407

R&D expenses ratio
(to net sales)
9%

R&D personnel ratio
(to total employees)
30%

Global Expansion

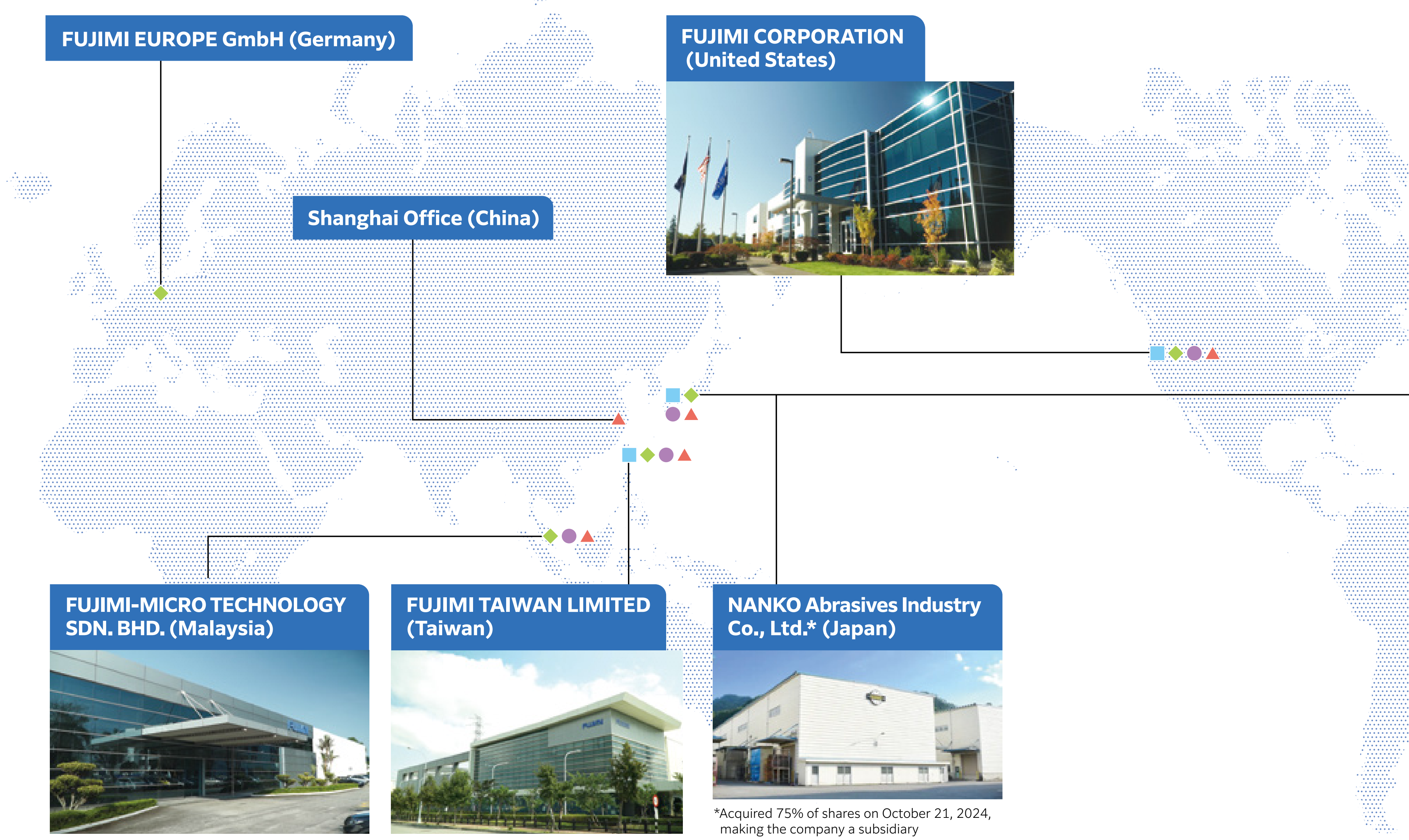
Our manufacturing and development bases are strategically located within arm's reach of our customers.

Concentrated investment in semiconductor industry clusters

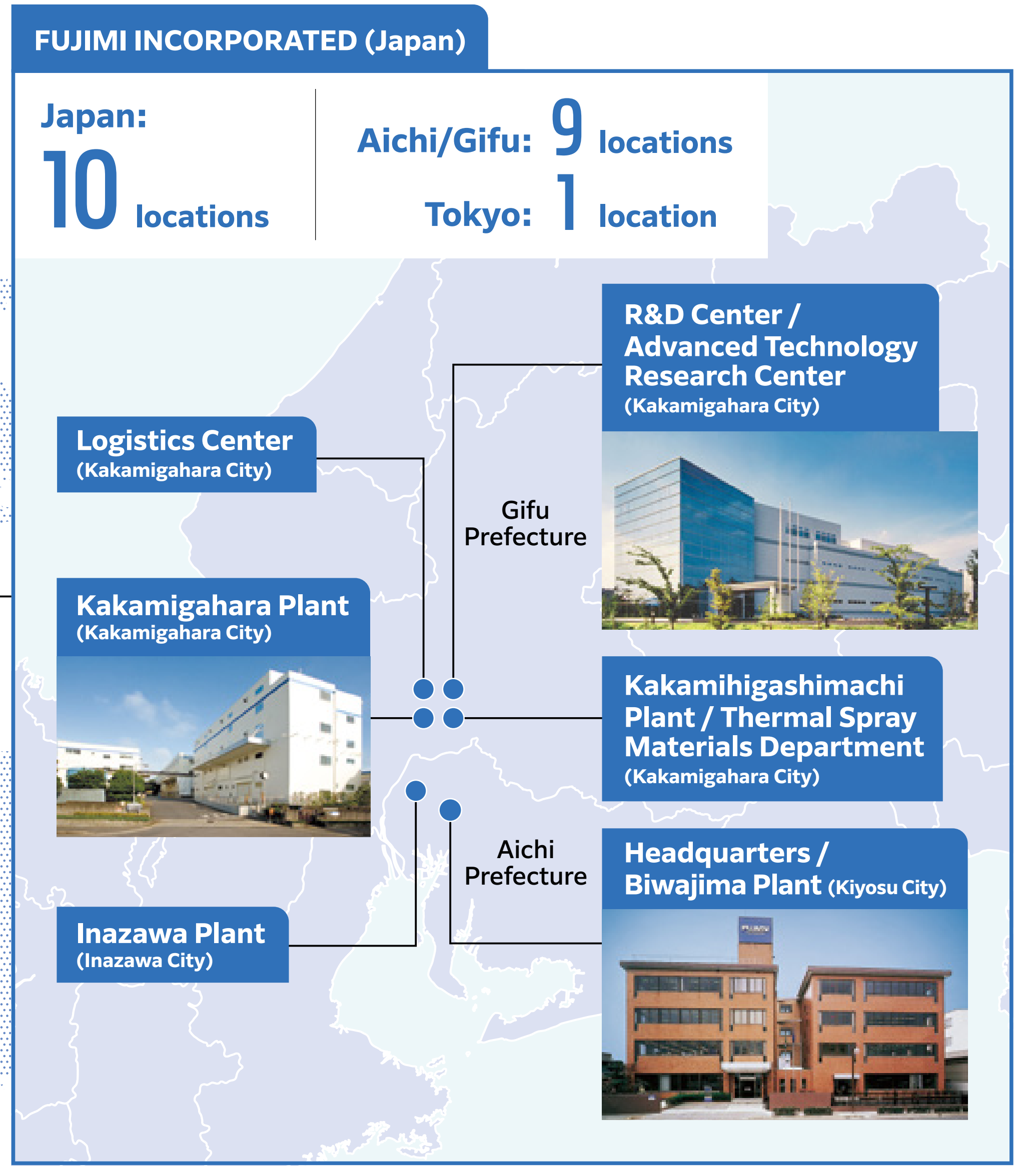
A fully-featured customer support system with focus on Asia and North America

Overseas net sales ratio FY2025 **78%**

■ Development bases ◆ Sales offices
● Production facilities ▲ Marketing and technical support



*Acquired 75% of shares on October 21, 2024, making the company a subsidiary



Our Fields of Activity

Fujimi's products are the unseen pillars supporting our everyday lives in a variety of fields.

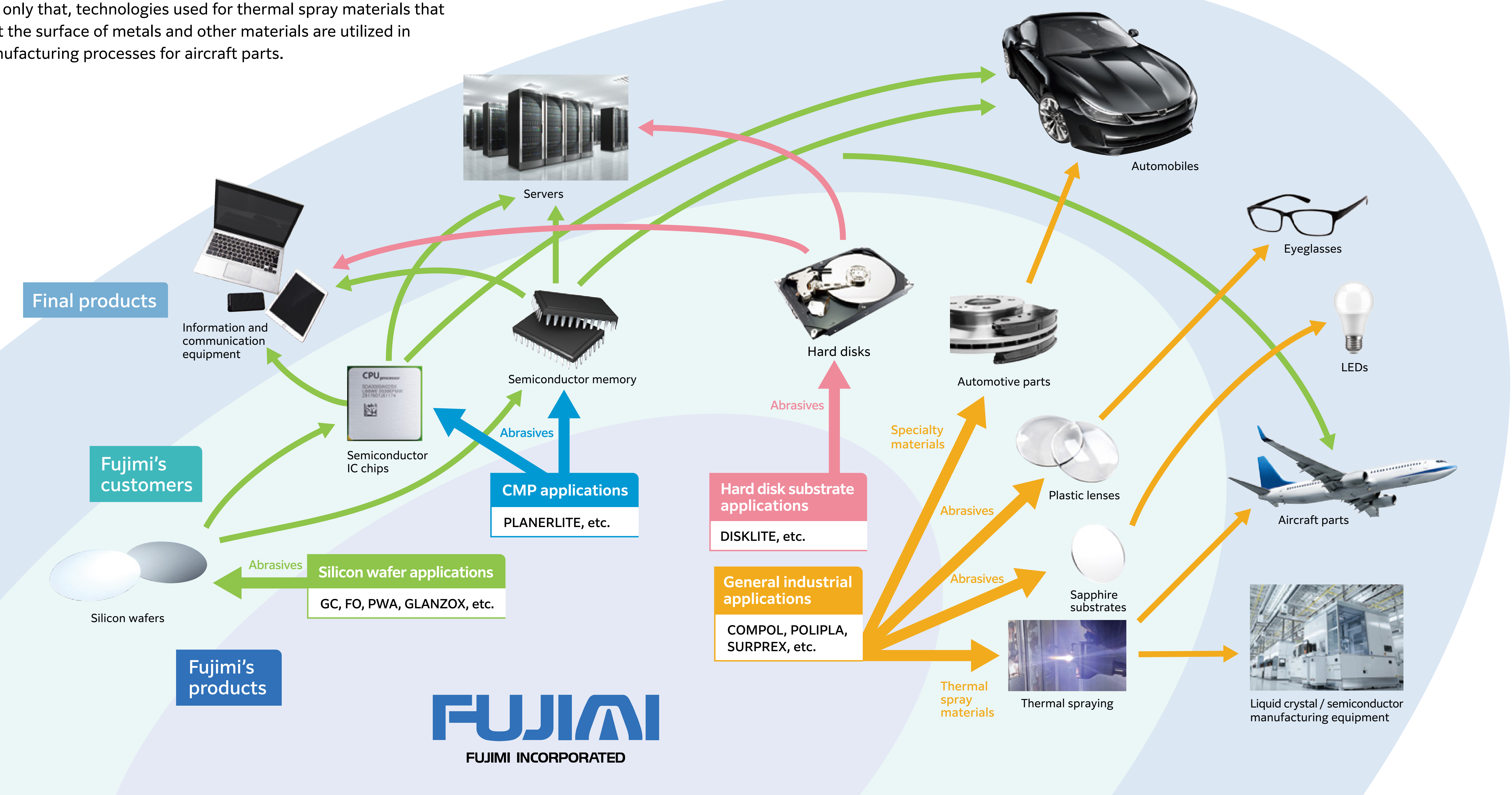
Abrasives are used in a variety of manufacturing processes, including those that make the electronic components for computers and smartphones, the drive train components in automobiles and other equipment, as well as lenses for digital cameras and eyeglasses. Not only that, technologies used for thermal spray materials that coat the surface of metals and other materials are utilized in manufacturing processes for aircraft parts.

Abrasives

Lapping abrasive | Polishing slurry

Technologies and products

Thermal spraying (Photo: Thermal spraying machine) | Robot polishing | 3D additive manufacturing technology (Photo: Example of actual manufactured product)



Growth Strategies

Fujimi's Value Creation Process

Fujimi has defined its Corporate Mission as to "develop new, innovative technologies and applications with a commitment to environmental sustainability, thereby enabling the advancement of technology for the betterment of humanity." Based on the technologies and trust we have cultivated since our founding, we intend to do business with a focus on the powder and surface fields, helping to bring about a sustainable society while also striving to enhance our own corporate value.

Changes in the social environment | Sources of value creation | Fujimi's business model | Outcomes of value creation | Our goals

Changes in the social environment

- Intensifying disasters due to climate change
- Resource and energy depletion
- Increasing uncertainty in global affairs
- Globalization and diversification
- Advances in digital technology (AI)

Sources of value creation

Financial capital

Sound and robust financial position

- Total net assets: **76.8 billion yen**
- Total assets: **90.9 billion yen**
- Equity ratio: **83.7%**
- Free cash flows: **-2.8 billion yen**

Manufacturing capital

Strategically placed manufacturing network

- Production facilities: **Japan: 7, Overseas: 3 (U.S., Taiwan, Malaysia)**
- Capital expenditures: **14.5 billion yen**

Intellectual capital

Global research and development utilizing technology and manufacturing expertise cultivated over many years

- Global R&D structure: **3 facilities (Japan, U.S., Taiwan)**
- Ratio of R&D expense to net sales: **8.8%**

Human capital

Diverse human resources capable of generating high added value

- Consolidated employees: **1,235**
- Ratio of R&D personnel: **31.5%**
- Ratio of overseas employees: **27.2%**

Social and relationship capital

Relationships of trust with stakeholders

- Building strong relationships of trust with customers and business partners cultivated over many years
- Engaging in activities firmly rooted in communities

Natural capital

Providing products and services that reduce environmental impact

- Energy inputs*1 (domestic): **6,452 kL**
- Water resource inputs*2: **1.73 million m³**

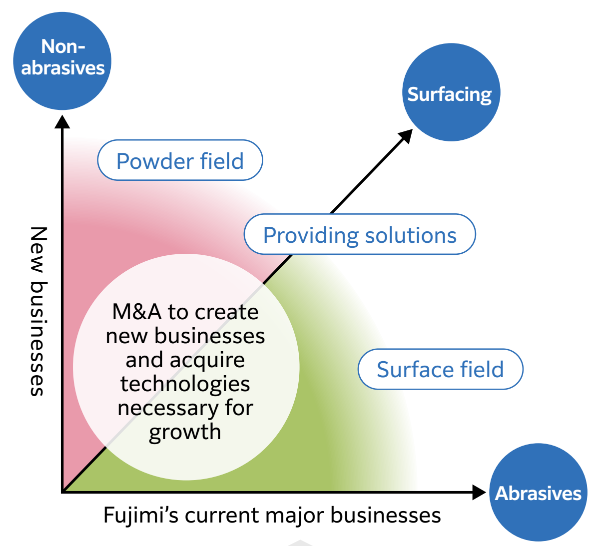
Fujimi's business model

Corporate mission

Our mission is to develop new, innovative technologies and applications with a commitment to environmental sustainability, thereby enabling the advancement of technology for the betterment of humanity.

Growth direction

Evolution from an abrasives manufacturer to a "Powder & Surface Company" through further expansion of existing businesses (e.g., semiconductor-related business) and the creation of new businesses that will serve as new pillars



Core technologies

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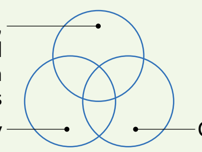

Outcomes of value creation

Financial capital

- Net sales: **62.5 billion yen**
- Operating profit margin: **18.8%**
- Net income: **9.4 billion yen**
- ROE: **12.7%**

Manufacturing capital

- Production volume (including purchased products)*3: **52,098 tons**

Intellectual capital

- Number of patents held: **1,407**
- Product lineup: **Includes a product series with No. 1 market share**

Human capital

- Turnover rate: **2.1%**
- 3-year new hire*4 retention rate: **100%**
- Ratio of female managers: **3.4%**
- Ratio of female directors*5: **25%**

Social and relationship capital

- Improved engagement with stakeholders (dialogue with investors and analysts)
- Harmony with local communities (participation in social contribution activities)

Natural capital

- GHG emissions*6 (Scope 1 and 2): **15,993 t-CO_2**
- Engaging in water offset*7 activities (reforestation)

Our goals

Medium & Long Term Business Plan 2023 (FY2024 to FY2029)

Financial indicators (FY2029)

- Net sales: **95.0 billion yen**
- Operating profit margin: **20%**
- EBITDA margin: **27%**
- ROE: **15%**
- Payout ratio Targeting: **55%+**

Major measures

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1. Creation of new businesses to evolve from an abrasives manufacturer to a "Powder & Surface Company"
2. Building a robust foundation for semiconductor-related businesses and establishing an overwhelming position in the field of materials for next-generation semiconductors
3. Reinforcement of core technology and development of new technology
4. Challenge of developing an organization and human resources with grit*8 to become a centennial company
5. Implementation of sustainability management

Goals by business

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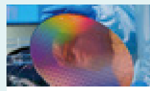
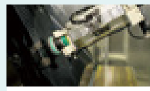
Silicon
Leader in abrasives for silicon wafers



CMP
World's top FEOL*9 slurry manufacturer

Hard Disk Substrate
Key player in abrasives for hard disk substrates

Thermal Spray Materials
Expanded share in the thermal spray materials market



Polishing Solutions
Creation of new businesses in the polishing solutions domain

Advanced Technology & Specialty Materials
Creation of new businesses in the powder domain

Materiality

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Environmental	Social	Governance	Value Creation
Response to Climate Change	Occupational Health and Safety	Integrity	Supply Chain Management
Conservation of Water Resources	Well-Being	Corporate Governance / Compliance	Quality Management
Chemical Substance Management	Diversity and Human Resource Development	Protection of Intellectual Property	Research and Development
Contribution to Recycling Society	Contribution to Local Communities	Information Security Management	Digital Transformation
		Risk Management	Productivity

*1 Heavy oil equivalent
*2 Groundwater (wells), municipal water, industrial water
*3 Excluding diamond pellets
*4 University graduates
*5 As of June 24, 2025
*6 Scope 2: Market-based
*7 Returning water to nature
*8 Grit: Courage and determination despite difficulty
*9 Abbreviation for Front End of Line, a transistor element fabrication process

Growth Strategies

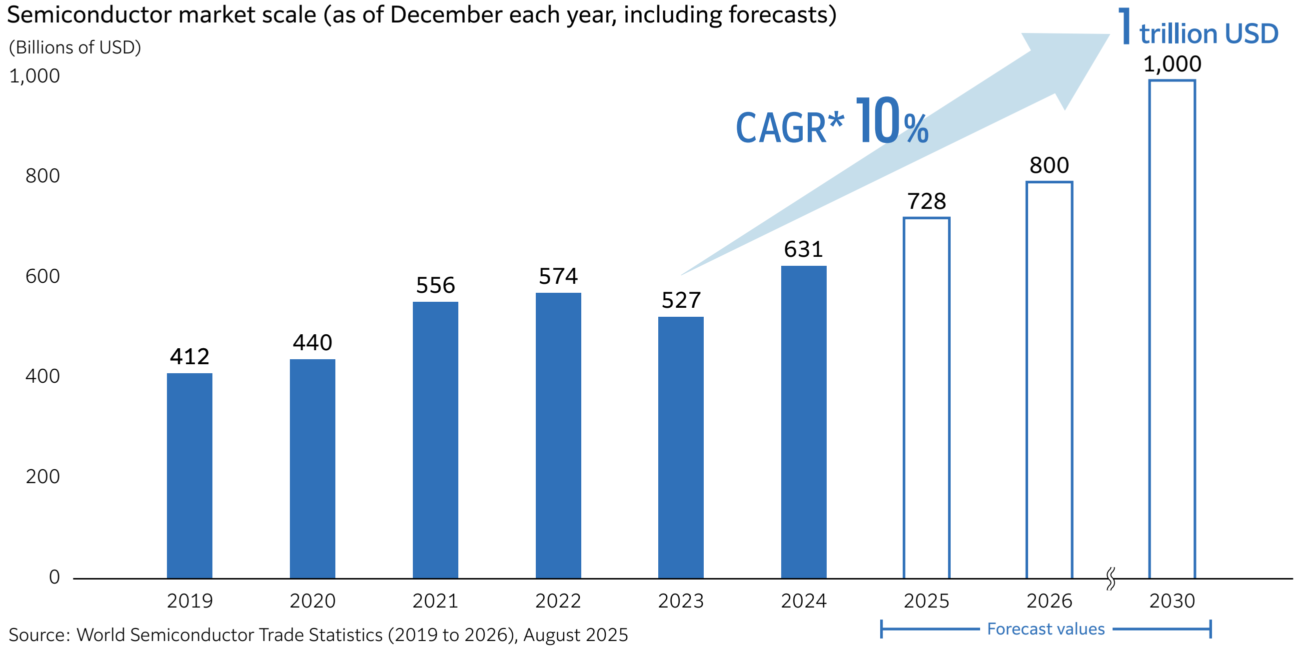
Market Environment and Market Data

In the fiscal year ended March 31, 2025, more than 80% of our net sales was from semiconductor-related fields (silicon and CMP). Continued growth is expected in the semiconductor market, and we will further strengthen our business in these fields. Meanwhile, in non-semiconductor fields, we will also aggressively work to construct a stable and balanced business as stated in our Business Structure Vision.

1 Semiconductor market trends

Semiconductor market scale (as of December each year, including forecasts)

(Billions of USD)



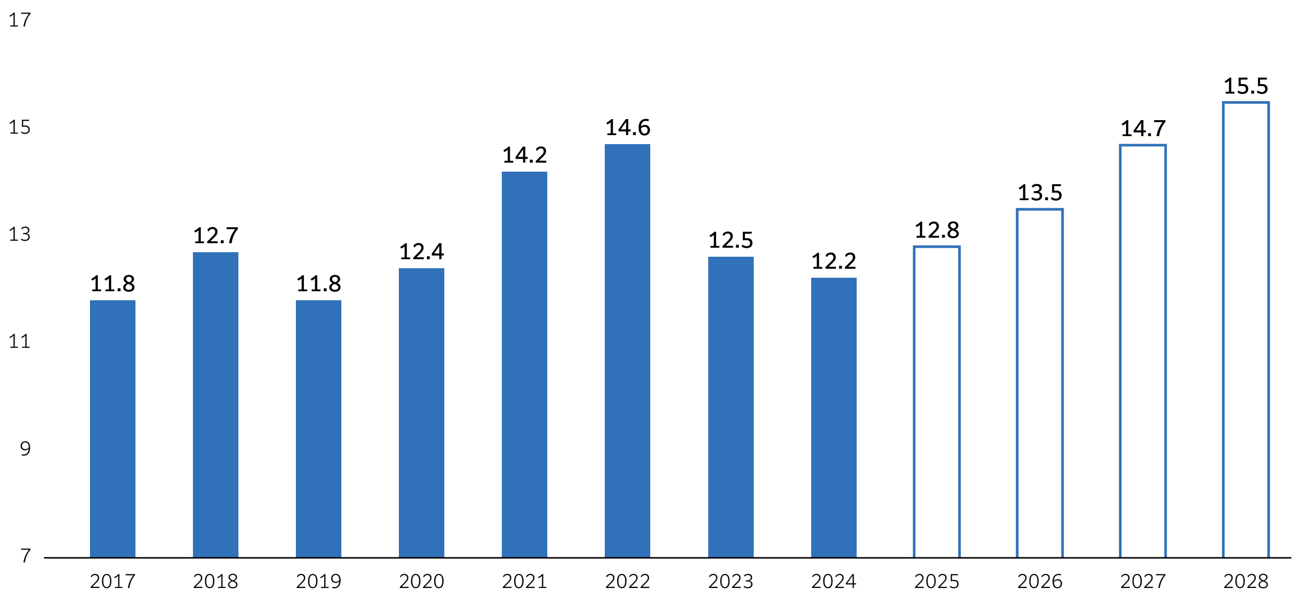
Source: World Semiconductor Trade Statistics (2019 to 2026), August 2025
SEMI (2030), December 2023

*Compound annual growth rate

2 Silicon wafer demand

Silicon wafer demand (all diameters, converted to shipping area; as of December each year, including forecasts)

(Billions of square inches)

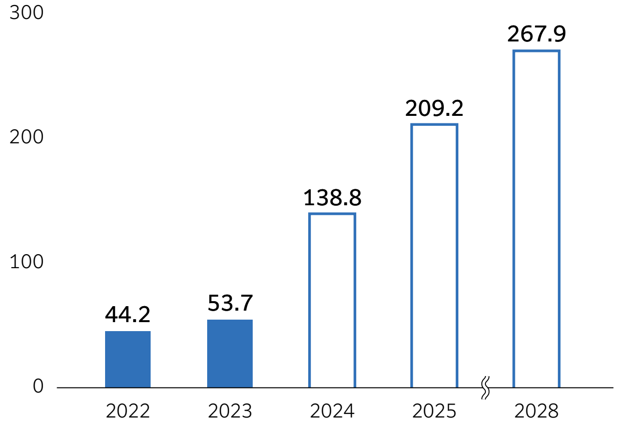


Source: SEMI (2017 to 2021), February 2022
SEMI (2022 to 2028), October 2025

3 Semiconductors for AI

Global market scale of semiconductors for AI
(as of December each year, including forecasts)

(Billions of USD)

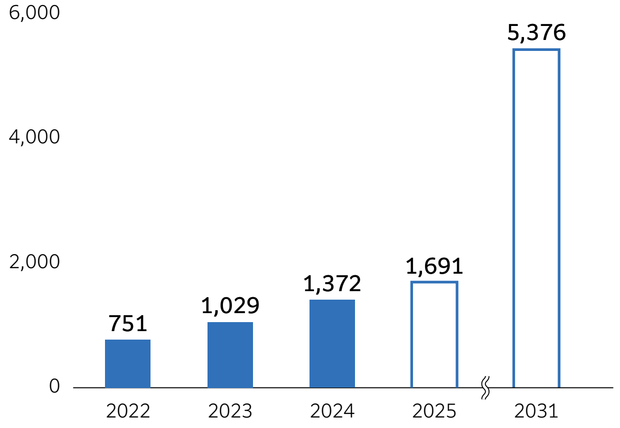


Source: Gartner, September 2025

4 SiC wafer demand

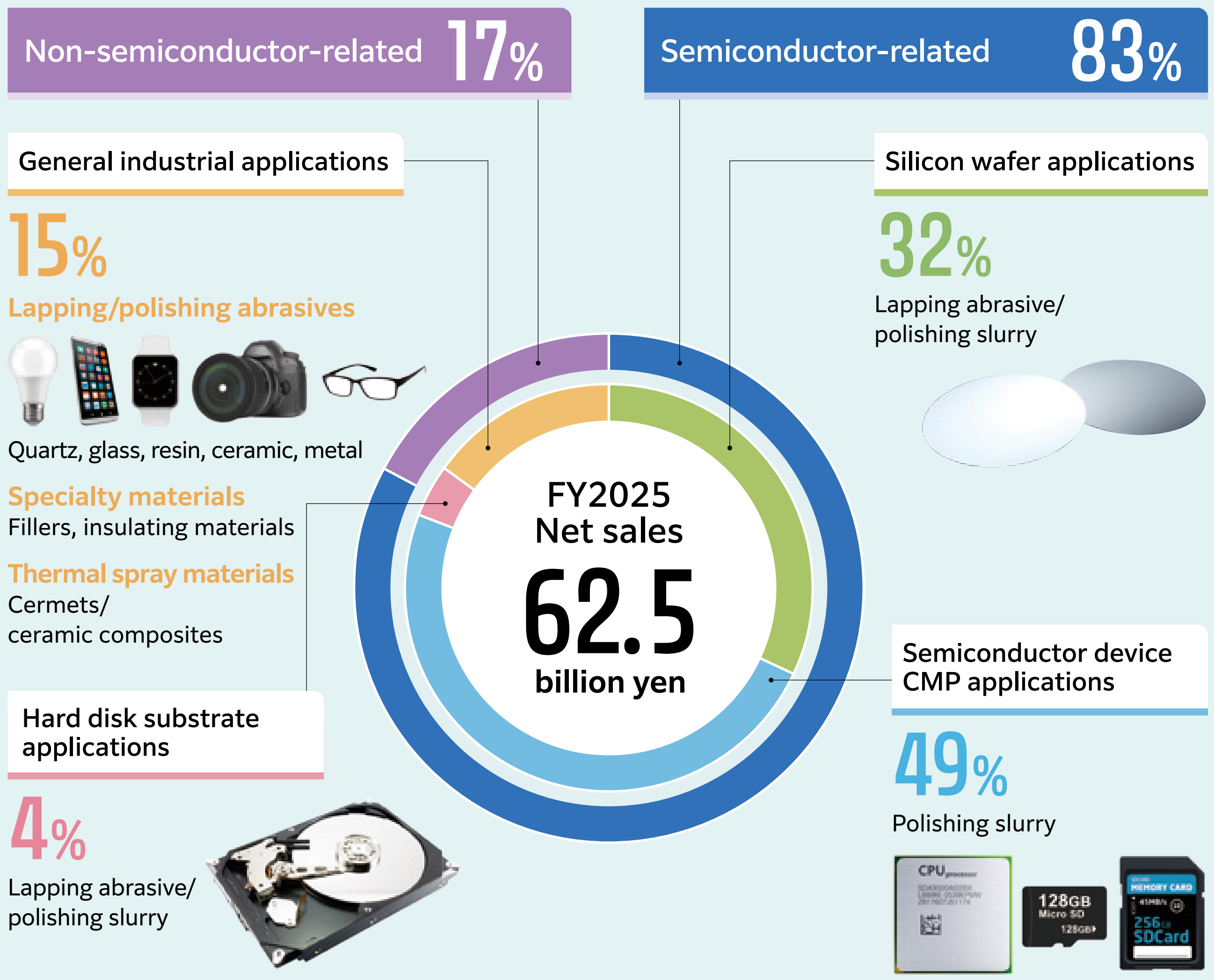
Global SiC wafer market
(as of December each year, including forecasts)

(Millions of USD)



Source: QYResearch, June 2025

Fujimi net sales by application



Medium & Long Term Business Plan

Medium & Long Term Business Plan

Under the Medium & Long Term Business Plan 2023, we aim to achieve consolidated net sales of 100 billion yen by 2030 while ensuring profitability. In the fiscal year ended March 31, 2025, the semiconductor market remained biased toward certain sectors, with demand for advanced semiconductor devices for AI applications being a driver for the market while demand was soft for PCs, smartphones, and automotive applications. Amid this market, where a full recovery will take some time, Fujimi's sales of CMP products for advanced semiconductors and products for silicon wafers performed well, resulting in record-high sales. However, we did not achieve all target items. The Group will continue advancing initiatives under the Medium & Long Term Business Plan to achieve sustainable growth in corporate value.

Target Item	FY2023	FY2024	FY2025		FY2029	
	Actual	Actual	Plan	Actual	Plan	
Consolidated net sales (billion JPY)	58.3	51.4	70.2	62.5	95.0	Point 1
New business sales ratio (%)	2.0	2.4	6.5	1.9	20	
Non-semiconductor sales ratio (%)	14.0	14.9	18.1	17.1	25	
Non-polishing sales ratio (%)	4.4	4.6	4.2	5.0	10	
Operating profit margin (%)	22.7	16.0	20.8	18.8	20	Point 2
EBITDA margin (%)	25.6	20.0	25.9	22.1	27	
ROE (%)	16.1	9.2	15.0	12.7	15	Point 3

Point 1 Net sales

- Our goal is to achieve a CAGR of 10% from the first year of the plan.
- We aim to increase each composition ratio from their current levels to achieve sustainable growth ahead.

Point 2 Profitability

- Despite a decreasing operating profit margin due to higher depreciation and R&D expenses, we will target a greater EBITDA margin.
- Depreciation is expected to peak in the fiscal year ending March 31, 2029.

Point 3 Capital efficiency

- We are aiming for ROE of 15% or more.

Dividend policy

Our target consolidated dividend payout ratio of 55% or more, proactively returning profits to shareholders commensurate with performance while being mindful of ensuring stable dividends. Furthermore, we will consider adding dividends on equity (DOE) as an indicator for dividends.

Basic Policy

Based on its corporate mission "we will develop new, innovative technologies and applications with a commitment to environmental sustainability, thereby enabling the advancement of technology for the betterment of humanity", the basic policy of the Plan is for the Company to realize conversion from an abrasives manufacturer to a "Powder & Surface Company" by the expansion of existing businesses (semiconductor-related business, etc.) and by the creation of new businesses that will become new pillars of businesses, and will contribute to the achievement of a sustainable society.

Major Measures

1. Creation of new businesses to evolve from an abrasives manufacturer to a "Powder & Surface Company"
2. Building a robust foundation for semiconductor-related businesses and establishing an overwhelming position in the field of materials for next-generation semiconductors
3. Reinforcement of core technology and development of new technology
4. Challenge of developing an organization and human resources with grit* to become a centennial company
   *Grit: Courage and determination despite difficulty
5. Implementation of sustainability management

Details on Major Measures in the Medium & Long Term Business Plan ▶ https://www.fujimiinc.co.jp/english/ir/management/plan.html

Capital Investment Plan

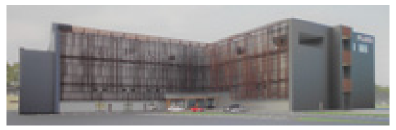
Many of the silicon wafer and semiconductor manufacturers that we serve are aggressively announcing and carrying out large-scale capital investment plans to meet the strong demand for semiconductors expected in the future. In addition, with advances in semiconductor technology innovation, customer requirements are also intensifying for new product development and quality assurance. To ensure that we address this, we are working to strengthen our development, manufacturing, and quality assurance systems at our three bases in Japan, the United States, and Taiwan.

As for capital investment, in anticipation of medium-term growth in demand for semiconductors, we have planned an unprecedentedly large capital investment (55 billion yen) to expand our global product supply system and to ensure the reinforcement of our core technologies and the development of new technologies. Though investment costs have currently exceeded projections due to factors such as advance orders for items with long lead times, modernization and functionality upgrades for equipment, and rising construction costs, we will be unwavering in our investment plan to meet increasingly sophisticated customer demands.

	FY2018 to FY2023 6-year cumulative total (results)	FY2024 to FY2029 6-year cumulative total (plan)		
			FY2024 to FY2026 3-year cumulative total	FY2027 to FY2029 3-year cumulative total
Capital investment	Of 12.7 billion yen in investment cash flows: 11.2 billion yen	55.0 billion yen	30.0 billion yen	25.0 billion yen

Medium-term Capital Investment Plan

FUJIMI INCORPORATED (Japan)

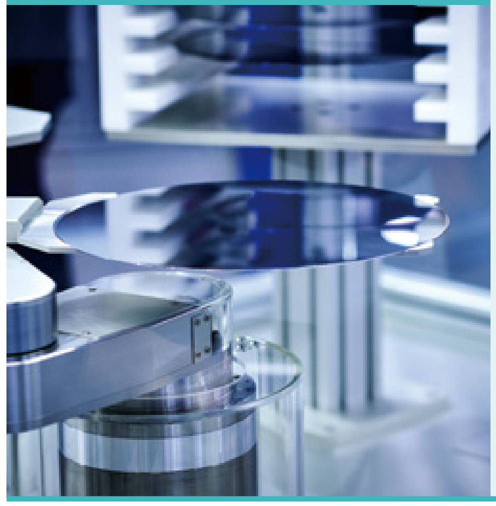
Facility name	Current status (schedule)	Progress
Kagamiyama New Plant construction • Expansion of silicon and CMP product production capacity	October 2024: Start of construction End of 2025: Construction complete 2026: Start of prototype shipments 2027: Start of full-scale production	Construction is to complete by the end of December 2025 as planned 
2nd R&D Center (name TBD) construction • Non-semiconductor-related research • Exploration and development of new businesses 	May 2025: Start of construction October 2026: Construction complete	Construction proceeding as planned toward the October 2026 completion date 

Overseas Bases

Facility name	Current status (schedule)	Progress
FUJIMI CORPORATION (United States) • Expansion of CMP product production space • Products for SiC* *Products for SiC postponed in light of market trends From the Q2 FY2026 financial results meeting, November 12, 2025	Revised new building construction plan, expanding production lines within the existing building (to prepare for potential construction delays) End of 2025: Equipment installation complete	Preparations proceeding as planned for equipment installation by end of 2025
FUJIMI TAIWAN (Taiwan) • Expansion of CMP product production capacity	End of 2025: Equipment installation complete 2026: Start of production	Preparations proceeding as planned for equipment installation by end of 2025

Strategies by Business

Silicon Business



Business Strategy

In this business, Fujimi researches, develops, manufactures, and sells abrasives and polishing compounds used in the high-precision polishing process to flatten and mirror-polish silicon wafers that serve as semiconductor substrates. We offer high-quality products and services that enable a total solution covering every step of the process, from cutting to final polishing. We aim to become our customers' "most trusted partner" by continuing to provide highly distinctive new products backed by new technologies in order to meet the increasingly sophisticated requirements of our customers. In addition, with growing expectations for future demand driven by the widespread of electric vehicles and hybrid vehicles, we are advancing the development of products for SiC substrates. To supply these products to customers around the world, We are expanding production at our bases in the United States and Malaysia.

Main Products

GLANZOX

FO

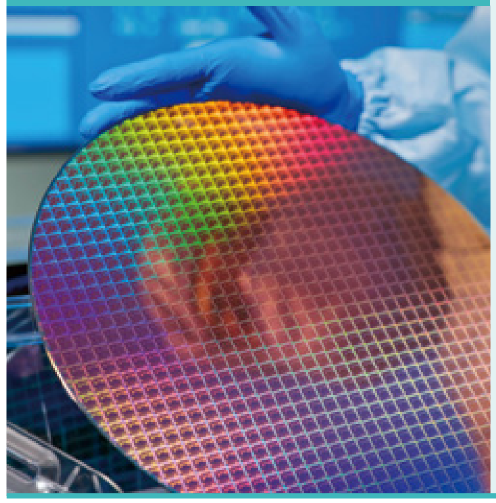
Our Goal

Leader in abrasives for silicon wafers

Initiative Direction

Providing polishing process solutions for each customer by establishing proprietary technologies (raw material design, blending and refining technologies)

CMP Business



Business Strategy

In this business, Fujimi researches, develops, manufactures, and sells polishing compounds used in the manufacturing process of semiconductor devices. As semiconductor devices become more highly functional, higher in density, and more highly integrated, the variety of films to be polished and the number of processes where CMP is applied have been increasing. Furthermore, in recent years, technologies to mount semiconductor devices in three dimensions have been developed to enhance overall system performance, and the application of CMP in this area is also being considered. To build closer relationships with customers and to develop new products aligned with their technology roadmaps, we have established manufacturing and development bases in Japan, the United States, and Taiwan—regions located near our customers' own production and R&D sites. Going forward, we will seek to become the world's top FEOL* slurry manufacturer.

*Abbreviation for Front End of Line, a transistor element fabrication process

Main Products

PLANERLITE

Our Goal

World's top FEOL slurry manufacturer

Initiative Direction

Establishing quality and technologies that meet the expectations of leading-edge customers and maximizing strengths through a tripolar system with bases in Japan, the U.S., and Taiwan

Hard Disk Substrate Business

Business Strategy

In this business, Fujimi researches, develops, manufactures, and sells abrasives and polishing compounds used in the manufacturing process of disk substrates for hard disk drives, which are storage media for digital data. We have a manufacturing base in Malaysia, in which our customers' production bases are concentrated, and we have built relationships of trust with our customers by allocating technical staff and providing technical support in the region. In recent years, solid-state drives (SSDs) have increasingly been replacing hard disk drives (HDDs). However, due to the expected growth in data volumes transmitted and received through cloud services and 5G networks, demand for hard disk drives for data centers is projected to remain at a high level. We will promptly provide new products that meet customers' requirements by expanding our basic development system to grasp and follow through on customers' requirements for next-generation disk substrates at an early stage, aiming to become a key player in this domain.

Main Products

DISKLITE

Our Goal

Key player in abrasives for hard disk substrates

Initiative Direction

Strengthening product competitiveness by enhancing development capabilities and technical support systems for customers

Strategies by Business

Thermal Spray Materials Business

Business Strategy

In this business, Fujimi mainly researches, develops, manufactures and sells thermal spray materials such as cermets and ceramics for thermal spray applications, which is environmentally friendly surface processing, in order to meet the demand for longer product life and higher product functions of machinery and components in a variety of industries including semiconductors, aircraft, and iron and steel. We aim to increase sales by further reinforcing its unique powder granulation technologies and providing timely solutions.

Main Products

SURPREX

Our Goal

Expanded share in the thermal spray materials market

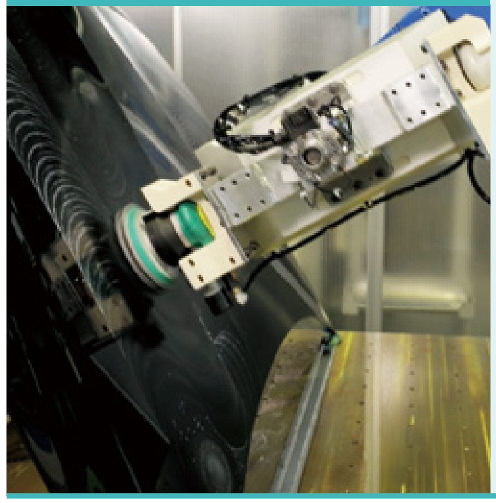
Initiative Direction

Creating customer value by providing solutions using complex technologies

(Semiconductors) Establishing a position as a development partner for products used in advanced semiconductor manufacturing equipment

(Non-semiconductors) Identifying and acquiring new and promising projects that will become business pillars

Polishing Solutions Business



Business Strategy

In this business, Fujimi researches, develops, manufactures, and sells abrasives, polishing compounds, and other products designed for a wide variety of materials—such as metals, resins, ceramics, and composite materials—as well as various shapes, including two-dimensional and three-dimensional forms, to meet diverse application needs.
We respond to new surfacing needs from customers across a broad range of industries worldwide by not only supplying abrasives and polishing compounds, but also proposing appropriate polishing methods tailored to specific applications. Through this approach, we provide comprehensive solutions that include not only abrasives and compounds, but also peripheral consumables, equipment recommendations, and processing techniques.
As part of its ongoing initiatives, we have been developing polishing compounds for automotive exteriors over the past several years, which have now begun to be adopted by customers. We aim to expand sales in this area.
In addition, we have launched a new solution-based business to fulfill the needs of customers who are considering introducing polishing processes.

Main Products

COMPOL

MIRAFLEX

Our Goal

Creation of new businesses in the polishing solutions domain

Initiative Direction

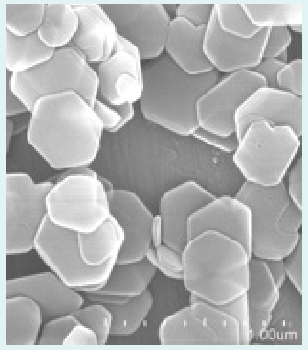
Providing advanced polishing solutions to meet customer needs, including automotive polishing compounds

Advanced Technology & Specialty Materials

Business Strategy

In these areas, Fujimi will push forward with research and development of its core technologies in the field of powder under the Advanced Technology & Specialty Materials Division, which was established for the purpose of further promoting the expansion of the powder domain and non-polish businesses, while at the same time strongly promoting the creation and commercialization of new businesses in the non-polish field. In addition, we will put more focus on the expansion of new uses and customer segments by integrating our core technologies, including those for controlling particle shape and particle size distribution and granulation, that have been cultivated by its Specialty Materials Business and the Advanced Technology Research Center and by strengthening marketing power even further.
As an example of a specific initiative, we are advancing its development on ceramic powders with high heat dissipation and liquidity, ceramic compounds that are light-weight and have high dissipation, new ceramic powders and carbide materials for 3D printers which utilize shape control technology (including spherical, board, and rod-shaped), and other products.

Selected Developments



Titanium phosphate particles

Ultrahard materials for 3D printers
(Pictured: Sample 3D-printed objects)

Our Goal

Creation of new businesses in the powder domain

Initiative Direction

Ongoing development and commercialization of specialty materials (ceramic powders, ceramic composite materials, new powders, etc.) using proprietary technical marketing and powder technologies

Foundation for Growth

Materiality

Background on Materiality Identification

In developing the Plan, the Company has specified 18 material issues as important subjects/issues which the Company prioritizes for a sustainable society.

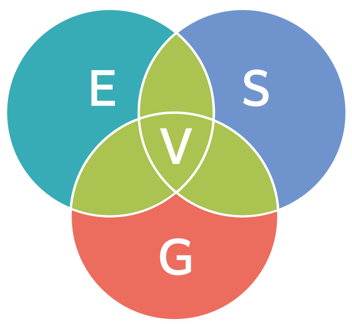
The Company, under its corporate mission "we will develop new, innovative technologies and applications with a commitment to environmental sustainability, thereby enabling the advancement of technology for the betterment of humanity", has long been committed to contributing to society and achieving sustainable business growth. By specifying material issues in 2024, the Company clearly re-established social subjects/issues which we should contribute to and address, and is further strengthening initiatives in these areas. The Company plans to update the material issues on a regular basis based on social trends and the status of our own initiatives.

Materiality Identification Process

Step 1	Comprehensive identification of social issues from an ESG perspective and identification of issues for the Company. Then, verify the level of importance to the Company
Step 2	Stakeholder interviews were conducted to verify the level of importance to society
Step 3	Based on the level of importance to the Company and to society, the issues are divided into four categories: Environmental (E), Social (S), Governance (G), and Value Creation (V).
Step 4	Identify our materiality in alignment with our corporate mission
Step 5	Deliberated and approved by the Board of Directors

Materiality Matrix (Simplified Diagram)

Fujimi's Materiality Framework



Environment: Material issues identified as important subjects/issues from an environmental perspective for sustainable development

Social: Material issues identified as important subjects/issues from a social perspective for sustainable development

Governance: Material issues identified as important subjects/issues from a governance perspective for sustainable development

Value Creation: Material issues identified as important subjects/issues from a comprehensive ESG perspective for sustainable development

Explanation of Material Issues

Category	Materiality	Specific Background	Relevant SDGs
E (Environment)	Response to Climate Change	The world urgently needs to address climate change, and we recognize the importance of taking concrete measures to address climate change. To date, we have been reducing CO_2 emissions by establishing energy conservation committees at each of our plants. In the future, we will monitor emissions at each site, set mid- to long-term reduction targets for the entire company, and promote various measures to further reduce our environmental impact.	7, 13
	Conservation of Water Resources	Some of our products use a large amount of groundwater in the production process, and water is an important natural resource that is indispensable for our business activities. Therefore, we will ensure the effective use of water resources by reducing the amount of water used (or input), to continue stable business activities, as well as to conserve forests.	3, 6, 14
	Chemical Substance Management	Appropriate management of chemical substances for environmental protection, human safety, business continuity, etc. is a serious responsibility of companies. We will strengthen our management system, appropriately grasp the regulatory status in each country, and ensure compliance with related laws and regulations. We will also promote ongoing efforts to meet the standards required by our customers regarding chemical substance management.	3, 6
	Contribution to Recycling Society	To achieve both environmental conservation and economic development, it is important to build a recycling-oriented society by making effective use of limited resources, reducing and recycling waste emissions, and properly disposing of waste. We will continuously strengthen various initiatives with the goal of conserving resources not only within our own organization, but throughout the supply chain.	9, 12
S (Social)	Occupational Health and Safety	Ensuring the safety of our employees is our highest priority, and we aim to eliminate occupational accidents by implementing measures to prevent them at our domestic and overseas locations. We will also work to improve the health of our employees, eradicating long working hours and strengthening mental health measures. We will strive to maintain the health of our employees and ensure that they can work with peace of mind through both accident prevention and health maintenance.	8
	Well-being	Our management stance is "We aim to be a company that motivates employees to excel by creating a great work culture." We will continue to foster an organizational culture that allows employees to feel fulfilled and comfortable in their work and promote initiatives to realize well-being through improvements in the work environment, review of personnel systems, and sufficient consideration for work-life balance.	8
	Diversity and Human Resource Development	In order to promote diversity, we will work to create a workplace environment where people can feel comfortable and fulfilled regardless of gender, race, nationality, creed, disability, etc. In order to develop human resources, we are providing educational opportunities through our training programs and reviewing our training programs, and will continue to enhance our training programs for each position.	4, 5
	Contribution to Local Communities	We have several bases and factories in Japan, and we are committed to business activities that take the local environment into consideration. Since a large amount of groundwater is used in the production process of our products, we are continuing environmental contribution activities under the theme of "Water Offset" in Itoshiro, Shirotori-cho, Gujo City, Gifu Prefecture, which is located in the upper reaches of a river in Gifu Prefecture where many of our production sites are located.	11
G (Governance)	Integrity	Since our founding, we have held dear the concept of integrity (honesty and sincerity) as the foundation of our pride in manufacturing. To solidify this pride, we will think for ourselves based on social norms and ethics, and reexamine the challenges and problems that we face, strengthening our integrity mindset.	16
	Corporate Governance / Compliance	Our Management Policy is that "We adhere to rules and regulations and strive to improve the quality of our technologies and management, thereby strengthening our stakeholders' confidence and trust." We are committed to thorough compliance with laws and regulations, as it is essential for sound economic development, business continuity, and sustainable development for a company to comply with all laws and regulations and to ensure fair business practices. In strengthening corporate governance, we recognize the importance of strengthening our global management system.	16
	Protection of Intellectual Property	The intellectual property of our products and technologies developed over many years of research and development is an important asset of our company. We will strive to secure and protect intellectual property, prevent leakage of our technologies, and strengthen research and development. We will also comply with intellectual property laws, patent laws, etc., and respect the intellectual property of others.	
	Information Security Management	In response to the increasing risks related to information security, we will build robust security measures and strive to prevent damage from occurring. In addition, we will further promote the development of an emergency management system to ensure a stable supply of products to our customers without delay in the event of an emergency.	
	Risk Management	Since Fujimi uses its polishing technology to contribute to the semiconductor industry, which is indispensable to society, we bear a great responsibility to ensure a stable supply of products. In recognition of this, we strive to improve our business continuity and emergency response capabilities, including by taking measures in advance to prepare for the occurrence of serious incidents. In addition, we will contribute to our customers' stable business activities by establishing a system that ensures a stable supply of products even in an emergency.	
V (Value Creation)	Supply Chain Management	Securing stable raw material procurement and logistics is essential for business continuity and stable supply to customers. We will respond flexibly to changes in the business environment that may occur in the future and fulfill our supply responsibilities under any circumstances. In addition, there is a potential risk of human rights violations and environmental destruction when procuring raw materials, and we will therefore continue to take necessary actions to ensure responsible raw material procurement.	12, 17
	Quality Management	As semiconductors continue the trend toward miniaturization, it is essential for our business to have quality assurance capabilities to meet ever-increasing quality requirements and quality control capabilities that ensure stable quality. We will work on stable process control, quality verification, and quality improvement, and also continue to strengthen our quality control system.	
	Research and Development	As a leading company in the field of precision polishing, we have continued our research and development for many years. We will continue to tackle the challenge of reaching the highest quality and performance in the cutting-edge field of semiconductors, where further miniaturization is progressing, and develop and provide products that meet customer requirements in a timely manner. In addition, we will leverage our technologies cultivated through the development of polishing materials to promote the development of new applications that contribute to sustainability.	
	Digital Transformation	We are promoting DX with the aim of strengthening our composition development capabilities, improving productivity, enhancing quality control capabilities, and efficiently utilizing human resources. Going forward, we will strengthen our system for DX promotion and execute this promotion Company-wide.	
	Productivity	Improving productivity is an important issue toward stably meeting customer demand and coping with the declining birthrate, aging population, and shrinking workforce. We will strive to improve productivity by reviewing and optimizing current processes, optimizing the value chain, and utilizing DX.	

Our Manufacturing (R&D, Production, and Quality Control)

Our Manufacturing

In order to further strengthen the trusting relationships we have with our customers, the Fujimi Group has established a system in which R&D, production, and quality control work in unison to ensure we are meeting their high-level requirements (specifications, quality, and convenience) in all phases from product development to mass production and delivery.

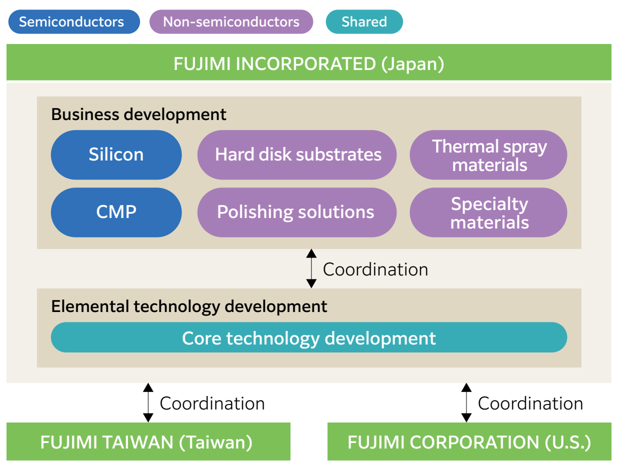
In production, we have established a mass production system that limits variation in quality using both proprietary production technologies that we have cultivated since our founding and production facilities of our own design. At the same time, to meet the increasingly sophisticated and diverse demands of our customers, we have established an integrated small-lot, high-mix production system that integrates every step from the procurement of raw materials to actions at production sites, as well as packaging and shipping. To ensure that our customers can use our products with confidence, we conduct strict product inspections and practice rigorous quality control.

Research and Development System

The Fujimi Group continues to hold a high market share in the field of high-precision abrasives. However, if we somehow became unable to promptly provide satisfactory products that meet our customers' needs, due to technological or market changes beyond our expectations, it could not only affect our Group's business performance but also undermine customer trust.

To address these risks, the Group has established R&D functions at three locations in Japan and one each in the U.S. and Taiwan. In Japan, the R&D Center, Advanced Technology Research Center, and Thermal Spray Materials Department conduct R&D for all applications. Outside of Japan, Fujimi Corporation in the U.S. and Fujimi Taiwan in Taiwan are engaged in research and development for CMP slurries used in the production of semiconductor devices. These facilities are placed in close proximity to our customers so that we can work with them in advancing the development of new products that they need in a timely manner. In order to respond to the rapidly changing market environment, we also go beyond in-house R&D, harnessing our active collaboration with universities, research institutes, and companies in various fields.

Research and Development System



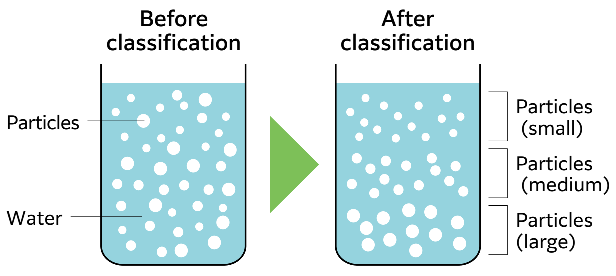
Core Technologies in R&D

Since our products (abrasives and thermal spray materials) greatly affect the performance of the products manufactured by our customers, we conduct R&D activities that encompass all processes from the examination of raw materials to the development of final products. These efforts have led to the cultivation of our core technologies: (1) filtration, classification, and purification technologies, (2) powder technologies, and (3) chemical technologies. In addition to strengthening our three core technologies, we are working to develop new production technologies and research their practical application. We also develop solution-based processes tailored to individual customer needs.

(1) Filtration, Classification, and Purification Technologies

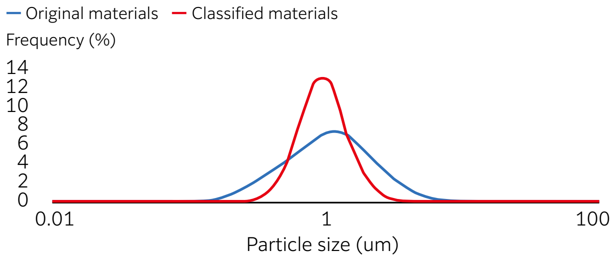
These technologies include: classification technology, which separates (classifies) abrasive grains of different sizes using differences in sedimentation speed in a fluid; filtration technology, which reliably captures (filters) coarse particles above a certain size by combining filters; and purification technology, which produces high-purity products through ion exchange and other means. These technologies enable us to provide the abrasive materials required by our customers.

Classification Technology
Uniform particle size distribution: Separates particles according to their size

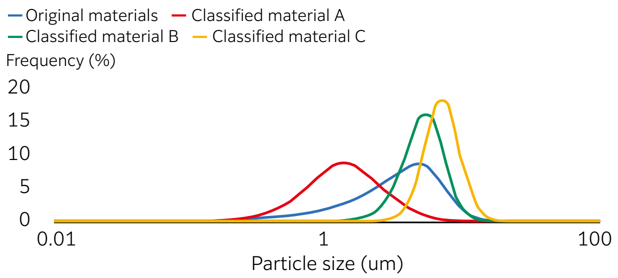


Classification allows for adjusting the particle size distribution of abrasive grains

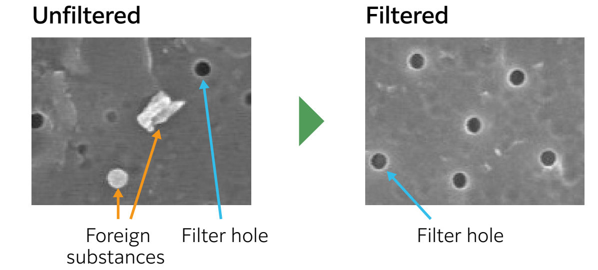
Classification example #1 Refining the particle size distribution



Classification example #2 Categorizing the particle size distribution



Filtration Technology
Foreign substance and coarse particle removal: Removes causes of surface defects such as scratches and protrusions that occur on polished surfaces



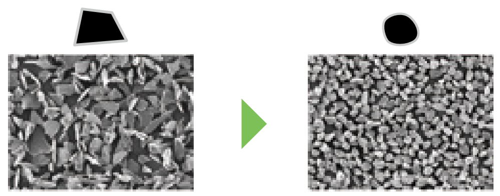
Purification Technology
Impurity level reduction: Removes impurities to ensure the quality level required for semiconductors

(2) Powder Technologies

These are technologies to control (via firing and grinding) the shape of abrasive grains to a certain extent and to make granules of uniform size and shape (agglomerated powder) from multiple abrasive grains with different properties, and technologies to heat and harden (sintering) the granulated grains. These technologies enable us to provide the abrasive materials and thermal spray materials required by our customers.

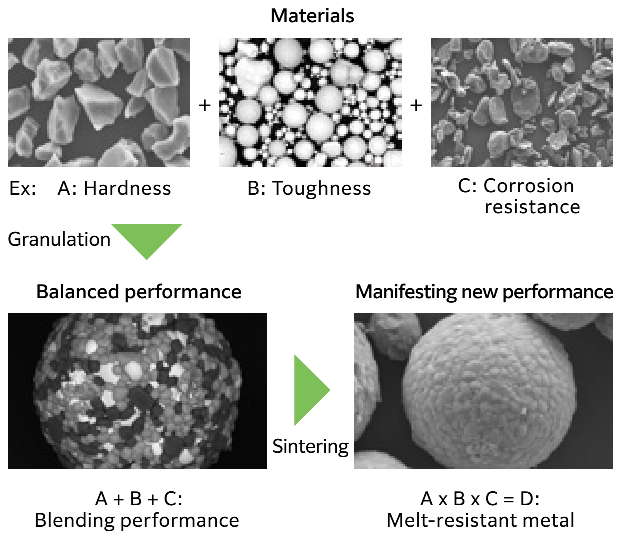
Abrasive Grain Shape Manipulation
Partial control over particle shape

Illustration of abrasive grain shape



Compositing Grains
Multiple grains with different properties are uniformly mixed and sintered after granulation

Illustration of composited grains

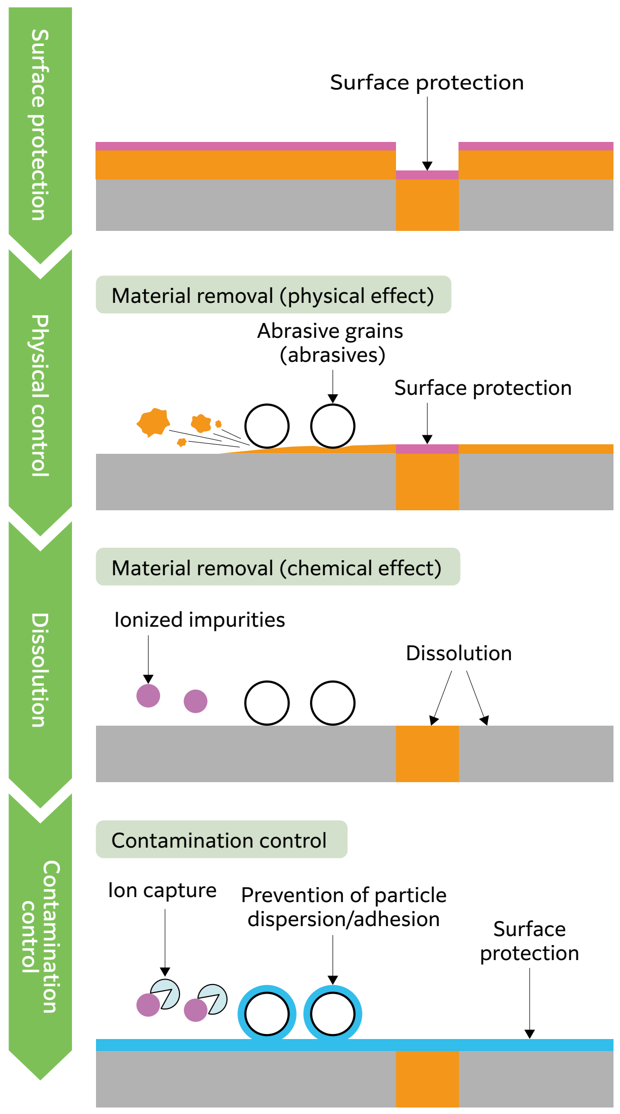


(3) Chemical Technologies

The power of chemistry improves both efficiency and precision when polishing. These are technologies for appropriately designing, blending, and refining additives that express dispersion, dissolution, and surface protection qualities, each of which contributes to greater performance by abrasive materials.

Control of Chemical Reactions During Polishing
Controlling chemical reactions (dissolution, protection, contamination) occurring on polished surfaces

Illustration of polishing



Our Manufacturing (R&D, Production, and Quality Control)

Production Initiatives

At Fujimi, we have been focusing efforts on ensuring that our capital investment and procurement plans are up to date in anticipation of future demand growth and strengthening our risk management system to be able to respond to natural disasters.

To improve productivity, we are actively introducing technological improvements (including digital transformation and automation) to our manufacturing operations, equipment maintenance, and manufacturing management tasks. Furthermore, we are working to integrate each of our systems.

Beyond this, we are also cultivating talent who both understand our customers' requirements and are able to incorporate these in our internal processes, as well as creating facilitative work environments.

Production System

The Fujimi Group currently has seven production facilities in Japan and one each in the U.S., Malaysia, and Taiwan.

In Japan, we have the Biwajima Plant, Inazawa Plant, Kakamigahara Plant, Kakamigahigashimachi Plant, and Thermal Spraying Materials Department. In October 2024, the Shiojiri Factory and Ichikawa Factory of Nanko Abrasives Industry Co., Ltd. were newly added as consolidated subsidiaries. In the U.S., our plant in the state of Oregon mainly produces CMP slurries for semiconductor devices and lapping materials for silicon wafers, as well as polishing materials for SiC wafers. In Taiwan, we have a plant in Miaoli County, near the city of Hsinchu, which produces CMP slurries for semiconductor devices. In Malaysia, our plant in the city of Kulim produces polishing materials for hard disks. In recent years, the plant has also begun producing polishing materials for SiC wafers used in power semiconductor substrates.

Manufacturing equipment for slurry products

Quality Control System

The Quality Assurance Division plays a central role in establishing a quality control system to meet and satisfy customer requirements in all processes from product development to mass production.

Quality Policy

We provide products and services that exceed our customers' expectations by establishing and improving our quality management system to an industry-leading level.

(1) Development Stage
Our sales units take the lead in communicating customer needs and requirements to the development side, leading to the creation of development plans for new products. Then, our sales, development, and quality assurance teams come together for a design review (DR) meeting, where development plans are brought to the design stage.

(2) Design Stage
The design stage includes the processes of quality design, mass production planning, and mass production design. Based on development plans that have passed the development stage, we select raw materials and proceed with new product trial production, and then evaluate risks associated with the production process and facilities for mass production. After receiving prototype assessments by our customers and confirming that a prototype is satisfactory, we move it to the production transfer stage.

(3) Production Transfer Stage
This is the first stage where a prototype is considered a product. From the receipt of raw materials to the shipment of products, our products are manufactured under reliable quality control. In the unlikely event of a quality issue, our quality assurance and product support units work together to swiftly resolve any difficulties.

Quality Assurance System

The Fujimi Group has established a quality assurance system for products covered by product liability insurance. However, if damage occurs due to our products, it could have a significant impact on our Group's business performance. To mitigate this risk, we are always working to improve our quality assurance system to ensure we meet new customer requirements. In the event of a quality-related complaint, we also take measures that address the very root cause of the issue to thoroughly prevent recurrence of similar concerns, part of our work to constantly keep pace with the increasingly sophisticated quality requirements of our customers.

Supply Chain Management

Supplier Management

The Fujimi Group carries out supplier management in order to purchase components that meet the technical standards and expectations of the cutting-edge electronics industry while strengthening supply chain sustainability.

Procurement Policy

We promote procurement activities based on the following basic policy:

1. Compliance with laws and social norms
We shall comply with all laws, regulations, and rules in our business dealings, and shall always be strict and firm. We do not engage in speculative activities under any circumstances.

2. Prevention of supply disruption
In principle, we will secure multiple suppliers or sites for the same type of materials so as not to interfere with corporate activities.

3. Promotion of social responsibility (respect for human rights)
We will practice responsible purchasing with respect for human rights as our top priority.

4. Fair, proper and effective purchasing
We will always seek out the markets and monitor industry trends to ensure efficient purchasing.

5. Information management
We will prevent the leakage of confidential and personal information.

6. Mutual development of quality and technology
We will actively cooperate with our suppliers to improve their quality control, management techniques, and technological development.

7. Environmental conservation (green procurement)
We will comply with laws and regulations related to chemical substances, adapt to customer requirements, and conduct environmentally friendly purchasing.

Efforts to Comply with the RBA Code of Conduct

In order to fulfill our social responsibility in the supply chain, including the customers and business partners that use our products and services, we strive to conduct our corporate activities in compliance with the Responsible Business Alliance (RBA) Code of Conduct*. In addition, we regularly request our major suppliers, such as suppliers of raw materials and sub-materials necessary for the manufacture of our products and companies from which we dispatch temporary workers, to submit a written agreement regarding their compliance with the RBA Code of Conduct.

Through our efforts to comply with this Code of Conduct, we will continue to fulfill our social responsibility and aim for fair and sound development of the supply chain.

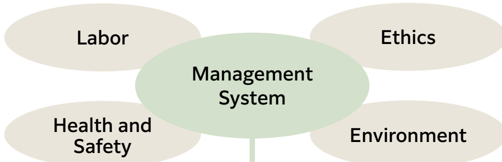
*The Responsible Business Alliance (RBA) is an alliance of companies established in October 2004, then called the EICC, with the aim of promoting CSR mainly in the electronics industry and its supply chain. Its name was changed to RBA in 2017.

The RBA Code of Conduct is a set of standards to ensure that the working environment is safe, that workers are treated with respect and dignity, that companies take responsibility for reducing the environmental impact of their manufacturing processes, and that they conduct their businesses ethically in the electronics industry, industries in which electronic equipment is a major component, and their supply chains. This standard consists of five items: Labor, Health and Safety, Environment, Ethics, and Management System.

RBA Code of Conduct

Labor:
1. Prohibition of Forced Labor
2. Young Workers
3. Working Hours
4. Wages and Benefits
5. Non-Discrimination/Non-Harassment/Humane Treatment
6. Freedom of Association and Collective Bargaining

Ethics:
1. Business Integrity
2. No Improper Advantage
3. Disclosure of Information
4. Intellectual Property
5. Fair Business, Advertising, and Competition
6. Protection of Identity and Non-Retaliation
7. Responsible Sourcing of Minerals
8. Privacy



Health and Safety:
1. Occupational Health and Safety
2. Emergency Preparedness
3. Occupational Injury and Illness
4. Industrial Hygiene
5. Physically Demanding Work
6. Machine Safeguarding
7. Sanitation, Food, and Housing
8. Health and Safety Communication

Environment:
1. Environmental Permits and Reporting
2. Pollution Prevention and Resource Conservation
3. Hazardous Substances
4. Solid Waste
5. Air Emissions
6. Materials Restrictions
7. Water Management
8. Energy Consumption and Greenhouse Gas Emissions

Management System:
1. Company Commitment
2. Management Accountability and Responsibility
3. Legal and Customer Requirements
4. Risk Assessment and Risk Management
5. Improvement Objectives
6. Training
7. Communication
8. Worker/Stakeholder Engagement and Access to Remedy
9. Audits and Assessments
10. Corrective Action Process
11. Documentation and Records
12. Supplier Responsibility

Disaster Preparedness

In the event of major damage from an earthquake, typhoon, or other large-scale natural disaster or phenomenon, normal production and R&D activities may be disrupted, which could have a significant impact on the Group's business activities, performance, and financial position.

In addition, events such as the spread of a new infectious disease could have a similar impact on the supply chain, including suppliers, customers, and the Group's plants, or employee infection could result in a shutdown of operations.

In response to such risks, the Group has established a business continuity plan (BCP) and disaster countermeasures manual, and conducts periodic drills to enhance the effectiveness of each. By doing this, we have established a system ensuring that, in the event of a disaster, important business activities can be sustained and business can be recovered swiftly.

Climate Change Measures
(Disclosure Based on the TCFD Recommendations)

Approach to Climate Change

The Medium & Long Term Business Plan 2023 set climate change measures as one of the highest priority of the 18 issues of materiality to prioritize for creating a sustainable society.

The Company has also been implementing various measures to reduce its GHG emissions, including establishing an Energy-Saving Committee at each plant dedicated to managing energy consumption. We are continuing to implement measures to decrease our environmental impact, including verifying each site's emissions volume and setting Group medium- and long-term reduction targets.

We disclose information on these activities to company stakeholders, based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), by providing information concerning the four thematic areas of governance, strategy, risk management, and metrics and targets.

Governance

The Company's governance system consists of a Sustainability Promotion Committee, chaired by the President, which deliberates the Company's management plans, business strategies, and climate change policies and targets and submits its reviews and recommendations to the Board of Directors for supervision.

Sustainability Promotion Committee

The Sustainability Promotion Committee oversees strategies related to environmental, social, and governance (ESG) issues. This committee is chaired by the President and consists of the Board of Directors, senior general managers, deputy senior general managers, and general managers. The committee meets regularly once a year to oversee policies related to climate change and other policies related to sustainability and the status of ESG and value creation issues of materiality, and to consider improvements in accordance with TCFD recommendations and global warming countermeasures. The committee annually submits reports of the content of its discussions to the President, who then presents them to the Board of Directors.

Sustainability Promotion Committee Governance Structure

Board of Directors
Discussion ↑ ↓ Supervision
President
Report ↑ ↓ Instruction
Management Meeting
Report ↑ ↓ Instruction
Sustainability Promotion Committee

Chair: President
Committee members: Board of Directors, senior general managers, deputy senior general managers, general managers
Secretariat: ESG Department
Meeting frequency: Once a year

Report ↑ ↓ Instruction
Supervising departments and related committees/meetings
Establishment of committees and meetings to supervise each materiality
Report ↑ ↓ Instruction
Each department/group company

Global Risk Management Committee

The Global Risk Management Committee deliberates potential risks to Group business operations with the objective of maintaining a stable management foundation. The committee meets twice a year to classify the level of risk presented by potential risk events based on the frequency of occurrence, degree of financial impact, and other projections, and to discuss the status of improvement measures. The Company also forms project teams to devise and execute countermeasures for events deemed to present extremely high risk. The committee annually submits reports of the content of its discussions to the President, who then presents them to the Board of Directors.

Global Risk Management Committee Governance Structure

Board of Directors
Discussion ↑ ↓ Supervision
President
Report ↑ ↓ Instruction
Management Meeting
Report ↑ ↓ Instruction
Global Risk Management Committee

Chair: President
Committee members: Board of Directors, senior general managers, deputy senior general managers, general managers
Secretariat: Human Resources & General Affairs Department
Meeting frequency: Twice a year

Report ↑ ↓ Instruction
Supervising departments and related committees/meetings
Preparation, implementation, and promotion of improvement plans
Report ↑ ↓ Instruction
Each department/group company
Implement education and training for employees

Strategy

Companies seeking to decarbonize their operations must confront various uncertainties. Fujimi conducted the TCFD recommended scenario analysis to verify management resilience. Following the climate change scenarios published by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC), the scenario analysis looked at anticipated risks and opportunities for the Company under the 1.5°C scenario, in which the impact of transition risks and opportunities are prominent, and the 4°C scenario, in which the physical impacts due to a rising average temperature are prominent. We intend to deepen and review the scenario analysis for the Company and formulate a transition plan to decarbonization for disclosure as recommended by the revised TCFD guidance and the International Sustainability Standards Board (ISSB).

Referenced Scenarios

Set Scenarios		Less than 2°C scenario (including the 1.5°C scenario)*1	4°C scenario*2
Referenced Scenarios	Transition aspect	NZE*3, APS*4 (IEA WEO*5 2022) NZE, APS (IEA ETP*6 2023)	STEPS*7 (IEA WEO 2022)
	Physical aspect	RCP2.6 (IPCC*8 AR5) SSP1-1.9, SSP1-2.6 (IPCC AR6)	RCP8.5 (IPCC AR5) SSP5-8.5 (IPCC AR6)

*1 Scenario of countermeasures being taken to limit temperature increase to 1.5°C or less compared to pre-industrial revolution
*2 Scenario of global average temperatures rising by 4°C at the end of the 21st century compared to pre-industrial revolution levels
*3 "Net Zero Emissions 2050" Achievement of net zero emissions in 2050, temperature increase of 1.5°C in 2100
*4 "Announced Pledges Scenario" Governments achieve all the climate-related commitments that they have announced, temperature increase of 2.1°C in 2100
*5 International Energy Agency "World Energy Outlook" (2022)
*6 International Energy Agency "Energy Technology Perspectives" (2023)
*7 "Stated Policies Scenario" Consistent with NDC as of June 2021, temperature increase of 2.6°C in 2100
*8 UN Intergovernmental Panel on Climate Change (IPCC), "Shared Socio-economic Pathway"

Risks and Opportunities Based on 1.5°C Scenario Analysis

Scenario	Details	Impact on business	
1.5°C Scenario	Strengthening of policies, laws, and regulations (GHG emission regulations, energy policy, etc.)	Risks	Increase in capital investment costs due to GHG emission regulations
			Increase in renewable energy procurement costs due to GHG emission regulations
			Increase in operating costs due to the introduction of carbon pricing
			Increase in operating costs due to changes in energy policy
			Increase in raw material procurement costs due to suppliers' handling of decarbonization
		Opportunities	Reduction of energy costs due to energy-saving and reduction of GHG emissions
	Changes in the management environment in association with an increase in demand for environmental consideration	Risks	Increase in costs required for waste disposal and recycling
			Decrease in demand for the Company's products due to weakened ability to meet increased demand for a circular economy, leading to GHG reductions
			Decrease in demand and competitiveness due to inability to meet customer demands for environmental consideration
		Opportunities	Increase in demand for the Company's products in association with rising demand for next-generation semiconductors needed for a decarbonized society
			Increase in demand for Company products that meet customer demand for environmental consideration
	Increase in stakeholder demands for climate change initiatives	Risks	Risk of litigation because of delays in complying with permits and regulations related to water resources, chemical substance management, or other factor

Risks and Opportunities Based on 4°C Scenario Analysis

Scenario	Details	Impact on business	
4°C Scenario	Increase in temperatures and abnormal weather	Risks	Impacts on the raw material procurement network due to abnormal weather
			Negative impacts on water resources due to abnormal weather (risk of drought, reduction of water quality)
			Damage to logistics network due to wind and flood damage and sea level rise
			Impact on operations due to flooding and sea level rise caused by changes in climate patterns
			Increase in risks, such as heat stroke, posed to the health of employees
	Market changes due to increase in temperatures and abnormal weather	Opportunities	Increase in demand for Company products accompanying growing demand for semiconductors needed to adapt to higher temperatures and abnormal weather (advanced in semiconductor energy consumption)

Climate Change Measures
(Disclosure Based on the TCFD Recommendations)

Risk Management

Global Risk Management Committee meets twice a year to promote the Company's risk management activities to reduce risk and create business opportunities. The committee is chaired by the President and comprised of the Board of Directors, senior general managers, deputy senior general managers, and general managers.

The Company classifies risks, including risk events related to climate change, into four risk levels based on the level of importance and frequency of occurrence. The Company designates specific departments to be responsible for responding to the risks and, as needed, forms project teams to implement countermeasures for extremely high-risk items. The Global Risk Management Committee carefully and thoroughly deliberates risk reduction activities and the status of progress toward short-, medium- and long-term targets. The committee regularly submits the content of its deliberations to the Board of Directors.

Risk Assessment Process

1	**Identify risks**	Identify and list anticipated risks for each division and group company
2	**Assess risk (Probability and level of impact)**	Assess the magnitude of identified risks based on their probability of occurrence and degree of financial impact
3	**Assess the degree of importance of risks**	Assess the degree of importance of each assessed risk considering the state of progress of countermeasures
4	**Conduct officer interviews**	Interview officers to ascertain the management perspective on group risks
5	**Prepare a risk list (Global)**	Prepare a list of risks for the overall group based on the officer interviews
6	**Examine risk countermeasures**	The Global Risk Management Committee deliberates measures to reduce and eliminate risks on the list of risks
7	**Resolution by the Board of Directors**	The Board of Directors discusses the results of deliberations by the Global Risk Management Committee

Metrics and Targets

The Company is working to accurately calculate Scope 1 and 2 GHG emissions to clarify the direction and steadily implement climate change initiatives, which has been set as an item of materiality.

The Company is also preparing to calculate Scope 3 GHG emissions and set medium- and long-term reduction targets for Scope 1 and 2 emissions, which will be monitored regularly by the Board of Directors.

Results for Scope 1 and 2 GHG Emissions (Japan*1)

(Unit: t-CO_2)	FY2023	FY2024	FY2025
Scope 1	2,895	2,325	2,493
Scope 2*2	10,440	8,746	9,643
Scope 2*3	9,183	9,352	9,614
Scope 1+2*2	13,336	11,071	12,136
Scope 1+2*3	12,079	11,678	12,107

Results for Scope 1 and 2 GHG Emissions (Consolidated Subsidiaries*4)

(Unit: t-CO_2)	FY2023	FY2024	FY2025
Scope 1	198	166	166
Scope 2*2	3,923	3,821	3,974
Scope 2*3	—	—	3,719
Scope 1+2*2	4,121	3,987	4,141
Scope 1+2*3	—	—	3,885

*1 FUJIMI INCORPORATED (Japan) *2 Scope 2: Location standard *3 Scope 2: Market standard
*4 Calculations are for FUJIMI CORPORATION, FUJIMI TAIWAN LIMITED, and FUJIMI-MICRO TECHNOLOGY SDN. BHD.

Environmental Initiatives

We are Responsible for the Future

Protecting the environment has become critical to the very survival of humanity, and we believe we have a responsibility to incorporate environmental awareness from all perspectives into our corporate activities.

Fujimi creates products that are beneficial to society. We use raw materials to make our products, and we understand that our activities impact the environment. These activities produce negative impacts by emitting carbon dioxide and generating waste materials from the energy and resources used in production. Our activities also have beneficial impacts including improving the functionality and energy efficiency of electronic equipment.

We consider communication with our customers, business partners, shareholders, and local communities an important part of our efforts to lower our environmental impact. We encourage all stakeholders reading this integrated report to scrutinize the appropriateness of our activities from a third-party perspective. As a member of the global community, we will steadily implement the following policies and activities to contribute to protecting the global environment and increase the value and reputation of our company.

Environmental Management

Reducing greenhouse gas (GHG) emissions encompasses a variety of management issues. Incorporating emissions trading, environmental taxes, and other environmental practices requires thorough consideration and planning and, if implemented, will increase the costs associated with GHG. The growing number of environmental regulations on industrial activities also increases the volume of work, such as to change business practices to ensure compliance. In addition, at the same time that new technologies and businesses centering on solar, wind, small and medium-sized hydro, geothermal, and other renewable natural energy sources are emerging, markets, industries, and products that previously supported business are now declining because they run counter to a decarbonized society.

In these circumstances, our activities to reduce our environmental footprint have been focused on reducing the negative impact on the environment, complying with environmental laws and regulations, and preventing pollution. Now, however, it has become vital to raise our global warming measures and other environmental conservation activities to another level to include environmental management focused on sustainability that addresses the forementioned management issues. For the survival of life on our planet, it is essential to construct new global systems and mechanisms, innovate technologies, change our lifestyles and ways of thinking, and reformulate industrial structures as quickly as possible. As a member of society, Fujimi must strengthen its environmental management.

Companies are now being evaluated not just on their financial standing, but also on how they are being managed, and environmental initiatives have become particularly important evaluation criteria.

Environmental management activities are extensive and varied, and raising them to a new level requires a company-wide effort of all employees. To make our activities as effective as possible, each of us needs to think about how we can make our everyday jobs more environmentally sound and our responsibility to society. We all need to increase our understanding of environmental data, analyze and forecast the impact we have, and increase our awareness and enhance our abilities to act with environmental responsibility. We will continue steadily working to be a company with a corporate culture that is fully dedicated to protecting the environment.

Environmental Policies

Fujimi practices environmental protection and earth-friendly corporate activities by continual improvement of its environmental management system to prevent pollution, to reduce impact on the environment, and reduce potential risks.

Conduct Guidelines

1. Promote the efficient use of resources, conservation of energy, and promotion of reduction greenhouse gas activity.
2. Reduce the volume of waste materials and promote recycling.
3. Prevent pollution in wastewater by reducing water contamination through reduction activities.
4. Provide products and services which have less impact on the environment.
5. Comply with all environmental regulations and other requirements.

Environmental Objectives

The annual objectives of the FY2026 Environmental Action Plan are set out below.

Details of the objectives include improving the environmental impact of operations and verifying issues related to existing businesses. Real contributions to the environment have been made.

Annual Environmental Objectives

1	Reduce greenhouse gas (Scope 1 and 2) - producing products	0.240 t-CO_2 / t or less
2	Reduce sludge-producing products	Keep the status (vs FY2025)
3	Prevent environmental pollutant leakage	Number of leakages : 0

Objectives for Developing Environmentally Friendly Products and Services

Development of environmentally friendly products	Achieve 100% of segment targets

Environmental Measures

Environmental Management Committee

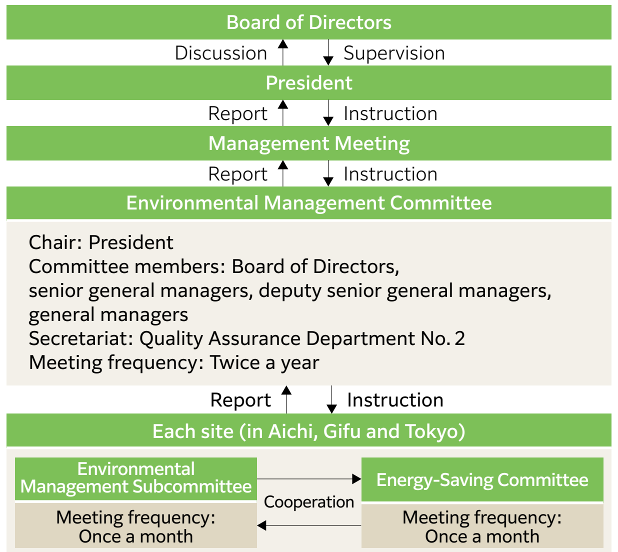
The Environmental Management Committee is charged with ensuring the appropriateness, adequacy, and effectiveness of the Company's environmental management system. This committee is chaired by the President and consists of the Board of Directors, senior general managers, deputy senior general managers and general managers. The committee meets twice a year for deliberation centered on the following topics.

- Evaluation of opportunities for improvement and the need for changes to the environmental management system, including environmental policies and environmental objectives and metrics
- Drafting of implementation plans in line with medium- to very long-term policies on climate change deliberated by the Sustainability Promotion Committee
- Formulation of and progress monitoring for plans addressing overall environmental issues (environment-related material issues, risks and opportunities posed by climate change)
- Calculation of GHG emission volumes, setting of reduction targets (Scope 1 and 2) and monitoring

The content of deliberations is submitted to the Board of Directors through reports to the President (twice a year).

In addition, Environmental Management Subcommittees and Energy-Saving Committees are established under this committee to consider specific measures.

Environmental Management Committee Governance Structure



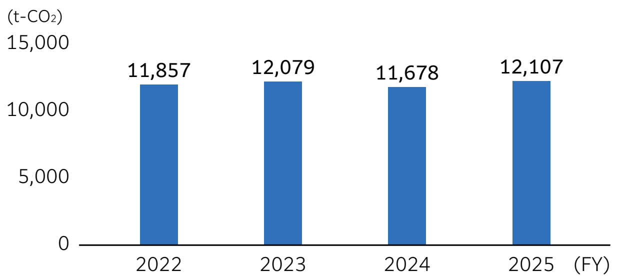
Activities to Lower Environmental Impact

Fujimi considers actions to counter global warming, conserve resources, and reduce waste as important management issues and is advancing measures to reduce the environmental impact of its operations.

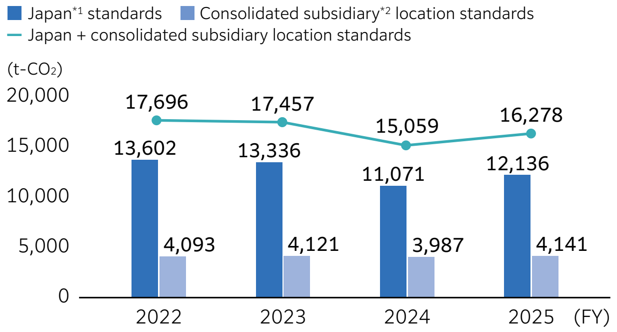
Reducing Greenhouse Gas (GHG) Emissions

All Fujimi factories have an Energy Conservation Committee focused specifically on effectively managing the energy used by processes and equipment with the aim of reducing GHG emissions.

GHG Scope 1 and 2 Emissions (Japan Market Standards)

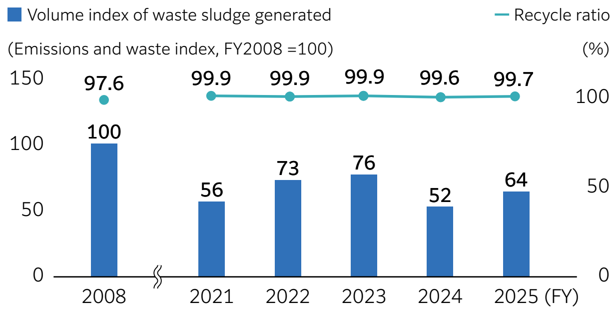


GHG Scope 1 and 2 Emissions (Japan and Overseas Location Standards)

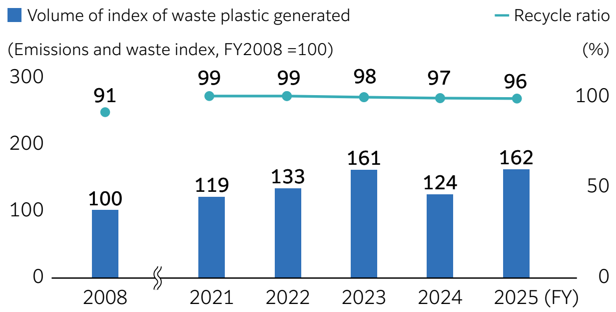


*1 FUJIMI INCORPORATED (Japan)
*2 Calculated for FUJIMI CORPORATION, FUJIMI TAIWAN LIMITED, and FUJIMI-MICRO TECHNOLOGY SDN. BHD.

Sludge Recycle Ratio



Waste Plastic Recycle Ratio



Paperless Administration

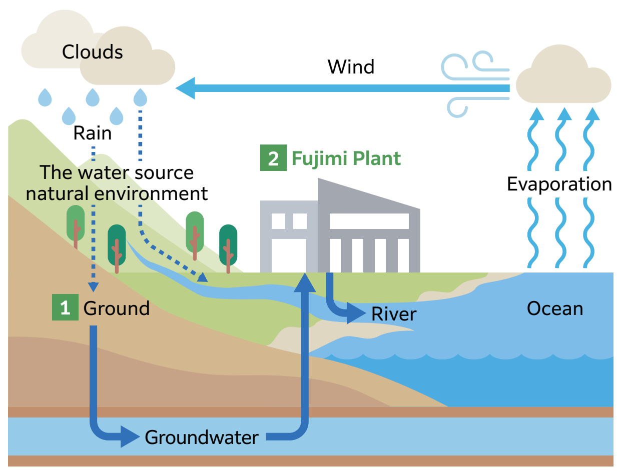
Fujimi no longer distributes printed materials at meetings and all possible steps are taken to limit paper use, including switching from storing materials on paper to electronic media.

Water Offset Initiatives

Fujimi regularly contributes to society by donating to social welfare councils, joining community cleanups, and sending relief funds to areas struck by disasters. In October 2020, we commemorated the 70th anniversary of our founding by launching a company-wide water offset initiative as another way we can contribute to society.

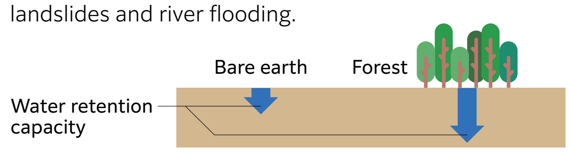
Our product manufacturing processes require a significant amount of water. Our manufacturing sites in Japan annually use approximately 1.7 million tons of water, equivalent to 4,500 average-sized 25-meter swimming pools. Because water is essential to producing our products, we believe we have an important responsibility to take steps to return water to nature, or what is called water offset. We therefore decided to actively join water environment protection and maintenance activities in Gifu Prefecture, where our production bases are concentrated.

The Water Cycle



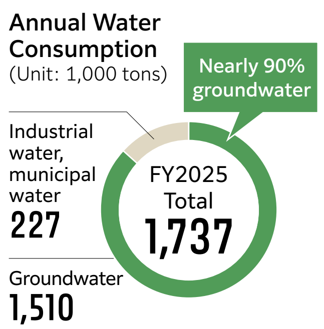
1

Forests nurture soil and store water. The greater the water retention capacity of the soil, the more stable the underground water supply. Forests also prevent landslides and river flooding.



2

Fujimi's production processes use a large volume of groundwater. Our domestic production sites annually use approximately 1.7 million tons of water, of which groundwater accounts for approximately 1.5 million tons.



Reforestation

Because of the large volume of groundwater needed to manufacture our products, we are assisting in reforesting to increase and supplement the water retention capacity of our water sources where our production bases are concentrated in Gifu Prefecture. Our reforestation efforts target mountain areas that have been clear-cut of all trees. Some of the land has become covered with sasa bamboo higher than a person, which inhibits the growth of trees.

In those places, regenerating the forest requires human intervention. Reforestation is not accomplished in one or two years; it usually takes decades. Forests not only nurture soil, store water, and provide a stable underground water supply, they also protect against landslides and river flooding caused by heavy rains.

The objective of the reforestation is to protect the natural environment of water sources and maintain or increase the water retention capacity of the soil, which contributes to the sustainability of both our business and local communities.

The Itoshiro Area

Itoshiro is a village with a population of about 250 people located in Gujo, Gifu Prefecture. At an altitude of 700 meters, the village is at the southern foot of Mt. Hakusan which, along with Mt. Fuji and Mt. Tateyama, is one of the three most famous mountains in Japan and has a rich history and local culture. Nearby organizations are working to create a sustainable farming village that blends local folk wisdom and spirit with modern-day sensibilities.

Fujimi is working on water offset activities in Itoshiro with the non-profit organization Yasuragi no Sato Itoshiro, which engages in small hydroelectric power generation, forest development, and local history study sessions.

Videos about our water offset activities can be viewed at the Fujimi website and on YouTube (Japanese language only).

Fujimi website
https://www.fujimiinc.co.jp/csr/action/wateroffset.html

Fujimi YouTube Channel
https://www.youtube.com/@fujimiincorporated5384

Increasing our Diversity

Approach to Increasing Diversity

Our policy for selecting new employees is to hire people who have enthusiasm and integrity in a globally diverse and innovative environment, and who can use their creativity and problem-solving skills to take on challenges. We hire people who meet these criteria without consideration of gender, race, nationality, beliefs, physical ability, religion, or age. We seek to create a safe and secure environment free of discrimination for all employees through our internal training programs and by ensuring no disparity in treatment for people holding the same positions. We are expanding our education and personnel structures, which respect the right of all employees to grow in their work and have opportunities for success.

We also believe that, as a corporate entity, complying with all laws and regulations is a minimum requirement. Our Code of Ethics sets standards, including for respecting human rights, for all company directors and employees, and we conduct annual compliance training sessions to ensure full understanding of the Code throughout the Company. We maintain Fujimi's reputation as a company to trust by ensuring that all directors and employees follow the Code and carry out their duties with fairness.

Supporting Work-Life Balance

We are constructing a work structure to support employees balancing their work and personal life so they can work with peace of mind. We make a conscious effort to create a work environment in which all employees can realize their full potential.

In supporting the balance of work and personal life, we have created our Action Plan based on the Act on Promotion of Measures to Support the Development of the Next Generation established by the Ministry of Health, Labour and Welfare, and have achieved the plan's goals and received Kurumin certification recognizing us as an institution that supports childcare.

Most recently, we have received the special Platinum Kurumin certification from the Minister of Health, Labour and Welfare as an outstanding child-rearing support company that implements higher-level initiatives in supporting the balance of work and child-rearing and meets specific standards.

プラチナくるみん

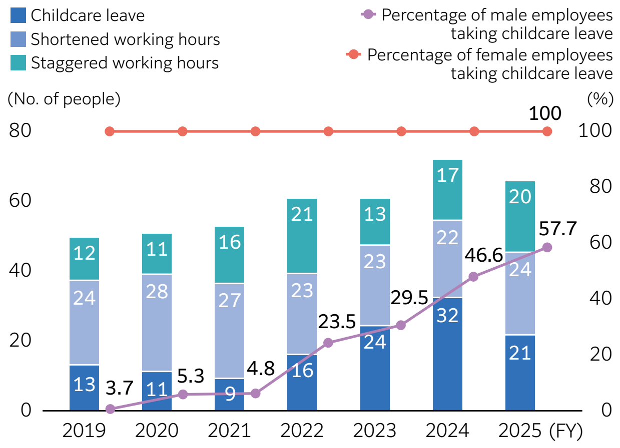
子育てサポートしています

Support System for Childcare and Nursing Care

Support	Types	Law	Fujimi
Childcare support	Childcare leave	Up to age 1 (exception*: age 2)	Up to age 18 months (or up to age 2 in special circumstances*)
	Reduced schedule	Pregnancy to age 3	Pregnancy to graduation from elementary school
	Staggered work shift	During pregnancy only	Pregnancy to graduation from elementary school
Nursing care support	Nursing care leave	Up to 3 times within the total 93 days	Total 93 days * No limit on number of exceptions
Long-term nursing care support	Nursing care leave	—	Total 3 years

*Special circumstances such as if a child is unable to attend nursery school.

Use of the Childcare Support System



Initiatives for the Participation and Advancement of Women

On September 26, 2023, the Ministry of Health, Labour and Welfare accredited Fujimi with the highest mark of Level Three Eruboshi Certification in recognition of our efforts to empower women in the workforce under the Act on Promotion of Women's Participation and Advancement in the Workplace. After the act was adopted on April 1, 2016, we formulated an action plan with measures to (1) create an appropriate corporate culture by holding roundtable discussions with female employees and male managers, (2) restructure our corporate system by introducing a structure supporting flexible work styles, and (3) assist in career development and advancement by conducting internal and external seminars. We believe the certification was the result of our ongoing commitment to these initiatives.

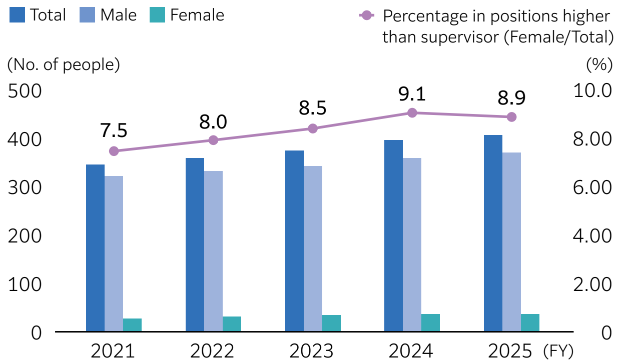
女性が活躍しています！

Human Capital Indicators and Targets

	FY2024 results	Targets
Percentage of women in managerial positions	3.4%	10% or more*1
Percentage of employees taking childcare leave (male)	57.7%	50% or more*2
Percentage of employees taking childcare leave (female)	100%	95% or more*2

*1 2016 Action Plan target for FY2027
*2 2022 Action Plan target for FY2026

Number of Officers (Supervisor or Higher)



Human Resource Development

Approach to Human Resource Education

The following Basic Policy on Education outlines our fundamental approach to human resource education.

1. Foster employees capable of acting independently with a deep understanding of the Company's social mission, excellent creativity, a strong sense of responsibility, and the ability to perform tasks and solve problems.
2. Provide opportunities to acquire and deepen the administrative and technical knowledge and the technical skills and expertise needed to contribute to advancing our business.
3. Systematically develop each employee over a long-term period to facilitate their continuous growth, and formulate career paths that harness the full potential of their individuality.

Diverse Human Resource Education System

Fujimi operates overseas assignment, training, and study programs as well as a language learning program to support our employees' ongoing growth, facilitate adaptation to a global environment, and foster career development that fully leverages the diversity of our workforce. We are also committed to developing human resources through hierarchical training programs, technical and professional skill development programs, and other programs to nurture the talent that our Company and customers require to address customer issues and ensure the stable supply of our products.

Technical and Specialized Training

We cultivate engineers who will drive next-generation technologies and further advance industrial society. We offer a range of technical and specialized education opportunities for participants to increase and expand their knowledge in areas including academic theory and the logical thinking skills essential for engineers, as well as the leadership skills needed to be engineering leader. In addition, we have prepared manuals for various types of analysis and evaluation equipment so employees can methodically learn all the important aspects of their work.

Main Training and Programs

Quality training, intellectual property training, technical workshops, workplace professional training and competency management systems, Meister certification system, external seminars

Foreign-Language Education

Fujimi has a large number of overseas customers, and foreign language proficiency is essential for employees to broaden the range of activities in which they can play active roles. We provide opportunities to learn foreign languages catered to each person's goals and abilities so as many employees as possible can experience, grow, and enjoy the satisfaction of participating in international business settings.

Main Training and Programs

Online English conversation, in-house TOEIC Institutional Program (IP) testing, support system for attending external English, Chinese, and Korean language schools, overseas training system

Support for Self-Development and Qualification and Degree Acquisition

Fujimi subsidizes the cost of correspondence courses and e-learning to encourage employees to obtain the knowledge needed to acquire the qualifications and certifications related to their personal goals. Employees who successfully acquire qualifications applicable to their work are provided monetary rewards. The Company also provides scholarships for employees pursuing graduate degrees in a job-related specialty.

Examples of Qualification Acquisition Support

Pollution control manager (water quality), energy manager, chief electrical engineer (Type 3), customs broker, certified engineer, patent attorney

Indicators and Targets

	FY2024	FY2025 target
Hours of HR Department-led training per employee	17.9 hours	18.2 hours

Main Training Programs

	Main areas to support employee growth	Examples of training at each career stage
New employees	Acquire the basics as a member of society and build a foundation for future growth	Technical materials study session New employee training On-site training
Young employees	Develop ability to perform duties independently and earn the trust of team members	Role recognition training Logical thinking training Presentation training Assertion training
Mid-level employees	Develop human resources into young leaders who work with teams to tackle challenges	Role recognition training Leadership training Facilitation training Strategic thinking training
Administrators	Foster a management mindset and the ability to evaluate and execute organizational development from a medium- and long-term perspective, and develop the next generation of candidates for management	Middle management training Management skill improvement training
Executives	Foster individuals with extensive management knowledge and strong decision-making ability, who can develop the next generation of executives from a medium- to long-term perspective	Executive management training

Dialogue with Outside Directors

Outside directors closely monitor ambitious actions to make Fujimi a “strong, kind, and exciting company” utilizing inherent sincerity and integrity

Atsuko Yoshimura
Outside Director

After many years in the investment banking arm of a multinational securities firm, where she supported growth and financial strategies for corporate clients, including M&A and capital procurement, Atsuko Yoshimura joined the France-based Roquette group, where she served as the representative of Roquette Japan K.K. and the head of strategy for the Asia region. She has established VG-C Inc. and PhytoMol-Tech Inc., where she currently serves as representative director and CEO, respectively. This has given her a wealth of decision-making skills and insights cultivated as a manager. She was appointed as an outside director of the Company in June 2022.

Naoko Yamazaki
Outside Director

Naoko Yamazaki has extensive experience in the financial industry, including working for a domestic trust bank where she was involved in retail asset management operations, and for a foreign financial institution where she served as general manager of the wealth management division. Now, as founder of NOKs Labo LLC, she supports clients through executive coaching and organizational development, while at the same time engaging in social contribution activities as her life’s work for many years. She was appointed as an outside director of the Company in June 2024.

About expertise as an outside director

Yamazaki: I have been engaged in retail asset management as a private banker in the financial industry, and have also been involved in the establishment of social contribution programs out of my interest in social issues. More recently, I have been involved in human resource strategy and organizational transformation at a company I founded. Utilizing these experiences, I strive to proactively communicate opinions from a sustainability management perspective, including ideals with regard to people and organizational states.
Yoshimura: My past experience includes investment banking at a securities firm, assisting companies with their growth and financial strategies. Currently, I work in startup management in the fields of drug discovery, agriculture, and food. As an outside director, I utilize this experience in ensuring that the Board of Directors engages in constructive discussions on strategies to sustainably increase corporate value, while accurately assessing technologies, management resources, opportunities, and risks. I also place great importance on carefully examining the appropriateness of decisions made as seen from capital markets.

Impressions of corporate stance and governance at Fujimi’s Board of Directors

Yamazaki: With respect to the Board of Directors, I can strongly feel the Company’s honesty and sincerity from the preparation stages. E-mails and materials sent to us in advance of Board meetings have been very thorough, and the technical terms were explained in an easy-to-understand manner in pre-lectures from each department, again demonstrating a corporate culture of sincerity. I could see this attitude also being reflected in the way Fujimi deals with its customers, helping to foster relationships of trust.
Yoshimura: I also feel that this sincere attitude toward internal and external stakeholders is becoming stronger than ever.
Yamazaki: At Board meetings, I constantly observe an attitude of thoroughly considering what is best for the Company and its employees. I have been impressed by the sincere attitude of the president and other Board members toward suggestions and proposals in this area. Although tough decisions are sometimes required, decisions are made calmly and objectively while carefully confirming mutual intentions.
Yoshimura: I feel that Fujimi has been able to build solid governance alongside a sincere and consistent corporate culture because of its ongoing work to take on challenges in the severely competitive environment of the global semiconductor market. I believe that this solid foundation becomes the source of Fujimi’s competitiveness in times of change.

Perspectives and attitudes at the Board of Directors toward greater corporate value

Yoshimura: Fujimi is pursuing investments in growth on an unprecedented scale, with the aim of building a stable business portfolio that is less susceptible to the external environment. These investments must be tested to ensure their returns are appropriate given the cost of capital, and Fujimi must diligently present the details of this to internal and external stakeholders. At Board meetings, I openly share concerns and risks from the perspective of an outside director to ensure that there are no gaps between our perception and that of upper management. I feel that there is deep thoughtfulness and enthusiasm in the explanations of the Board members responsible for business, and that constructive discussions are taking place. As uncertainty continues to grow, I feel that thorough objective fact-finding and a multifaceted view of the situation will be the basis for flexible decision-making. It is essential to set aside preconceived notions and make calm and appropriate decisions in response to changes.
Yamazaki: I am also constantly aware of whether or not I am remaining flexible in my thinking. Excessive stress and past successes can lead to rigid thinking and groupthink, which risks undermining healthy discussion and decision-making. Moreover, since it is people who are the driving force for the Company, I pay close attention to the emotional impact that decisions made by the Board of Directors may have on employees. No matter how excellent a strategy may be, the organization will not budge if they are not aligned with the sentiments of the field. This is why I place great importance on the perspective of how to engage employees and strive to provide guidance in this area.
Yoshimura: In this sense, the acquisition of Nanko Abrasives Industry Co., Ltd. is a steady and flexible strategic development that is typical of Fujimi’s initiatives, leveraging its strength in abrasives to expand business into non-semiconductor fields. My own experience in M&A tells me this was a very well-executed deal, as it was based on a logical analysis and moved steadily toward execution while emphasizing trust with people and organizations. I anticipate that this experience will greatly enhance Fujimi’s confidence as it continues to drive future portfolio transformations.
Yamazaki: In these times of rapid change, I want to be a presence that can support Fujimi’s ambitions with flexible strategies and stay abreast of bold business development.

How best to evolve toward sustainable growth

Yoshimura: Fujimi’s corporate culture is rooted in integrity and sincerity, which is the foundation for a high sense of responsibility and trust in the organization. I feel that this integrity creates certainty in Fujimi’s decision-making and actions, and is the driving force behind the Company’s steady growth investments and new challenges. Even in a global and rapidly changing business environment, I believe that it is important to seize new growth opportunities flexibly and swiftly based on this corporate culture and ability to execute. I believe that Fujimi’s attitude of continuing to take on challenges while maintaining honesty and integrity will lead the Company to become a stronger and more resilient organization that enjoys ongoing growth.
Yamazaki: Integrity and sincerity are essential values for a manufacturing company and the source of trust in Fujimi. It is my hope that while utilizing this solid foundation, Fujimi will approach its next challenge with confidence.
Yoshimura: The Company has established a system to support challenges and is creating an environment where anyone can take a step forward. This is precisely why I hope that each employee, proud of their skills, will challenge themselves on a global stage with a mindset that refuses to give up and strives to overcome obstacles on their own.
Yamazaki: Through challenges, I hope that they will embody Fujimi’s Corporate Cultural Vision of being a “strong, kind, and exciting company” with their own actions. Also, in terms of human resources, it is essential to formulate a succession plan for the entire management team. Not only that, the development of human resources to pass on technology to the next generation is also an important theme. It is my hope that Fujimi will continue its efforts to develop original training programs that will enable participants to experience the difficulty and fun of technologies the Company has cultivated over many years.

Dialogue with Outside Directors

Yoshimura: In addition, the cultivation of global human resources is becoming increasingly important to the Company in the face of intensifying global competition. Until now, those in upper management possessing extensive global experience have been responsible for building relationships of trust with overseas locations. However, it is necessary to pass on this knowledge through the development of the next generation of leaders and further enhance the global perspective of the entire organization. I look forward to Fujimi's evolution into a global organization in which diverse human resources can work together autonomously and create new value through the power of cooperation.

Progress and prospects for sustainability management

Yoshimura: Fujimi has established its Corporate Mission to "Develop new, innovative technologies and applications with a commitment to environmental sustainability, thereby enabling technology for the betterment of humanity." Based on this mission, in order to further raise each employee's awareness of sustainability and to steadily implement specific initiatives, Fujimi established the Sustainability Promotion Committee last fiscal year and has been steadily developing its sustainability-related systems and frameworks, including identifying materiality and addressing the TCFD recommendations.
Yamazaki: I hope that employees will find at least one theme of interest within Fujimi's materiality and grow opportunities to proactively exchange opinions. One example here is the Itoshiro area in Gifu Prefecture, a water source that nurtures important water for Fujimi and an area where we are engaged in water offset activities. This is an extremely valuable opportunity to think about global water issues together with people from various walks of life, inspired by the phenomenon that Itoshiro marks the beginning of water. I believe that by sharing this sense of having a shared perspective not only between employees but also with customers and business partners, employees can contribute greatly to solving business issues, and this will even help

with the practice of sustainable management.
Yoshimura: As mentioned, Itoshiro is a place where Fujimi can reaffirm its corporate culture of co-creating value with diverse stakeholders. I hope that looking directly at nature and focusing on a common purpose in this way can create dialogue that tackles real issues and foster a foundation for sustainable management.
Yamazaki: I do, however, feel that women's empowerment is still a work in progress. It is possible that stereotypes regarding management roles present a stumbling block to their ambitions. To those people who may be struggling, I would offer them a positive perspective: that management may be tough, but it is also enjoyable. If there is ambition within you, even if you do not want to act on it now, there will come a time when you will. Therefore, I would ask women with ambition not to set limits on themselves, but rather to believe in their potential and take the first step forward to pioneer their futures. As a company, Fujimi will do its utmost to support these steps forward.

To Fujimi's stakeholders

Yamazaki: Fujimi is currently undergoing a major transformation with the goal of achieving consolidated net sales of 100 billion yen. While cherishing the corporate culture of seriousness and sincerity that the Company has built up over the years, Fujimi continues ambitious activities to reach new heights. To ensure Fujimi is always a company that its stakeholders can count on with confidence, I will continue to make improvements while steadily managing and supervising the Company's progress, aiming to both build trust and achieve sustainable growth.
Yoshimura: Fujimi has built a solid position in the semiconductor industry on the strength of its unwavering technological capabilities and customer base. Today, the Company is in an offensive phase of growth investment amid a rapidly changing business environment. With a clear direction, a management team that tackles challenges head-on, talented human resources, and stakeholders, we will work together to realize sustainable growth and new value creation, while viewing change as an opportunity and boldly taking on new challenges.

Governance Structure

Basic Stance

Fujimi believes that increasing corporate value by improving management efficiency, speeding up decision-making, and increasing mobility will lead to greater satisfaction of all stakeholders. We believe that achieving this will require enhancing management soundness and transparency, and are advancing initiatives to emphasize thorough compliance and improve the management monitoring function.

We also believe that, as a corporate entity, complying with all laws and regulations is a minimum requirement. Our Code of Ethics sets standards for all company directors and employees, and we maintain our reputation of "Fujimi–a company to trust" by ensuring that all directors and employees follow the Code and carry out their duties with fairness.

Directors and managers understand the vital role they play in achieving adherence to the Code of Ethics, and lead by example to demonstrate the importance of acting in accordance with the Code. Should an ethics violation occur, we take action as an organization to resolve the issue, identify the cause, and prevent recurrence.

Strengthening and Modifying Corporate Governance

Improving and strengthening corporate governance is a highest priority management issue. Since 2022, we have been working to ensure diversity in the Board of Directors, including the appointment of female directors, and to improve the effectiveness of the Board of Directors, such as by making outside directors the majority.

Strengthening Corporate Governance

FY	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Ensuring Board of Directors' diversity											
Skill matrix								Skill matrix instituted			
Appointment of outside directors	1 person		2 people					3 people (1 female)		4 people (2 female)	
Criteria for outside officer independence			Independence standards instituted								
CEO succession plan			Instituted	Revised							
Criteria for director and auditor appointment and dismissal	2008 Selection criteria instituted		Revised	Criteria for dismissal Instituted							
Officer training				Executive training program introduced							
Improving Board of Directors' effectiveness											
Effectiveness evaluations			Self-assessments introduced								
Nomination and Remuneration Committee				Advisory Committee established						• Majority of members are outside directors	
Remuneration system			Performance-linked stock benefit plan introduced • Policy for Determining Individual Director Remuneration instituted								
				Medium- to long-term performance-linked remuneration system for overseas bases instituted							
Management strategies and plans	2010 5th Medium & Long Term Business Plan	6th Medium & Long Term Business Plan							7th Medium & Long Term Business Plan (Medium & Long Term Business Plan 2023)		
Strengthening internal controls											
Internal controls and compliance	2012 Adoption of the Basic Policy on Internal Control Systems										
	2012 Adoption of the System to Ensure Appropriate Business Operations										
	2007 Adoption of the Whistleblower Protection Regulations										
	Compliance training (for officers and all employees)										
				Harassment training (for officers and all employees)							
									Integrity initiatives (cultivating a sense of ethics)		
Risk management and information security	2008 Risk Management Committee established						• Business continuity plans created				
	2010 Information Security Committee established					• Business continuity plans created			• Chief information security officer appointed		
Environmental conservation and quality	2012 Environmental Management Committee established										
										Sustainability Committee established	
										Information disclosure following TCFD recommendations	
	2012 Quality Control Committee established										

Governance Structure

Corporate Governance Structure*

Fujimi is a company with a Board of Auditors and appoints outside directors. The Company instituted a Board of Directors and a Board of Auditors as stipulated in the Companies Act.

● **Board of Directors**
The Board of Directors consists of eight directors (including four outside directors), currently six male and two female directors. The Board meets monthly to supervise business execution and make decisions on important management matters, and also holds extraordinary meetings when deemed necessary.

● **Board of Auditors**
The Board of Auditors consists of three corporate auditors (including two outside corporate auditors), currently three male auditors. Corporate auditors attend meetings of the Board of Directors and other important meetings and hold regular meetings of the Board of Auditors as well as extraordinary meetings as necessary. Audits by the corporate auditors verify the legality and appropriateness of business execution, and provide relevant advice and recommendations to management. An alternate auditor is also appointed to ensure that the number of corporate auditors complies with the number of auditors stipulated by certain laws and regulations.

● **Management Meeting**
The Management Committee consists of eight directors and seven senior general managers, currently 13 men and two women. The committee meets monthly to identify and address management issues and to review and deliberate other important management matters. Extraordinary meetings are also held when deemed necessary.

● **Advisory Committee**
The Advisory Committee consists of the company president, directors with titles, and outside directors. The committee deliberates matters related to the appointment, dismissal, and compensation of the president, directors, and outside directors, and matters related to succession planning for the president and others.

Number of Directors

FY	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Directors (including outside directors)	6 (1)	7 (2)	7 (2)	7 (2)	6 (2)	5 (2)	6 (3)	6 (3)	7 (4)	8 (4)
Corporate Auditors (including outside auditors)	4 (2)	3 (2)	3 (2)	3 (2)	3 (2)	3 (2)	3 (2)	3 (2)	3 (2)	3 (2)

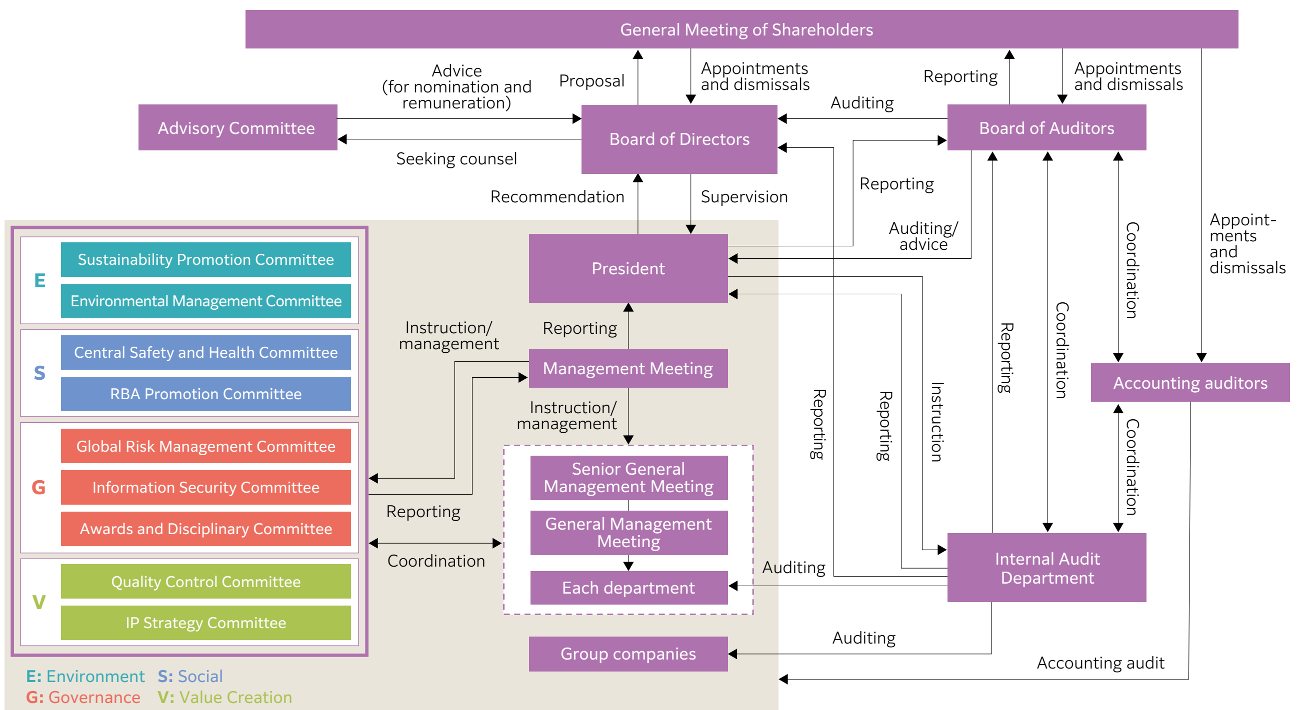
*As of June 24, 2025

Corporate Auditor and Internal Audits

The Board of Auditors consists of three auditors, two of whom are outside auditors appointed as independent directors. Standing corporate auditors attend meetings of the Board of Directors, the Management Meeting, and other important meetings to provide advice, recommendations, and statements of opinion to management from the perspective of compliance. Board of Auditors audits also verify the legality and appropriateness of business execution with the objective of strengthening compliance and corporate governance.

The Internal Audit Department, consisting of six members, reports directly to the president. The department conducts operational audits of all departments in accordance with the internal audit plan and internal control audits with the objective of improving the quality of internal controls. Corporate auditors and the Internal Audit Office Department coordinate with accounting auditors as appropriate.

Corporate Governance Structure



Accounting Audits

The Company provides all necessary information to accounting auditors and creates an environment in which audits can be conducted from a fair standpoint. Support staff provided to assist the accounting auditing activities include 13 certified public accountants and 25 other staff.

Director and Auditor Skill Matrix

Fujimi has prepared a skill matrix for the skills (knowledge, experience, abilities) that we consider important for directors and corporate auditors to possess in order for the Board of Directors to properly fulfill its decision-making and supervisory functions. The management experience of the four outside directors is from their careers at other companies.

Evaluation of Board of Directors' Effectiveness

The Company annually evaluates the effectiveness of the Board of Directors with the objectives of increasing the Board's effectiveness and continuously enhancing corporate value.

Method for Evaluating the Effectiveness of the Board of Directors in FY2025

A questionnaire covering the following topics was administered to directors and corporate auditors.
Questions on Board of Directors' effectiveness: 4-point scale
(1) Board of Directors' composition (2 questions)
(2) Board of Directors' operation (7 questions)
(3) Board of Directors' meeting agenda (5 questions)
(4) Board of Directors' support structure (5 questions)
(5) Space for additional comments
*All questions included space for additional comments

Skill Matrix *As of June 24, 2025

	Corporate Management	Global	Business Development	Sales & Marketing	Technology and R&D	Manufacturing and Quality Control	Financial Accounting/ M&A	Legal/Risk Management	Human Resources/ HR Development	CSR/ ESG
Keishi Seki President and CEO	○	○		○			○	○		
Toshiki Owaki Managing Director	○	○		○	○	○				
Katsuhiro Suzuki Managing Director	○	○		○	○	○				
Katsuyuki Hibi Director							○	○	○	○
Masami Kawashita Outside Director	○	○	○	○			○			
Atsuko Yoshimura Outside Director	○	○	○				○			
Naoko Yamazaki Outside Director	○						○		○	○
Shuhei Ishikawa Outside Director	○	○	○		○	○				
Yoshiaki Fujikawa Standing Corporate Auditor								○	○	
Masaru Okano Outside Corporate Auditor	○		○		○	○			○	
Kazunori Shibata Outside Corporate Auditor							○			

Governance Structure

Summary of FY2025 Results of the Board of Directors' Effectiveness Analysis and Evaluation

The results of the Board of Directors' effectiveness analysis and evaluation in FY2025 indicated general satisfaction with the composition, operation, agenda, and support structure. Measures are being prepared in the following areas, which we recognize as requiring ongoing improvement.

- Optimizing the content and volume of materials for Board of Directors meetings

Board of Directors Meetings and Attendance

Name		Board of Directors
Keishi Seki	President and CEO	100% (19/19)
Toshiki Owaki	Managing Director	100% (19/19)
Katsuhiro Suzuki	Managing Director	95% (18/19)
Masami Kawashita	Outside Director	100% (19/19)
Yoshitsugu Asai*1	Outside Director	100% (19/19)
Atsuko Yoshimura	Outside Director	100% (19/19)
Naoko Yamazaki	Outside Director	100% (15/15)*2

*1 Outside Director Yoshitsugu Asai retired upon the conclusion of the 73rd Ordinary General Meeting of Shareholders held on June 24, 2025.
*2 The number of meetings held and those attended by Outside Director Naoko Yamazaki pertains to Board of Directors meetings held after she assumed her position as director of the Company on June 21, 2024.

Board of Auditors Meetings and Attendance

Name	Board of Auditors
Yoshiaki Fujikawa Standing Corporate Auditor	100% (14/14)
Masahiko Takahashi* Outside Corporate Auditor	100% (14/14)
Masaru Okano Outside Corporate Auditor	100% (14/14)

*Outside Corporate Auditor Masahiko Takahashi retired upon the conclusion of the 73rd Ordinary General Meeting of Shareholders held on June 24, 2025.

President Succession Plan

The selection of chief executive officer (president) is the most important strategic decision for enabling sustainable growth and increasing corporate value over the medium- to long-term. We have a pre-defined and clear process to ensure the objectivity, timeliness, and transparency needed for selection. For the selection, we also clarify our human resource needs and take a long-term perspective to ensure we have sufficient time and resources to develop the capabilities essential for success as CEO.

The Election Committee, chaired by the president and comprised of directors, recommends candidates for CEO (president), and the Advisory Committee also deliberates on and selects candidates to ensure transparency and fairness.

The Board of Directors monitors and annually evaluates the succession plans and execution status of the CEO (president) and others. The process includes a forum for the Advisory Committee to exchange opinions as an additional step to ensure the monitoring function of the Board of Directors.

Process and Reasons for Director Selection and Dismissal

Candidates nominated for directors and outside directors are selected by the Selection Committee, comprised of directors and chaired by the president. Selected candidates are recommended to the Advisory Committee, which is comprised of directors with titles and outside directors and chaired by the president. The Advisory Committee considers nominees for director based on their ability as a manager and their ability to apply their knowledge and experience to the management of the Company. Nominees for outside director are considered based on the extent of their experience and knowledge in their field and ability to provide a professional and objective perspective to their roles and responsibilities, including the ability to provide advice on the long-term enhancement of corporate value and on management oversight. The Board of Directors deliberates on the candidates, including on whether they fulfill the Company's criteria for appointment, and makes a final decision based on the reports provided by the Advisory Committee.

The Company appoints standing corporate auditors who have extensive knowledge of the Company's business and financial condition, and outside auditors have extensive experience and knowledge in their respective fields. Individuals who are appointed are considered capable of monitoring overall management, increasing Board of Directors transparency, and contributing to enhancing corporate value. Upon approval by the Audit & Supervisory Board, the Board of Directors deliberates on the candidates, including on whether they fulfill the Company's criteria for appointment, and makes a final decision on appointment.

In the event a director or outside director is found to have a socially reprehensible relationship with antisocial forces, or has violated laws and regulations, caused significant losses or hindered business operations of the Group, caused significant hindrance to the execution of duties, or engaged in any other activity that violates the appointment criteria established by the Company, the Advisory Committee will submit a report to the president, who will use the report as the basis for submitting a proposal for dismissal to the Board of Directors. In the event that a president violates the appointment criteria, the president is barred from participating in the Advisory Committee, and the acting chairman elected by the Advisory Committee, based on a report prepared by the Advisory Committee, will submit a proposal for dismissal of the president to the Board of Directors.

Executive Compensation Composition, Breakdown, Calculation, Results, and Policy on Performance-Based Compensation

Basic Approach

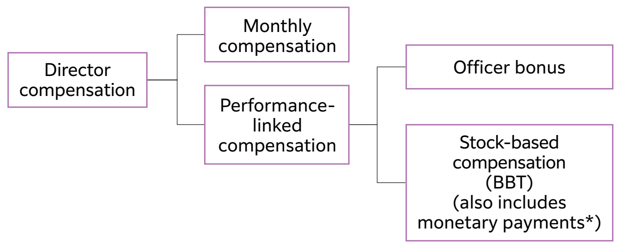
Fujimi's basic policy on director compensation is to create an incentive to continuously increase corporate value by linking remuneration to shareholder profits and business performance. Individual director compensation is set at a level commensurate with the responsibilities of their specific position.

Director Compensation Types and Composition

Fujimi's compensation system for directors consists of monthly and performance-linked compensation, which consists of short-term (officer bonuses) and medium- to long-term compensation in the form of a stock benefit plan (Board Benefit Trust, or BBT). Directors, excluding outside directors, are eligible for officer bonuses and stock-based compensation.

The Company offers employees a stock benefit plan (Japanese Employee Stock Ownership Plan (J-ESOP)) that provides Company shares with the objective of fostering a sense of belonging to the corporation and adding motivation to work to increase the stock price.

Director Compensation Structure



*Equivalent to withholding income tax payment

Director Compensation (FY2025)

Classification		Director (Excluding outside directors)	Auditor (Excluding outside members of Board of Auditors)	Auditor (Excluding outside members of Board of Auditors)
Total compensation (million yen)		114	21	54
Total compensation by type (million yen)	Monthly compensation	94	21	54
	Officer bonus*	20	-	-
	Stock-based compensation	-	-	-
	Non-monetary compensation included above	-	-	-
Number of eligible officers		3	1	6

*The performance indicator used for officer bonuses is the expected net income attributable to owners of the parent company, which is considered to be a straightforward indicator of the final profit from the company's activities over a full year.

Officer Training and Support for Outside Officers

Fujimi takes steps to provide directors and corporate auditors with the knowledge necessary to fulfill their roles and responsibilities. The Company provides sufficient explanations of Group business activities and regular opportunities to participate in training programs, including external educational programs, for which the Company subsidizes the cost. At the time of appointment, outside directors and outside corporate auditors are fully briefed on basic information such as the Group's corporate profile, business strategies, and financial status. While serving their appointments, we continue to provide information on Company matters, including reports on business activities by managers in charge of each business, to ensure they have the knowledge necessary to fulfill their roles and responsibilities.

Policy on Strategic Shareholdings

(1) The Company's main objective for strategically holding shares of other companies is to maintain and strengthen business relationships with the issuing companies. The Company intends to reduce holdings of such shares, through divestment or other means, for which it is determined that maintaining the shares does not serve a significant purpose.
(2) The Board of Directors makes decisions concerning acquiring or maintaining specific strategic shareholdings from a long-term perspective, taking into account the purpose of the holdings, the return on dividends and other benefits, and the balance of stock price fluctuation risk and cost of capital.

Communication with Shareholders and Investors

	Additional details	Direct communication from President and CEO
Regular briefings for individual investors	The corporate website includes a page providing information about Fujimi so individual investors can better understand our company. (www.fujimiinc.co.jp/english/ir/index.html) The President and CEO also attends briefings for individual investors organized by stock exchanges and securities companies.	No
Regular briefings for analysts and institutional investors	The President and CEO holds regular briefings on financial results for analysts and institutional investors after the announcements of first-half and full-year performance results.	Yes
IR materials on the corporate website	Financial results announcement and meeting materials, shareholder newsletters, and integrated reports are posted in a timely manner.	-
IR departments and person in charge	(1) Department in charge of IR: Corporate Planning Department (2) Officer in charge of IR: President & CEO Keishi Seki (3) IR liaison officer: Toshihiro Kawashima, Senior General Manager, Finance Division	-

Governance

Directors and Auditors

Directors

Keishi Seki
President and CEO

Apr. 1989	Joined Fuji Bank (currently Mizuho Bank, Ltd.)
Oct. 1997	Joined the Company
Feb. 2000	President of FUJIMI CORPORATION
June 2003	Director and Senior General Manager of New Business Development Division of the Company
Apr. 2005	Director and Senior General Manager of CMP Division of the Company
Apr. 2008	President and CEO of the Company
Jan. 2013	President and CEO of the Company; and President of FUJIMI KOREA LIMITED
Aug. 2013	President and CEO of the Company; President of FUJIMI KOREA LIMITED; and President of FUJIMI TAIWAN LIMITED
Apr. 2014	President and CEO, and Senior General Manager of CMP Division of the Company; President of FUJIMI KOREA LIMITED; and President of FUJIMI TAIWAN LIMITED
Apr. 2015	President and CEO of the Company; and President of FUJIMI KOREA LIMITED
Apr. 2016	President and CEO of the Company
Apr. 2020	President and CEO, and Senior General Manager of Finance Division of the Company
Apr. 2022	President and CEO, and Senior General Manager of Human Resources & Organization Planning Division of the Company
Apr. 2023	President and CEO of the Company (current position)

Toshiki Owaki
Managing Director

Apr. 1983	Joined the Company
Apr. 1999	Seconded to FUJIMI AMERICA INC. (currently FUJIMI CORPORATION)
Apr. 2011	Senior General Manager of Disk Division of the Company; and President of FMT*
June 2012	Director, and Senior General Manager of Disk Division of the Company; and President of FMT
Apr. 2014	Director and Senior General Manager of Specialty Materials Division of the Company
Apr. 2017	Director and Senior General Manager of Specialty Materials Division of the Company; and President of FMT
Dec. 2020	Director and Senior General Manager of Specialty Materials Division of the Company
Apr. 2021	Managing Director and Senior General Manager of Specialty Materials Division of the Company
Apr. 2022	Managing Director of the Company
Oct. 2024	Managing Director of the Company; and President of FMT (current position)

*FMT: Abbreviation for FUJIMI-MICRO TECHNOLOGY SDN. BHD.

Katsuhiro Suzuki
Managing Director

Apr. 1984	Joined the Company
July 1992	Seconded to FUJIMI AMERICA INC. (currently FUJIMI CORPORATION)
Apr. 2005	Director of FUJIMI CORPORATION
Apr. 2011	Senior General Manager of Silicon Division of the Company
June 2012	Director and Senior General Manager of Silicon Division of the Company
Apr. 2015	Director and Senior General Manager of Silicon Division and CMP Division of the Company; and President of FUJIMI TAIWAN LIMITED
Apr. 2016	Director and Senior General Manager of CMP Division of the Company; President of FUJIMI CORPORATION; and President of FUJIMI TAIWAN LIMITED
Apr. 2018	Director and Senior General Manager of CMP Division of the Company; Chairman of FUJIMI CORPORATION; and President of FUJIMI TAIWAN LIMITED
Apr. 2021	Managing Director and Senior General Manager of CMP Division of the Company; Chairman of FUJIMI CORPORATION; and President of FUJIMI TAIWAN LIMITED
Apr. 2023	Managing Director of the Company; Chairman of FUJIMI CORPORATION; and President of FUJIMI TAIWAN LIMITED (current position)

Katsuyuki Hibi
Director

Apr. 1999	Joined the Company
Apr. 2016	General Manager of Office of the President of the Company
Apr. 2022	Deputy Senior General Manager of Human Resources & Organization Planning Division, and General Manager of Business Planning Department of the Company
Apr. 2023	Senior General Manager of Human Resources & Organization Planning Division, and General Manager of Business Planning Department of the Company
Nov. 2024	Senior General Manager of Human Resources & Organization Planning Division and Business Planning Division, and General Manager of Internal Control Department of the Company (current position)
Jun. 2025	Director and Senior General Manager of Human Resources & Organization Planning Division and Business Planning Division, and General Manager of Internal Control Department of the Company (current position)

Masami Kawashita
Outside Director

Apr. 1973	Joined NGK Spark Plug Co., Ltd.
July 2004	Head of Auto Parts Marketing, China
June 2005	Director
June 2008	Managing Director
Feb. 2009	Senior Managing Director
June 2009	Executive Vice President
June 2011	Special Adviser
June 2012	Adviser
June 2012	Outside Corporate Auditor of the Company
June 2015	Outside Director of the Company (current position)

Atsuko Yoshimura
Outside Director

Apr. 1995	Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION
May 2002	Transferred to NTT Communications Corporation
June 2004	Joined JPMorgan Securities Japan Co., Ltd.
Mar. 2007	Joined UBS Securities Japan Co., Ltd.
Mar. 2015	Joined Goldman Sachs Japan Co., Ltd.
Sept. 2020	Managing Director and in charge of Asia Region Strategy of Roquette Japan K.K.
Dec. 2021	Representative Director and President, Managing Director and in charge of Asia Region Strategy
June 2022	Outside Director of the Company (current position)
Mar. 2023	Representative Director of VG-C Inc. (current position)
Dec. 2023	CEO and Co-founder of PhytoMol-Tech Inc. (current position)
Jan. 2024	Managing Director of DAIZ Engineering Inc. (currently SprouTx Inc.) (current position)

Naoko Yamazaki
Outside Director

Apr. 1992	Joined Mitsubishi UFJ Trust and Banking Corporation
Sept. 2007	Joined Tokyo Branch, UBS AG
Nov. 2014	Cluster Head of Tokyo Sales Department 1, Wealth Management Division
July 2019	Representative Member of NOKs Labo LLC (current position)
Jan. 2021	Managing Director of My Wealth Management Co., Ltd.
Feb. 2021	Executive Consultant of EoD, Inc. (current position)
June 2024	Outside Director of the Company (current position)

Shuhei Ishikawa
Outside Director

Mar. 1984	Joined NGK INSULATORS, LTD.
Apr. 2010	General Manager of New Metals Division, Electronics Business Group
June 2010	Executive Officer
June 2014	Managing Executive Officer
June 2015	Director and Managing Executive Officer
June 2019	Director and Senior Managing Executive Officer
June 2021	Senior Managing Executive Officer
June 2024	Adviser (current position)
June 2025	Outside Director of the Company (current position)

Auditors

Yoshiaki Fujikawa
Standing Corporate Auditor

Apr. 1980	Joined The Kyowa Bank, Ltd. (Resona Bank Ltd.)
Mar. 2002	Joined FUJIMI INCORPORATED
Apr. 2007	General Manager of General Affairs Dept. of the Company
Apr. 2008	Department head of General Affairs Dept. of the Company
Apr. 2010	General Manager of General Affairs Dept. of the Company
Jun. 2014	Standing Corporate Auditor of the Company (current position)

Masaru Okano
Outside Corporate Auditor

Apr. 1974	Joined MITSUBISHI ELECTRIC Co., Ltd.
Oct. 2002	Public-Use Systems Department General Manager of Public-Use e-Solution Center
Apr. 2004	Deputy Senior General Manager of Public-Use e-Solution Center
Apr. 2005	Deputy Senior General Manager of Kobe Works
Apr. 2006	Joined MEIRYO DENSHI
Jun. 2006	President and CEO
Jun. 2015	Executive Corporate Adviser
Jun. 2015	Outside Corporate Auditor of the Company (current position)

Kazunori Shibata
Outside Corporate Auditor

Oct. 1979	Joined Marunouchi Accounting and Auditing Firm
Mar. 1983	Registered as a Certified Public Accountant
Feb. 1988	Joined Ohta Showa Audit Corporation Nagoya Office (currently Ernst & Young ShinNihon LLC)
June 2002	Outside Auditor of HONDA VERNO TOKAI Co., Ltd. (currently VT HOLDINGS Co., Ltd.)
June 2004	Outside Auditor of Trust Co., Ltd.
Sept. 2006	General Manager and Representative Partner of Gyosei & Co. Nagoya Office
Sept. 2007	Outside Auditor of Sasatoku Printing Co., Ltd.
June 2016	Chairman of The Japanese Institute of Certified Public Accountants Tokai Chapter.
June 2020	Audit and Supervisory Committee member of SUNCORPORATION
Apr. 2021	General Manager and Representative Partner of Hokushin Tax Corporation (current position)
Apr. 2023	Audit and Supervisory Committee member of Sasatoku Printing Co., Ltd. (current position)
June 2024	Audit and Supervisory Committee member of VT HOLDINGS Co., Ltd. (current position)
June 2025	Outside Corporate Auditor of the Company (current position)

11-Year Financial Summary

(Millions of yen)

Fiscal years ended March 31	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fiscal year											
Net sales	32,815	31,755	33,092	35,788	37,394	38,408	41,956	51,731	58,394	51,423	**62,503**
Operating profit	4,128	3,302	4,278	4,872	5,310	6,007	7,639	12,059	13,243	8,251	**11,780**
Ordinary profit	4,596	3,342	4,519	4,728	5,637	6,177	7,709	12,490	13,595	8,958	**12,251**
Profit attributable to owners of parent	3,695	2,346	3,350	3,011	4,265	4,270	5,607	9,156	10,594	6,499	**9,428**
Capital expenditures	947	1,637	1,336	1,871	1,829	2,030	1,574	1,814	2,094	3,838	**14,508**
R&D expense	3,210	3,254	3,129	3,342	3,501	3,691	4,116	4,325	4,912	5,012	**5,482**
Depreciation	1,794	1,754	1,623	1,411	1,413	1,598	1,687	1,661	1,729	2,053	**2,003**
End of fiscal year											
Total assets	51,779	50,675	53,698	55,439	57,848	59,496	65,773	75,684	80,101	82,999	**90,908**
Total net assets	44,694	44,523	46,164	47,848	50,231	52,079	56,088	62,967	69,011	72,576	**76,895**
Total liabilities	7,084	6,151	7,534	7,591	7,616	7,416	9,684	12,717	11,089	10,423	**14,012**
Liabilities with interest	0	0	0	0	0	0	0	0	0	0	**0**
Cash flows from operating activities	6,491	2,869	5,785	3,671	4,397	6,232	8,743	9,301	7,377	7,452	**12,987**
Cash flows from investing activities	322	1,623	(38)	(3,882)	(3,281)	(3,544)	(42)	(1,097)	(822)	(5,311)	**(15,874)**
Cash flows from financing activities	(1,687)	(2,644)	(608)	(1,308)	(1,954)	(2,213)	(2,481)	(3,825)	(6,139)	(5,636)	**(5,636)**
Per share information											
Earnings per share (EPS) (Yen)	143.79	92.63	135.77	122.16	173.07	172.98	226.85	370.38	428.05	87.62*	**127.10***
Cash dividends per share (Yen)	40	40	53	63	87	87	115	185	220	73.34*	**73.34***
Payout ratio (%)	27.8	43.2	39.0	51.6	50.3	50.3	50.7	49.9	51.4	83.7	**57.7**
Book value per share (BPS) (Yen)	1,763.88	1,774.30	1,872.91	1,941.26	2,037.96	2,106.74	2,268.87	2,547.00	2,790.82	978.34*	**1,026.10***
Key indicators											
Operating profit / net sales (%)	12.6	10.4	12.9	13.6	14.2	15.6	18.2	23.3	22.7	16.0	**18.8**
Ordinary profit / net sales (%)	14.0	10.5	13.7	13.2	15.1	16.1	18.4	24.1	23.3	17.4	**19.6**
Return on sales (%)	11.3	7.4	10.1	8.4	11.4	11.1	13.4	17.7	18.1	12.6	**15.1**
Return on equity (ROE) (%)	8.6	5.3	7.4	6.4	8.7	8.3	10.4	15.4	16.1	9.2	**12.7**
Return on assets (ROA) (%)	7.5	4.6	6.4	5.5	7.5	7.3	9.0	12.9	13.6	8.0	**10.8**
Equity ratio (%)	86.32	87.86	85.97	86.31	86.83	87.53	85.28	83.20	86.16	87.44	**83.73**
R&D expenses / net sales (%)	9.8	10.2	9.5	9.3	9.4	9.6	9.8	8.4	8.4	9.7	**8.8**
Net sales per employee	41.12	39.16	40.02	42.40	43.43	42.30	43.80	52.78	56.63	46.32	**50.60**
Number of employees	798	811	827	844	861	908	958	980	1,031	1,110	**1,235**
Number of shares issued (Thousands of shares)	29,699	29,699	28,699	28,699	28,699	28,699	28,699	28,699	26,699	80,098*	**80,098***

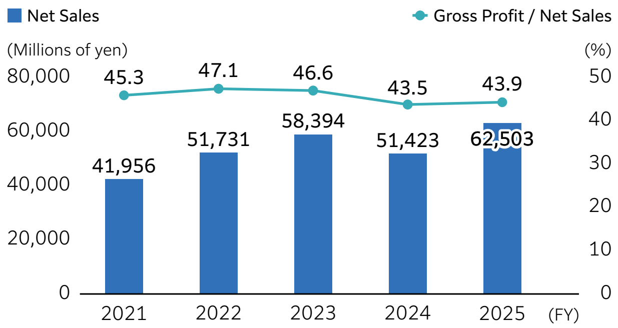
*Share price adjusted for the 3-for-1 stock split effected on July 1, 2023

Corporate Data

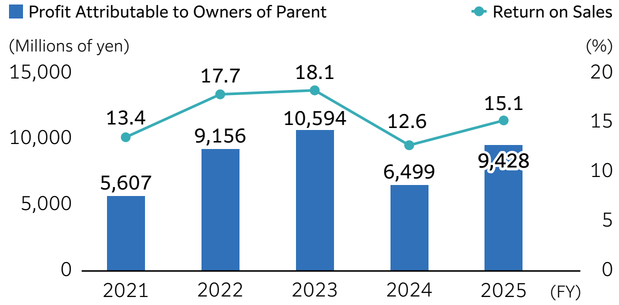
Financial and Non-Financial Highlights

Financial Highlights

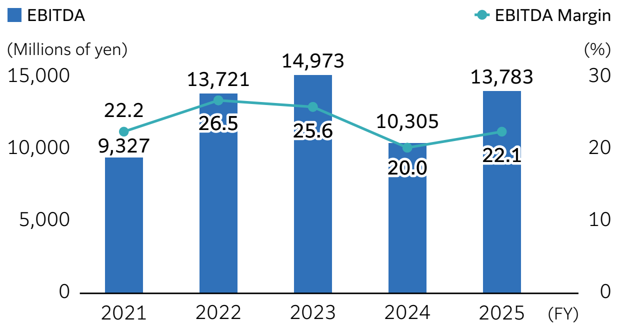
Net Sales and Gross Profit / Net Sales



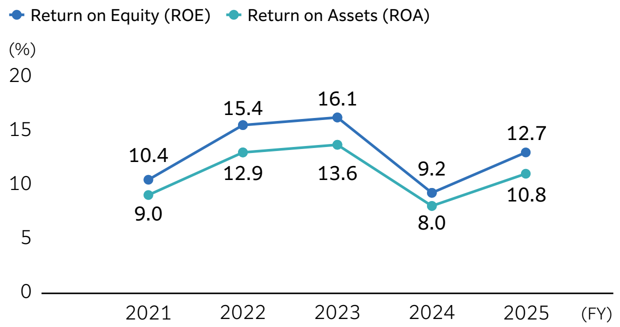
Profit Attributable to Owners of Parent and Return on Sales



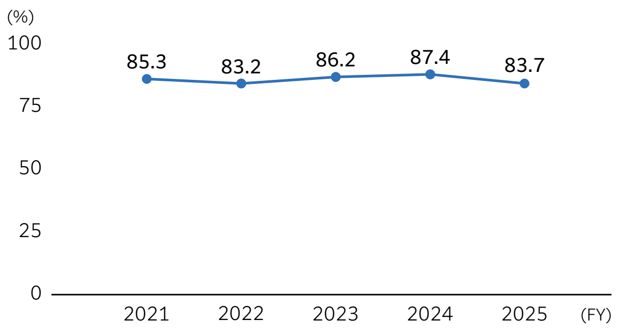
EBITDA and EBITDA Margin



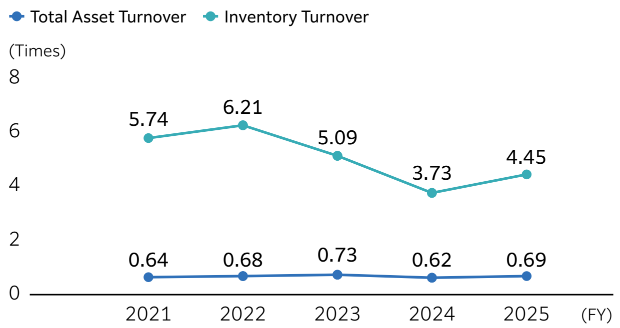
Return on Equity (ROE) and Return on Assets (ROA)



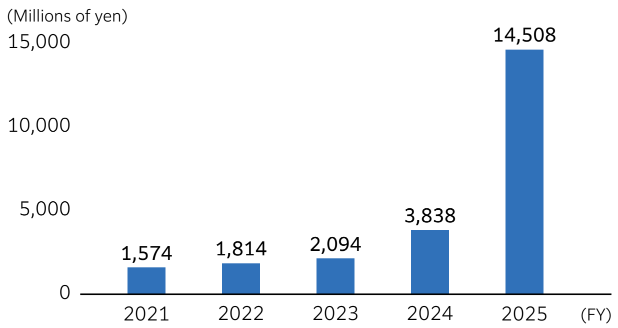
Equity Ratio



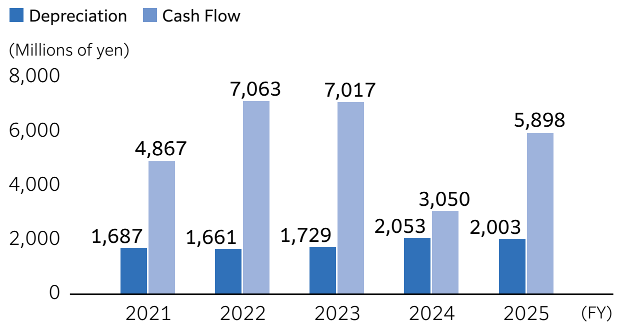
Total Asset Turnover and Inventory Turnover



Capital Expenditures

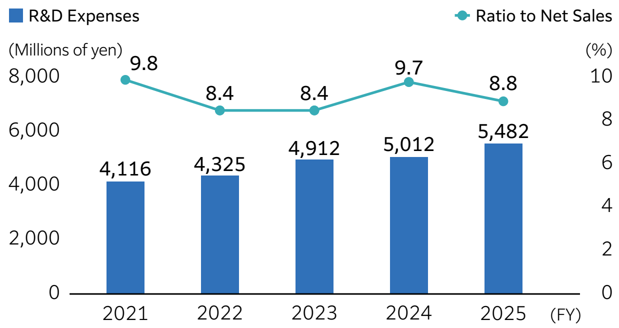


Depreciation and Cash Flow*

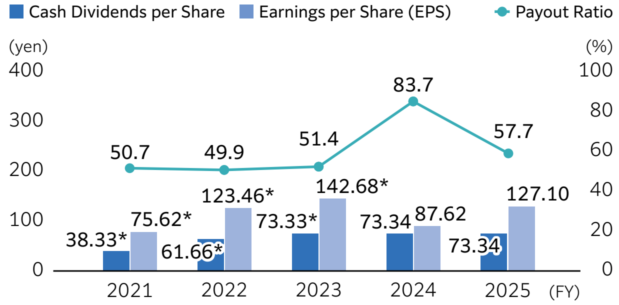


*Profit attributable to owners of parent + depreciation − dividends

R&D Expenses and Ratio to Net Sales



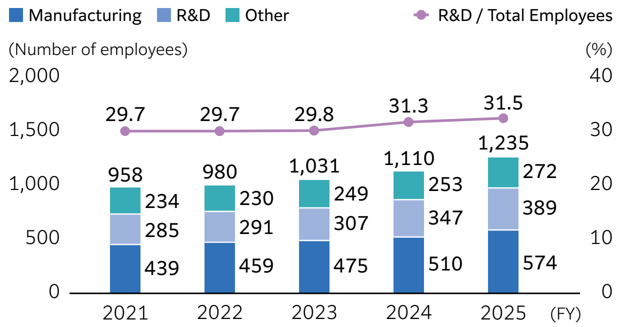
Cash Dividends per Share, Earnings per Share (EPS), and Payout Ratio



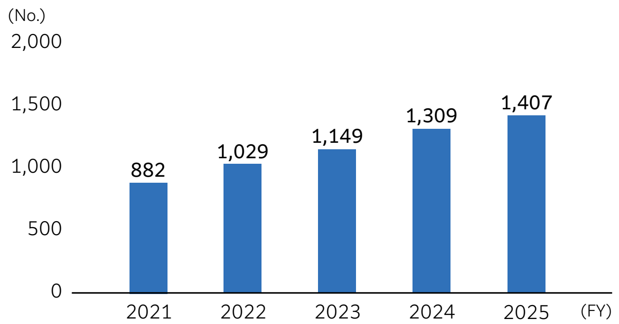
*Figures up to March 2023 have been recalculated to be comparable with the 1-to-3 stock split conducted in July 2023.

Non-Financial Highlights

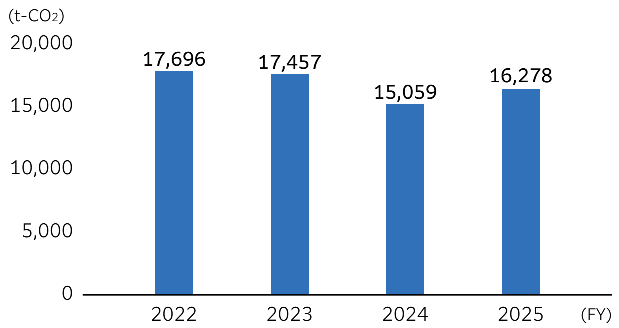
Number of Employees - R&D / Total -



Number of Patents

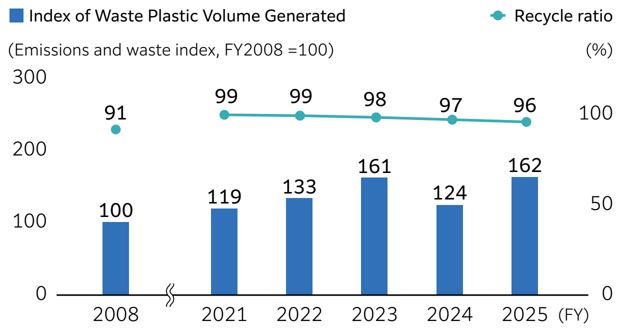


GHG Emissions Scope 1+2*

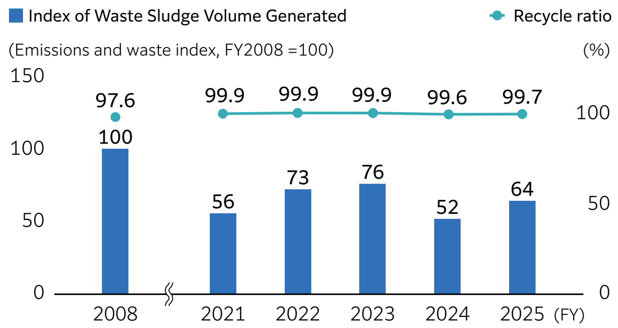


*Scope 2: location-based
*Calculated for FUJIMI CORPORATION, FUJIMI TAIWAN LIMITED, and FUJIMI-MICRO TECHNOLOGY SDN. BHD.

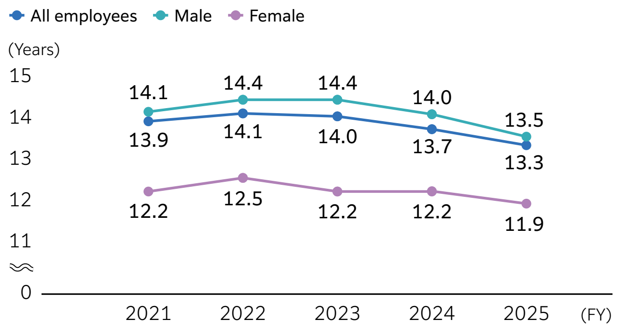
Waste Plastic Recycle Ratio



Sludge Recycle Ratio



Average Years of Employment



Consolidated Balance Sheets

(Millions of yen)

	FY2024	FY2025
Assets		
Current assets		
Cash and deposits	31,726	27,857
Notes and accounts receivable - trade	12,214	12,798
Securities	3,200	—
Merchandise and finished goods	5,691	5,991
Work in process	1,494	1,620
Raw materials and supplies	6,814	6,448
Other	730	1,432
Allowance for doubtful accounts	(16)	(20)
Total current assets	61,855	56,128
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,797	6,868
Machinery, equipment and vehicles	1,574	2,954
Land	5,053	8,411
Construction in progress	1,261	8,758
Other	2,150	2,187
Total property, plant and equipment	16,837	29,180
Intangible assets		
Software	172	137
Other	31	756
Total intangible assets	204	893
Investments and other assets		
Investment securities	3,232	3,511
Deferred tax assets	708	899
Other	171	304
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	4,102	4,705
Total non-current assets	21,144	34,779
Total assets	82,999	90,908

(Millions of yen)

	FY2024	FY2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,315	4,230
Income taxes payable	954	1,791
Provision for bonuses	1,601	1,804
Accounts payable - other	1,566	1,563
Accounts payable - facilities	676	1,490
Other	1,152	1,591
Total current liabilities	9,264	12,471
Non-current liabilities		
Deferred tax liabilities	3	111
Retirement benefit liability	615	644
Provision for share-based remuneration	188	188
Other	351	596
Total non-current liabilities	1,158	1,540
Total liabilities	10,423	14,012

	FY2024	FY2025
Net assets		
Shareholders' equity		
Share capital	4,753	4,753
Capital surplus	5,038	5,038
Retained earnings	61,277	65,172
Treasury shares	(4,416)	(4,416)
Total shareholders' equity	66,652	70,548
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	935	1,087
Foreign currency translation adjustment	4,830	4,349
Remeasurements of defined benefit plans	158	133
Total accumulated other comprehensive income	5,923	5,571
Non-controlling interest	—	776
Total net assets	72,576	76,895
Total liabilities and net assets	82,999	90,908

Corporate Data

Consolidated Statement of Income

(Millions of yen)

	FY2024	FY2025
Net sales	51,423	62,503
Cost of sales	29,078	35,052
Gross profit	22,345	27,451
Selling, general and administrative expenses	14,093	15,670
Operating profit	8,251	11,780
Non-operating income		
Interest income	198	268
Dividend income	74	95
Foreign exchange gains	375	47
Other	79	205
Total non-operating income	728	617
Non-operating expenses	21	147
Ordinary profit	8,958	12,251
Extraordinary losses	245	—
Profit before income taxes	8,713	12,251
Income taxes–current	2,243	3,083
Income taxes–deferred	(29)	(274)
Total income taxes	2,213	2,808
Profit	6,499	9,442
Profit attributable to non-controlling interests	—	13
Profit attributable to owners of parent	6,499	9,428

Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2024	FY2025
Profit	6,499	9,442
Other comprehensive income		
Valuation difference on available-for-sale securities	524	152
Foreign currency translation adjustment	1,831	(480)
Remeasurements of defined benefit plans, net of tax	243	(24)
Total other comprehensive income	2,600	(352)
Comprehensive income	9,100	9,090
Breakdown		
Comprehensive income attributable to owners of parent	9,100	9,076
Comprehensive income attributable to noncontrolling interests	—	13

Consolidated Statement of Cash Flows

(Millions of yen)

	FY2024	FY2025
Cash flows from operating activities	7,452	12,987
Profit before income taxes	8,713	12,251
Depreciation	2,053	2,003
Amortization of long-term prepaid expenses	8	15
Impairment losses	245	—
Increase (decrease) in provision for bonuses	221	212
Increase (decrease) in retirement benefit liability	40	(61)
Increase (decrease) in provision for share-based remuneration	(3)	—
Interest income	(198)	(268)
Dividend income	(74)	(95)
Interest expenses	5	3
Foreign exchange losses (gains)	(46)	30
Loss (gain) on sale and retirement of non-current assets	4	(25)
Loss (gain) on valuation of investment securities	—	103
Decrease (increase) in trade receivables	(607)	(340)
Decrease (increase) in inventories	141	329
Increase (decrease) in trade payables	(1,199)	899
Increase (decrease) in accounts payable - other	171	(202)
Interest and dividends received	267	320
Income taxes paid	(2,426)	(2,327)
Income taxes refund	119	218
Other, net	15	(75)
Cash flows from investing activities	(5,311)	(15,874)
Payments into time deposits	(4,364)	(7,771)
Proceeds from withdrawal of time deposits	3,564	5,527
Purchase of securities	(500)	—
Proceeds from redemption of securities	—	500
Purchase of investment securities	(198)	(148)
Purchase of property, plant and equipment	(3,682)	(12,574)
Purchase of intangible assets	(56)	(270)
Purchase of shares of subsidiaries	—	(1,085)
Other, net	(74)	(50)
Cash flows from investing activities	(5,636)	(5,636)
Dividends paid	(5,533)	(5,533)
Other, net	(103)	(102)
Effect of exchange rate change on cash and cash equivalents	809	(334)
Net increase (decrease) in cash and cash equivalents	(2,686)	(8,857)
Cash and cash equivalents at beginning of period	35,332	32,645
Cash and cash equivalents at end of period	32,645	23,787

Corporate Profile (As of March 31, 2025)

Corporate Profile

Name	FUJIMI INCORPORATED
Location	1-1, Chiryo-2, Nishibiwajima-cho, Kiyosu, Aichi Pref. 452-8502, Japan Phone: +81-52-503-8181 Fax: +81-52-503-6166
Date of establishment	March 20, 1953
Paid-in capital	4,753,438,500 yen
Number of employees	1,235 (Non-Consolidated: 855)
Security code	5384

Plants and Offices

Headquarters / Biwajima Plant
1-1, Chiryo-2, Nishibiwajima-cho, Kiyosu, Aichi
452-8502, Japan
Phone: +81-52-503-8181 Fax: +81-52-503-6166

Inazawa Plant
1-1, Ichisukekoudo, Nishijima-cho, Inazawa, Aichi
492-8329, Japan

Kakamigahara Plant
1-8, Jyogo-cho-7, Kakamigahara, Gifu 504-0927, Japan

Kakamihigashimachi Plant
62-1, Kakamihigashimachi-5, Kakamigahara, Gifu
509-0103, Japan

Thermal Spray Materials Department
82-28, Kakamihigashimachi-5, Kakamigahara, Gifu
509-0103, Japan

R&D Center
8, Technoplaza-1, Kakamigahara, Gifu 509-0109, Japan

Advanced Technology Research Center
22, Technoplaza-1, Kakamigahara, Gifu 509-0109, Japan

Logistics Center
1, Technoplaza-4, Kakamigahara, Gifu 509-0109, Japan

Tokyo Office
7th Floor, ICHIGO Uchikanda Bldg., 2-8, Uchikanda
3-chome, Chiyoda-ku, Tokyo 101-0047, Japan

Shanghai Office
317B, German Center, 88 Keyuan Road, Pudong
Zhangjiang, Hi-Tech Park, 201203, Shanghai, China

Consolidated Subsidiaries

FUJIMI CORPORATION
11200 SW Leveton Drive, Tualatin, Oregon 97062, U.S.A.
Phone: +1-503-682-7822 Fax: +1-503-612-9721

FUJIMI-MICRO TECHNOLOGY SDN. BHD.
Registration No. 199501012642 (341844-U)
Lot 13, Jalan Hi-Tech 3, Industrial Zone Phase 1
Kulim Hi-Tech Park, 09090 Kulim, Kedah Darul Aman
Malaysia
Phone: +60-4-403-3700 Fax: +60-4-403-3900

FUJIMI EUROPE GmbH
Schlossstrasse 5, D-74653 Ingelfingen, Germany
Phone: +49-7940-939499-0
Fax: +49-7940-939499-20

FUJIMI TAIWAN LIMITED
No.10 Tongke 1st Rd., Tongluo Township, Miaoli County
366, Taiwan (R.O.C.)
Phone: +886-37-987-123
Fax: +886-37-987-567

FUJIMI SHENZHEN TECHNOLOGY. CO., LTD.
12A-11, Shenzhen Free Trade Center, 111 Taizi Road,
Nanshan District, Shenzhen, 518067, China
Phone: +86-755-2267-5151
Fax: +86-755-2267-5162

NANKO Abrasives Industry Co., Ltd.
5th floor, Palais d'Or Oji Building, 2-19-19 Horifune,
Kita-ku, Tokyo, Japan
Phone: +81-3-6903-3117 Fax: +81-3-5902-3095
(As of October 21, 2024)

Stock Information (As of March 31, 2025)

Stock Information

Number of shares authorized for issue	320,000,000
Number of shares issued	80,098,500
Number of shareholders	14,739

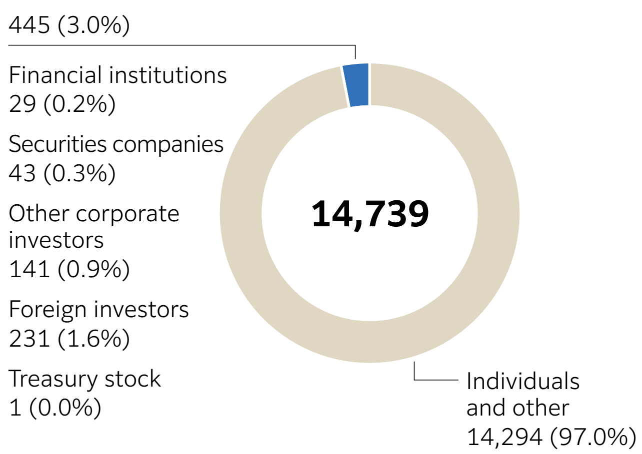
Leading Shareholders

Name of shareholder	Number of shares owned (Thousands of shares)*1	Shareholding ratio (%)*2
Koma Co., Ltd.	13,381	17.7
The Master Trust Bank of Japan, Ltd. (Trust Account)	7,444	9.8
Custody Bank of Japan, Ltd. (Trust Account)	4,752	6.2
STATE STREET BANK AND TRUST COMPANY 505001	4,570	6.0
Fujimi Suppliers' Stock Ownership Program	1,942	2.5
Nippon Life Insurance Company	1,918	2.5
The Koshiyama Science and Technology Foundation	1,800	2.3
MUFG Bank, Ltd.	1,530	2.0
Dai-ichi Life Holdings, Inc.	1,417	1.8
Keishi Seki	1,323	1.7

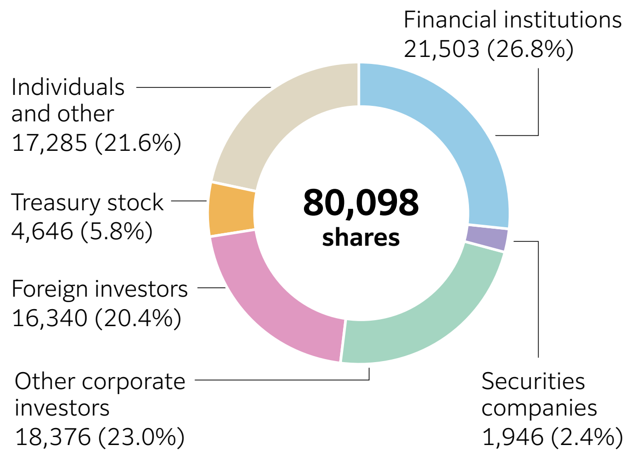
*1 Shareholdings of less than 1,000 shares are omitted. Percentage shareholding is omitted after the second decimal place.
*2 The shareholding ratio is calculated by excluding the number of treasury shares (4,646,167 shares).

Shareholders by Category (Number of Shareholders)

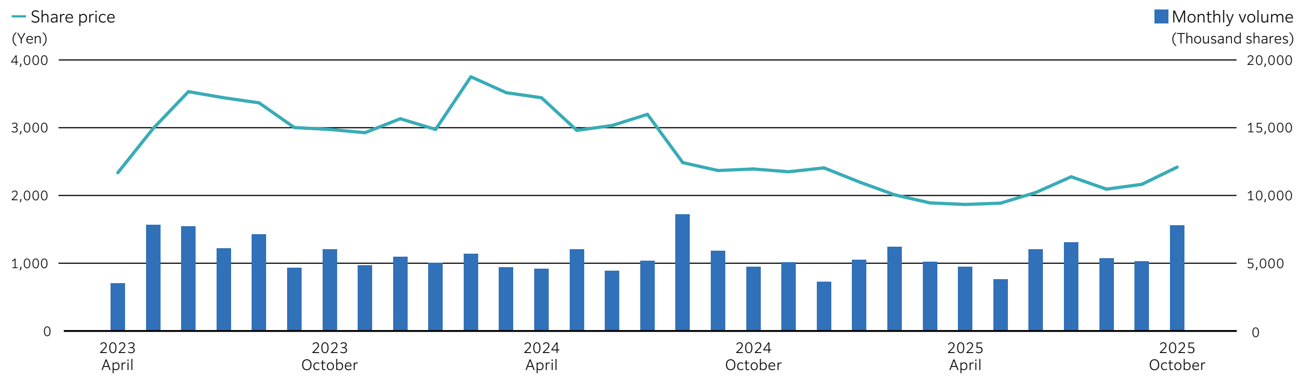
Shareholders by Category (Number of Shareholders)



Shares Held by Shareholder Type (Thousands of Shares)



Share Price



*Share price adjusted for the 3-for-1 stock split effected on July 1, 2023