

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.



May 10, 2023

FUJIMI INCORPORATED

Representative: Keishi Seki, President & CEO

Listings: TSE Prime, NSE Premier (Stock code: 5384)

Contact: Toshihiro Kawashima, Senior General Manager, Finance Division

Phone: +81-52-503-8181

Notice of Medium & Long Term Business Plan 2023

FUJIMI INCORPORATED (“Fujimi”) hereby announces the outline of its 6-year business plan (the Plan) which starts from the current fiscal year ending March 2024. The details of the Plan will be announced on May 18, 2023.

1. 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”, Fujimi will realize conversion from an abrasives manufacturer to “Powder & Surface” company by expansion of existing businesses (semiconductor-related business, etc.) and by creation of new businesses that will become new pillars of businesses, and will contribute to the achievement of a sustainable society.

Fujimi has formulated the Plan covering the six-year period from the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2029, aiming;

- Further investment of its resources in R&D and expansion of global product supply chain
- Active promotion of human resource investment and ESG initiatives* as the basis of sustainable management
- Realization of its mid to long-term corporate slogan “We support your forward-looking ideas and challenges”.

*The details of ESG initiatives are referred to “6. Specification of Materiality (Toward Achieving a Sustainable Society)”

2. Major Measurement

- (1) Creation of new businesses that realizes conversion from an abrasives manufacturer to “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 GRIT* organization and human resource that realize a 100-year-old company
- (5) Implementation of sustainability management

*GRIT: courage and determination despite difficulty

3. Quantitative Target

	FY2023 Actual	FY2026 Plan	FY2029 Plan
Net Sales in Billion of Yen	58.3	77	95
New Business Sales Ratio	2.0%	15%	20%
Non-Semiconductor Sales Ratio	14.0%	20%	25%
Non-Polish Business Sales Ratio	4.4%	8%	10%
Operating Income Margin	22.7%	20%	20%
EBITDA Margin	25.6%	26%	27%
ROE	16.1%	15%	15%

4. Investment Plan

(1) Capital Investments

- Approximately 55 billion Yen on a cumulative basis over 6 years from FY2024 to FY2029

(Cumulative investment over the past 6 years is 12.7 billion Yen)

(Major investments including followings)

- Construction of a new plant in Japan (Gifu prefecture) and production capacity increase at subsidiaries in the United States and Taiwan
- Construction of a new R&D center that will serve as addition of core for strengthening its existing technologies and establishing new technologies

(2) Others

- M&A-related investments for the creation of new businesses

5. Shareholder Returns

Fujimi recognizes the appropriate distribution of income to shareholders as the most important management issue. Regarding dividend payments, Fujimi has a policy of striving to live up to shareholder's expectations by continuously providing stable dividend payments targeting a consolidated payment ratio of over 55% after the fiscal year ending March 31, 2024. Furthermore, Fujimi will start an examination for an addition of DOE (Dividend on Equity) related policy.

Regarding retained earnings, Fujimi strives to reinforce R&D and production systems to meet customers' satisfaction, to execute global business strategies and to expand the business domain in order to deal with changing business environments.

6. Specification of Materiality (Toward Achieving a Sustainable Society)

In developing the Plan, Fujimi has specified 18 materialities ("Materialities") as important subjects/issues which Fujimi prioritizes for a sustainable society.

Fujimi, 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 Materialities this time, Fujimi recognizes social subjects/issues to which Fujimi should contribute and address. Fujimi plans to update the Materialities on a regular basis based on social trends and the status of our own initiatives.

Materialities are classified as follows;

Classification	Materiality
Environment	<ul style="list-style-type: none"> - Response Climate Change - Conservation of Water Resource - Contribution to Recycling Society - Chemical Substance Management
Society	<ul style="list-style-type: none"> - Occupational Health and Safety - Well-Being - Diversity and Human Resource Development - Contribution to Local Community
Governance	<ul style="list-style-type: none"> - Integrity - Corporate Governance / Compliance - Protection of Intellectual Property - Information Security Management - Risk Management
Creating Value	<ul style="list-style-type: none"> - Supply Chain Management - Quality Management - Research and Development - Digital Transformation - Productivity

- End -