FUJIMI INCORPORATED

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1-1, Chiryo-2, Nishibiwajima-cho,
Kiyosu, Aichi Pref. 452-8502, Japan
Phone: +81-52-503-8181
https://www.fujimiinc.co.jp/english/

Integrated Report 2024

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.

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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 includes our progress in the Medium & Long Term Business Plan 2023, which began in the fiscal year ended March 31, 2024, disclosure of information based on the TCFD recommendations, a progress report on CSR materiality, and an overview of each business segment.

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, 2024 (April 1, 2023 to March 31, 2024), with partial reporting from the fiscal year ending March 31, 2025
Scope of the report:
Fujimi Incorporated and its consolidated subsidiaries
Accounting standards: Japanese GAAP
Issue date: February 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 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

Keishi Seki
President and CEO

We aim to be an "excellent company" offering the world's highest level of technology in the powder and surface fields

The Fujimi Group's Corporate 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." Based on this mission, we provide customers with products used in various industries, centering on abrasive materials.

In the Medium & Long Term Business Plan 2023 (FY2024–FY2029) announced in May 2023, we expressed two commitments: first, to evolve from an abrasives manufacturer to a "Powder & Surface Company" with the aim of contributing to the realization of a sustainable society; and second, to carry out sustainability management to continuously enhance our corporate value.

In this Integrated Report 2024, we present the values and strengths of our Group that we have cultivated since our founding and how they are linked to our corporate activities. This report also describes our growth strategies and efforts to solve social issues as outlined in our Medium & Long Term Business Plan 2023. We hope this Integrated Report will help provide a better understanding of the Fujimi Group.

Review of Performance in Fiscal 2024

Final results affected by fading special demand from the COVID-19 pandemic and rising raw material prices

In the fiscal year ended March 31, 2024, there was growing demand for devices in the global semiconductor market to fill the need for AI applications. However, demand trends were divergent in the many and varied semiconductor applications. For instance, production and inventory adjustments of semiconductor devices continued due to the sluggish PC and smartphone markets, as the special demand during the COVID-19 pandemic was stripped away and led to a drop in overall demand. Adjustments also continued in the area of silicon wafer production.

Overall, the Company's performance dropped amid this environment during the fiscal year ended March 31, 2024, affected by a decline in sales of products for semiconductors as well as higher raw material prices and other factors. This resulted in lower sales and profits, with net sales of 51.4 billion yen (down 11.9% year on year) and operating profit of 8.2 billion yen (down 37.7% year on year).

Progress of the Medium & Long Term Business Plan 2023

Aggressive investment to achieve consolidated net sales of 100 billion yen (FY2030)

Under the Medium & Long Term Business Plan 2023, our basic policy is to evolve from an abrasives manufacturer to a "Powder & Surface Company" and contribute to the realization of a sustainable society through further expansion of existing businesses (e.g., semiconductor-related business) and the creation of new businesses that will serve as new pillars. With this policy, we have established five Major Measures (page 19) and are aiming to build a stable portfolio of semiconductor- and non-semiconductor-related businesses.

In the semiconductor field, with expectations growing for the AI market and countries around the world positioning semiconductors as strategic commodities, further market expansion is expected in the medium to long term, and semiconductor and silicon wafer manufacturers are building and expanding their plants accordingly. We are also preparing to build a new plant in Kakamigahara City, Gifu Prefecture, with the aim of meeting the robust demand expected ahead.

In products for silicon wafers, the Company holds an 80-90% share of the global market for both lapping and final polishing materials, and more than 10% of the global market for chemical-mechanical planarization (CMP) products for semiconductor devices. To maintain and expand our market position and to ensure ongoing patronage from our customers, we are striving to further improve product quality by utilizing state-of-the-art inspection and evaluation equipment. We also intend to maintain an ongoing focus on ensuring stable supply management that incorporates geopolitical risks.

So that we can evolve into a "Powder & Surface Company," build a stable business portfolio that is not overly dependent on the semiconductor market, and

Message from the President

achieve our stated goal from the Medium & Long Term Business Plan 2023 of 100 billion yen in consolidated sales for the fiscal year ending March 31, 2030, it is important that we expand our business domains by exploring and nurturing new businesses, building a wider range of applications in non-semiconductor and non-abrasive fields. With this in mind, we have continued to invest around 10% of net sales in R&D. Looking ahead, we will maintain a posture of reinforcing our R&D from a medium- to long-term perspective, including plans to open a new R&D center during the period of the aforementioned business plan. We are also considering M&A to acquire any necessary technologies or facilities that we cannot provide on our own. Most recently, the Company acquired shares of Nanko Abrasives Industry Co., Ltd. and, as of October 21, 2024, made it a consolidated subsidiary to improve the profitability and competitiveness of the abrasive materials business.

Fujimi Group Strengths

Technology and professionalism cultivated through a rigorous commitment to manufacturing

I would like to introduce some of the Fujimi Group's strengths that we have continued to hone since our founding.

The first is a style of manufacturing that is thoroughly attentive to our customers' difficulties, which we help to solve with our customer-first orientation. Our underlying status as professionals in the world of abrasives means that, to us, this is a key mission. This attitude springs from and reinforces the deeply-rooted attitudes and culture that have been passed down through the generations since our founder, Teruji Koshiyama, first produced precision abrasives in Japan. His foray into this business was a result of carefully listening to the concerns of customers who were having trouble procuring such materials in Japan at the time.

The second strength I would like to present is the quality of our products, which is so high that our name, Fujimi, has been synonymous with abrasives for many years. We have earned this trust and respect because we have constantly polished our technologies while being keenly attentive to our customers and consistently responsive to their needs without compromising. In fact, when I became president in 2008, I faced bitter challenges when we fell short of meeting customers' increasingly sophisticated quality requirements as the diameter of silicon wafers increased from 8 inches (200 mm) to 12 inches (300 mm) and the wiring rules moved more and more toward miniaturization. Even at that time, despite having around a 90% market share in products for silicon wafers, we continued to struggle for several years due to the combined effects of the global financial crisis and a sluggish semiconductor silicon cycle. In the midst of this, we went back to the basics of our manufacturing and reexamined our quality creation process and management system. This reflection resulted in several key efforts, including the establishment of the cross-functional Monozukuri Promotion Office in 2009 and the Group-Wide Quality Reform 2011 project, which helped to build the business we now have with a major semiconductor manufacturer.

As for other areas, I have worked to transform our corporate culture with crystal-clear intent. When I became president, I believed that to keep pace with the changing times, it was essential to foster a corporate culture in which each and every employee could think and act independently and initiate new changes on their own. To reach this state, I held what we called "dialogue meetings" with all employees for about a year and a half starting in 2009. At these meetings, we discussed the importance of transforming our organizational culture to a posture of taking on challenges.

These kinds of efforts may not immediately generate results on their own. However, I am confident that if we can consistently uphold the values we have cultivated since our founding, such as dedication, hard work, and integrity as professionals in abrasives, while adding flexibility to adapt to change and an organizational culture that continues to take on challenges without fear of failure, we will be even closer to the corporate culture and vision we have set for ourselves, which is to become a "strong, kind and exciting company."

Sustainability Management

Bolstering Fujimi's unique people-centric approach

As mentioned above, our Corporate 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." This mission has guided our efforts to both contribute to the realization of a sustainable society and achieve corporate growth. In order to carry out our mission, we have identified 18 materialities (material issues) in the formulation of our Medium & Long Term Business Plan 2023, and have been taking actions to address each of them.

Within this context, human capital management has been the focus of growing interest in recent years, and we are focusing on creating a workplace environment where each individual can work with passion and enthusiasm. This is embodied by our multiple materialities focused on people, such as "occupational health and safety," "well-being," and "diversity and human resource development."

I believe that the most important thing is that our employees find it interesting and fun to work for us, and that they and their families share pride in being part of the Fujimi Group. Since our abrasive materials are consumables that are rarely provided to customers as final products, we want our employees to feel a sense of confidence in our behind-the-scenes work as we support the world as well as a sense that manufacturing is interesting and being part of Fujimi is fun.

In October 2024, we established the Human Resources Development Department under the Human Resources & Organizational Development Division as an organization dedicated to improving the work performance of individual employees and supporting their career development.

Ensuring Fujimi is Always a "Company to Trust"

Establishing an unwavering integrity mindset

The recent spate of corporate scandals, such as fraud and harassment, has drawn renewed attention to the importance of corporate governance and compliance. It is in this context that we have adopted "integrity" as a materiality, representing a combination of concepts such as honesty, sincerity, and upright character that we are working to put into practice.

For any company, integrity is the most important value and moral center that each and every employee, as well as those in upper management, should possess. It is key to maintain a strong integrity mindset so that we objectively assess ourselves and think and act fairly in everything we do. This is to ensure that we do not betray the expectations of our customers who trust us to use our products, and above all, to ensure that we do not betray ourselves.

Since these internal standards are often imperceptible by others directly, it can be challenging to determine the strength of integrity, and it may require many years to elevate this. I believe that the mission of upper management is to cultivate people who remain constantly mindful of the need to show integrity, who think for themselves based on their own understanding of social norms and ethics, and who reexamine not only the issues and problems they face but also their daily work processes. Going forward, we will continue to enhance our integrity mindsets to solidify our pride in manufacturing.

To Our Stakeholders

Achieving stable and sustainable growth, and taking on the challenge of developing an organization and human resources with grit*

My understanding is that one of the missions of upper management is to enhance corporate value by systematically and continuously investing in the three elements of people, technological development, and the environment, all of which contribute to long-term growth, while also achieving strong yearly performance.

In this perspective, our stock price has recently

trended higher than the average on the Tokyo Stock Exchange's Prime Market, where we are listed. I believe that this is due in part to investors' high expectations of our future growth in the semiconductor market, our high market share in abrasives for semiconductors, our growth strategy, and our recent performance, all of which are tied to our reputation, to a certain degree.

Without resting on our laurels, we will continue to implement the major measures of the Medium & Long Term Business Plan 2023 to ensure that we build up an appropriate stock price, and we will actively communicate corporate information to our stakeholders through investor relations and various other activities.

In recent years, the corporate world has undergone drastic environmental changes, including increasingly severe disasters due to climate change, depletion of resources and energy, increasing uncertainty in global affairs, globalization and diversity, and evolution of digital technologies such as artificial intelligence. All of these developments require action by us and other companies. I believe that by tackling our "challenge of developing an organization and human resources with grit to become a centennial company" as one of the major measures of the Medium & Long Term Business Plan 2023, we will cultivate robust and earnest corporate governance and an organization and human resources that support a resilient management foundation. This, I feel, will help us evolve from a manufacturer of abrasive materials to a "Powder & Surface Company."

On behalf of all of us at the Fujimi Group, I thank all of our stakeholders for your generosity toward us, and ask for your continued understanding and support.

*Grit: Courage and determination despite difficulty

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 Japan, the U.S., and Asian countries. 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 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 Korea. By building this network, we established a system to rapidly address customer needs in the field of cutting-edge semiconductors.

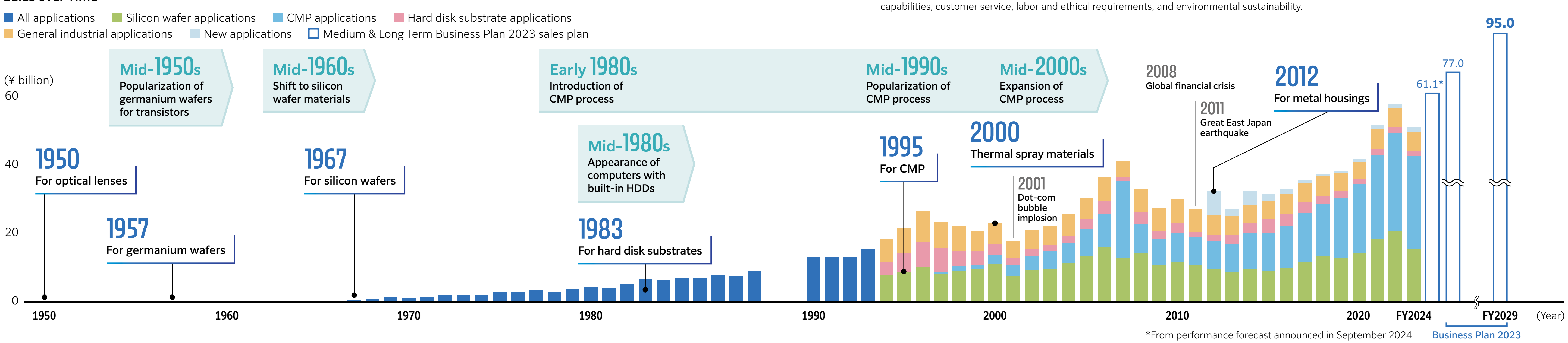
*1 Known as the PQS Award, this is awarded by Intel in recognition of suppliers that demonstrate a relentless pursuit of excellence and steadfast professionalism in their business activities.

*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, liquid crystal and 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. Our aim is to make the leap from being an abrasives manufacturer to a "Powder & Surface Company" by strengthening cooperation between industry, government, and academia, and by expanding applications in non-abrasive fields.

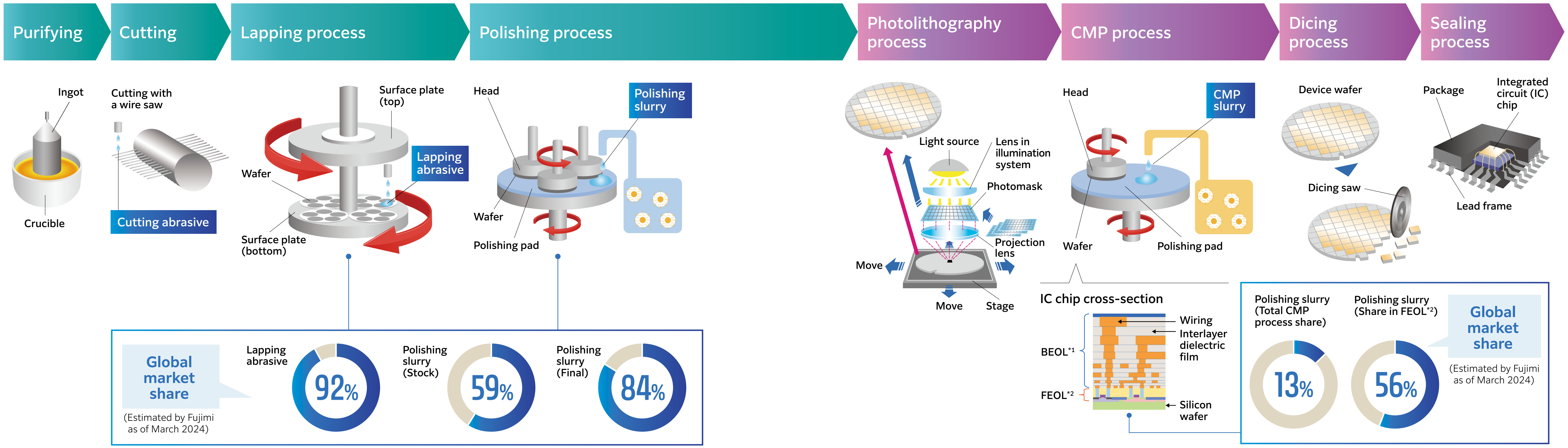
Sales over Time



*From performance forecast announced in September 2024

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

Semiconductor Manufacturing Process



*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 FY2024 **16%**

Stable, high shareholder returns

Dividend payout ratio **55% or more**

Strong technological capabilities

Number of patents held As of March 2024 **1,309**

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

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

Dominant in specific market

Global market share of abrasives for silicon wafers **90%**

Strong financial base

Equity ratio **87%**

Interest-bearing debt **Zero**

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 FY2024 **78%**

- Development bases
- Sales offices
- Production facilities
- Marketing and technical support

FUJIMI EUROPE GmbH (Germany)

Shanghai Office (China)

FUJIMI CORPORATION (United States)

FUJIMI-MICRO TECHNOLOGY SDN. BHD. (Malaysia)

FUJIMI TAIWAN LIMITED (Taiwan)

NANKO Abrasives Industry Co., Ltd.* (Japan)

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

FUJIMI INCORPORATED (Japan)

Japan: **10** locations

Aichi/Gifu: **9** locations
Tokyo: **1** location

Gifu Prefecture
Aichi Prefecture

Logistics Center (Kakamigahara City)

R&D Center / Advanced Technology Research Center (Kakamigahara City)

Kakamigahara Plant (Kakamigahara City)

Kakamihigashimachi Plant / Thermal Spray Materials Department (Kakamigahara City)

Inazawa Plant (Inazawa City)

Headquarters / Biwajima Plant (Kiyosu City)






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

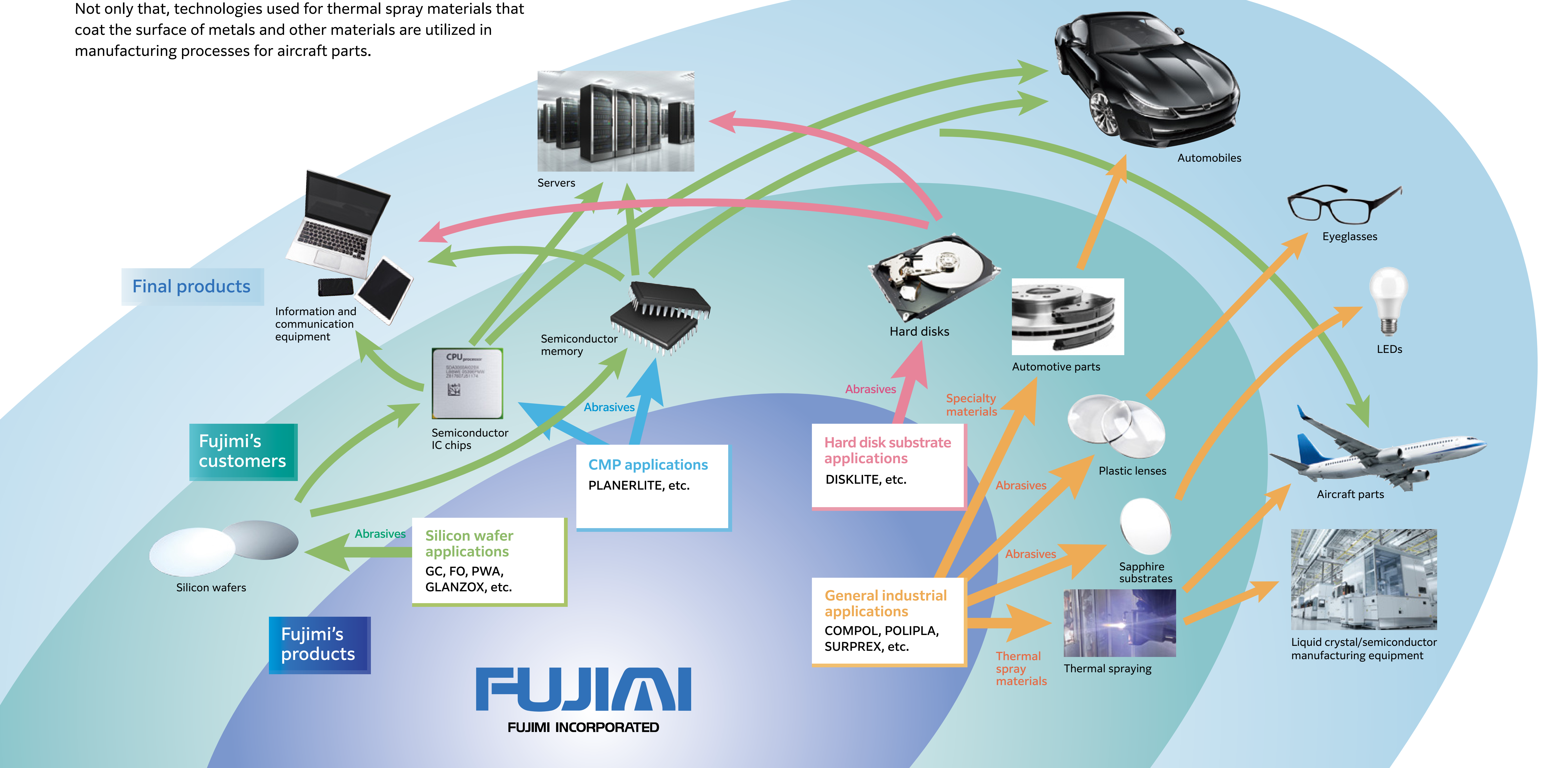
Polishing slurry

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

In its Corporate Philosophy, the Fujimi Group 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 72.5 billion yen
- Total assets 82.9 billion yen
- Equity ratio 87.4%
- Free cash flows 2.1 billion yen

Manufacturing capital

Strategically placed manufacturing network

- Production facilities
  Japan: 5
  Overseas: 3 (U.S., Taiwan, Malaysia)
- Capital expenditures 3.8 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
  9.7%

Human capital

Diverse human resources capable of generating high added value

- Consolidated employees 1,110
- Ratio of R&D personnel 31.3%
- Ratio of overseas employees 28.7%

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)
  5,697 kL
- Water resource inputs*2
  1.44 million m^3

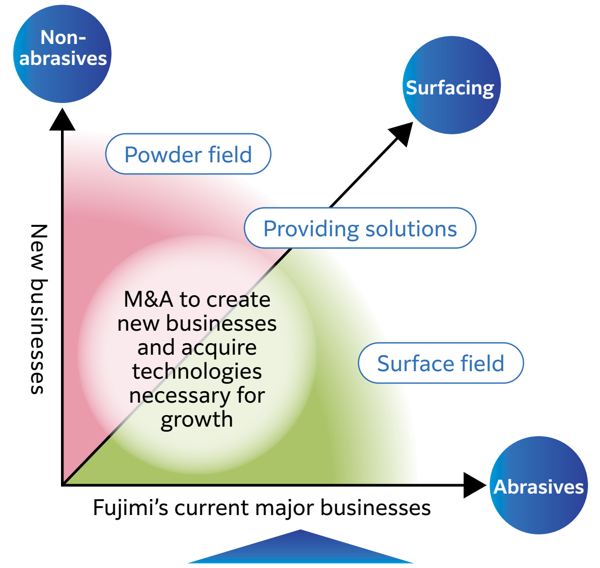
Fujimi's business model

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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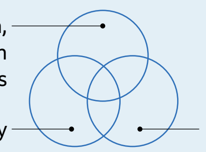

Outcomes of value creation

Financial capital

- Net sales 51.4 billion yen
- Operating profit margin 16.0%
- Net income 6.4 billion yen
- ROE 9.2%

Manufacturing capital

- Production volume (including purchased products)*3
  43,331 tons

Intellectual capital

- Number of patents held 1,309
- Product lineup
  Includes a product series with No. 1 market share

Human capital

- Turnover rate 3.3%
- 3-year new hire retention rate 100%
- Ratio of female managers 3.4%
- Ratio of female directors*4 28%

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*5 (Scope 1 and 2)
  15,586 t-CO_2
- Engaging in water offset*6 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*7 to become a centennial company
5. Implementation of sustainability management

Goals by business

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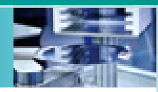
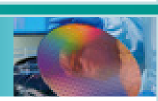
Silicon



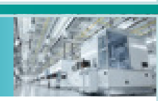
Leader in abrasives for silicon wafers

CMP



World's top FEOL*8 slurry manufacturer

Hard Disk Substrate

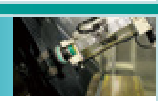


Key player in abrasives for hard disk substrates

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

Materialities

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Environment	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
Contribution to Recycling Society	Diversity and Human Resource Development	Protection of Intellectual Property	Research and Development
Chemical Substance Management	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 As of June 21, 2024
*5 Scope 2: Location-based
*6 Returning water to nature
*7 Grit: Courage and determination despite difficulty
*8 Abbreviation for Front End of Line, a transistor element fabrication process

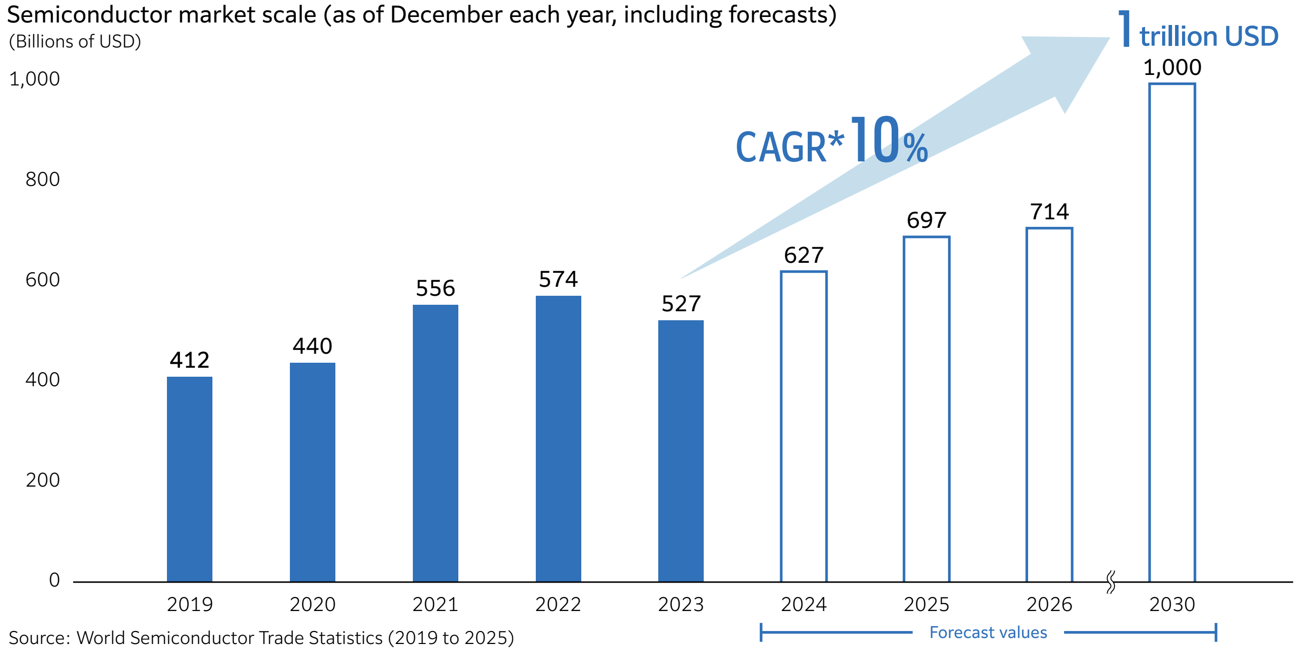
Growth Strategies

Market Environment and Market Data

In the fiscal year ended March 31, 2024, 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

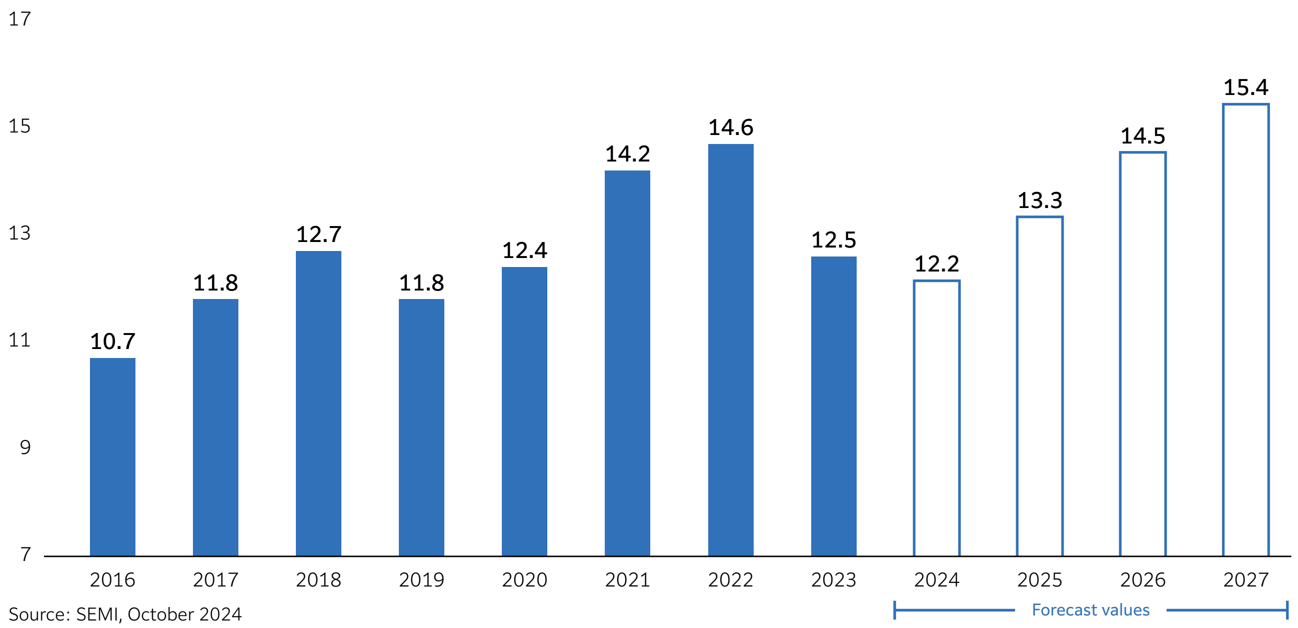
Semiconductor market scale (as of December each year, including forecasts)
(Billions of USD)



Source: World Semiconductor Trade Statistics (2019 to 2025)
SEMI (2026 to 2030)
*Compound annual growth rate

2 Silicon wafer demand

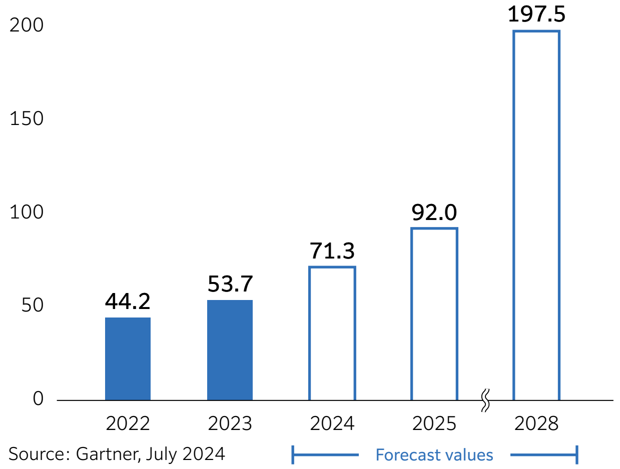
Silicon wafer demand (all diameters, converted to shipping area; as of December each year, including forecasts)
(Billions of square inches)



Source: SEMI, October 2024

3 Semiconductors for AI

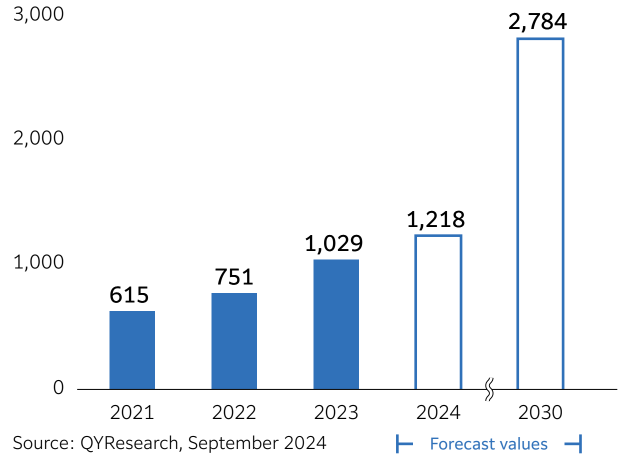
Global market scale of semiconductors for AI
(as of December each year, including forecasts)
(Billions of USD)



Source: Gartner, July 2024

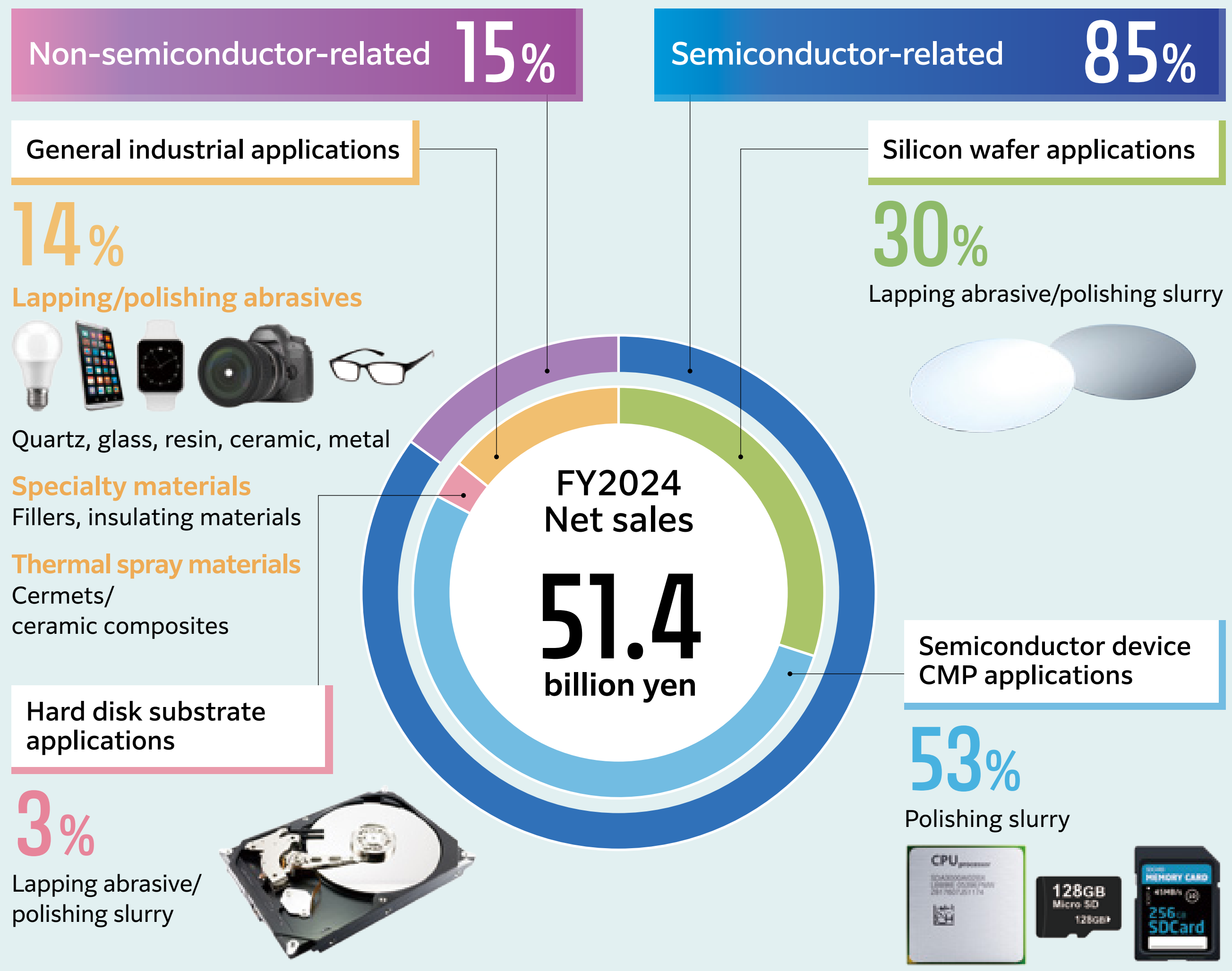
4 SiC wafer demand

SiC wafer demand
(as of December each year, including forecasts)
(Millions of USD)



Source: QYResearch, September 2024

Fujimi net sales by application



Growth Strategies

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, 2024, the first year of the plan, performance fell short of targets in all areas as the special demand experienced during the COVID-19 pandemic dissipated and raw material prices rose. However, medium- to long-term demand growth for semiconductors has not wavered, and we will steadily proceed with our plans accordingly.

Target Item	FY2023	FY2024		FY2026	FY2029	
	Actual	Plan	Actual	Plan	Plan	
Consolidated net sales (100 million JPY)	583	585	514	770	950	Point 1
New business sales ratio (%)	2.0	3	2.4	15	20	
Non-semiconductor sales ratio (%)	14.0	15	14.9	20	25	
Non-polishing sales ratio (%)	4.4	5	4.6	8	10	
Operating profit margin (%)	22.7	21.4	16.0	20	20	Point 2
EBITDA margin (%)	25.6	25.0	20.0	26	27	
ROE (%)	16.1	13.9	9.2	15	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 significantly 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 is 55% or more, while being mindful of ensuring stable dividends. We will consider adding dividends on equity (DOE) as an indicator for dividends. (Excerpted from May 10, 2023 press release)

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 situation, we will strive to strengthen our development, manufacturing, and quality assurance systems at our three bases in Japan, the United States, and Taiwan.

As for capital investment, we have been spending around 2 billion yen per year in this area for the past several years, but 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. With rising costs for construction materials and labor, we also anticipate a significant increase in investment for building new plants compared to past construction initiatives.

	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

Fujimi Incorporated (Gifu Prefecture)

- Construction of new plant (slurry for CMP and silicon)
- Expansion of existing plant (same as above)
- Transformation of business structures and updating of aging facilities
- Construction of new R&D center (mainly for new business development)

New plant: Kakamiyama Plant (left: front view, right: bird's-eye view)

Fujimi Taiwan (Miaoli County)

- Introduction of new production lines (slurry for CMP)
- Addressing expansion of next-generation, cutting-edge semiconductor manufacturing capacity by Taiwanese semiconductor device makers
- Covering of some products for the U.S. market

Fujimi Corporation (Oregon, U.S.)

- Introduction of new production lines (slurry for CMP)
- Addressing expansion of cutting-edge semiconductor manufacturing capacity by U.S. and Taiwanese semiconductor device makers in the U.S.

Major Measures

1 Creation of new businesses to evolve from an abrasives manufacturer to a "Powder & Surface Company"

- Reinforcing of our marketing system by leveraging the strength of proprietary technologies
- Provision of original, high value-added products with specialty materials
- Provision of processing solutions for all types of surfacing
- M&A to create new businesses and acquire technologies necessary for growth

2 Building a robust foundation for semiconductor-related businesses and establishing an overwhelming position in the field of materials for next-generation semiconductors

- Expansion of global product supply system in anticipation of medium- to long-term growth in semiconductor demand
- Maintenance and improvement of industry-leading R&D and quality assurance capabilities in response to increasingly sophisticated semiconductor processes
- Development of materials for mounting substrates achieving higher functionality and multifunctionality of next-generation semiconductors
- Growth into a major supplier of abrasives for SiC and GaN power semiconductors, which are key to realizing a carbon-free society

3 Reinforcement of core technology and development of new technology

- Further reinforcement of core technologies (filtration, classification, and purification technologies, powder technology, and chemical technology)
- Tackling the challenge of developing innovative new technologies to create customer value

4 Challenge of developing an organization and human resources with grit* to become a centennial company

- Establishing an unwavering integrity mindset to pass on pride in our manufacturing practices to the next generation
- Fostering of an organizational culture that motivates employees to excel and provides them with well-being
- Cultivation of customer-oriented professionals
- Creation of excellent teamwork through mindsets of mutual empowerment and growth

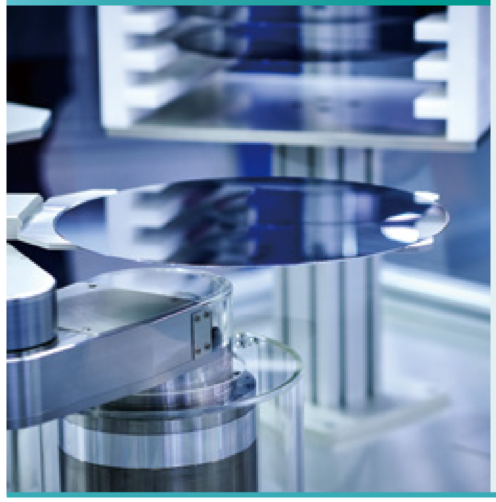
5 Implementation of sustainability management

- Proactive contribution to resolving environmental problems, including climate change
- Stronger business continuity capabilities founded in risk management and supply chain management practices
- Stronger governance structure to support global business activities
- Value-creating activities that contribute to improved sustainability

*Grit: Courage and determination despite difficulty

Strategies by Business

Silicon Business



Business Strategy

In this business, Fujimi researches, develops, manufactures and sells abrasives that are used in the high-precision polishing process. In this process, silicon wafers are flattened and mirror polished, one step along the path to becoming semiconductor substrates. To meet increasingly sophisticated customer requirements, we offer high-quality products and services providing a total solution for every step of the process from cutting to polish finishing. Our aim is to become our customers' "most trusted partner" by continuing to provide highly distinctive new products supported by new technologies.

In addition, we are focusing on the development of products for SiC substrates, which have received increasing attention in recent years with the spread of electric vehicles and hybrid vehicles, and we have established production systems at our U.S. and Malaysian bases as part of our efforts to ensure product supply to customers all over the world.

Main Products

GLANZOX

FO

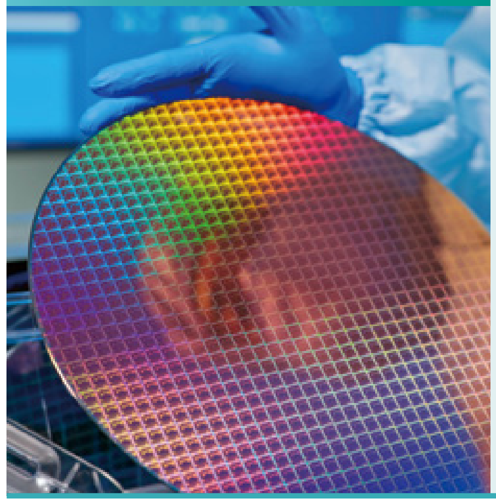
Our Goal

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 abrasives that are used in the manufacturing process of semiconductor devices. With the increasing performance, density, and integration of semiconductor devices, the types of films to be polished and the processes in which CMP is used are increasing. In addition, technologies for three-dimensional mounting of semiconductor devices have emerged to improve system performance in recent years, and the use of CMP is being considered in this field as well. To respond quickly and accurately to these changing market needs, we have established manufacturing and development bases in Japan, the U.S., and Taiwan, which are located near the manufacturing and development bases of our customers. This is helping us to build closer relationships with customers and develop new products in accordance with customers' roadmaps. 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 manufactures, researches, develops and sells abrasives that are used in the manufacturing process of disk substrates for hard disk drives, which are storage media for digital data. We have established a manufacturing base in Malaysia, an area where we have a large concentration of customers' production bases, and we have built relationships of trust with our customers by allocating technical staff and providing technical support in the region. Although hard disk drives have been increasingly replaced with solid state drives (SSDs) recently, demand for hard disks for data centers is expected to continue to grow due to anticipated increase in data capacity that is transmitted and received via cloud services and 5G. Under these circumstances, 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 used in environmentally-friendly surface processing. These are designed to meet demands for longer product life and higher product functions of machinery and components in a variety of industries, including semiconductor equipment, aircraft, and iron and steel. By further reinforcing our unique powder granulation technologies and promptly offering solutions, we aim to further expand our market.

Main Products

SURPREX

Our Goal

Expanded share in the thermal spray materials market

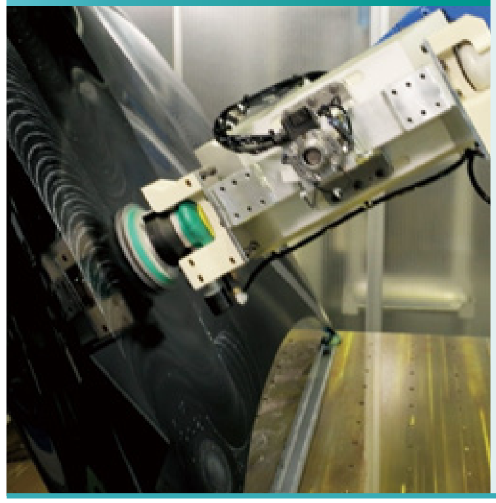
Initiative Direction

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 and other products for a wide variety of materials (such as metal, resin, ceramic, and composite materials) and shapes (two-dimensional and three-dimensional) for various applications. We will continue to serve new surfacing requests of customers from various industries across the globe by not only supplying abrasives but also providing a wide range of polishing methods depending on the intended use, thereby offering total solutions, including peripheral consumables, equipment, and processing processes. As an example of a specific initiative, we have developed a new polishing compound for automobile exteriors, which has begun to be selected for use by our customers.

Main Products

COMPOL

MIRAFLEX

Our Goal

Creation of new businesses in the polishing solutions domain

Initiative Direction

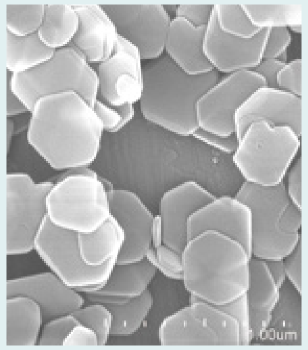
Providing advanced polishing solutions to meet customer needs, including automotive polishing compounds

Advanced Technology & Specialty Materials

Business Strategy

Under the Advanced Technology & Specialty Materials Division, which was established for the purpose of further promoting the expansion of the powder domain and non-abrasive businesses, Fujimi is pressing forward with research and development of its core technologies in the field of powder, while at the same time strongly promoting the creation and commercialization of new businesses in non-abrasive fields. To this end, we will put more focus on expanding new applications and our customer base by further strengthening our marketing power as well as integrating our core technologies, including those for controlling particle shape and particle size distribution and granulation, which have been cultivated by our Specialty Materials Business and the Advanced Technology Research Center. As examples of specific initiatives, we have developed ceramic powders with high heat dissipation and flowability, ceramic composite materials with light weight and high thermal resistance, as well as new ceramic powders using technology for shape control such as spherical, plate, and rod shapes, and ultrahard materials for 3D printers.

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

Materialities

Background on Materiality Identification

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

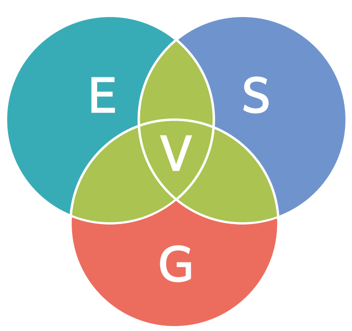
The Company, under its corporate mission “we will develop new, innovative technologies and applications with a commitment to environmental sustainability, thereby enabling the advancement of technology for the betterment of humanity”, has long been committed to contributing to society and achieving sustainable business growth. By specifying Materialities this time, the Company has been able to clearly re-establish social subjects/issues which we should contribute to and address, and we will therefore further strengthen initiatives in these areas. The Company plans to update the Materialities 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)

Our Materiality Framework



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

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

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

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

Explanation of Materialities

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.	

Foundation for Growth

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.

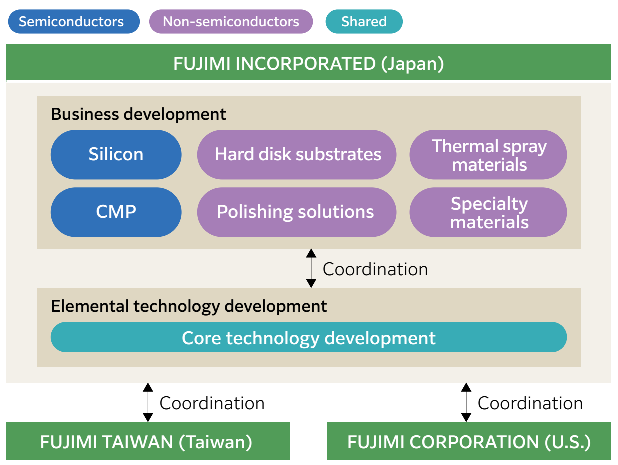
In production, we have established a mass production system that limits variation in quality using both proprietary production technologies that we have cultivated since our founding and production facilities of our own design. At the same time, to meet the increasingly sophisticated and diverse demands 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



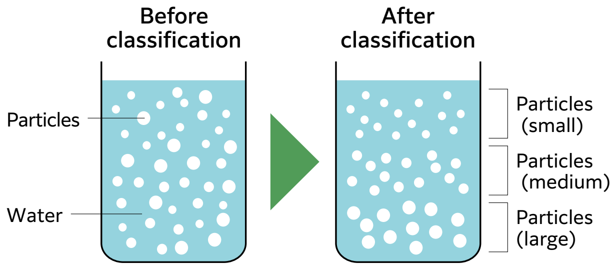
Core Technologies in R&D

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

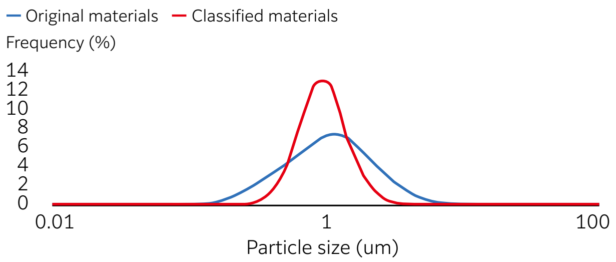
These technologies include: classification technology, which separates (classifies) abrasive grains of different sizes using differences in sedimentation speed in a fluid; filtration technology, which reliably captures (filters) coarse particles above a certain size by combining filters; and purification 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

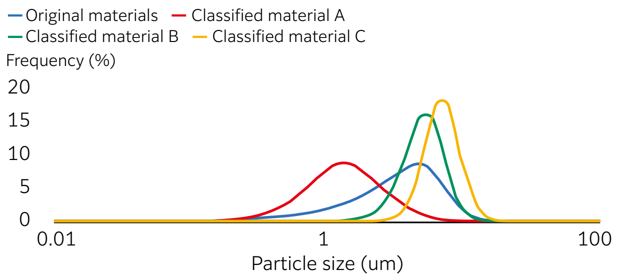


Classification allows for adjusting the particle size distribution of abrasive grains

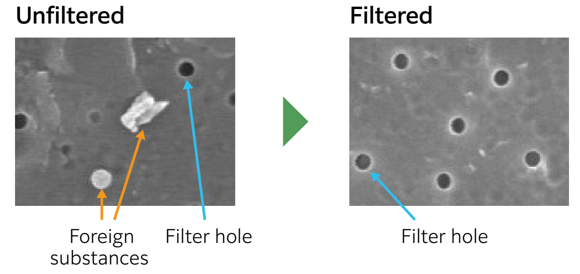
Classification example #1 Refining the particle size distribution



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



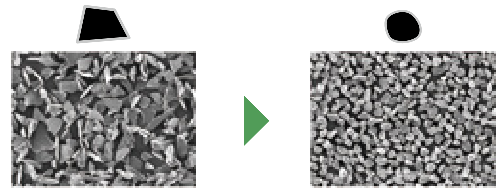
Purification Technology
Impurity level reduction: Removes impurities to ensure the quality level required for semiconductors

(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.

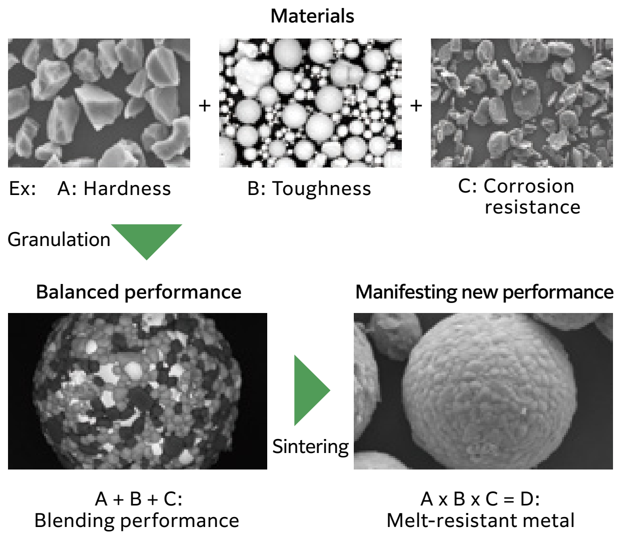
Abrasive Grain Shape Manipulation
Partial control over particle shape

Illustration of abrasive grain shape



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

Illustration of composited grains

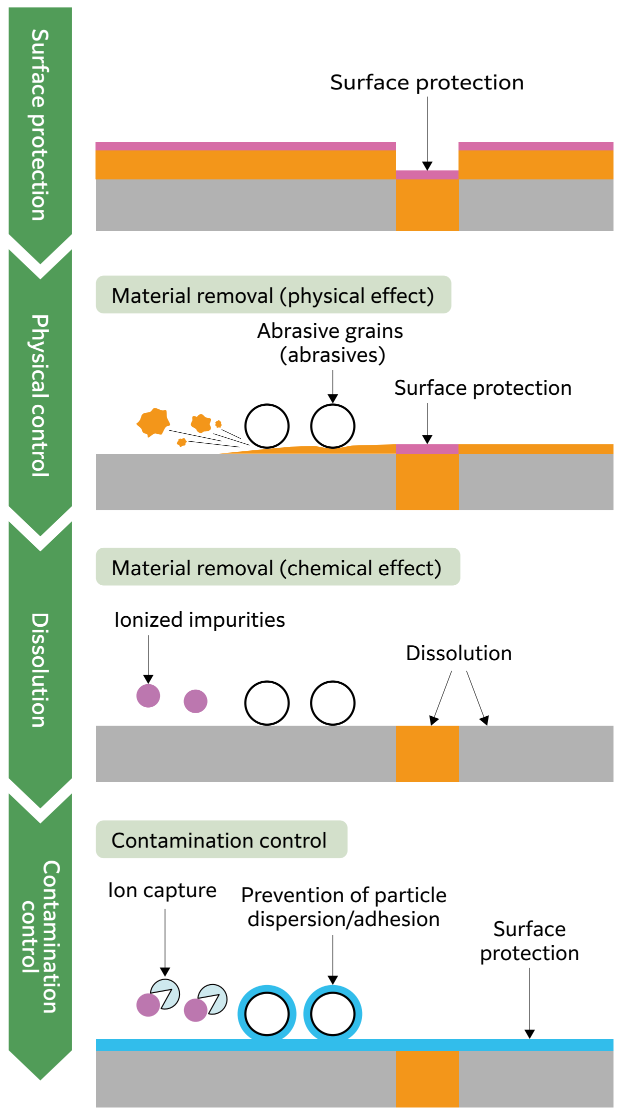


(3) Chemical Technologies

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 five 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. Among these, the Kakamigahara Plant is our core plant with the largest production capacity among those owned by the Group. 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 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 RBA

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 RBA, we will continue to fulfill our social responsibility and aim for fair and sound development of the supply chain.

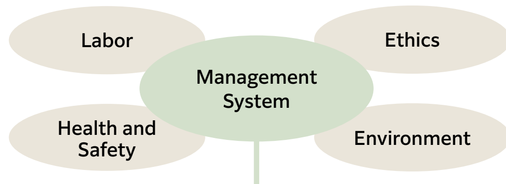
*The Responsible Business Alliance (RBA) is an alliance of companies established in October 2004, then called the EICC, with the aim of promoting CSR mainly in the electronics industry and its supply chain. Its name was changed to RBA in 2017.

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.

Foundation for Growth

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	Market changes due to 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)

(Unit: t-CO_2)	FY2022	FY2023	FY2024
Scope 1	2,920	2,895	2,326
Scope 2*1	10,682	10,440	8,746
Scope 2*2	8,936	9,183	9,352
Scope 1+2*1	13,602	13,336	11,072
Scope 1+2*2	11,857	12,079	11,679

*1 Scope 2: Location standard *2 Scope 2: Market standard

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

(Unit: t-CO_2)	FY2022	FY2023	FY2024
Scope 1	146	209	177
Scope 2*1	4,457	4,428	4,337
Scope 1+2*1	4,603	4,637	4,514

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 environmental management system to prevent pollution and to reduce impact on the environment.

Action Guidelines

1. Promote the efficient use of resources and conservation of energy.
2. Reduce the volume of waste materials and promote recycling.
3. Prevent pollution in wastewater by reduction activities of pollutant.
4. Prevent emergency situation by reducing activities of potential environmental risks in Fujimi.
5. Provide products and services with less impact on the environment.
6. Comply with all environmental regulations and other requirements.

Environmental Objectives

The annual targets of the FY2025 Environmental Action Plan are set out below.

The targets are in the two areas of reducing environmental impact and using our products to protect the environment.

Annual Environmental Objectives

1	Reduce energy use	2.0% reduction (vs FY2024)
2	Reduce sludge-producing products	2.7% reduction (vs FY2024)
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 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 materialities, 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.

Enviromental Management Committee Governance Structure

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

Chair: President
Committee members: Board of Directors, senior general managers, deputy senior general managers, general managers
Secretariat: Quality Assurance Department No. 2
Meeting frequency: Twice a year

Report ↑ ↓ Instruction
Each site (in Aichi, Gifu and Tokyo)

Environmental Management Subcommittee	Cooperation	Energy-Saving Committee
Meeting frequency: Once a month		Meeting frequency: Once a month

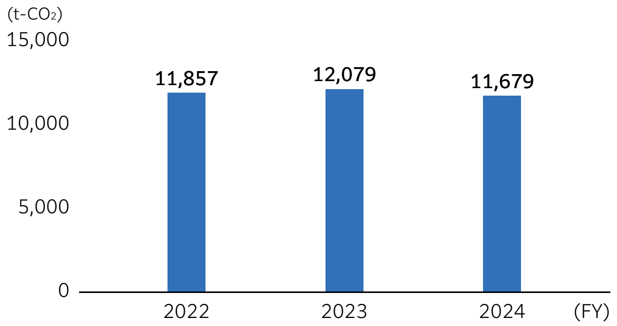
Activities to Lower Environmental Impact

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.

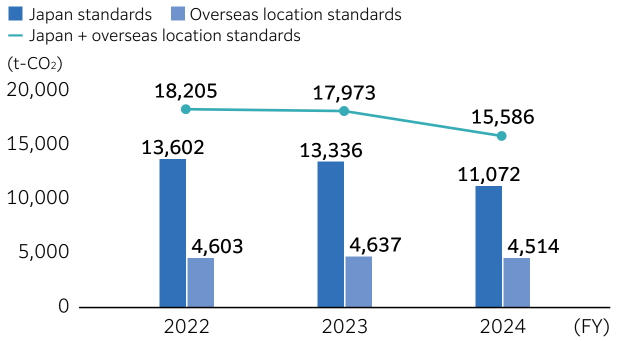
Reducing Greenhouse Gas (GHG) Emissions

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.

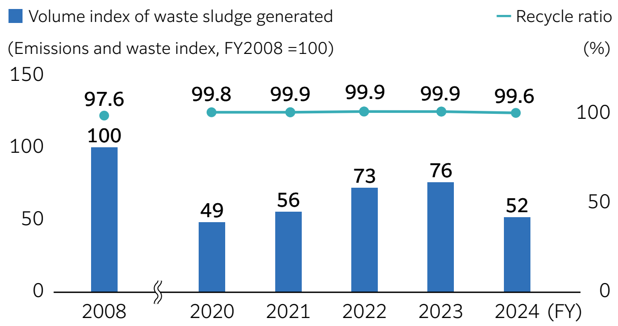
GHG Scope 1 and 2 Emissions (Japan Market Standards)



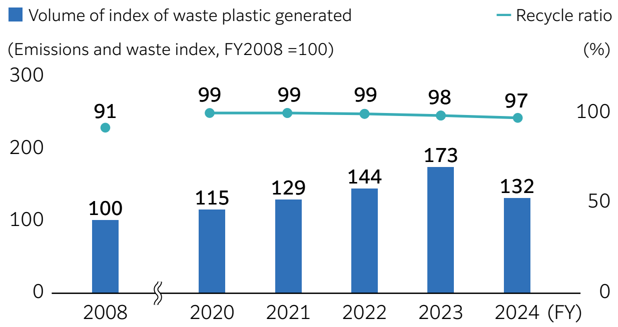
GHG Scope 1 and 2 Emissions (Japan and Overseas Location Standards)



Sludge Recycle Ratio



Waste Plastic Recycle Ratio



Paperless Administration

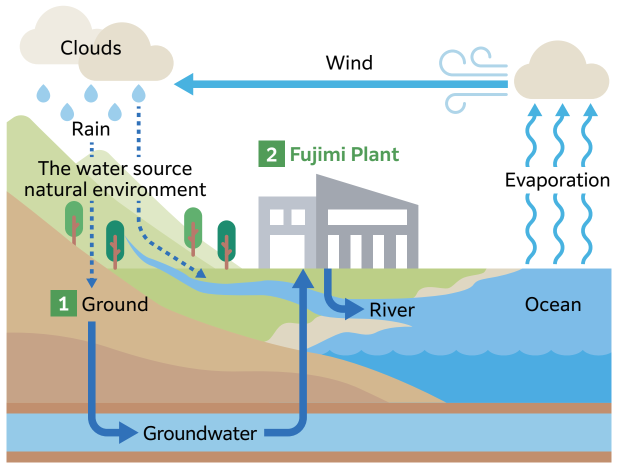
Fujimi no longer distributes printed materials at meetings and all possible steps are taken to limit paper use, including switching from storing materials on paper to electronic media.

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.

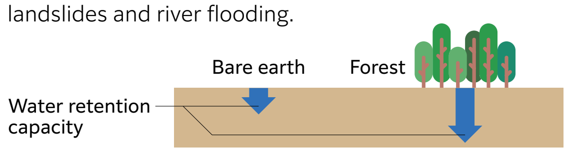
Our product manufacturing processes require a significant amount of water. Our manufacturing sites in Japan annually use approximately 1.6 million tons of water, equivalent to 3,000 average-sized 25-meter swimming pools. Because water is essential to producing our products, we believe we have an important responsibility to take steps to return water to nature, or what is called "water offset." We therefore decided to jointly join water environment protection and maintenance activities in Gifu Prefecture, where our production bases are concentrated.

The Water Cycle



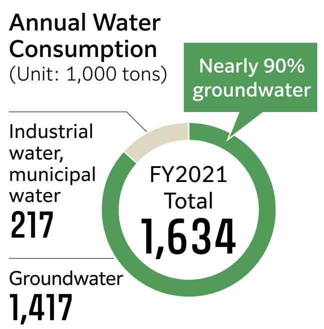
1

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 1.6 million tons of water, of which groundwater accounts for approximately 1.4 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 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.

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.

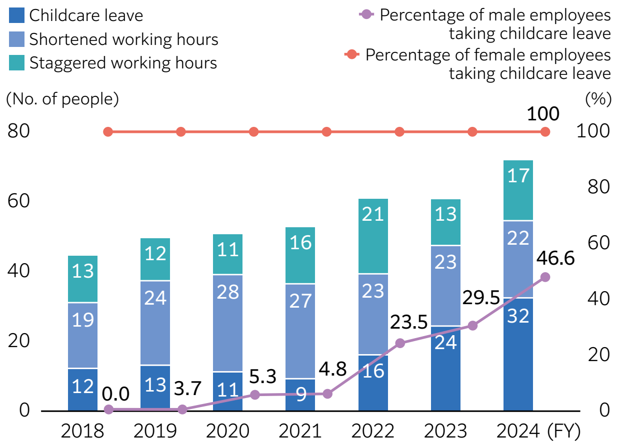
Fujimi created and fulfilled the requirements of our Action Plan based on the guidelines provided in the Ministry of Health, Labour and Welfare's Act for Measures to Support the Development of the Next Generation. The Labor Bureau of Aichi Prefecture awarded the Company a "Kurumin" certification mark recognizing us as an institution that supports childcare. We are continuing to enhance our structure of childcare support for employees by creating an organization where employees feel motivated and comfortable working.

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 completion of 4th grade
	Staggered work shift	During pregnancy only	Pregnancy to completion of 4th grade
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

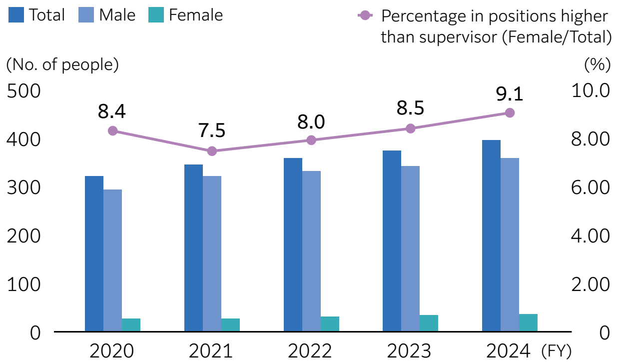
On September 26, 2023, the Ministry of Health, Labour and Welfare accredited Fujimi with the highest mark of Level Three Eruboshi Certification in recognition of our efforts to empower women in the workforce under the Act on Promotion of Women's Participation and Advancement in the Workplace. After the 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.

Human Capital Indicators and Targets

	FY2024 results	FY2025 targets
Percentage of female in managerial positions	3.7%	10%*1
Percentage of employees taking childcare leave (male)	46.6%	30%*2
Percentage of employees taking childcare leave (female)	100%	95%*2

*1 2016 Action Plan target
*2 2022 Action Plan target

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
Admini-strators	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

Governance

Dialogue with Outside Directors

Fujimi's outside directors support an appropriate level of risk-taking, leveraging insights and expertise gained from diverse experiences to help build a more stable business portfolio.

Masami Kawashita Outside Director

After engaging in business promotion at NGK Spark Plug Co., Ltd. in many countries, including Malaysia, Indonesia, and China, etc., Masami Kawashita went on to serve as a director at the same company from 2005, then as executive vice president, where he oversaw the management planning, general affairs, and materials departments, etc. This has given him a wealth of knowledge and experience cultivated over many years as a manager. He was appointed as an outside corporate auditor of the Company in June 2012 and as an outside director in June 2015.

Atsuko Yoshimura Outside Director

After many years in the investment banking arm of a multinational securities firm, where she supported corporate growth and financial strategies, 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.

Uniqueness of Fujimi Incorporated noticed from observations in discussions at board meetings and other interactions

Kawashita: One unique aspect of our Board of Directors' discussions is that we, outside directors, are given the opportunity to participate and discuss freely not only at these board meetings but also from the Management Meeting stage, which is attended by directors and senior general managers. I have strongly felt in these discussions that Fujimi's employees approach things with great earnestness and sincerity, as is typical of a company based on technology. I believe that this diligent persistence in tackling challenges one by one is one firmly rooted and longstanding element of Fujimi's corporate culture.

Yoshimura: I felt the same way about the process of formulating the Medium & Long Term Business Plan 2023 last year. At that time, I participated not only in the Management Meeting but also in Formulation Project Meetings and Pre-Briefing Sessions. I was involved even before company policy was decided, when each business unit was brainstorming and formulating strategies. This interaction gave me a firm impression of earnestness, sincerity, and dedication among Fujimi's employees. My thought is that Fujimi's position as a company that has competed head-to-head with global companies in terms of technology and quality has perhaps contributed to building this kind of corporate culture. With respect to the topic at hand of the Medium & Long Term Business Plan 2023, I also gained a deeper understanding of how business units were thinking and the context behind them, and I felt I was able to engage in substantive and in-depth discussions from a more diverse range of perspectives.

Kawashita: In terms of the atmosphere at board meetings, although Fujimi's shareholder composition has a strong family bias, there is a lively exchange of opinions and a willingness to actively incorporate them into discussions.

Yoshimura: I think that because the founding family is a major shareholder, there is a strong sense of commitment to ensuring even greater transparency and fairness. In fact, each and every director maintains a sense of responsibility as they tackle agenda items and various developments around the world. That same sense of earnestness and sincerity applies to governance as well, and I believe that Fujimi's corporate culture is serving the function of discussing what is best for stakeholders and what is best for the Company.

About learning opportunities provided to Outside Directors

Kawashita: In the highly specialized semiconductor industry, it is essential to provide learning opportunities for outside directors in order to deepen our discussions. I feel that this is an area to which Fujimi has given due consideration. For example, new outside directors are provided with training and lectures, including plant tours, to ensure a firm understanding of the business environment and business strategies. In addition, Fujimi has established an environment where we have access to industry-specific terminology and study materials.

Yoshimura: What I found amazing was the quality of board meeting materials. The terminology comes with footnotes, with information even provided about the process leading up to discussion. The secretariat prepares very clear and content-rich materials so that outside directors can concentrate on the discussions. Some may say that the materials are a bit too hefty (laughs), but I think this demonstrates their desire to ensure that outside directors have a thorough understanding of the issues beforehand.

Kawashita: It would be unthinkable to let that kind of enthusiasm go to waste, so we make sure to read up before participating in discussions.

Yoshimura: In terms of encouraging greater understanding, Board of Directors' meetings are very well-run, and the chairperson is particularly skilled at facilitating the proceedings. Whenever the discussion is about to get into technical background, detailed numbers, or other more in-depth topics, the chairperson always rephrases to make sure everyone understands.

Ensuring the effectiveness of the Board of Directors

Kawashita: Regarding effectiveness, we are asked to complete an evaluation questionnaire at each board meeting, including questions about whether the materials were sufficient, the agenda items appropriate, and the discussion content and conclusions satisfactory. By summarizing these and publicly announcing the operation status of the Board of Directors, I feel that everyone has a common awareness of the issues and is trying to enhance the discussions.

Yoshimura: There is also an annual evaluation of the effectiveness of the Board of Directors, and based on this evaluation, a specific PDCA cycle is established, which drives our next steps of Do and Action. In addition, I believe that Fujimi has built a climate for thorough discussions on risk, with the chairperson of the Board of Directors taking the initiative in checking for risks, based on the common understanding that the industry is undergoing rapid changes.

The most discussed topics of the past year

Kawashita: Discussions often feature topics related to the creation of R&D pipelines, as well as alliances and M&A as a means to achieve Fujimi's goals, and I believe that concrete actions in these areas will steadily emerge and grow going forward. The agenda items are not just for empty discussion; it is encouraging to see such a strong mindset at Fujimi toward cultivating its own unique niche through agenda items for harnessing Fujiimi's underlying technologies, facilities, insights, and experience, while keeping its antennae tuned to a wide range of opportunities and its channels open.

Yoshimura: This overlaps with the risk management

part, but it is very difficult to predict the future of the semiconductor industry, and I think there is a tendency to shy away when market conditions deteriorate a little. However, even in such a situation, if Fujimi does not invest aggressively and boldly, it will not be able to survive three to five years from now. I intend to encourage this kind of proactive approach to avoid such passive attitudes in our discussions while taking the relevant risks into consideration.

About challenges in strengthening governance

Kawashita: The first thing I would like to shore up for Fujimi is its succession plan process. As mentioned earlier, we outside directors participate in discussions involving a wide range of executives, meaning that we have frequent touchpoints to gain a sense of how the next generation of management-level talent view portfolio transformation. We will need to consider the process about how to cultivate these qualities and abilities among management personnel into board members who can support 100 billion yen in sales in 2030.
Yoshimura: During the formulation of the Medium & Long Term Business Plan 2023, we spent a lot of time discussing Fujimi's ideal image and the values that should be cherished. The Advisory Committee also needs to discuss how to nurture the diverse talent we meet at such meetings.
Kawashita: I think we also need to reexamine the nature of the Advisory Committee. Currently, discussions at this committee are focused on officer compensation and director appointments, but is that truly enough? Even though the Company has a strong family ownership slant, the Advisory Committee has the opportunity to be very helpful in laying the foundation for Fujimi's future, including the cultivation of the next generation of management personnel.
Yoshimura: I agree. Though Fujimi is already an excellent company, it is still a small player navigating the rough seas with global players. In order for such a company to achieve sustainable growth, it is essential to build a solid business foundation—technology, human resources, customers, finance, intellectual property, and research and development. I think there is still much we can do to support them in this aspect.
Kawashita: In addition, and this is also a request to the Company, I would like to have a forum such as an exchange of opinions between outside directors and outside auditors twice a year during the half and full-year account closing months (September and March), so that they can provide more objective advice.

Matters for greater monitoring and advice going forward

Yoshimura: First of all, I believe that the role of an outside director is to provide advice from an objective and strategic perspective by acting as a check on the aggressive stance indicated in the current Medium & Long Term Business Plan 2023, the progress in R&D and capital investment versus plans, whether there is an appropriate connection between investment and returns, and whether profits are being generated while taking appropriate risks. In addition, I believe that I can contribute to efforts to improve capital efficiency by utilizing the financial knowledge and expertise I have developed over the years. One element of Fujimi's management philosophy is to take on challenges aggressively to consistently innovate, and I would like to contribute to the development of new business fields by using my own experience in entrepreneurship and business creation to support and advise on the implementation of specific measures.
Kawashita: As I wrote in Fujimi's internal newsletter, my desire is to play the role of Okubo Hikozaemon. Like this famous warrior of Japan's warring period, I also want to be an advocate and a straight-talker who does not permit cutting corners or pushing through proposals that are not fully developed. It is with this attitude that I would like to support Fujimi as it develops business overseas and cultivates successors while utilizing my own experience.
Yoshimura: In the area of overseas development, I was impressed the other day when you warned us about your own failures in the United States.
Kawashita: Life is success and failures. My own efforts led to about half of each (laughs), but at least others have gained only benefits from my experience. With that recognition, I would like to drag out my trove of insights and expertise as the need arises.
Yoshimura: By fulfilling our respective roles, we would like to contribute to Fujimi becoming the "strong, kind, and exciting" company it envisions in its Corporate Cultural Vision, and to keeping stakeholders' expectations high by enhancing profitability and growth potential.

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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
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), majority of the Board of Directors
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	
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										

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 seven directors (including four outside directors), currently five 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 seven directors and eight 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Directors (including outside directors)	6 (1)	6 (1)	7 (2)	7 (2)	7 (2)	6 (2)	5 (2)	6 (3)	6 (3)	7 (4)
Corporate Auditors (including outside auditors)	4 (2)	4 (2)	3 (2)	3 (2)	3 (2)	3 (2)	3 (2)	3 (2)	3 (2)	3 (2)

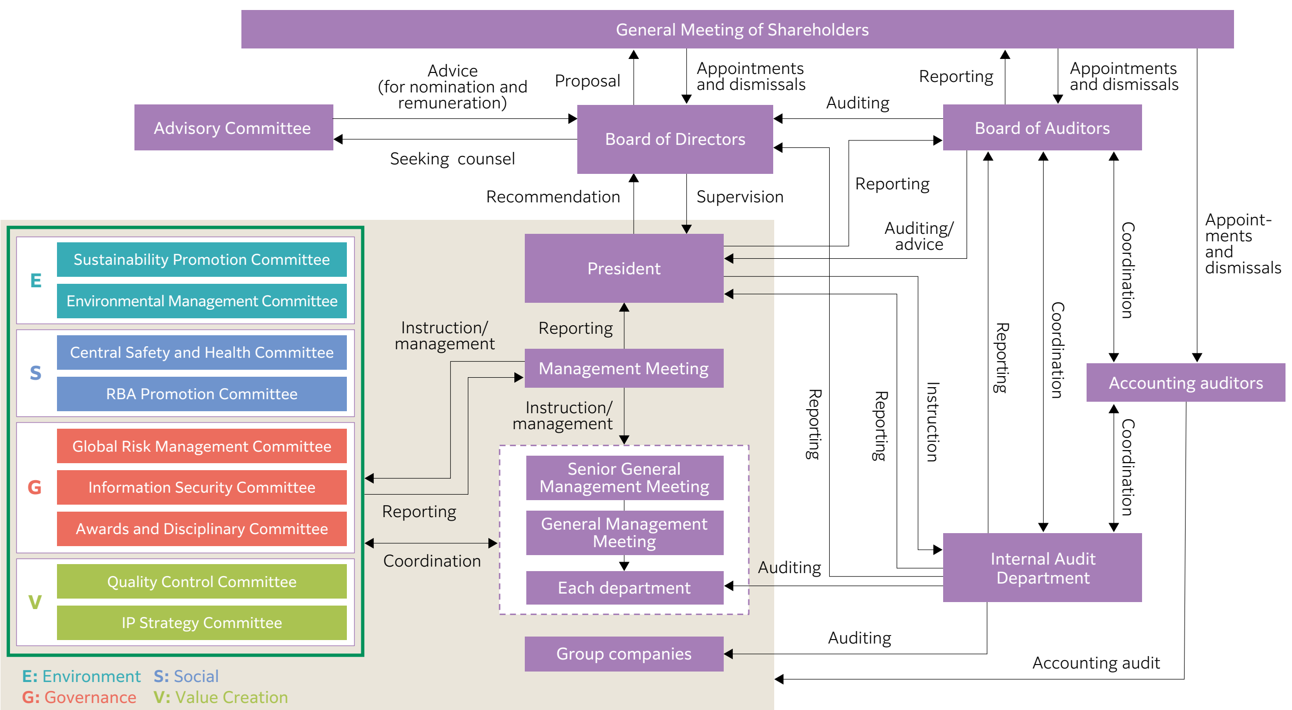
Corporate Auditor and Internal Audits

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.

*As of June 21, 2024

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 10 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 FY2024

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 21, 2024

	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	○	○		○	○	○				
Masami Kawashita Outside Director	○	○	○	○			○			
Yoshitsugu Asai Outside Director	○	○					○		○	○
Atsuko Yoshimura Outside Director	○	○	○				○			
Naoko Yamazaki Outside Director	○						○		○	○
Yoshiaki Fujikawa Standing Corporate Auditor								○	○	
Masahiko Takahashi Outside Corporate Auditor							○			
Masaru Okano Outside Corporate Auditor	○		○		○	○			○	

Governance

Governance Structure

Summary of FY2024 Results of the Board of Directors' Effectiveness Analysis and Evaluation

The results of the Board of Directors' effectiveness analysis and evaluation in FY2024 indicated general satisfaction with the composition, operation, agenda, and support structure. Measures are being prepared in the following areas, which we recognize as requiring improvement to further enhance the Board of Directors' effectiveness.

- Optimizing the content and volume of materials for Board of Directors meetings
- Securing time for preparatory consideration of materials

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	100% (19/19)
Masami Kawashita	Outside Director	100% (19/19)
Yoshitsugu Asai	Outside Director	100% (19/19)
Atsuko Yoshimura	Outside Director	100% (19/19)

Board of Auditors Meetings and Attendance

Name	Board of Auditors
Yoshiaki Fujikawa Standing Corporate Auditor	100% (15/15)
Masahiko Takahashi Outside Corporate Auditor	100% (15/15)
Masaru Okano Outside Corporate Auditor	100% (15/15)

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

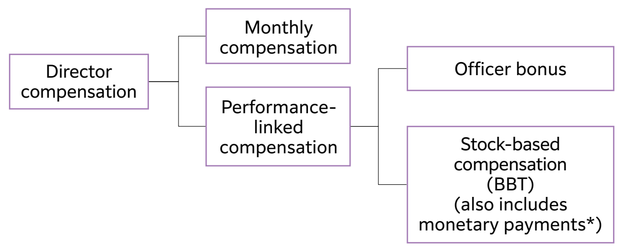
Fujimi's basic policy on director compensation is to create an incentive to continuously increase corporate value by linking remuneration to shareholder profits and business performance. Individual director compensation is set at a level commensurate with the responsibilities of their specific position.

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 (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 (FY2024)

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)		164	20	46
Total compensation by type (million yen)	Monthly compensation	94	20	46
	Officer bonus*1	70	-	-
	Retirement benefit	-	-	-
	Stock-based compensation*2	-	-	-
	Non-monetary compensation included above	-	-	-
Number of eligible officers		3	1	5

*1 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.

*2 The total amount of stock-based compensation is the amount transferred to the reserve for stock-based compensation during the fiscal year based on the stock benefit trust (BBT) introduced by resolution of the 65th Ordinary General Meeting of Shareholders. The conditions for payment are described in the Policy for Determining Individual Director Remuneration. Note that there is no applicable amount for the current fiscal 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, presentation materials, and supplementary 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
Jun. 2003 Director and Senior General Manager of New Business Development Division of the Company
Apr. 2005 Director and Senior General Manager of CMP Division, Director of CMP Business Unit
Apr. 2008 President and CEO
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 FUJIMI-MICRO TECHNOLOGY SDN. BHD.
Jun. 2012 Director and Senior General Manager of Disk Division of the Company; and President of FUJIMI-MICRO TECHNOLOGY SDN. BHD.
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 FUJIMI-MICRO TECHNOLOGY SDN. BHD.
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 (current position)

Katsuhiro Suzuki
Managing Director

Apr. 1984 Joined the Company
Jul. 1992 Seconded to FUJIMI AMERICA INC. (currently FUJIMI CORPORATION)
Apr. 2005 Director of FUJIMI CORPORATION
Apr. 2011 Senior General Manager of Silicon Division
Jun. 2012 Director and Senior General Manager of Silicon Division
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)

Masami Kawashita
Outside Director

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

Yoshitsugu Asai
Outside Director

Apr. 1977 Joined Brother Industries, Ltd.
Jul. 1989 Seconded to BROTHER INDUSTRIES (AUST) PTY LTD. Representative Director & President
Oct. 2000 General Manager of General Planning Department of Brother Industries, Ltd.
Jun. 2004 Executive Officer; EVP* of I & D Company and General Manager of Corporate Planning Department
*EVP: Executive Vice President
Apr. 2006 Executive Officer and General Manager of Human Resource Department
Apr. 2011 Managing Executive Officer and General Manager of Legal & General Affairs Department
Apr. 2016 Managing Executive Officer
Jun. 2017 Outside Director of the Company (current position)
Jun. 2020 Outside Director of ANEST IWATA Corporation (current position)

Atsuko Yoshimura
Outside Director

Apr. 1995 Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION
May 2002 Transferred to NTT Communications Corporation
Jun. 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
Jun. 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. (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
Jul. 2019 Representative Member of NOKs Labo LLC (current position)
Jan. 2021 Managing Director of My Wealth Management Co., Ltd. (current position)
Feb. 2021 Executive Consultant of EoD, Inc. (current position)
Jun. 2024 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)

Masahiko Takahashi
Outside Corporate Auditor

Oct. 1970 Joined Marunouchi & Co.
Oct. 1974 Registered as a Certified Public Accountant
Oct. 1979 Joined Yagi & Asano Auditing Office (currently Ernst & Young ShinNihon LLC)
Nov. 1979 Registered as a tax accountant; Established the Masahiko Takahashi Certified Public Accountant and Tax Accountant Office
Jun. 2010 Retired from Ernst & Young ShinNihon LLC
Jun. 2011 Outside Corporate Auditor of the Company (current position)

Corporate Data

11-Year Financial Summary

(Millions of yen)

Fiscal years ended March 31	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fiscal year											
Net sales	27,492	32,815	31,755	33,092	35,788	37,394	38,408	41,956	51,731	58,394	**51,423**
Operating profit	1,300	4,128	3,302	4,278	4,872	5,310	6,007	7,639	12,059	13,243	**8,251**
Ordinary profit	1,535	4,596	3,342	4,519	4,728	5,637	6,177	7,709	12,490	13,595	**8,958**
Profit attributable to owners of parent	799	3,695	2,346	3,350	3,011	4,265	4,270	5,607	9,156	10,594	**6,499**
Capital expenditures	1,094	947	1,637	1,336	1,871	1,829	2,030	1,574	1,814	2,094	**3,838**
R&D expense	2,885	3,210	3,254	3,129	3,342	3,501	3,691	4,116	4,325	4,912	**5,012**
Depreciation	2,022	1,794	1,754	1,623	1,411	1,413	1,598	1,687	1,661	1,729	**2,053**
End of fiscal year											
Total assets	46,648	51,779	50,675	53,698	55,439	57,848	59,496	65,773	75,684	80,101	**82,999**
Total net assets	41,507	44,694	44,523	46,164	47,848	50,231	52,079	56,088	62,967	69,011	**72,576**
Total liabilities	5,140	7,084	6,151	7,534	7,591	7,616	7,416	9,684	12,717	11,089	**10,423**
Liabilities with interest	0	0	0	0	0	0	0	0	0	0	**0**
Cash flows from operating activities	1,044	6,491	2,869	5,785	3,671	4,397	6,232	8,743	9,301	7,377	**7,452**
Cash flows from investing activities	(1,450)	322	1,623	(38)	(3,882)	(3,281)	(3,544)	(42)	(1,097)	(822)	**(5,311)**
Cash flows from financing activities	(916)	(1,687)	(2,644)	(608)	(1,308)	(1,954)	(2,213)	(2,481)	(3,825)	(6,139)	**(5,636)**
Per share information											
Earnings per share (EPS) (Yen)	30.82	143.79	92.63	135.77	122.16	173.07	172.98	226.85	370.38	428.05	**87.62***
Cash dividends per share (Yen)	30	40	40	53	63	87	87	115	185	220	**73.34***
Payout ratio (%)	97.3	27.8	43.2	39.0	51.6	50.3	50.3	50.7	49.9	51.4	**83.7**
Book value per share (BPS) (Yen)	1,598.32	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***
Key indicators											
Operating profit / net sales (%)	4.7	12.6	10.4	12.9	13.6	14.2	15.6	18.2	23.3	22.7	**16.0**
Ordinary profit / net sales (%)	5.6	14.0	10.5	13.7	13.2	15.1	16.1	18.4	24.1	23.3	**17.4**
Return on sales (%)	2.9	11.3	7.4	10.1	8.4	11.4	11.1	13.4	17.7	18.1	**12.6**
Return on equity (ROE) (%)	1.9	8.6	5.3	7.4	6.4	8.7	8.3	10.4	15.4	16.1	**9.2**
Return on assets (ROA) (%)	1.7	7.5	4.6	6.4	5.5	7.5	7.3	9.0	12.9	13.6	**8.0**
Equity ratio (%)	88.87	86.32	87.86	85.97	86.31	86.83	87.53	85.28	83.20	86.16	**87.44**
R&D expenses / net sales (%)	10.5	9.8	10.2	9.5	9.3	9.4	9.6	9.8	8.4	8.4	**9.7**
Net sales per employee	35.40	41.12	39.16	40.02	42.40	43.43	42.30	43.80	52.78	56.63	**46.32**
Number of employees	775	798	811	827	844	861	908	958	980	1,031	**1,110**
Number of shares issued (Thousands of shares)	30,699	29,699	29,699	28,699	28,699	28,699	28,699	28,699	28,699	26,699	**80,098***

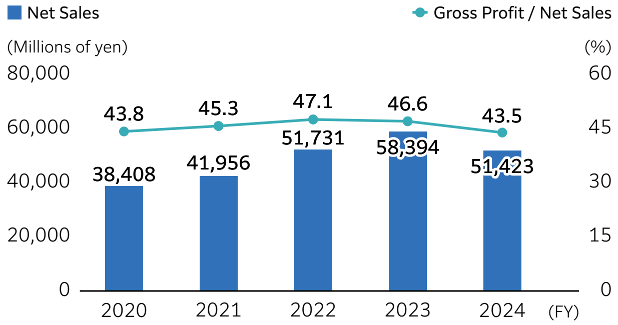
*Share price adjusted for the 3-for-1 stock split effected on July 1, 2023

Corporate Data

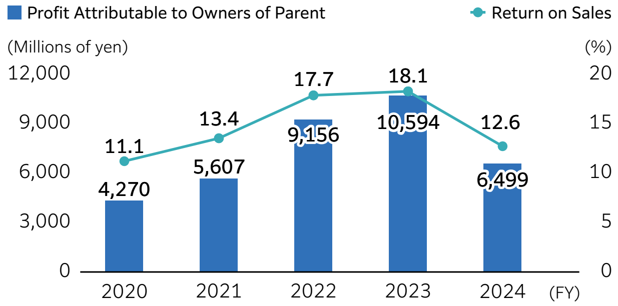
Financial and Non-Financial Highlights (Five Years)

Financial Highlights

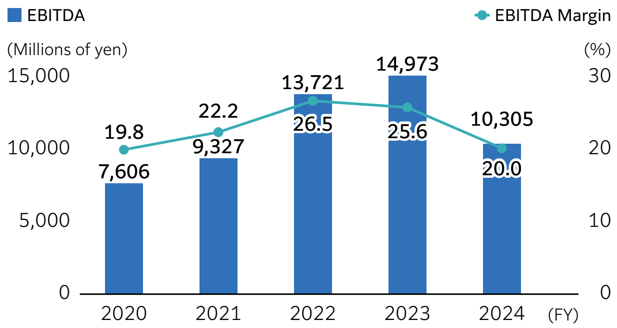
Net Sales and Gross Profit / Net Sales



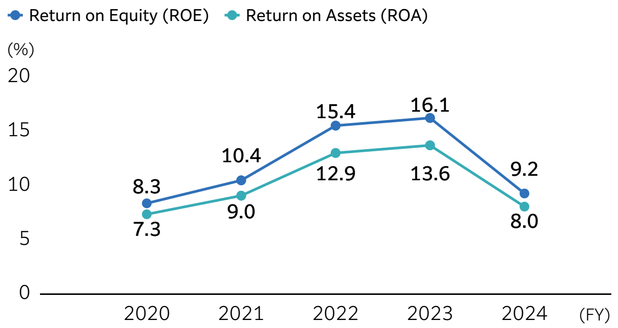
Profit Attributable to Owners of Parent and Return on Sales



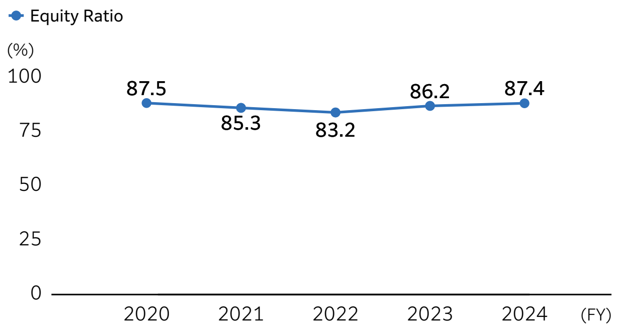
EBITDA and EBITDA Margin



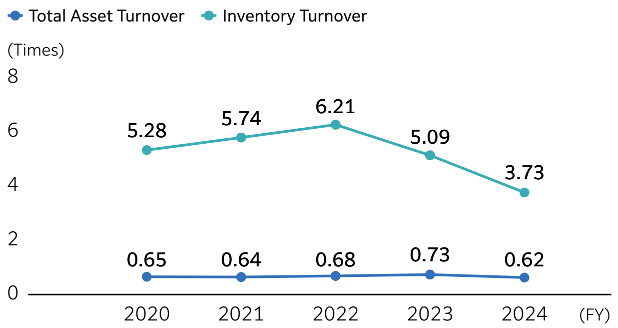
Return on Equity (ROE) and Return on Assets (ROA)



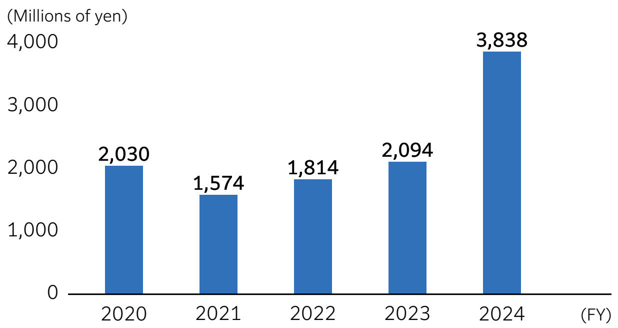
Equity Ratio



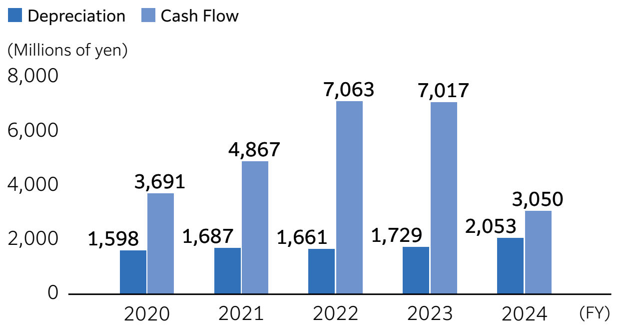
Total Asset Turnover and Inventory Turnover



Capital Expenditures

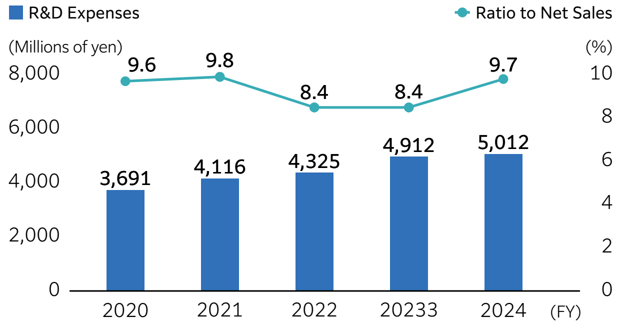


Depreciation and Cash Flow*

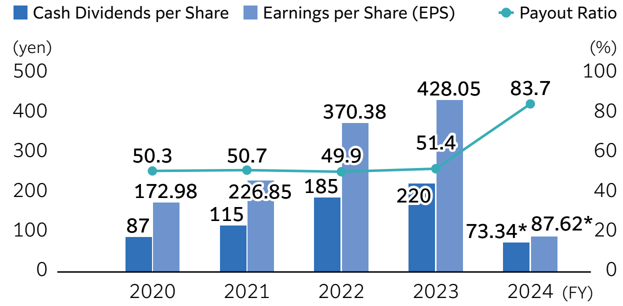


*Net income + depreciation − dividends

R&D Expenses and Ratio to Net Sales



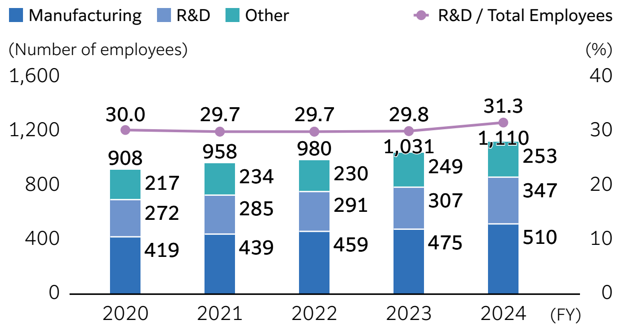
Cash Dividends per Share, Earnings per Share (EPS), and Payout Ratio



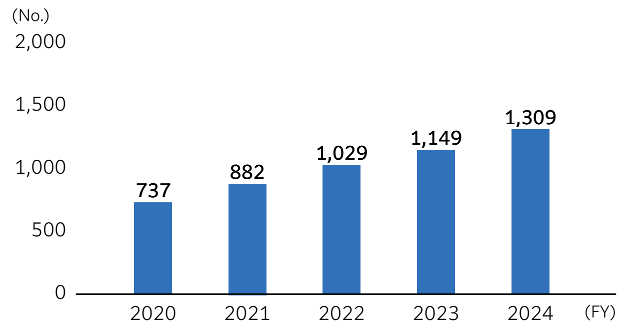
*1-to-3 stock split in July 2023

Non-Financial Highlights

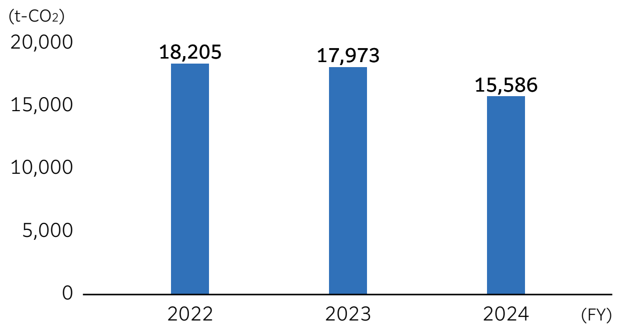
Number of Employees - R&D / Total -



Number of Patents

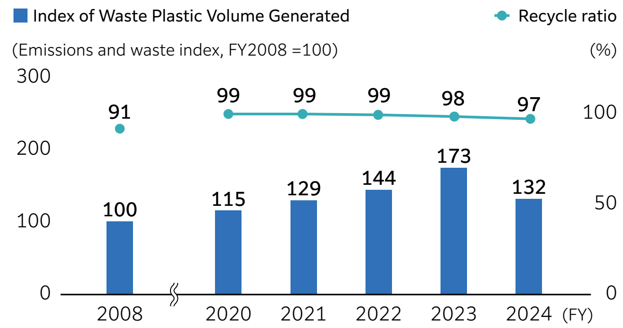


GHG Emissions Scope 1+2*

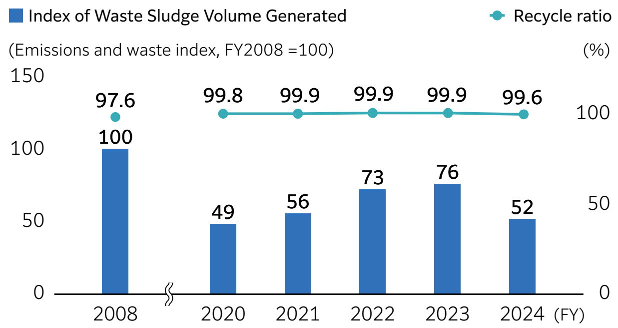


*Scope 2: location-based

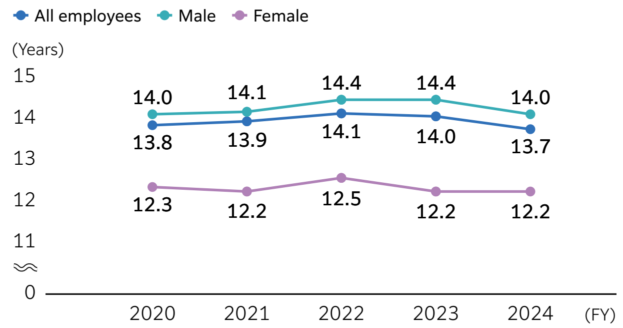
Waste Plastic Recycle Ratio



Sludge Recycle Ratio



Average Years of Employment



Corporate Data

Consolidated Balance Sheets

(Millions of yen)

	FY2023	FY2024
Assets		
Current assets		
Cash and deposits	33,538	31,726
Notes and accounts receivable - trade	11,246	12,214
Securities	2,700	3,200
Merchandise and finished goods	5,820	5,691
Work in process	1,451	1,494
Raw materials and supplies	6,329	6,814
Other	552	730
Allowance for doubtful accounts	(16)	(16)
Total current assets	61,623	61,855
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,661	6,797
Machinery, equipment and vehicles	1,803	1,574
Land	3,598	5,053
Construction in progress	1,137	1,261
Other	1,626	2,150
Total property, plant and equipment	14,827	16,837
Intangible assets		
Software	215	172
Other	26	31
Total intangible assets	241	204
Investments and other assets		
Investment securities	2,282	3,232
Deferred tax assets	987	708
Other	149	171
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	3,409	4,102
Total non-current assets	18,478	21,144
Total assets	80,101	82,999

(Millions of yen)

	FY2023	FY2024
Liabilities		
Current liabilities		
Accounts payable – trade	4,247	3,315
Income taxes payable	891	954
Provision for bonuses	1,354	1,601
Other	3,154	3,394
Total current liabilities	9,648	9,264
Non-current liabilities		
Deferred tax liabilities	3	3
Retirement benefit liability	925	615
Provision for share-based remuneration	191	188
Other	321	351
Total non-current liabilities	1,441	1,158
Total liabilities	11,089	10,423
Net assets		
Shareholders' equity		
Share capital	4,753	4,753
Capital surplus	5,038	5,038
Retained earnings	60,310	61,277
Treasury shares	(4,414)	(4,416)
Total shareholders' equity	65,688	66,652
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	410	935
Foreign currency translation adjustment	2,998	4,830
Remeasurements of defined benefit plans	(85)	158
Total accumulated other comprehensive income	3,323	5,923
Total net assets	69,011	72,576
Total liabilities and net assets	80,101	82,999

Consolidated Statement of Income

(Millions of yen)

	FY2023	FY2024
Net sales	58,394	51,423
Cost of sales	31,206	29,078
Gross profit	27,187	22,345
Selling, general and administrative expenses	13,944	14,093
Operating profit	13,243	8,251
Non-operating income		
Interest income	95	198
Dividend income	46	74
Foreign exchange gains	322	375
Other	85	79
Total non-operating income	550	728
Non-operating expenses	198	21
Ordinary profit	13,595	8,958
Extraordinary losses	88	245
Profit before income taxes	13,507	8,713
Income taxes–current	2,797	2,243
Income taxes–deferred	115	(29)
Profit attributable to owners of parent	10,594	6,499

Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2023	FY2024
Profit	10,594	6,499
Other comprehensive income		
Valuation difference on available-for-sale securities	19	524
Foreign currency translation adjustment	925	1,831
Remeasurements of defined benefit plans, net of tax	(5)	243
Total other comprehensive income	939	2,600
Comprehensive income	11,534	9,100
Breakdown		
Comprehensive income attributable to owners of parent	11,534	9,100

Consolidated Statement of Cash Flows

(Millions of yen)

	FY2023	FY2024
Cash flows from operating activities	7,377	7,452
Profit before income taxes	13,507	8,713
Depreciation	1,729	2,053
Amortization of long-term prepaid expenses	1	8
System failure response costs	88	–
Impairment losses	–	245
Increase (decrease) in provision for bonuses	(50)	221
Increase (decrease) in retirement benefit liability	14	40
Increase (decrease) in provision for share-based remuneration	(647)	(3)
Interest income	(95)	(198)
Dividend income	(46)	(74)
Interest expenses	7	5
Foreign exchange losses (gains)	(74)	(46)
Loss (gain) on valuation of investment securities	42	–
Loss (gain) on investments in partnership	138	4
Decrease (increase) in trade receivables	572	(607)
Decrease (increase) in inventories	(4,077)	141
Increase (decrease) in trade payables	97	(1,199)
Increase (decrease) in accounts payable - other	208	171
Interest and dividends received	141	267
Income taxes paid	(4,299)	(2,426)
Income taxes refund	84	119
System failure response costs paid	(38)	–
Other, net	72	15
Cash flows from investing activities	(822)	(5,311)
Payments into time deposits	(3,006)	(4,364)
Proceeds from withdrawal of time deposits	3,647	3,564
Purchase of securities	–	(500)
Proceeds from redemption of securities	901	–
Purchase of investment securities	(614)	(198)
Purchase of property, plant and equipment	(1,751)	(3,682)
Other, net	2	(130)
Cash flows from investing activities	(6,139)	(5,636)
Dividends paid	(5,306)	(5,533)
Purchase of treasury shares	(740)	(1)
Other, net	(91)	(101)
Effect of exchange rate change on cash and cash equivalents	513	809
Net increase (decrease) in cash and cash equivalents	929	(2,686)
Cash and cash equivalents at beginning of period	34,402	35,332
Cash and cash equivalents at end of period	35,332	32,645

Corporate Data

Corporate Profile (As of March 31, 2024)

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	1,110 (Non-Consolidated: 791)
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.
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, 2024)

Stock Information

Number of shares authorized for issue	320,000,000
Number of shares issued	80,098,500
Number of shareholders	8,966

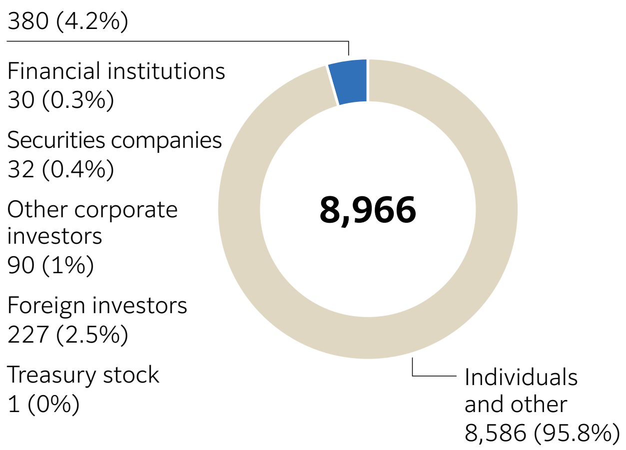
Leading Shareholders

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)	7,923	10.5
Custody Bank of Japan, Ltd. (Trust Account)	6,159	8.1
SSBTC CLIENT OMNIBUS ACCOUNT	5,786	7.6
MUFG Bank, Ltd.	2,185	2.8
Nippon Life Insurance Co.	1,918	2.5
Fujimi Suppliers' Stock Ownership Program	1,877	2.4
The Koshiyama Science and Technology Foundation	1,800	2.3
Dai-ichi Life Holdings, Inc.	1,417	1.8
Keishi Seki	1,323	1.7

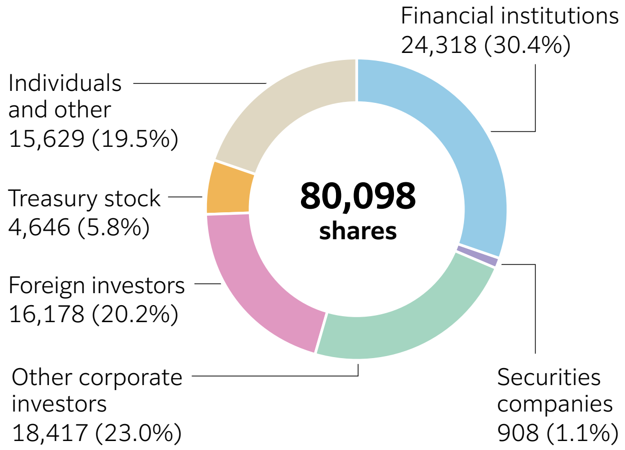
*1 Shareholdings of less than 1,000 shares are omitted. Percentage shareholding is omitted after the second decimal place.
*2 The shareholding ratio is calculated by excluding the number of treasury shares (4,646,167 shares).

Shareholders by Category (Number of Shareholders)

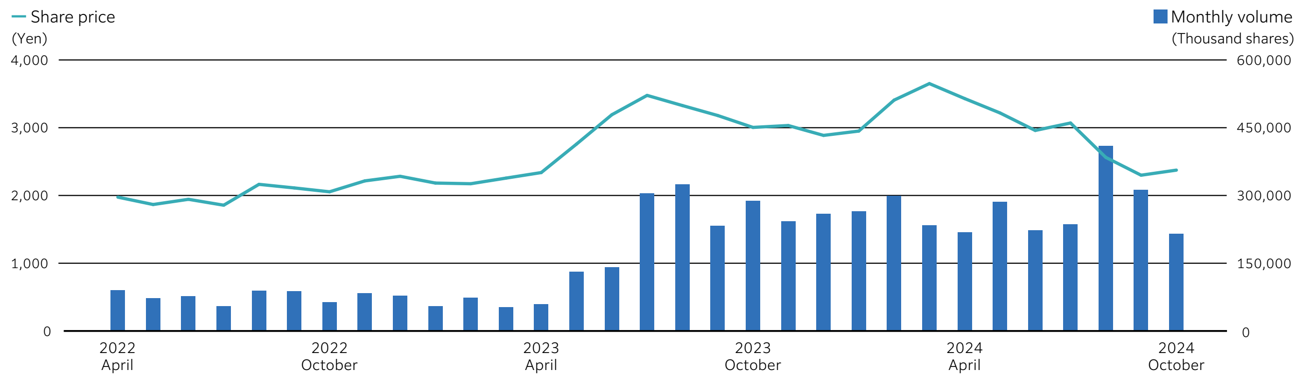
Shareholders by Category (Number of Shareholders)



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