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Securities Code: 5384

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To Shareholders:

Keishi Seki

President and CEO

Fujimi Incorporated

2-1-1 Chiryo, Nishibiwajima-cho, Kiyosu-shi, Aichi

Notice of the 73rd Annual General Shareholders' Meeting

Fujimi Incorporated (the “Company”) is pleased to announce the 73rd Annual General Shareholders' Meeting will be held as described below.

In convening this General Shareholders' Meeting, the Company has taken measures for providing information that constitutes the content of reference documents for the general shareholders' meeting, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on each of the following websites. Please access either of the websites to view the information.

The Company's website:

<https://www.fujimiinc.co.jp/ir/event/meeting.html> (in Japanese)

From the above website, select “Notice of the 73rd Annual General Shareholders' Meeting (year ended March 31, 2025).”

Website for posted informational materials for the general meeting of shareholders:

<https://d.sokai.jp/5384/teiji/> (in Japanese)

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

From the above website, enter “Fujimi” in “Issue name (company name)” or the Company's securities code “5384” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders' Meeting/Informational Materials for a General Shareholders Meeting].”

If you are unable to attend the meeting, you can exercise your voting rights in writing or via the internet in advance. Please consider the Reference Documents for General Shareholders' Meeting below, and exercise your voting rights no later than 5:00 p.m. on Monday, June 23, 2025 (JST).

1. Date and Time: Tuesday, June 24, 2025, at 10 a.m. (JST) (Reception opens at 9:20 a.m.)

2. Venue: 3rd floor, Doremi Hall, Nishibi Sozo Center
1-12-1 Otai, Nishibiwajima-cho, Kiyosu-shi, Aichi

3. Purpose of the Meeting:

Matters to be reported:

1. Business Report and Consolidated Financial Statements for the 73rd term (April 1, 2024 to March 31, 2025) as well as the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors
2. Non-consolidated Financial Statements for the 73rd term (April 1, 2024 to March 31, 2025)

Matters to be resolved:

- | | |
|-----------------------|--|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Election of Eight Directors |
| Proposal No. 3 | Election of One Corporate Auditor |
| Proposal No. 4 | Election of One Substitute Corporate Auditor |

4. Other Matters concerning This Notice

- (1) The Company delivers paper-based documents stating the items for which measures for providing information in electronic format are to be taken, regardless of whether or not the delivery of paper-based documents is requested.

Among the items for which measures for providing information in electronic format are to be taken, in accordance with the provisions of laws and regulations and Article 15 of the Articles of Incorporation of the Company, the following items are not provided in the paper-based documents delivered.

- (i) Consolidated Statement of Changes in Equity
- (ii) Notes to Consolidated Financial Statements
- (iii) Non-consolidated Statement of Changes in Equity
- (iv) Notes to Non-consolidated Financial Statements

Accordingly, the Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Corporate Auditors and the Accounting Auditor consist of the documents stated in the documents delivered, as well as the Consolidated Statement of Changes in Equity, Notes to Consolidated Financial Statements, Non-consolidated Statement of Changes in Equity and Notes to Non-consolidated Financial Statements posted on each of the websites.

- (2) If there is no indication of approval or disapproval for the respective proposals on the voting form, it shall be deemed as an indication of approval.

In the event of any revisions to the items for which measures for providing information in electronic format are to be taken, a notice of such revisions, as well as the information before and after the revisions, will be posted on each website for which measures for providing information in electronic format are to be taken on the Internet as indicated on the left.

Reference Documents for General Shareholders' Meeting

Proposals and Reference Information

Proposal No. 1 Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

1. Year-end dividends

The Company regards the appropriate return of profit to its shareholders as one of its most important management issues in operating its business. The Company's target for the consolidated dividend payout ratio is 55% or more. While making proactive return of profits to shareholders based on business performance, the basic policy is to pay attention to maintaining stable dividends.

As a result of careful consideration based on this basic policy, the Company proposes to pay a year-end dividend for the fiscal year ended March 31, 2025 of ¥36.67 per share as an ordinary dividend.

(1) Type of dividend property

To be paid in cash.

(2) Allotment of dividend property and their aggregate amount

The Company proposes to pay a dividend of ¥36.67 per common share of the Company.

In this event, the total dividends will be ¥2,766,837,052.

Accordingly, including the interim dividend of ¥36.67 per share already paid, the annual dividend for the fiscal year ended March 31, 2025 will total ¥73.34 per share.

2. Other appropriation of surplus

(1) Item of surplus to be decreased and amount of decrease

Retained earnings brought forward: ¥4,000,000,000

(2) Item of surplus to be increased and amount of increase

General reserve: ¥4,000,000,000

(3) Effective date of dividends of surplus

The effective date of dividends will be June 25, 2025.

(Note) The Company, on May 10, 2023, resolved to formulate "Medium & Long Term Business Plan 2023" (the "Plan"). Under the Plan, the Company has a policy of striving to live up to shareholders' expectations by continuously providing stable dividend payments targeting a consolidated payment ratio of over 55% after the fiscal year ending March 31, 2024. The Company had been examining an addition of DOE (dividend on equity) related policies, but such examination is still ongoing in light of the business environment in the semiconductor market and the trend of the world economy.

Proposal No. 2 Election of Eight Directors

The terms of office of all seven Directors will expire at the conclusion of this meeting. Therefore, the Company proposes the election of eight Directors, increasing the number of Directors by one to enhance the management system.

The candidates for Director are as follows:

No.	Name		Gender	Current position in the Company	Tenure as Director	Attendance at meetings of the Board of Directors in the fiscal year ended March 31, 2025
1	Reappointment	Keishi Seki	Male	President and CEO	22 years	19/19 (100%)
2	Reappointment	Toshiki Owaki	Male	Managing Director	13 years	19/19 (100%)
3	Reappointment	Katsuhiro Suzuki	Male	Managing Director	13 years	18/19 (95%)
4	New appointment	Katsuyuki Hibi	Male	—	—	—
5	Reappointment Outside	Masami Kawashita	Male	Outside Director	10 years (Tenure as Outside Corporate Auditor: 3 years)	19/19 (100%)
6	Reappointment Outside	Atsuko Yoshimura	Female	Outside Director	3 years	19/19 (100%)
7	Reappointment Outside	Naoko Yamazaki	Female	Outside Director	1 year	15/15 (100%) (Note)
8	New appointment Outside	Shuhei Ishikawa	Male	—	—	—

(Note) Naoko Yamazaki's attendance at meetings of the Board of Directors covers meetings of the Board of Directors held after her appointment as a Director on June 21, 2024.

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company, and important concurrent positions outside the Company		Number of the Company's shares owned
1	<p>Keishi Seki (April 6, 1964)</p> <p>Reappointment</p> <p>Tenure as Director 22 years</p> <p>Attendance at meetings of the Board of Directors in the fiscal year ended March 31, 2025 19 / 19 (100%)</p>	<p>Apr. 1989 Joined Fuji Bank (currently Mizuho Bank, Ltd.)</p> <p>Oct. 1997 Joined the Company</p> <p>Feb. 2000 President of FUJIMI CORPORATION</p> <p>June 2003 Director and Senior General Manager of New Business Development Division of the Company</p> <p>Apr. 2005 Director and Senior General Manager of CMP Division of the Company</p> <p>Apr. 2008 President and CEO of the Company</p> <p>Jan. 2013 President and CEO of the Company; and President of FUJIMI KOREA LIMITED</p> <p>Aug. 2013 President and CEO of the Company; President of FUJIMI KOREA LIMITED; and President of FUJIMI TAIWAN LIMITED</p> <p>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</p> <p>Apr. 2015 President and CEO of the Company; and President of FUJIMI KOREA LIMITED</p> <p>Apr. 2016 President and CEO of the Company</p> <p>Apr. 2020 President and CEO, and Senior General Manager of Finance Division of the Company</p> <p>Apr. 2022 President and CEO, and Senior General Manager of Human Resources & Organization Planning Division of the Company</p> <p>Apr. 2023 President and CEO of the Company (current position)</p>		1,349,002 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Keishi Seki has been involved in the management of the Company and the supervision of its overseas subsidiaries as President and CEO since 2008 after serving as the person in charge of the CMP Division, the New Business Development Division, and overseas subsidiaries. Furthermore, he has worked to strengthen the Group's governance, including supervision of the risk management structure, while also demonstrating strong leadership in multiple aspects, and contributing significantly to expanding earnings and increasing corporate value. He has been nominated to continue as a candidate for Director because he can be expected to continue strengthening the Group's sustainable growth and the functions of the Board of Directors based on his abundant experience and wide knowledge concerning management in general.</p> <p>[Special interest between the candidate and the Company]</p> <p>There is no special interest.</p>				

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company, and important concurrent positions outside the Company		Number of the Company's shares owned
2	<p>Toshiki Owaki (December 27, 1960)</p> <p>Reappointment</p> <p>Tenure as Director 13 years</p> <p>Attendance at meetings of the Board of Directors in the fiscal year ended March 31, 2025 19 / 19 (100%)</p>	<p>Apr. 1983</p> <p>Apr. 1999</p> <p>Apr. 2011</p> <p>June 2012</p> <p>Apr. 2014</p> <p>Apr. 2017</p> <p>Dec. 2020</p> <p>Apr. 2021</p> <p>Apr. 2022</p> <p>Oct. 2024</p>	<p>Joined the Company</p> <p>Seconded to FUJIMI AMERICA INC. (currently FUJIMI CORPORATION)</p> <p>Senior General Manager of Disk Division of the Company; and President of FUJIMI-MICRO TECHNOLOGY SDN. BHD.</p> <p>Director, and Senior General Manager of Disk Division of the Company; and President of FUJIMI-MICRO TECHNOLOGY SDN. BHD.</p> <p>Director and Senior General Manager of Specialty Materials Division of the Company</p> <p>Director and Senior General Manager of Specialty Materials Division of the Company; and President of FUJIMI-MICRO TECHNOLOGY SDN. BHD.</p> <p>Director and Senior General Manager of Specialty Materials Division of the Company</p> <p>Managing Director and Senior General Manager of Specialty Materials Division of the Company</p> <p>Managing Director of the Company</p> <p>Managing Director of the Company; and President of FUJIMI-MICRO TECHNOLOGY SDN. BHD. (current position)</p>	44,805 shares
	<p>[Reasons for nomination as candidate for Director]</p> <p>Toshiki Owaki has demonstrated strong leadership in the Company's technology and R&D fields, including serving for many years as the person in charge of the R&D division of the Disk Business. Subsequently, he has been involved in supervision of the Specialty Materials, Thermal Spray Materials, and Disk Divisions, and in the management of overseas subsidiaries. He has been nominated to continue as a candidate for Director because he can be expected to continue strengthening the Group's sustainable growth and the functions of the Board of Directors based on his abundant experience and achievements.</p> <p>[Special interest between the candidate and the Company]</p> <p>There is no special interest.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company, and important concurrent positions outside the Company		Number of the Company's shares owned
3	Katsuhiro Suzuki (March 9, 1962) Reappointment Tenure as Director 13 years Attendance at meetings of the Board of Directors in the fiscal year ended March 31, 2025 18 / 19 (95%)	Apr. 1984	Joined the Company	49,763 shares
		July 1992	Seconded to FUJIMI AMERICA INC. (currently FUJIMI CORPORATION)	
		Apr. 2005	Director of FUJIMI CORPORATION	
		Apr. 2011	Senior General Manager of Silicon Division of the Company	
		June 2012	Director and Senior General Manager of Silicon Division of the Company	
		Apr. 2015	Director and Senior General Manager of Silicon Division and CMP Division of the Company; and President of FUJIMI TAIWAN LIMITED	
		Apr. 2016	Director and Senior General Manager of CMP Division of the Company; President of FUJIMI CORPORATION; and President of FUJIMI TAIWAN LIMITED	
		Apr. 2018	Director and Senior General Manager of CMP Division of the Company; Chairman of FUJIMI CORPORATION; and President of FUJIMI TAIWAN LIMITED	
		Apr. 2021	Managing Director and Senior General Manager of CMP Division of the Company; Chairman of FUJIMI CORPORATION; and President of FUJIMI TAIWAN LIMITED	
		Apr. 2023	Managing Director of the Company; Chairman of FUJIMI CORPORATION; and President of FUJIMI TAIWAN LIMITED (current position)	
[Reasons for nomination as candidate for Director] Katsuhiro Suzuki has demonstrated strong leadership in the Company's production technology field, including serving for many years as the person in charge of the production technology division of an overseas subsidiary. Subsequently, after serving as the person in charge of the sales division in the Silicon Business, he has been involved in supervision of the Silicon and CMP Divisions, etc. and the management of overseas subsidiaries. He has been nominated to continue as a candidate for Director because he can be expected to continue strengthening the Group's sustainable growth and the functions of the Board of Directors based on his abundant experience and achievements.				
[Special interest between the candidate and the Company] There is no special interest.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company, and important concurrent positions outside the Company		Number of the Company's shares owned
4	Katsuyuki Hibi (November 19, 1976) New appointment	Apr. 1999	Joined the Company	2,493 shares
		Apr. 2016	General Manager of Office of the President of the Company	
		Apr. 2022	Deputy Senior General Manager of Human Resources & Organization Planning Division, and General Manager of Business Planning Department of the Company	
		Apr. 2023	Senior General Manager of Human Resources & Organization Planning Division, and General Manager of Business Planning Department of the Company	
		Nov. 2024	Senior General Manager of Human Resources & Organization Planning Division and Business Planning Division, and General Manager of Internal Control Department of the Company (current position)	
<p>[Reasons for nomination as candidate for Director]</p> <p>Katsuyuki Hibi has demonstrated strong leadership in building the Company's human resources system and talent development framework, and in strengthening its risk management system, including serving for many years as the person in charge of the human resources and general affairs divisions. Currently, he has been involved in overseeing the CSR and ESG initiatives, as well as supervising the business planning divisions, including M&A. He has been nominated as a candidate for Director because he can be expected to strengthen the Group's sustainable growth and the functions of the Board of Directors based on his abundant experience and achievements.</p> <p>[Special interest between the candidate and the Company]</p> <p>There is no special interest.</p>				

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company, and important concurrent positions outside the Company		Number of the Company's shares owned
5	Masami Kawashita (September 3, 1949) Reappointment Outside Tenure as Outside Director 10 years (Tenure as Outside Corporate Auditor: 3 years) Attendance at meetings of the Board of Directors in the fiscal year ended March 31, 2025 19 / 19 (100%)	Apr. 1973 July 2004 June 2005 June 2008 Feb. 2009 June 2009 June 2011 June 2012 June 2012 June 2015	Joined NGK Spark Plug Co., Ltd. Head of Auto Parts Marketing, China Director Managing Director Senior Managing Director Executive Vice President Special Adviser Adviser Outside Corporate Auditor of the Company Outside Director of the Company (current position)	– shares
	<p>[Reasons for nomination as candidate for Outside Director] Masami Kawashita has accumulated abundant knowledge and experience over many years as a manager. After being engaged in promoting business in Malaysia, Indonesia, China, and other countries at NGK Spark Plug Co., Ltd., he has been a Director of NGK Spark Plug Co., Ltd. since 2005 and supervised the management planning, general affairs, and procurement divisions as Executive Vice President. Currently, he actively provides opinions from a manager's perspective in the Board of Directors. He has been nominated to continue as a candidate for Outside Director because he can be expected to continue to offer objective proposals regarding the Company's management and to strengthen the functions of the Board of Directors based on his abundant experience and achievements.</p> <p>[Special interest between the candidate and the Company] There is no special interest.</p> <p>[Independence of the candidate] Transactions between the Company and NGK Spark Plug Co., Ltd. in the past three years account for less than 1% of consolidated net sales, none of which were purchases. There are no personal or capital relationships, or other special interests, and there is deemed to be no detrimental effect on his duty as an Outside Director or his independence.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company, and important concurrent positions outside the Company	Number of the Company's shares owned
6	<p>Atsuko Yoshimura (May 6, 1971)</p> <p>Reappointment Outside</p> <p>Tenure as Outside Director 3 years</p> <p>Attendance at meetings of the Board of Directors in the fiscal year ended March 31, 2025 19 / 19 (100%)</p>	<p>Apr. 1995 Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION</p> <p>May 2002 Transferred to NTT Communications Corporation</p> <p>June 2004 Joined JPMorgan Securities Japan Co., Ltd.</p> <p>Mar. 2007 Joined UBS Securities Japan Co., Ltd.</p> <p>Mar. 2015 Joined Goldman Sachs Japan Co., Ltd.</p> <p>Sept. 2020 Managing Director and in charge of Asia Region Strategy of Roquette Japan K.K.</p> <p>Dec. 2021 Representative Director and President, Managing Director and in charge of Asia Region Strategy</p> <p>June 2022 Outside Director of the Company (current position)</p> <p>Mar. 2023 Representative Director of VG-C Inc. (current position)</p> <p>Dec. 2023 CEO and Co-founder of PhytoMol-Tech Inc. (current position)</p> <p>Jan. 2024 Managing Director of DAIZ Engineering Inc. (currently SprouTx Inc.) (current position)</p> <p>[Important concurrent positions outside the Company] Representative Director of VG-C Inc. CEO and Co-founder of PhytoMol-Tech Inc. Director of SprouTx Inc.</p>	2,468 shares
<p>[Reasons for nomination as candidate for Outside Director] Atsuko Yoshimura has accumulated judgment and insight as a manager. She worked for many years in the investment banking divisions of foreign securities companies, where she supported corporate growth and financial strategies, including M&A and capital procurement. She then joined The Roquette Group, a French company, where she was the Representative of its Japanese subsidiary and responsible for strategy of Asia. She subsequently founded VG-C Inc. and PhytoMol-Tech Inc. and currently serves as the Representative Director of those companies. She has been nominated to continue as a candidate for Outside Director because she can be expected to continue to offer objective proposals and to strengthen the functions of the Board of Directors based on her wide knowledge and achievements.</p> <p>[Special interest between the candidate and the Company] There is no special interest.</p> <p>[Independence of the candidate] Transactions and purchases do not exist between the Company, and Roquette Japan K.K. and the above companies in which the candidate holds important concurrent positions in the past three years. There are no personal or capital relationships, or other special interests, and there is deemed to be no detrimental effect on her duty as an Outside Director or her independence.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company, and important concurrent positions outside the Company		Number of the Company's shares owned
7	Naoko Yamazaki (January 25, 1969)	Apr. 1992	Joined Mitsubishi UFJ Trust and Banking Corporation	343 shares
	Reappointment Outside	Sept. 2007	Joined Tokyo Branch, UBS AG	
		Nov. 2014	Cluster Head of Tokyo Sales Department 1, Wealth Management Division	
	Tenure as Outside Director 1 year	July 2019	Representative Member of NOKs Labo LLC (current position)	
		Jan. 2021	Managing Director of My Wealth Management Co., Ltd.	
	Attendance at meetings of the Board of Directors in the fiscal year ended March 31, 2025 15 / 15 (100%)	Feb. 2021	Executive Consultant of EoD, Inc. (current position)	
		June 2024	Outside Director of the Company (current position)	
	Only applies to Board of Directors meetings held after appointment as a Director on June 21, 2024	[Important concurrent positions outside the Company]		
		Representative Member of NOKs Labo LLC		
	Executive Consultant of EoD, Inc.			
[Reasons for nomination as candidate for Outside Director] Naoko Yamazaki has accumulated judgment and insight through her abundant experience in the finance industry. She has been engaged in individual asset management at a trust bank in Japan and has been a Cluster Head of the Wealth Management Division at a foreign financial institution. Currently, in addition to founding NOKs Labo LLC and engaging in coaching and organizational development, her life's work over many years has been engaging in activities that contribute to society. She has been nominated to continue as a candidate for Outside Director because she can be expected to offer objective proposals and to strengthen the functions of the Board of Directors based on her wide knowledge and achievements.				
[Special interest between the candidate and the Company] There is no special interest.				
[Independence of the candidate] Transactions and purchases do not exist between the Company, UBS AG and the above companies in which the candidate holds important concurrent positions in the past three years. There are no personal or capital relationships, or other special interests, and there is deemed to be no detrimental effect on her duty as an Outside Director or her independence.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Company, and important concurrent positions outside the Company	Number of the Company's shares owned
8	Shuhei Ishikawa (December 10, 1959)	Mar. 1984 Joined NGK INSULATORS, LTD. Apr. 2010 General Manager of New Metals Division, Electronics Business Group June 2010 Executive Officer June 2014 Managing Executive Officer June 2015 Director and Managing Executive Officer June 2019 Director and Senior Managing Executive Officer June 2021 Senior Managing Executive Officer June 2024 Adviser (current position)	– shares
	New appointment Outside	<p>[Reasons for nomination as candidate for Outside Director] Shuhei Ishikawa has accumulated abundant knowledge and experience through his career at NGK INSULATORS, LTD., where after being involved in production technology and new product development at that company's New Metals Division, he began serving in positions of Executive Officer and higher, including Director, since 2010. He served as a corporate manager for many of those years, including being in charge of the Electronics Business Group and the Energy & Industry Business Group. He has been nominated as a candidate for Outside Director because he can be expected to offer objective proposals regarding the Company's management and to strengthen the functions of the Board of Directors based on his abundant experience and achievements.</p> <p>[Special interest between the candidate and the Company] There is no special interest.</p> <p>[Independence of the candidate] Transactions between the Company and NGK INSULATORS, LTD. in the past three years account for less than 1% of consolidated net sales, none of which were purchases. There are no personal or capital relationships, or other special interests, and there is deemed to be no detrimental effect on his duty as an Outside Director or his independence.</p>	

- Notes:
1. Masami Kawashita, Atsuko Yoshimura, Naoko Yamazaki, and Shuhei Ishikawa are candidates for Outside Directors. Of the candidates for Outside Directors, the Company has submitted notification to the Tokyo Stock Exchange and the Nagoya Stock Exchange that Masami Kawashita, Atsuko Yoshimura, and Naoko Yamazaki have been designated as independent officers. As for Shuhei Ishikawa, the Company plans to submit notification to the Tokyo Stock Exchange and the Nagoya Stock Exchange that he is designated as an independent officer.
 2. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with Masami Kawashita, Atsuko Yoshimura, and Naoko Yamazaki to limit their liability for damages under Article 423, paragraph (1) of the Companies Act. If the reappointment of Masami Kawashita, Atsuko Yoshimura, and Naoko Yamazaki is approved, the Company intends to renew the aforementioned agreement with each of them. If the election of Shuhei Ishikawa is approved, the Company intends to enter into the same limited liability agreement with him.
An overview of the content of the agreement is as follows.
 - (1) If an Outside Director is found to be liable to the Company for compensation for damages due to failure to perform duties as an Outside Director, liability shall be limited to the amount provided by laws and regulations.
 - (2) The above limitation of liability is only recognized when an Outside Director acts in good faith and without gross negligence concerning the duties causing such liability.
 3. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The scope of the insured in this policy includes all Directors and Corporate Auditors of the Company and its subsidiaries, and insurance premiums are not borne by the insured.
An overview of the content of the policy is as follows.
 - (1) Litigation expenses and compensation for damage borne by the insured due to company litigation, third-party litigation and shareholder derivative suits are covered.
 - (2) As a measure to prevent impairment of the appropriateness of the execution of duties by the insured, losses caused by the insured through illegal acts, etc. are not covered.
If each candidate is elected and assumes the office as a Director, the Company plans to include them as an insured in this policy. In addition, when such insurance policy is renewed, the Company plans to renew with the same details.
 4. The number of the Company's shares owned includes those acquired through the Stock Ownership schemes. The number of the Company's shares owned by Katsuyuki Hibi includes those acquired through the Employee Stock Ownership schemes.

Proposal No. 3 Election of One Corporate Auditor

At the conclusion of this meeting, Corporate Auditor Masahiko Takahashi will resign. Therefore, the Company proposes the election of one Corporate Auditor as his substitute. The Company is requesting that candidate Corporate Auditor Kazunori Shibata be elected as a substitute for Corporate Auditor Masahiko Takahashi, and his term of office, in accordance with our Articles of Incorporation, will run until the conclusion of the 75th Annual General Shareholders' Meeting to be held in June 2027, when Masahiko Takahashi's term of office expires.

In addition, the consent of the Board of Corporate Auditors has been obtained for this proposal.

The candidate for Corporate Auditor is as follows:

Name (Date of birth)	Career summary, position in the Company, and important concurrent positions outside the Company	Number of the Company's shares owned
Kazunori Shibata (June 22, 1956) New appointment Outside	<p>Oct. 1979 Joined Marunouchi Accounting and Auditing Firm</p> <p>Mar. 1983 Registered as a Certified Public Accountant</p> <p>Feb. 1988 Joined Ohta Showa Audit Corporation Nagoya Office (currently Ernst & Young ShinNihon LLC)</p> <p>June 2002 Outside Auditor of HONDA Verno TOKAI Co., Ltd. (currently VT HOLDINGS Co., Ltd.)</p> <p>June 2004 Outside Auditor of Trust Co., Ltd.</p> <p>Sept. 2006 General Manager and Representative Partner of Gyosei & Co. Nagoya Office</p> <p>Sept. 2007 Outside Auditor of Sasatoku Printing Co., Ltd.</p> <p>June 2016 Chairman of The Japanese Institute of Certified Public Accountants Tokai Chapter.</p> <p>June 2020 Audit and Supervisory Committee member of SUNCORPORATION</p> <p>Apr. 2021 General Manager and Representative Partner of Hokushin Tax Corporation (current position)</p> <p>Apr. 2023 Audit and Supervisory Committee member of Sasatoku Printing Co., Ltd. (current position)</p> <p>June 2024 Audit and Supervisory Committee member of VT HOLDINGS Co., Ltd. (current position)</p> <p>[Important concurrent positions outside the Company] General Manager and Representative Partner of Hokushin Tax Corporation Audit and Supervisory Committee member of Sasatoku Printing Co., Ltd. Audit and Supervisory Committee member of VT HOLDINGS Co., Ltd.</p>	– shares
<p>[Reasons for nomination as candidate for Outside Corporate Auditor] Kazunori Shibata is familiar with corporate financial accounting and tax accounting as a Certified Public Accountant. He has specialist insight based on his experience and achievements over his career, including his current role as General Manager and Representative Partner of Hokushin Tax Corporation. Accordingly, he has been nominated as a candidate for Outside Corporate Auditor because he is expected to appropriately execute his duties as an Outside Corporate Auditor.</p> <p>[Special interest between the candidate and the Company] There is no special interest.</p> <p>[Independence of the candidate] Transactions and purchases do not exist between the Company and the above companies in which the candidate holds important concurrent positions in the past three years. There are no personal or capital relationships, or other special interests, and there is deemed to be no detrimental effect on his duty as an Outside Corporate Auditor or his independence.</p>		

- Notes:
1. Kazunori Shibata is a candidate for Outside Corporate Auditor and the Company has planned to submit notification to the Tokyo Stock Exchange and the Nagoya Stock Exchange that he has been designated as an independent officer.
 2. If Kazunori Shibata is approved as a Corporate Auditor, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company plans to enter into an agreement with him to limit his liability for damages under Article 423, paragraph (1) of the Companies Act.
An overview of the content of the agreement is as follows.
(1) If an Outside Corporate Auditor is found to be liable to the Company for compensation for damages due to failure to perform duties as an Outside Corporate Auditor, liability shall be limited to the amount provided by laws and regulations.

- (2) The above limitation of liability is only recognized when an Outside Corporate Auditor acts in good faith and without gross negligence concerning the duties causing such liability.
- 3. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The scope of the insured in this policy includes all Directors and Corporate Auditors of the Company and its subsidiaries, and insurance premiums are not borne by the insured.

An overview of the content of the policy is as follows.

- (1) Litigation expenses and compensation for damage borne by the insured due to company litigation, third-party litigation and shareholder derivative suits are covered.
- (2) As a measure to prevent impairment of the appropriateness of the execution of duties by the insured, losses caused by the insured through illegal acts, etc. are not covered.

If Kazunori Shibata is elected and assumes the office as a Corporate Auditor, the Company plans to include him as an insured in this policy. In addition, when such insurance policy is renewed, the Company plans to renew with the same details.

Proposal No. 4 Election of One Substitute Corporate Auditor

The Company proposes the election of one Substitute Corporate Auditor to be ready to fill a vacant position should the number of Corporate Auditors fall below the number required by laws and regulations.

The appointment of the Substitute Corporate Auditor is conditional upon the number of Corporate Auditors falling below the number required by laws and regulations, and his term of office shall be until the expiration date of the retiring Corporate Auditor's term of office. Furthermore, the nomination shall remain in effect until the commencement of the next Annual General Shareholders' Meeting.

The consent of the Board of Corporate Auditors has been obtained for this proposal.

The candidate for Substitute Corporate Auditor is as follows:

Name (Date of birth)	Career summary, position in the Company, and important concurrent positions outside the Company	Number of the Company's shares owned
Nobufumi Hayashi (April 12, 1955) Outside	Mar. 1978 Joined Osaka office of Showa Audit Corporation (currently Ernst & Young ShinNihon LLC) Sept. 1981 Joined Marunouchi Accounting and Auditing Firm Mar. 1982 Registered as a Certified Public Accountant Aug. 1995 Partner at Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) Sept. 2014 Left Deloitte Touche Tohmatsu LLC Oct. 2014 Established Nobufumi Hayashi Accounting Office (current position)	– shares
[Reasons for nomination as candidate for Substitute Outside Corporate Auditor] Nobufumi Hayashi is familiar with finance and accounting as a Certified Public Accountant. In addition, as a representative of an accounting office, he possesses insight concerning management in general. He has been nominated to continue to be the Substitute Outside Corporate Auditor, because he is deemed to be able to appropriately execute his duties as an Outside Corporate Auditor based on his experience and achievements. [Special interest between the candidate and the Company] There is no special interest.		

- Notes:
1. Nobufumi Hayashi is a candidate for Substitute Outside Corporate Auditor. If he is appointed as a Corporate Auditor, the Company intends to submit notification to the Tokyo Stock Exchange and the Nagoya Stock Exchange that he is designated as an independent officer.
 2. If Nobufumi Hayashi is appointed as a Corporate Auditor, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company plans to enter into an agreement with him to limit his liability for damages under Article 423, paragraph (1) of the Companies Act.
An overview of the content of the agreement is as follows.
 - (1) If an Outside Corporate Auditor is found to be liable to the Company for compensation for damages due to failure to perform duties as an Outside Corporate Auditor, liability shall be limited to the amount provided by laws and regulations.
 - (2) The above limitation of liability is only recognized when an Outside Corporate Auditor acts in good faith and without gross negligence concerning the duties causing such liability.
 3. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The scope of the insured in this policy includes all Directors and Corporate Auditors of the Company and its subsidiaries, and insurance premiums are not borne by the insured.
An overview of the content of the policy is as follows.
 - (1) Litigation expenses and compensation for damage borne by the insured due to company litigation, third-party litigation and shareholder derivative suits are covered.
 - (2) As a measure to prevent impairment of the appropriateness of the execution of duties by the insured, losses caused by the insured through illegal acts, etc. are not covered.

If Nobufumi Hayashi assumes the office as a Corporate Auditor, he will be included as an insured in this policy. In addition, when such insurance policy is renewed, the Company plans to renew with the same details.

(Reference) Management Structure after Approval of Proposals 2 and 3 (Planned) [Skills Matrix]

Name	Corporate management	Global	Business development	Sales and marketing	Technology and R&D	Manufacturing and quality control	Finance and accounting / M&A	Legal affairs / Risk management	Personnel and human resource development	CSR/ESG
Keishi Seki [Director]	•	•		•			•	•		
Toshiki Owaki [Director]	•	•		•	•	•				
Katsuhiro Suzuki [Director]	•	•		•	•	•				
Katsuyuki Hibi [Director]							•	•	•	•
Masami Kawashita [Director] [Outside]	•	•	•	•			•			
Atsuko Yoshimura [Director] [Outside]	•	•	•				•			
Naoko Yamazaki [Director] [Outside]	•						•		•	•
Shuhei Ishikawa [Director] [Outside]	•	•	•		•	•				
Yoshiaki Fujikawa [Corporate Auditor]								•	•	
Masaru Okano [Corporate Auditor] [Outside]	•		•		•	•			•	
Kazunori Shibata [Corporate Auditor] [Outside]							•			

(For reference) Criteria for Independence of Outside Directors

The Company deems that an Outside Director has independence when he/she does not meet any of the following:

1. Relations with the Company
 - (i) A person who is an officer or an employee of the Company or any of its subsidiaries or affiliates
2. Relations with shareholders
 - (i) A person who is a director, corporate auditor, accounting advisor, operating executive, executive officer (hereinafter an “officer”) or an employee of a company that is a major shareholder (with 10% or more of voting rights) of the Company
 - (ii) A person who was an officer or employee of a major shareholder of the Company in the past five years
 - (iii) An officer or employee of a company of which the Company is a major shareholder
3. Relations with trading partner companies
 - (i) A person for whom the Company or any of its subsidiaries and affiliates was a major trading partner (*1) in the past three years
*1 Major trading partner: a partner whose sales to the Company or any of its subsidiaries and affiliates exceeded 1% of (annual) consolidated sales
 - (ii) A person who was a major trading partner (*2) for the Company in the past three years
*2 Major trading partner: a partner whose trading with the Company totaled 1% or more of the Company’s (annual) consolidated sales
4. Person with economic interests
 - (i) An incumbent officer or employee of a company that accepts a director or corporate auditor from the Company or any of its subsidiaries and affiliates, or of its parent company or subsidiary
5. Person who provides technical service
 - (i) A certified public accountant or a member, partner or employee of an audit firm that is an accounting auditor or accounting advisor of the Company or any of its subsidiaries and affiliates
 - (ii) A certified public accountant or a member, partner or employee of an audit firm that was an accounting auditor or accounting advisor of the Company or any of its subsidiaries and affiliates and was in charge of audits of the Company or any of its subsidiaries and affiliates in the past three years (including one who has resigned or retired)
 - (iii) A certified public accountant, tax accountant, attorney, or other consultant who does not meet the conditions above and has received a financial profit of ¥10 million or more in cash or others annually on average in the past three years in other ways than compensation to a director from the Company or any of its present subsidiaries
6. Close relative
 - (i) A relative within the second degree of kinship to, or a relative who lives with of an executive director or executive officer of the Company or any of its subsidiaries and affiliates, a major shareholder, a major trading partner, or an officer of a major creditor
 - (ii) A person whose relative within the second degree of kinship or a relative who lives with him/her is an accounting auditor or an employee or partner of an audit firm of the Company or any of its present subsidiaries
 - (iii) A person whose relative within the second degree of kinship or a relative who lives with him/her is an attorney or other consultant who has received a financial profit of ¥10 million or more in cash or others annually on average in the past three years in other ways than compensation to a director from the Company or any of its present subsidiaries
 - (iv) A person who is a relative within the second degree of kinship with, or a relative who lives with of a director, corporate auditor, accounting advisor, operating executive or executive officer of a company that accepts a director or corporate auditor from the Company or any of its subsidiaries or affiliates

Business Report

(From April 1, 2024 to March 31, 2025)

1. Business Progress and Achievement of the Company's Group ("the Group")

(1) Business Activities and Results

During the FY2025, concerns about a global economic downturn and geopolitical risks increased. The tensions in the Middle East and between Russia and Ukraine remain high, and China's economic growth rate is slowing down, while global attention was focused on the direction of U.S. government policy, particularly regarding reciprocal tariffs, which intensified economic uncertainty.

The global semiconductor market was driven by firm demand for AI-related advanced semiconductor devices, while demand for semiconductor devices for PCs, smartphones, and automotive applications remains weak, which is causing a patchy condition of the market depending on the applications. Therefore, the industry seems to need to wait more before its full recovery.

The consolidated results for this period are shown below.

Consolidated Results for Fiscal Year 2025:		Millions of JPY unless otherwise stated	
	FY2024 ended March 31, 2024	FY2025 ended March 31, 2025	Change YoY
Net Sales	51,423	62,503	21.5%
Operating Profit	8,251	11,780	42.8%
Ordinary Profit	8,958	12,251	36.8%
Profit Attributable to Owners of Parent	6,499	9,428	45.1%

Segment Operating Results by Region

(i) Japan

Net sales in Japan increased by 22.3% to JPY 35,464 million compared with the previous fiscal year. Operating profit increased by 32.6% to JPY 9,722 million. The increases were mainly due to firm demand for products related to semiconductor devices and silicon wafers.

(ii) North America

Net sales in North America increased by 15.7% to JPY 8,201 million compared with the previous fiscal year. Operating profit increased by 23.8% to JPY 275 million. The increases were mainly due to firm demand for products related to semiconductor devices.

(iii) Asia

Net sales in Asia increased by 23.5% to JPY 16,752 million compared with the previous fiscal year. Operating profit increased by 41.5% to JPY 4,705 million. The increases were mainly due to firm demand for products related to advanced logic semiconductor devices and hard disk substrates.

(iv) Europe

Net sales in Europe increased by 17.3% to JPY 2,084 million compared with the previous fiscal year. Operating profit increased by 11.0% to JPY 153 million. The increases were mainly due to firm demand for products related to semiconductor devices.

Segment Operating Results by Application

(i) Silicon Wafers

Regarding products for silicon wafers, net sales of lapping abrasive products increased by 38.2% to JPY 7,563 million compared with the previous fiscal year. Net sales of polishing slurry products increased by 28.1% to JPY 12,698 million compared with the previous fiscal year.

(ii) Semiconductor Devices

Regarding products for the CMP process of semiconductor devices, net sales increased by 11.9% to JPY 30,658 million compared with the previous fiscal year. The increase was mainly due to firm demand for products related to both advanced logic and memory semiconductor devices.

(iii) Hard Disks

Regarding products for hard disk substrates, net sales increased by 84.1% to JPY 2,547 million compared with the previous fiscal year. The Hard Disk Drives (HDD) market showed firm demand from data centers.

(iv) General Industries

Regarding products for general industries, net sales increased by 20.9% to JPY 5,415 million compared with the previous fiscal year. The increase was mainly due to a steady growth in sales of products related to automobiles and industrial machinery.

(v) Others

Regarding products for others, net sales increased by 30.5% to JPY 3,620 million compared with the previous fiscal year.

(2) Status of Capital Investments

The Group invested JPY 14,508 million during this consolidated fiscal year.

(3) Status of Financing

All capital expenditures were funded entirely by its own funds during this consolidated fiscal year.

(4) Status of Consolidated Assets and Operating Results

Millions of JPY unless otherwise stated				
Category	70 th Fiscal Year	71 st Fiscal Year	72 nd Fiscal Year	73 rd Fiscal Year
	Ended	Ended	Ended	Ended
	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
Net Sales	51,731	58,394	51,423	62,503
Ordinary Profit	12,490	13,595	8,958	12,251
Profit Attributable to Owners of Parent	9,156	10,594	6,499	9,428
Net Profit per Share (JPY)	123.46	142.68	87.62	127.10
Total Assets	75,684	80,101	82,999	90,908
Net Assets	62,967	69,011	72,576	76,895
Net Assets per Share (JPY)	849.00	930.27	978.34	1,026.10

Notes:

1. For the net income per share calculation, the average number of the common share over the current business year is calculated after deducting treasury share that includes a Board Benefit Trust (BBT) and an Employee Stock Ownership Plan (J-ESOP). (1,269,000 shares and 1,269,000 shares for the previous business year and the current business year respectively)
2. For the net assets per share calculation, the total number of issued shares at the end of the current business year is calculated after deducting treasury shares that include a BBT and J-ESOP. (1,269,000 shares and 1,269,000 shares for the previous business year end and the current business year end respectively)
3. A 3 for 1 common stock split was conducted with an effective date of July 1, 2023. The net profit per share and the net assets per share have been calculated assuming the stock split was conducted at the beginning of 70th fiscal year ended on March 31, 2022.

(5) Status of Important Subsidiaries

Company Name	Capital	Equity Ownership	Main Business
FUJIMI CORPORATION	USD 330 thousand	100.0%	Manufacture and sales of lapping abrasive and polishing compounds
FUJIMI-MICRO TECHNOLOGY SDN. BHD.	MYR 5 million	100.0%	Manufacture and sales of lapping abrasive and polishing compounds
FUJIMI EUROPE GmbH	EUR 25 thousand	100.0%	Sales of abrasive and polishing compounds
FUJIMI TAIWAN LIMITED	NTD 800 million	100.0%	Manufacture and sales of lapping abrasive and polishing compounds
FUJIMI SHENZHEN TECHNOLOGY CO., LTD.	CNY 3 million	100.0%	Sales support of abrasive and polishing compounds
NANKO ABRASIVE INDUSTRY CO., LTD.	JPY 10 million	75.0%	Manufacture and sales of lapping abrasive

(6) Issues to be Addressed

1) Business Circumstances

The semiconductor market, which is the Company's primary business domain, showed volatile trends during the year as a whole, and a full-fledged recovery is expected to take more time, while semiconductor devices for AI drove market growth, demand for semiconductors for PCs, smartphones, and automotive applications remained weak. Meanwhile, as countries around the world increasingly has been positioning semiconductors as strategic resources, their importance continues to rise, and further market expansion is expected over the medium to long term. Many of our customers—silicon wafer manufacturers and semiconductor device makers—are making large-scale capital investments to meet anticipated strong future demand for semiconductors. In addition, as technological innovation in semiconductors advances, customer requirements for new product development and quality assurance are becoming increasingly demanding.

On the other hand, natural disasters are becoming more severe year by year, significantly affecting logistics networks. Furthermore, information security incidents, including cyberattacks, are becoming increasingly complex and sophisticated.

2) Enhancing Corporate Value

i) The Source of the Company's Corporate Value

Drawing on the know-how and R&D capabilities the Company has accumulated since its founding, the

Company has developed numerous products essential for leading-edge industries with high-precision polishing needs, including mirror polishing of semiconductor substrates like silicon wafers, CMP (chemical mechanical planarization) required for the multilayer wiring of semiconductor devices, and hard disk substrate polishing. In particular, the Company holds the top global market share for high-precision abrasives for semiconductor substrates, a core business area, and the Company maintains its market superiority as the leading name in synthetic precision abrasives.

For many years, the Company has continued to meet the needs of its customers in the field of high-precision polishing and has endeavored to advance and build up its development and manufacturing technologies. In the course of doing so, the Company has developed relationships of trust with its customers and established three core technologies: filtration, classification, and refinement technologies, powder technologies, and chemical technologies. Filtration, classification, and refinement technologies are technologies for controlling the particle size distribution of abrasive grains and removing large particles and impurities that negatively affect the quality of the polished object; powder technologies are technologies for controlling the shape of particles and achieving granulation by equally mixing different particles; and chemical technologies are technologies for appropriately designing, combining, compounding, and refining additives that exhibit dispersion, dissolution, and surface protection effects that contribute to improving the function of the abrasive.

The Company's slogan, "Polishing our technologies and bringing people together," means contributing to better product manufacturing through cutting-edge technologies, connecting people, and providing people with a rich lifestyle; product manufacturing that respects people and considers the global environment is at the root of the Company's manufacturing approach. The Company has developed its competitiveness through this manufacturing approach and through its corporate culture wherein each employee boldly takes on the challenge of addressing new developments.

The Company believes that the source of its corporate value lies in these strong technological and development capabilities that are tied to manufacturing sites, in its relationships of trust with customers cultivated over many years, and in its corporate culture with healthy and close labor-management relations. To lead technological innovation and expand results moving forward, the Company believes it is important to further improve its level of trust with customers. The Company also believes increasing employee motivation and engagement as well as reinforcing the integrity mindset will lead to proactive and positive grid actions aiming to goals without faltered in difficult conditions, ensuring both customer satisfaction and employee wellbeing. The Company will strive as a group to continue enhancing corporate value under these policies.

ii) Challenges in Enhancing Corporate Value

In light of the fact that demand in the semiconductor market is further expected to increase in the future, the Company recognizes the following as challenges to be addressed for enhancing its corporate value: (i) establishing a system to gradually promote capital investment in both Japan and overseas, (ii) enhancing the Company's research and development as well as quality assurance functions in order to meet the

increasingly stringent requirements of customers regarding new product development and quality assurance, and (iii) strengthening the Company's business continuity capabilities in preparation for emergencies. With regard to quality assurance in particular, the Company remains strongly conscious of integrity—sincerity and earnestness—which forms the foundation of its long-cherished “pride in manufacturing.” Guided by social norms and ethics, the Company will reinforce its “pride in manufacturing,” not only by reexamining the challenges and issues it faces, but also by continuously reviewing and refining its day-to-day operational processes. Through these efforts, the Company will faithfully fulfill its responsibilities to customers and society.

In recent years, geopolitical uncertainties and the spread of infectious diseases have intensified difficulties in procuring raw materials, caused surges in commodity prices, and disrupted logistics networks. As supply chain management grows increasingly important, the Company will continue to work as one team to establish a more resilient supply system by ensuring stable procurement of materials that meet customer requirements, thereby further strengthening its supply chain management.

Meanwhile, from the perspective of increasing its medium to long term corporate value, the Company is aiming to stabilize and further expand sales which do not excessively rely on the semiconductor market, and the Company is aware that it needs to expand its business domains. In order to do so, the Company will endeavor to expand its business domains through research and development with a mid- to long-term perspective and by investigating and fostering new business opportunities, and the Company is also aware that advancing the expansion of its applications in non-semiconductor and non-polishing areas is a challenge in enhancing its corporate value.

iii) Measures to Enhance Corporate Value (Medium & Long Term Business Plan)

On May 10, 2023, the Company released its Medium & Long Term Business Plan (from the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2029; the “Plan”), an overview of which is as follows.

Basic Policy

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

The Company formulated the Plan covering the six-year period from the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2029, aiming for (i) further investment of its resources in research and development and the expansion of its global product supply chain, (ii) active promotion of human resource investment and ESG initiatives as the basis of sustainable management, and (iii) the continuing realization of the mid to long-term corporate vision stating “we support your forward-looking ideas and

challenges,” as prescribed in the previous Medium & Long Term Business Plan.

Major Measurements

Based on the basic policy of the Plan, the major measurements to be taken are as follows:

- (1) creation of new businesses that realize the conversion 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 to develop a GRIT* organization and human resources for the realization of a 100-year company; and
- (5) implementation of sustainability management.

*GRIT: Never giving up through the power of passion and perseverance and completing jobs toward our goals to the very end.

Shareholder Returns

Regarding dividend payments, currently the Company has a policy of striving to live up to shareholder’s expectations by continuously providing stable dividend payments targeting a consolidated payment ratio of 55% or more. The Company had been examining the potential adoption of DOE (Dividend on Equity) as an additional dividend policy indicator, and continue to consider based on the future business environment in the semiconductor market and trends in the global economy.

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

Specification of Materiality (toward Achieving a Sustainable Society)

In developing the Plan, the Company has specified 18 materialities as important subjects and issues which the Company prioritizes for the realization of a sustainable society.

The 18 materialities are as follows.

Area	Materiality
Environment	Response to climate change
	Conservation of water resources
	Contribution to a recycling society
	Chemical substance management

Society	Occupational health and safety
	Well-being
	Diversity and human resource development
	Contribution to local community
Governance	Integrity
	Corporate governance and compliance
	Protection of intellectual property
	Information security management
	Risk management
Value Creation	Supply chain management
	Quality management
	Research and development
	Digital transformation
	Productivity

The policies for each specific business and the like are as follows.

Silicon Business

In this business, the Company researches, develops, manufactures, and sells abrasives and polishing compounds used in the high-precision polishing process to flatten and mirror-polish silicon wafers that serve as semiconductor substrates. The Company offers high-quality products and services that enable a total solution covering every step of the process, from cutting to final polishing. The Company aims to become its customers' "most trusted partner" by continuing to provide highly distinctive new products backed by new technologies in order to meet the increasingly sophisticated requirements of its customers.

In addition, with growing expectations for future demand driven by the widespread of electric vehicles and hybrid vehicles, the Company is advancing the development of products for SiC substrates. To supply these products to customers around the world, the Company is expanding production at its bases in the United States and Malaysia.

CMP (Chemical Mechanical Planarization) Business

In this business, the Company researches, develops, manufactures, and sells polishing compounds used in the manufacturing process of semiconductor devices. As semiconductor devices become more highly functional, higher in density, and more highly integrated, the variety of films to be polished and the number of processes where CMP is applied have been increasing. Furthermore, in recent years, technologies to mount semiconductor devices in three dimensions have been developed to enhance overall system performance, and the application of CMP in this area is also being considered. To build closer relationships with customers and to develop new products aligned with their technology roadmaps, the Company has established manufacturing and development bases in Japan, the United States, and Taiwan—regions located

near its customers' own production and R&D sites.

Hard Disk Substrates Business

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

Thermal Spray Materials Business

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

Polishing Solutions Business

In this business, the Company researches, develops, manufactures, and sells abrasives, polishing compounds, and other products designed for a wide variety of materials—such as metals, resins, ceramics, and composite materials—as well as various shapes, including two-dimensional and three-dimensional forms, to meet diverse application needs. The Company responds to new surfacing needs from customers across a broad range of industries worldwide by not only supplying abrasives and polishing compounds, but also proposing appropriate polishing methods tailored to specific applications. Through this approach, the Company provides comprehensive solutions that include not only abrasives and compounds, but also peripheral consumables, equipment recommendations, and processing techniques.

As part of its ongoing initiatives, the Company has been developing polishing compounds for automotive exteriors over the past several years, which have now begun to be adopted by customers. The Company aims to expand sales in this area. In addition, the Company has launched a new solution-based business to fulfill the needs of customers who are considering introducing polishing processes.

Advanced Technology & Specialty Materials

In these areas, the Company will push forward with research and development of its core technologies

in the field of powder under the Advanced Technology & Specialty Materials Division, which was established for the purpose of further promoting the expansion of the powder domain and non-polish businesses, while at the same time strongly promoting the creation and commercialization of new businesses in the non-polish field. In addition, the Company will put more focus on the expansion of new uses and customer segments by integrating its core technologies, including those for controlling particle shape and particle size distribution and granulation, that have been cultivated by its Specialty Materials Business and the Advanced Technology Research Center and by strengthening marketing power even further.

As an example of a specific initiative, the Company is advancing its development on ceramic powders with high heat dissipation and liquidity, ceramic compounds that are light-weight and have high dissipation, new ceramic powders and carbide materials for 3D printers which utilize shape control technology (including spherical, board, and rod-shaped), and other products.

(7) Main Business Activities (as of March 31, 2025)

All businesses incidental to manufacturing and sales of lapping abrasive and polishing compounds and related businesses.

(8) Plants and Offices (as of March 31, 2025)

1) The Company

Headquarters	Kiyosu City, Aichi Prefecture
Biwajima Plant	Kiyosu City, Aichi Prefecture
Inazawa Plant	Inazawa City, Aichi Prefecture
Kakamigahara Plant	Kakamigahara City, Gifu Prefecture
Kakamihigashimachi Plant	Kakamigahara City, Gifu Prefecture
R&D Center	Kakamigahara City, Gifu Prefecture
Advanced Technology Research Center	Kakamigahara City, Gifu Prefecture
Logistics Center	Kakamigahara City, Gifu Prefecture
Tokyo Office	Chiyoda-ku, Tokyo
Shanghai Office	Shanghai, China

2) Consolidated Subsidiary

(i) FUJIMI CORPORATION	U.S.A
(ii) FUJIMI-MICRO TECHNOLOGY SDN. BHD.	Malaysia
(iii) FUJIMI EUROPE GmbH	Germany
(iv) FUJIMI TAIWAN LIMITED	Taiwan
(v) FUJIMI SHENZHEN TECHNOLOGY CO., LTD.	China
(vi) NANKO ABRASIVE INDUSTRY CO., LTD.	Head Office: Kita-ku, Tokyo Ichikawa Plant: Nishiyatsushiro-gun, Yamanashi Shiojiri Plant: Shiojiri City, Nagano

Note: On October 21, 2024, the Company acquired 75% of the issued shares of Nanko Abrasive Industry Co., Ltd.

(9) Status of Employees (as of March 31, 2025)

1) Employees of the Group

Region	Number of Employees	Increase (Decrease) from the Previous Business Year-End
JAPAN	798	Increased by 97
North America	118	decreased by 4
Asia	214	Increased by 21
Europe	4	-
Corporate (Common)	101	Increased by 11
Total	1,235	Increased by 125

Note:

1. The number of employees listed under 'Corporate (Common)' refers to those belonging to administrative departments.
2. The number of employees does not include temporary workers.

2) Employees of the Company

Number of Employees in the Current Business Year	Increase (Decrease) from the Previous Business Year-End	Average Age	Average Service Years
855	Increased by 64	42.2 years old	13.3 years

Note: The number of employees does not include temporary workers.

2. Status of the Company's Shares (as of March 31, 2025)

(1) Total Number of Authorized Shares: 320,000,000

(2) Total Number of Issued Shares: 80,098,500

(3) Number of Shareholders: 14,739

(4) Leading Shareholders (Top 10)

Name of Shareholder	Number of Shares Owned (Thousands of Shares)	Shareholding Ratio (%)
Koma Co., Ltd.	13,381	17.7
The Master Trust Bank of Japan, Ltd. (Trust Account)	7,444	9.8
Custody Bank of Japan, Ltd. (Trust Account)	4,752	6.2
STATE STREET BANK AND TRUST COMPANY 5 05001		
(Standing Proxy: Transaction Banking Coordination Department, Mizuho Bank, Ltd.)	4,570	6.0
Fujimi suppliers' stock ownership program	1,942	2.5
Nippon Life Insurance Company		
(Standing proxy: The Master Trust Bank of Japan, Ltd.)	1,918	2.5
The Koshiyama Science and Technology Foundation	1,800	2.3
MUFG Bank, Ltd.	1,530	2.0
The Dai-ichi Life Insurance Company, Limited		
(Standing proxy: Custody Bank of Japan, Ltd.)	1,417	1.8
Keishi Seki	1,323	1.7

Notes:

1. The shareholding ratio is calculated by excluding the number of shares of treasury shares (4,646,167 shares).
2. Although the Change Reports of Large-Volume Holdings that was made available for public inspection on February 7, 2025 states that Capital Research and Management Company owned the shares listed below as of January 31, 2025, the Company was unable to confirm the actual number of shares held as of the end of the current fiscal period. Accordingly, this shareholder is not included in the list of major shareholders above.

The details of the aforementioned Change Reports of Large-Volume Holdings are as follows:

Name	Number of Shares Held (thousand shares)	Shareholding Ratio (%)
Capital Research and Management Company	2,348	2.93

(5) Status of Shares Granted as Consideration for the Execution of Duties to the Directors and the Corporate Auditors in the Current Business Year

None

(6) Other Matters regarding the Company's Shares

None

3. Share Acquisition Rights Issued by the Company

None

4. The Officers of the Company

(1) Status of the Directors and the Corporate Auditors (as of March 31, 2025)

Position	Name	Responsibilities in the Company and Important Concurrent Positions
President and CEO	Keishi Seki	
Managing Director	Toshiki Owaki	President of FUJIMI-MICRO TECHNOLOGY SDN. BHD.
Managing Director	Katsuhiko Suzuki	Chairman of FUJIMI CORPORATION President of FUJIMI TAIWAN LIMITED
Director	Masami Kawashita	
Director	Yoshitsugu Asai	Outside Director of ANEST IWATA Corporation
Director	Atsuko Yoshimura	Representative Director of VG-C Inc. CEO and Co-founder of PhytoMol-Tech Inc. Managing Director of DAIZ Engineering Inc.
Director	Naoko Yamazaki	Representative Member of NOKs Labo LLC Executive Consultant of EoD, Inc.
Standing Corporate Auditor	Yoshiaki Fujikawa	
Corporate Auditor	Masahiko Takahashi	Director of the Masahiko Takahashi Certified Public Accountant and Tax Accountant Office
Corporate Auditor	Masaru Okano	

Notes:

1. The Company has entered into an agreement with Outside Directors Masami Kawashita, Yoshitsugu Asai, Atsuko Yoshimura, and Naoko Yamazaki, and with Outside Corporate Auditors Masahiko Takahashi and Masaru Okano, pursuant to Paragraph 1, Article 427 of the Companies Act of Japan, to limit their liability for damages under Paragraph 1, Article 423 of the same Act to the extent permitted by applicable laws and regulations.

The content of the agreement is as follows:

(i) If an Outside Director is found to be liable to the Company for compensation for damages due to failure to perform duties as an Outside Director, liability shall be limited to the amount provided by laws and regulations.

(ii) The above limitation of liability is only recognized when the Outside Director acts in good faith and without gross negligence concerning the duties causing such liability.

2. Masami Kawashita, Yoshitsugu Asai, Atsuko Yoshimura, and Naoko Yamazaki are the Outside Directors and the Company has submitted notification to the Tokyo Stock Exchange and the Nagoya Stock Exchange that they have been designated as

Independent Officers.

3. DAIZ Engineering Inc., where Atsuko Yoshimura holds a key concurrent position, changed its corporate name to SprouTx Inc. as of April 1, 2025.

4. Masahiko Takahashi and Masaru Okano are the Outside Corporate Auditors and the Company has submitted notification to the Tokyo Stock Exchange and the Nagoya Stock Exchange that they have been designated as Independent Officers.

5. Masahiko Takahashi, the Outside Corporate Auditor, is licensed as a Certified Public Accountant and Certified Public Tax Accountant, and brings with him a considerable degree of knowledge and experience in the fields of finance and accounting.

(2) The Content of a Directors and Officers Liability Insurance Policy

The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The scope of the insured in this policy includes all Directors and Corporate Auditors of the Company and its subsidiaries, and insurance premiums are not borne by the insured. An overview of the content of the policy is as follows.

- Litigation expenses and compensation for damage borne by the insured due to company litigation, third-party litigation and shareholder derivative suits are covered.
- As a measure to prevent impairment of the appropriateness of the execution of duties by the insured, losses caused by the insured through illegal acts, etc. are not covered.

(3) Remuneration to the Directors and the Corporate Auditors

1) Policy regarding the Determination of Remuneration for the Directors

The Board of Directors has resolved the policy regarding the determination of remuneration for each of the Directors. The Board of Directors considers that the method of determining remuneration and the determined remuneration for each of the Directors for the current business year are in accordance with the policy regarding the determination of remuneration by confirming a report of the Advisory Board and that the method of determining remuneration and the determined remuneration are consistent with the policy.

The policy regarding the determination of remuneration for the Directors is as follows;

i) Basic Policy

The system of remuneration for the Directors is linked to shareholders' profits and business performance so as to function as an incentive to continuously improve the corporate value. The remuneration for each the Directors is determined at an appropriate level based on the individual responsibilities.

ii) Types and Composition of Remuneration for the Directors

The remuneration for the Directors consists of the followings.

- Monthly remuneration
- Business performance-based remuneration including the executive bonuses as a short-term business performance-based remuneration and the Board Benefit Trust (BBT) as a long-term business performance-based remuneration

iii) Policy regarding the Determination of the Amount of the Monthly Remuneration

The monthly remuneration for the Directors is determined through the deliberation at the Board of Directors meeting after the Annual General Shareholders' Meeting based on the individual positions and responsibilities. The proposal of monthly remuneration for the President, the Directors and the Outside Directors is submitted to the above-mentioned Board of Directors after being deliberated by the Advisory Board, which is chaired by the President and consists of the Senior Directors and the Outside Directors.

iv) Policy regarding the Determination of the Calculation Method of the Business Performance-based Remuneration (Executive Bonuses and Share Compensation)

The business performance-based remuneration for the Directors consists of executive bonuses and share compensation.

The executive bonuses for the Directors is determined after the deliberation by the Board of Directors in consideration of the individual positions and responsibilities with the following calculation method, and is paid annually after the Annual General Shareholders' Meeting.

The calculation method of the executive bonuses is as follows;

- The total payment amount is calculated by multiplying the estimated profit attributable to owners of the parent company by a certain coefficient.
- The upper limit of the individual Directors' bonuses is set according to the position.

The upper limit of the total remuneration for the monthly remuneration and the executive bonuses is JPY 480 million per annum (excluding salaries as employees) pursuant to the resolution at the 54th Annual General Shareholders' Meeting held on June 23, 2006

The share compensation is granted in accordance with the regulations on share compensation as follows;

- The points are granted to each the Directors in consideration of the individual positions and the achievement levels for business performance.
- The retired Directors who have the beneficiary rights are granted the Company's shares equivalent to their accumulated points granted by the time of retirement.

The number of points to be granted for the share compensation is separated from the upper limit of the total amount of remuneration for the monthly remuneration and the executive bonuses, is less than or equal to the upper limit of the number of the shares pursuant to the resolution at the 65th Annual General Shareholders' Meeting held on June 23, 2017, and is calculated based on the position points and the achievement rate of performance indicators selected in advance from the targets set in the Medium & Long-

Term Business Plan.

v) Policy regarding the Determination of the Amount and the Proportion of the Monthly Remuneration and the Business Performance-based Remuneration

The monthly remuneration and the executive bonuses for the Directors are structured so that the proportion of business performance-based remuneration increases for the higher-ranking Directors, benchmarking the remuneration levels of the corporations being the same business scale and belonging to the related-industry as the Company.

2) Total Amount of Remuneration in the Current Business Year

Category	Total Amount of Remuneration (Millions of JPY)	Amount of Remuneration by Type (Millions of JPY)				Number of Recipients
		Monthly Remuneration	Share Options	Executive Bonuses	Share Compensation ¹⁾	
Directors						
(of which	150	130		20		7
Outside	(36)	(36)	-	(-)	-	(4)
Directors)						
Corporate						
Auditors						
(of which	39	39		-		3
Outside	(18)	(18)	-	-	-	(2)
Corporate						
Auditors)						
Total						
(of which	189	169		20		10
Outside	(54)	(54)	-	(-)	-	(6)
Officers)						

Notes;

- The total amount of share compensation is the amount of provision for the share compensation during the current business year based on the Board Benefit Trust (BBT) introduced by the resolution of the 65th Annual General Shareholders' Meeting. The conditions for the grant of share compensation is described in above "4. (3) iv) Policy regarding the Determination of the Calculation Method of the Business Performance-based Remuneration (Executive Bonuses and Share Compensation)"
There is no applicable amount for the current business year.
- The performance indicator for the Directors' bonuses is the estimated profit attributable to owners of the parent company, and the reason for choosing this indicator is that it is an indicator that clearly shows the final profit of corporate activities

for the full year.

3. The amount of monetary compensation and the number of points granted for the share compensation for the Directors are described in above "4. (3) iv) Policy regarding the Determination of the Calculation Method of the Business Performance-based Remuneration (Executive Bonuses and Share Compensation)". The number of Directors was seven at the conclusion of the Annual General Shareholders' Meeting relating to the resolution regarding the amount of monetary compensation for the Directors. The number of Directors was five at the conclusion of the Annual General Shareholders' Meeting relating to the resolution regarding the number of points granted for share compensation for the Directors.
4. The upper limit of the total remuneration for all the Corporate Auditors is JPY 60 million per annum pursuant to the resolution at the Annual General Shareholders' Meeting held on June 23, 2006. The number of the Corporate Auditors was four at the conclusion of the Annual General Shareholders' Meeting relating to the above-mentioned resolution.

3) Important Employee Salaries for the Officers Concurrently Serving as Employees

None

(4) Matters regarding the Outside Officers

1) The important Concurrent Positions of the Outside Officers in Other Corporations and the Relationship between the Company and the Other Corporations Concerned

The status of important concurrent positions of Outside Directors is described in "4. The Officers of the Company (1) Status of the Directors and the Corporate Auditors". There is no special relationship between the Company and the other corporations concerned.

2) Main Activities during the Current Business Year

Category	Name	Main Activities
Director	Masami Kawashita	Having attended all 19 Board of Directors meetings held in the current business year, Masami Kawashita makes statements based on his long experience and extensive knowledge in management at other corporations. He also makes proposals from an objective perspective to the management of the Company and contributes to enhancement of the Board of Directors meeting, including suggestions at the Advisory Board about the nomination and remuneration matter of Directors of the Company based on his extensive knowledge.
Director	Yoshitsugu Asai	Having attended all 19 Board of Directors meetings held in the current business year, Yoshitsugu Asai makes statements based on his extensive knowledge by his experience of important positions such as executive officers at other corporations. He also makes proposals from an objective perspective to the management of the Company and contributes to enhancement of the Board of Directors meeting, including suggestions at the Advisory Board about the nomination and remuneration matter of Directors of the Company based on his extensive knowledge.
Director	Atsuko Yoshimura	Having attended all 19 Board of Directors meetings held in the current business year, Atsuko Yoshimura makes statements based on her long experience and extensive knowledge in management at other corporations. She also makes proposals from an objective perspective to the management of the Company and contributes to enhancement of the Board of Directors meeting, including suggestions at the Advisory Board about the nomination and remuneration matter of Directors of the Company based on her extensive knowledge.
Director	Naoko Yamazaki	Having attended all 15 Board of Directors meetings held in the current business year after her appointment as a Director, Naoko Yamazaki makes statements based on her experience and important position at other companies. She also makes proposals from an objective perspective to the management of the Company and contributes to enhancement of the Board of Directors meeting, including suggestions at the Advisory Board about the nomination and remuneration matter of Directors of the Company based on her extensive knowledge.
Corporate Auditor	Masahiko Takahashi	Having attended all 19 Board of Directors meetings and all 14 Board of Corporate Auditors meetings held in the current business year, Masahiko Takahashi supervises and provides effective advice on overall management

Corporate Auditor	Masaru Okano	as the Outside Corporate Auditor, such as making statements based on his professional knowledge as a Certified Public Accountant and a Certified Public Tax Accountant.
		Having attended all 19 Board of Directors meetings and all 14 Board of Corporate Auditors meetings held in the current business year, Masaru Okano properly performs the duties as the Outside Corporate Auditor, such as making statements based on his long experience and extensive knowledge in management at other corporations.

5. Accounting Auditor

(1) Name of Accounting Auditor

Deloitte Touche Tohmatsu LLC

(2) Amount of Compensation

Category	Total amount of payments
Total amount of compensation and other payments for the current business year	JPY 44 million
Total amount of monies and other property benefits payable by the Group to the Accounting Auditor	JPY 44 million

Notes;

1. It is not possible to make a reasonable differentiation between audit compensation based on the Companies Act and that based on the Financial Instruments and Exchange Act. Therefore, the aggregate amount is shown.
2. Upon obtaining necessary documents and receiving reports from the Accounting Auditor, the Board of Corporate Auditors consented to Article 399, Paragraph 1 of the Companies Act by verifying and examining the contents of the audit plan, the status of implementation of duties and the basis for calculation of compensation for the previous years and the current business year, and consequently determining that they were all reasonable.
3. The Company's subsidiaries of FUJIMI CORPORATION, FUJIMI-MICRO TECHNOLOGY SDN. BHD., FUJIMI EUROPE GmbH and FUJIMI TAIWAN LIMITED, are audited by Accounting Auditors other than that of the Company.

(3) Details of Non-Audit Services that Involves the Consideration of the Accounting Auditor for the Company

None

(4) Policy for Decisions regarding the Dismissal or Non-Reappointment of Accounting Auditors

When the Accounting Auditor falls under any of the items stipulated in Article 340, Paragraph 1 of the Companies Act, the Board of Corporate Auditors dismisses the Accounting Auditor based on the consent of all Corporate Auditors.

The Board of Corporate Auditors decides the content of a proposal for dismissal or non-reappointment of the Accounting Auditor, which is to be submitted to a General Shareholders' Meeting, if the Board of Corporate Auditors determines that there is a problem with the eligibility, independence or credibility of the Accounting Auditor.

In addition to the above, the Board of Directors requests the Board of Corporate Auditors to submit a proposal for dismissal or non-reappointment of the Accounting Auditor to a General Shareholders' Meeting, if the Board of Directors determines that there is a problem with the eligibility, independence or credibility of the Accounting Auditor. The Board of Corporate Auditors decides the content of the proposal to be submitted to a General Shareholders' Meeting after judging its suitability.

6. System to Ensure the Suitability of Business

The items approved by the Board of Directors as the Company's basic policy regarding the establishment of system to ensure the suitability business (Basic policy regarding the development of internal control systems) are as follows.

(Last revised: October 1, 2024)

(1) System to Ensure that the Execution of Duties by Directors and Employees is in accordance with all Laws and the Articles of Incorporation:

- 1) The Company establishes a Code of Ethics as a model for all Directors and Employees for appropriate behavior under laws and other items specified in the Articles of Incorporation.
- 2) The Company works towards common knowledge and awareness of the Code of Ethics.
- 3) The Compliance Department controls compliance with the Code of Ethics across the Company.
- 4) The Internal Audit Department and the Legal Department inspect adherence to the Code of Ethics and report their findings to the Board of Directors and the Auditing Committee
- 5) The Company maintains and operates an internal reporting and whistleblowing system to prevent violations of its Code of Ethics.

(2) System of Storage and Preservation of Information for Duties Performed by Directors:

In accordance with laws and internal regulations, the company records, stores and preserves documents and related materials concerning the performance of duties performed by directors. The Corporate Auditors have access to these documents at all times.

(3) System of Risk Management Regulations and Others:

- 1) The Company's Risk Management Committee identifies the risks associated with carrying out the Company's business, nominates responsible department to deal with the risks, and takes comprehensive measures to avoid the occurrence of risks in accordance with the Company's risk management policies,
- 2) The Human Resources & General Affairs Department comprehensively manages all risks of the Group comprised of the Company and all of the Subsidiaries.

- 3) The Internal Auditing Department reviews risk management of each department, and reports its findings to the Board of Directors and the Auditing Committee.
- (4) System to Ensure the Efficient Execution of the Duties of Directors:
- The Company shall ensure the efficient execution of the duties of directors through the following measures:
- 1) A meeting of the Board of Directors is held on a regular basis once a month to decide important issues and supervise execution of the duties of the Directors.
 - 2) Management meeting which is comprised of Directors and senior General Managers is held to ensure flexible and agile decision making.
 - 3) The Directors design the Medium to Long-term Plan and Annual Plan for the Company as well as set the strategic goals and measures for each business area. The progress of these plans for each business area is reported to the Board of Directors.
- (5) System to Maintain the Adequacy of Operations of the Group Companies Comprised of the Company and its Subsidiaries (“the Group” hereunder):
- 1) The Company establishes system to ensure that each Subsidiary prepares its rules and regulations for compliance with the Code of Ethics and laws, and that the Directors, Employees and Others of the each subsidiary acts in compliance with laws and the Articles of Incorporation.
 - 2) The Company establishes system to ensure that each Subsidiary prepares rules and regulations for decision-making and other organizational matters and that the Directors, Employees and Others of the each subsidiary performs efficient business operations.
 - 3) The Company obliges each Subsidiary to regularly report important management information.
 - 4) The Internal Control Department manages the Group's internal control system as a whole.
 - 5) The Internal Control Department takes measures to ensure that each subsidiary enhances effectiveness of internal control systems, and provides the guidance and support needed.
 - 6) The Internal Audit Department performs internal audits of the Company and each Subsidiary, and regularly reports its findings to the Board of Directors and the Auditing Committee.
- (6) Matter regarding Employees and Others Assisting the Corporate Auditors, and Matters to Assure its Independence from the Directors and to Assure Effectiveness of its Operations:
- 1) The Corporate Auditors are able to request the assistance of employees and others in carrying out the auditing function. The nomination, transfer, or dismissal of the Employee requires approval of the Corporate Auditors.
 - 2) In principle, Employees and Others who assist the Board of Corporate Auditors should not concurrently serve as Employee and other of other departments and shall follow the Directions and instructions by the Corporate Auditors. And, even if dedicated Employees and others cannot be allocated due to a legitimate reason such as duty-related matters, Employees or Others who are assigned to assist the

Corporate Auditors in performing their duties shall prioritize their directions and instructions by the Corporate Auditors over other matters.

(7) System of Reporting to the Corporate Auditors by the Directors and Employees of the Company and each Subsidiary and Other Reporting System for the Corporate Auditors:

- 1) The Board of Directors, Employees, and others of the Company and each Subsidiary, in accordance with internal rules, shall report the following matters to the Corporate Auditors.
 - (i) Items which could have a significant impact on the Company or its related Subsidiaries
 - (ii) Substantial violations of laws or the Articles of Incorporation
 - (iii) The status of internal audits
 - (iv) The status of internal reporting and whistleblowing under the Code of Ethics
 - (v) The status of other important business operations
- 2) The Company does not unreasonably treat those who made the aforementioned reports just because of that reason.

(8) System to Ensure Effective Audit by the Corporate Auditors:

- 1) The Corporate Auditors will perform the following tasks:
 - (i) Attend the Board of Directors meeting and other internal meetings deemed required to attend
 - (ii) Read approval documents and legal contracts that are important for business operations.
 - (iii) Interview the Directors and Employees about business operations
 - (iv) Periodically exchange opinions with the Representative Director
 - (v) Receive reports from the Accounting Auditor on accounting audit matters and exchange opinions
- 2) The Company shall bear costs necessary for the execution of the duties of the Corporate Auditors.

(9) Basic Policy Against Anti-Social Forces:

The Company establishes the internal regulations with regards to anti-social forces and acts based on the following fundamental principles.

- (i) Institutional response
- (ii) Cooperation with outside professional organizations
- (iii) Ban on any relations, including transactions
- (iv) Legal responses, both civil and criminal, in the event of an emergency
- (v) Prohibition of engagement in secret transactions and provision of funds

Outline of the Operation of the System to Ensure the Suitability of Business

The Company operates in accordance with the aforementioned Basic Policy (Basic policy regarding the development of internal control systems) to ensure the suitability business for the purpose of ensuring the appropriateness of business operations for the Company and each of its subsidiaries from the perspective of legal

compliance and efficiency, and its main efforts are as follows.

(1) System to Ensure that the Execution of Duties by Directors and Employees is in accordance with all Laws and the Articles of Incorporation (Compliance System):

- 1) The Company conducts compliance training for all employees to ensure that directors and employees share and are thoroughly familiar with the Code of Ethics, Company Philosophy, and Corporate Vision, which are the standards of conduct required to ensure compliance with laws, regulations, and the Articles of Incorporation. Upon completion of the training, the Company receives written confirmation of participation from all employees (including senior management).
- 2) The Company has established “Whistleblower Protection Regulations” based on the Whistleblower Protection Act, and reports the details of reports to the Awards and Disciplinary Committee and the Corporate Auditors.

(2) System of Storage and Preservation of Information for Duties Performed by Directors (Information Storage Management System):

The Company records relevant information as important documents in accordance with the document management rule, and stores and manages them for a specified period of time.

(3) System of Risk Management Regulations and Others (Risk Management System):

In order to reduce risks associated with business execution, the Company holds Risk Management Committee meetings twice a year in accordance with the Risk Management Regulations. With regard to cyber security, the Company has established a new information security management system structure by revising information security-related rules and utilizing third-party professional organizations.

(4) System to Ensure the Efficient Execution of the Duties of Directors (Efficient Directors Duty Execution System):

In accordance with the aforementioned “Basic policy regarding the development of internal control systems”, the Company holds regular meeting of Board of Directors once a month and extraordinary meeting of Board of Directors meetings if necessary, and a total of 19 meetings were held during the current business year. Matters to be discussed at the Board of Directors meetings are deliberated in advance by the Management meeting.

(5) System to Maintain the Adequacy of Operations of the Group Companies Comprised of the Company and its Subsidiaries (Group Companies Management System):

- 1) The Company’s senior management, the Human Resources & General Affairs Department and the Compliance Department conduct training for all employees in order to share the “Code of Ethics, Corporate Philosophy, and Corporate Vision” with directors and employees of each subsidiary and to ensure that all employees are thoroughly familiar with the Code.

- 2) The Company and each subsidiary hold a Global Risk Management Committee meeting twice a year to discuss diversified risks, and ensure that global based risk management works well.
- 3) The Company's senior management receives reports from each subsidiary on a monthly and timely basis regarding the appropriateness of business and confirms the status.

(6) Matter regarding Employees and Others Assisting the Corporate Auditors, and Matters to Assure its Independence from the Directors and to Assure Effectiveness of its Operations:

During the current business year, the Company did not receive any request from the Corporate Auditors that it is necessary to have an employee to assist the Corporate Auditors.

(7) System of Reporting to the Corporate Auditors by the Directors and Employees of the Company and each Subsidiary and Other Reporting System for the Corporate Auditors:

- 1) The Corporate Auditors attend meetings of the Board of Directors and other important meetings, check monthly reports and other documents by each subsidiary, and request explanations from the executives of each subsidiary as necessary. The Corporate Auditors also hold regular meetings with the Internal Audit Department and the Accounting Auditor to exchange information and cooperate with them.
- 2) The directors timely report to the Corporate Auditors on matters that have a material impact on the Company and the subsidiaries.

(8) System to Ensure Effective Audit by the Corporate Auditors:

In accordance with the aforementioned “Basic policy regarding the development of internal control systems”, the Corporate Auditors have access to documents and other information related to the execution of the duties of directors as necessary. And, the Company ensures that audits by the Corporate Auditors are effective through threefold audits by the Corporate Auditors, the Accounting Auditor, and the Internal Audit Department.

(9) Basic Policy Against Anti-Social Forces:

The Company has established “Code of Ethics” and “Corporate Philosophy” with basic policy of taking a firm stand against anti-social forces and never offering any benefits to them, and ensures that all employees comply with this basic policy. The Company cooperates with external professional organizations such as police, police-related agencies, and attorneys, and actively exchange information with them. And, anti-social forces exclusion clauses are included in the Company’s basic transaction agreements.

7. Basic Policy regarding the Control of the Company

Basic Policy regarding the control of the Company is described as follows;

(1) Contents of Basic Policy

The Company believes that the persons who control decisions on the Company's financial and business policies need to be the ones who fully understand the specifics of the Company's financial and business affairs and the source of the corporate value of the Company and will make it possible to continually and persistently ensure and enhance the corporate value of the Company and, in turn, the common interests of its shareholders.

The Company believes that because shares in the Company are listed on a stock exchange, they should be freely traded in capital markets. The Company therefore does not adopt a general rule of rejecting any acts of large-scale acquisition of the share certificates, etc. of the Company (It is defined in 3.2) below. The same shall apply hereinafter.) and it believes that a decision on which persons should control the Company's financial and business policies should ultimately be made based on the discretion of its shareholders. In addition, when an act of large-scale acquisition of the share certificates, etc. of the Company is proposed, the Company will not reject that proposal if it will contribute to the corporate value of the Company and, in turn, the common interests of its shareholders.

However, there are some acts of large-scale acquisition of share certificates, etc. that benefit neither the corporate value of the target company or, in turn, the common interests of its shareholders including (i) those with a purpose that would obviously harm the corporate value of the target company and, in turn, the common interests of its shareholders, (ii) those with the potential to substantially coerce shareholders into selling their shares without providing sufficient time or information, and (iii) those that do not provide sufficient time or information for the target company's board of directors and shareholders to consider the details of the act of large-scale acquisition or for the target company's board of directors to make an alternative proposal or take other actions.

Also, the status of the major shareholders of the Company as of March 31, 2025 is described in 2. Status of the Company's Shares and certain officers of the Company and their relatives and related parties (the "Company's Officers, Etc.") hold some of the issued shares in the Company. The Company is a listed company, so the Company cannot deny the possibility that the shareholding ratios of the Company's Officers, Etc. may decrease due to a transfer or other disposition of the shares by the Company's Officers, Etc. for their own reasons or personnel relocation or other changes in the status of officers. In addition, it is considered an option for the Company to procure, in capital markets, funds necessary for the education of personnel and investment to facilities which constitute the bases of the Company's business, that have been the focus of the Company's measures, as well as investment, etc. in new and growing businesses that lead to the expansion of business over the medium to long term, increase internal capital adequacy, and business and capital alliances and other relationships with other companies, and, if the Company procures funds in such way, it is possible that the current shareholding ratios of the Company's Officers, Etc. may decrease.

The Company believes that, if it is not possible to manage the Company based on a full understanding of the source of the Company's corporate value and with a view to securing such source over the medium to long term and organically combining the Company's intangible managerial resources, such as technologies and expertise that have been cultivated through its long history, with markets, and thereby increasing the corporate value, it is not possible to gain trust from stakeholders, and, accordingly, such management would be contrary to the corporate value of the Company and, in turn, the common interests of its shareholders.

The Company therefore believes that a person who conducts an act of large-scale acquisition that is likely to be contrary to the corporate value of the Company and, in turn, the common interests of its shareholders, through an act of large-scale acquisition of, or a similar act in respect of, the shares certificates, etc. of the Company without understanding of the source of the corporate value of the Company as described above or in a way that does not intend to manage the Company with a view to securing the source over the medium to long term and increasing the corporate value of the Company, is inappropriate as a person who will control decisions on the Company's financial and business policies, and necessary and reasonable countermeasures must be taken against such act of large-scale acquisition by such person so that the corporate value of the Company and, in turn, the common interests of its shareholders are ensured.

(2) The Measures to Realize the Basic Policy

1) The Source of the Company's Corporate Value

The source of the company's corporate value is described in "1. Business Progress and Achievement of the Company's Group (6) Issues to be Addressed 2) Enhancing Corporate Value i) The Source of the Company's Corporate Value".

2) Challenges in Enhancing Corporate Value

Challenges in enhancing corporate value are described in "1. Business Progress and Achievement of the Company's Group (6) Issues to be Addressed 2) Enhancing Corporate Value ii) Challenges in Enhancing Corporate Value".

3) Measures to Enhance Corporate Value (Medium & Long Term Business Plan)

Measures to enhance corporate value are described in "1. Business Progress and Achievement of the Company's Group (6) Issues to be Addressed 2) Enhancing Corporate Value iii) Measures to Enhance Corporate Value (Medium & Long Term Business Plan)".

(3) Policy for Measures to Prevent Decisions on the Company's Financial and Business Policies from being Controlled by Persons Deemed Inappropriate Under the Basic Policy

1) Purpose of Measures against Large-Scale Acquisitions of Share Certificates, Etc. of the Company

"Based on the Basic Policy set out in (1) above, the Board of Directors believes that it is necessary to promptly and properly take measures that it considers to be most appropriate for ensuring the corporate

value of the Company and, in turn, the common interests of its shareholders against persons who conduct an act of unilateral and large-scale acquisition or any similar act in a manner that would damage the corporate value of the Company and, in turn, the common interests of its shareholders. Based on this belief, the Board of Directors decided to renew the ""Policy for Measures against Large-Scale Acquisitions of Share Certificates, Etc. of the Company (Policy for Responding to Takeover Attempts)"" (Hereinafter referred as ""the Policy"" for purposes such as preventing decisions on the Company's financial and business policies from being controlled by persons deemed inappropriate and deterring acts of large-scale acquisition that are detrimental to the corporate value of the Company and, in turn, the common interests of its shareholders, and, on the occasion that the Company receives a proposal for an act of large-scale acquisition, enabling the Board of Directors to present an alternative proposal to the shareholders or ensuring necessary time and information for the shareholders to decide whether or not to accept the large-scale acquisition proposal, and enabling the Company to negotiate for the common interests of the shareholders. The Policy was approved at the Annual General Shareholders' Meeting held on June 21, 2024."

2) Details of Measures against Large-Scale Acquisitions of Share Certificates, Etc. of the Company

"The Policy applies to an act that falls under (i), (ii) or (iii) below or any similar act, or a proposal for such act.

- (i) A purchase or other acquisition that would result in the holding ratio of share certificates, etc. of a holder totaling 20% or more of the share certificates, etc. issued by the Company; or
- (ii) A tender offer that would result in the ownership ratio of share certificates, etc. of the party conducting the tender offer and the ownership ratio of share certificates, etc. of a specially related party totaling 20% or more of the share certificates, etc. issued by the Company, or
- (iii) Regardless of whether any one of the acts provided for in items (i) and (ii) above is conducted, an act (I) conducted between (a) a person who intends to acquire share certificates, etc. of the Company, a joint holder with respect to such person, or a specially related party of such person (each, an "Acquirer of Share Certificates, Etc.") and (b) another shareholder of the Company (including multiple shareholders; the same applies in (iii) below) and that constitutes an agreement or other act as a result of which the other shareholder(s) become(s) a joint holder of the Acquirer of Share Certificates, Etc., or any act that establishes a relationship whereby an Acquirer of Share Certificates, Etc. or the other shareholder(s) substantially control(s) the other(s) or they act jointly or in concert with each other and (II) that would result in the total holding ratio of share certificates, etc. issued by the Company of that Acquirer of Share Certificates, Etc. and the other shareholder(s) accounting for 20% or more.

(Hereinafter referred as an "Acquisition"; a party that conducts or makes a proposal for an acquisition, an "Acquirer".)"

The Policy defines procedures that the Company will request the Acquirer to provide the Board of Directors with information that is sufficient for the Company's shareholders to make decisions on the

Acquisition and for the Board of Directors to evaluate, consider, or take other actions in relation to the Acquisition stipulated in the Policy. ("Large-Scale Acquisition Information")

If an Acquirer or an Acquisition falls under (i) or (ii) below, the Board of Directors will consult with the Independent Committee regarding whether it is appropriate to trigger the countermeasures, and the Independent Committee will, based on the consultation and after obtaining advice from experts and other outside parties as necessary, make a recommendation, within the Board of Directors' Evaluation Period, regarding whether it is appropriate to trigger the countermeasures to the Board of Directors.

(i) An Acquirer conducts or intends to conduct an Acquisition not in compliance with the procedures stipulated in the Policy.

(ii) An Acquisition is determined to fall under any of the categories listed in the Policy or there are circumstances based on which the Acquisition is suspected of falling under any such categories from an objective and reasonable perspective, which is determined that the corporate value of the Company and, in turn, the common interests of its shareholders would be significantly harmed.

The Board of Directors shall respect the recommendation of the Independent Committee and make a decision on whether or not to trigger the countermeasures in the Policy. If the implement of the gratis allotment of Share Options with conditions for exercise and acquisition provisions, etc. (Hereinafter referred as "Share Options") as a countermeasure is determined in a resolution by the Board of Directors (Hereinafter referred as "Gratis Allotment Resolution"), the Company will allot Share Options for all shareholders determined by Gratis Allotment Resolution.

- (4) Reasons that the Above Measures are in Accordance with the Basic Policy and Do not Undermine the Common Interests of the Shareholders of the Company and are not Intended to Maintain the Position of Officers of the Company.

Measures described in above (2) are formulated as concrete measures to continuously and sustainably improve the corporate value of the Company and, in turn, the common interests of its shareholders, and are in accordance with the Basic Policy, which is determined that it does not undermine the common interests of its shareholders and is not intended to maintain the position of officers of the Company.

The Company believes that the Policy for Measures described in above (3) is a framework in accordance with the Basic Policy for ensuring and improving the corporate value of the Company and, in turn, the common interests of its shareholders by enabling the Board of Directors to present an alternative proposal to the shareholders, or ensuring necessary time and information for the shareholders to decide whether or not to accept the large-scale acquisition proposal, and enabling the Company to negotiate for the common interests of the shareholders on the occasion that the Company receives a proposal for an act of large-scale acquisition.

In addition, based on the reasons (i) to (vi) below, the Policy for Measures is determined that it does not undermine the common interests of its shareholders and is not intended to maintain the position of officers of the Company.

(i) The Policy places importance on shareholders' intent, such as being renewed with the approval

of the general shareholders' meeting and, if necessary, going through a Meeting to confirm shareholders' intent.

(ii) The Policy fully satisfies the three principles set out in the Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. In addition, the Policy is based on arguments and other issues concerning the "Takeover Defense Measures in Light of Recent Environmental Changes" issued by the Corporate Value Study Group on June 30, 2008 as well as the matters stated in the "Guidelines for Corporate Takeovers" released by the Ministry of Economy, Trade and Industry on August 31, 2023.

(iii) The Policy is based on establishment of reasonable and objective requirements for triggering countermeasures.

(iv) The Company shall decide to establish the Independent Committee as an organization independent from the Board of Directors and respect the recommendation of the Independent Committee and make a decision on whether or not to trigger the countermeasures in the Policy.

(v) The Policy may be abolished at any time by a meeting of the Board of Directors composed of Directors who are elected by the Annual General Shareholders' Meeting even before the expiration of the effective period of the Policy.

(vi) The term of office of the Company's Director is until the conclusion of the Annual General Shareholders' Meeting relating to the last business year ending within one year after the election.

Concerning details of the Policy, please refer to the news release "Renewal of Policy for Measures against Large-Scale Acquisitions of Share Certificates, Etc. of the Company (Policy for Measures against Takeovers)" dated May 13, 2024 on the Company's website (<https://www.fujimiinc.co.jp>).

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

As of March 31, 2025

Assets	
Current assets	
Cash and deposits	27,857
Notes and accounts receivable - trade	12,798
Merchandise and finished goods	5,991
Work in process	1,620
Raw materials and supplies	6,448
Other	1,432
Allowance for doubtful accounts	△20
Total current assets	56,128
Non-current assets	
Property, plant and equipment	
Buildings and structures, net	6,868
Machinery, equipment and vehicles, net	2,954
Land	8,411
Construction in progress	8,758
Other, net	2,187
Total property, plant and equipment	29,180
Intangible assets	
Software	137
Other	756
Total intangible assets	893
Investments and other assets	
Investment securities	3,511
Deferred tax assets	899
Retirement benefit asset	55
Other	248
Allowance for doubtful accounts	△9
Total investments and other assets	4,705
Total non-current assets	34,779
Total assets	90,908

	(Millions of yen)
	As of March 31, 2025
Liabilities	
Current liabilities	
Notes and accounts payable - trade	4,230
Income taxes payable	1,791
Provision for bonuses	1,804
Accounts payable - other	1,563
Accounts payable - facilities	1,490
Other	1,591
Total current liabilities	12,471
Non-current liabilities	
Deferred tax liabilities	111
Retirement benefit liability	644
Provision for share awards	188
Other	596
Total non-current liabilities	1,540
Total liabilities	14,012
Net assets	
Shareholders' equity	
Share capital	4,753
Capital surplus	5,038
Retained earnings	65,172
Treasury shares	△4,416
Total shareholders' equity	70,548
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	1,087
Foreign currency translation adjustment	4,349
Remeasurements of defined benefit plans	133
Total accumulated other comprehensive income	5,571
Non-controlling interests	776
Total net assets	76,895
Total liabilities and net assets	90,908

Consolidated Statement of Income

	(Millions of yen)
	Fiscal year ended March 31, 2025
Net sales	62,503
Cost of sales	35,052
Gross profit	27,451
Selling, general and administrative expenses	15,670
Operating profit	11,780
Non-operating income	
Interest income	268
Dividend income	95
Foreign exchange gains	47
Other	205
Total non-operating income	617
Non-operating expenses	
Interest expenses	3
Depreciation	0
Loss on sale of non-current assets	15
Loss on retirement of non-current assets	14
Loss on valuation of investment securities	103
Other	9
Total non-operating expenses	147
Ordinary profit	12,251
Profit before income taxes	12,251
Income taxes - current	3,083
Income taxes - deferred	△274
Total income taxes	2,808
Profit	9,442
Profit attributable to non-controlling interests	13
Profit attributable to owners of parent	9,428

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

	(Millions of yen)
	As of March 31, 2025
Assets	
Current assets	
Cash and deposits	14,826
Notes	93
Accounts receivable - trade	12,026
Merchandise and finished goods	3,043
Work in process	1,452
Raw materials and supplies	4,569
Prepaid expenses	259
Accounts receivable - other	979
Other	115
Allowance for doubtful accounts	△16
Total current assets	37,351
Non-current assets	
Property, plant and equipment	
Buildings, net	3,468
Structures, net	164
Machinery, net	1,386
Equipment, net	1,201
Land	7,784
Construction in progress	8,207
Other	16
Total property, plant and equipment	22,230
Intangible assets	
Software	114
Other	318
Total intangible assets	433
Investments and other assets	
Investment securities	3,427
Shares of subsidiaries and associates	7,748
Investments in other securities of subsidiaries and associates	84
Deferred tax assets	980
Other	219
Allowance for doubtful accounts	△9
Total investments and other assets	12,450
Total non-current assets	35,113
Total assets	72,465

	(Millions of yen)
	As of March 31, 2025
Liabilities	
Current liabilities	
Accounts payable - trade	3,553
Accounts payable - other	1,995
Accrued expenses	368
Income taxes payable	1,007
Provision for bonuses	1,502
Accounts payable - facilities	1,471
Other	442
Total current liabilities	10,340
Non-current liabilities	
Retirement benefit liability	781
Provision for share awards	188
Other	249
Total non-current liabilities	1,219
Total liabilities	11,559
Net assets	
Shareholders' equity	
Share capital	4,753
Capital surplus	5,038
Retained earnings	54,441
Treasury shares	△4,416
Total shareholders' equity	59,817
Valuation and translation adjustments	
Valuation difference on available-for-sale securities	1,087
Total net assets	60,905
Total liabilities and net assets	72,465

Non-consolidated Statement of Income

	(Millions of yen)
	Fiscal year ended March 31, 2025
Net sales	45,539
Cost of sales	27,120
Gross profit	18,419
Selling, general and administrative expenses	11,894
Operating profit	6,524
Non-operating income	
Interest income	7
Dividend income	2,899
Other	140
Total non-operating income	3,047
Non-operating expenses	
Foreign exchange losses	25
Depreciation	0
Loss on retirement of non-current assets	13
Loss on valuation of investment securities	103
Other	7
Total non-operating expenses	150
Ordinary profit	9,420
Profit before income taxes	9,420
Income taxes - current	1,782
Income taxes - deferred	△247
Total income taxes	1,534
Profit	7,885