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Securities Code: 5384

Date of sending by postal mail: June 4, 2026

Start date of measures for electronic provision: May 26, 2026

To Shareholders:

Keishi Seki
President and CEO
Fujimi Incorporated
2-1-1 Chiryo, Nishibiwajima-cho, Kiyosu-shi, Aichi

Notice of the 74th Annual General Shareholders' Meeting

Fujimi Incorporated (the "Company") is pleased to announce the 74th 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 74th Annual General Shareholders' Meeting (year ended March 31, 2026)."

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

<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 Tuesday, June 23, 2026 (JST).

1. Date and Time: Wednesday, June 24, 2026, 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 74th term (April 1, 2025 to March 31, 2026) 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 74th term (April 1, 2025 to March 31, 2026)

Matters to be resolved:

- | | |
|-----------------------|--|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Amendment to the Articles of Incorporation |
| Proposal No. 3 | Election of Seven Directors |
| Proposal No. 4 | Election of One Corporate Auditor |
| Proposal No. 5 | Election of One Substitute Corporate Auditor |
| Proposal No. 6 | Renewal of Policy for Measures against Large-Scale Acquisitions of Share Certificates, Etc. of the Company (Policy for Measures against Takeovers) |

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) System to Ensure the Suitability of Business
- (ii) Consolidated Statement of Changes in Equity
- (iii) Notes to Consolidated Financial Statements
- (iv) Non-consolidated Statement of Changes in Equity
- (v) 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 above.

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, 2026 of ¥38.33 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 ¥38.33 per common share of the Company.

In this event, the total dividends will be ¥2,892,084,972.

Accordingly, including the interim dividend of ¥36.67 per share already paid, the annual dividend for the fiscal year ended March 31, 2026 will total ¥75 per share.

(3) Effective date of dividends of surplus

The effective date of dividends will be June 25, 2026.

2. Other appropriation of surplus

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

Retained earnings brought forward: ¥2,500,000,000

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

General reserve: ¥2,500,000,000

(Note) At a meeting of the Board of Directors held on May 14, 2026, the Company decided to newly adopt a progressive dividend policy to maintain or increase dividends, in addition to the existing aforementioned basic policy, effective from the fiscal year ending March 31, 2027, at least for the period of the current Medium & Long Term Business Plan (from the fiscal year ended March 31, 2024 to the fiscal year ending March 31, 2029). Through these policies, the Company aims to realize more robust and stable shareholder returns that are resilient to changes in the business environment.

Proposal No. 2 Amendment to the Articles of Incorporation

1. Reason for proposal

In order to establish a more flexible and agile structure for the operation of the General Shareholders’ Meeting and the Board of Directors Meeting, the Company shall amend Article 14 (Convenor and Chairperson) and Article 22 (Convenor and Chairperson of the Board of Directors Meeting) of the current Articles of Incorporation. In connection with these, the Company shall amend Article 25 (Representative Director).

2. Details of amendment

The details of the amendment are as follows.

(Amendments are underlined)

Current Articles of Incorporation	Proposed amendments
<p style="text-align: center;">Chapter III General Shareholders’ Meeting (Convenor and Chairperson)</p> <p>Article 14</p> <ol style="list-style-type: none"> 1. The Director serving as President shall convene the General Shareholders’ Meeting and preside over it. 2. In the event that the Director serving as President is unable to perform its duties, another director shall convene the General Shareholders’ Meeting and preside over it in accordance with the order previously determined by the Board of Directors Meeting. 	<p style="text-align: center;">Chapter III General Shareholders’ Meeting (Convenor and Chairperson of <u>the General Shareholders’ Meeting</u>)</p> <p>Article 14</p> <ol style="list-style-type: none"> 1. <u>The Director serving as Chairman</u> or the Director serving as President shall convene the General Shareholders’ Meeting and preside over it. 2. In the event that <u>the Director serving as Chairman</u> and the Director serving as President are unable to perform their duties, another director shall convene the General Shareholders’ Meeting and preside over it in accordance with the order previously determined by the Board of Directors Meeting.
<p>Articles 15 to 18 (Text omitted)</p>	<p>Articles 15 to 18 (Unchanged)</p>
<p style="text-align: center;">Chapter IV Directors and Board of Directors</p>	<p style="text-align: center;">Chapter IV Directors and Board of Directors</p>
<p>Articles 19 to 21 (Text omitted)</p>	<p>Articles 19 to 21 (Unchanged)</p>
<p>(Convenor and Chairperson of the Board of Directors Meeting)</p>	<p>(Convenor and Chairperson of the Board of Directors Meeting)</p>
<p>Article 22</p> <ol style="list-style-type: none"> 1. Unless otherwise provided by law, the Director serving as President shall convene the Board of Directors Meeting and preside over it. 2. In the event that the Director serving as President is unable to perform its duties, another director shall convene the Board of Directors Meeting and preside over it in accordance with the order previously determined by the Board of Directors Meeting. 3. (Text omitted) 4. (Text omitted) 	<p>Article 22</p> <ol style="list-style-type: none"> 1. Unless otherwise provided by law, <u>the Director serving as Chairman</u> or the Director serving as President shall convene the Board of Directors Meeting and preside over it. 2. In the event that <u>the Director serving as Chairman</u> and the Director serving as President are unable to perform their duties, another director shall convene the Board of Directors Meeting and preside over it in accordance with the order previously determined by the Board of Directors Meeting. 3. (Unchanged) 4. (Unchanged)
<p>Articles 23 and 24 (Text omitted)</p>	<p>Articles 23 and 24 (Unchanged)</p>
<p>(Representative Director)</p>	<p>(Representative Director)</p>
<p>Article 25</p> <ol style="list-style-type: none"> 1. The Director serving as President represents the Company. 2. The Board of Directors Meeting shall appoint by resolution Representative Directors from among the Executive Directors. 	<p>Article 25</p> <ol style="list-style-type: none"> 1. <u>The Director serving as Chairman</u> and the Director serving as President represent the Company. 2. (Unchanged)

Proposal No. 3 Election of Seven Directors

The terms of office of all eight Directors will expire at the conclusion of this meeting. Therefore, in light of its current management system, the Company proposes the election of seven Directors.

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, 2026
1	Reappointment	Keishi Seki	Male	President and CEO	23 years	19/19 (100%)
2	Reappointment	Katsuhiro Suzuki	Male	Managing Director	14 years	19/19 (100%)
3	Reappointment	Katsuyuki Hibi	Male	Director	1 year	15/15 (100%) (Note)
4	Reappointment Outside	Masami Kawashita	Male	Outside Director	11 years (Tenure as Outside Corporate Auditor: 3 years)	19/19 (100%)
5	Reappointment Outside	Atsuko Yoshimura	Female	Outside Director	4 years	19/19 (100%)
6	Reappointment Outside	Naoko Yamazaki	Female	Outside Director	2 years	19/19 (100%)
7	Reappointment Outside	Shuhei Ishikawa	Male	Outside Director	1 year	15/15 (100%) (Note)

(Note) The attendance of Katsuyuki Hibi and Shuhei Ishikawa at meetings of the Board of Directors covers meetings of the Board of Directors held after their appointment as a Director on June 24, 2025.

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 23 years</p> <p>Attendance at meetings of the Board of Directors in the fiscal year ended March 31, 2026 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>	1,350,712 shares
<p>[Reasons for nomination as candidate for Director] 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] 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>Katsuhiro Suzuki (March 9, 1962)</p> <p>Reappointment</p> <p>Tenure as Director 14 years</p> <p>Attendance at meetings of the Board of Directors in the fiscal year ended March 31, 2026 19 / 19 (100%)</p>	<p>Apr. 1984 Joined the Company</p> <p>July 1992 Seconded to FUJIMI AMERICA INC. (currently FUJIMI CORPORATION)</p> <p>Apr. 2005 Director of FUJIMI CORPORATION</p> <p>Apr. 2011 Senior General Manager of Silicon Division of the Company</p> <p>June 2012 Director and Senior General Manager of Silicon Division of the Company</p> <p>Apr. 2015 Director and Senior General Manager of Silicon Division and CMP Division of the Company; and President of FUJIMI TAIWAN LIMITED</p> <p>Apr. 2016 Director and Senior General Manager of CMP Division of the Company; President of FUJIMI CORPORATION; and President of FUJIMI TAIWAN LIMITED</p> <p>Apr. 2018 Director and Senior General Manager of CMP Division of the Company; Chairman of FUJIMI CORPORATION; and President of FUJIMI TAIWAN LIMITED</p> <p>Apr. 2021 Managing Director and Senior General Manager of CMP Division of the Company; Chairman of FUJIMI CORPORATION; and President of FUJIMI TAIWAN LIMITED</p> <p>Apr. 2023 Managing Director of the Company; Chairman of FUJIMI CORPORATION; and President of FUJIMI TAIWAN LIMITED</p> <p>Apr. 2026 Managing Director of the Company; and President of FUJIMI TAIWAN LIMITED (current position)</p>	50,300 shares
<p>[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.</p> <p>[Special interest between the candidate and the Company] 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	<p>Katsuyuki Hibi (November 19, 1976)</p> <p>Reappointment</p> <p>Tenure as Director 1 year</p> <p>Attendance at meetings of the Board of Directors in the fiscal year ended March 31, 2026 15 / 15 (100%)</p> <p>*Only applies to Board of Directors meetings held after appointment as a Director on June 24, 2025</p>	<p>Apr. 1999 Joined the Company</p> <p>Apr. 2016 General Manager of Office of the President of the Company</p> <p>Apr. 2022 Deputy Senior General Manager of Human Resources & Organization Planning Division, and General Manager of Business Planning Department of the Company</p> <p>Apr. 2023 Senior General Manager of Human Resources & Organization Planning Division, and General Manager of Business Planning Department of the Company</p> <p>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</p> <p>June 2025 Director of the Company; 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>	2,686 shares
<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 also involved in overseeing the CSR and ESG initiatives, as well as supervising the business planning divisions in charge of M&A activities. 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
4	<p>Masami Kawashita (September 3, 1949)</p> <p>Reappointment Outside</p> <p>Tenure as Outside Director 11 years (Tenure as Outside Corporate Auditor: 3 years)</p> <p>Attendance at meetings of the Board of Directors in the fiscal year ended March 31, 2026 19 / 19 (100%)</p>	<p>Apr. 1973 Joined NGK Spark Plug Co., Ltd.</p> <p>July 2004 Head of Auto Parts Marketing, China</p> <p>June 2005 Director</p> <p>June 2008 Managing Director</p> <p>Feb. 2009 Senior Managing Director</p> <p>June 2009 Executive Vice President</p> <p>June 2011 Special Adviser</p> <p>June 2012 Adviser</p> <p>June 2012 Outside Corporate Auditor of the Company</p> <p>June 2015 Outside Director of the Company (current position)</p>	<p>– shares</p>
<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
5	<p style="text-align: center;">Atsuko Yoshimura (May 6, 1971)</p> <p style="text-align: center;">Reappointment Outside</p> <p style="text-align: center;">Tenure as Outside Director 4 years</p> <p style="text-align: center;">Attendance at meetings of the Board of Directors in the fiscal year ended March 31, 2026 19 / 19 (100%)</p>	<p>Apr. 1995 Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION (currently NTT, Inc.)</p> <p>May 2002 Transferred to NTT Communications Corporation (currently NTT DOCOMO BUSINESS, Inc.)</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>June 2025 Outside Director of ASAHI YUKIZAI CORPORATION (current position)</p> <p>[Important concurrent positions outside the Company] Representative Director of VG-C Inc. CEO and Co-founder of PhytoMol-Tech Inc. CSO/COO of SprouTx Inc. Outside Director of ASAHI YUKIZAI CORPORATION</p>	3,562 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 of sales 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
	<p data-bbox="347 304 528 365">Naoko Yamazaki (January 25, 1969)</p> <p data-bbox="363 405 512 465">Reappointment Outside</p> <p data-bbox="308 506 568 566">Tenure as Outside Director 2 years</p> <p data-bbox="288 600 587 719">Attendance at meetings of the Board of Directors in the fiscal year ended March 31, 2026 19 / 19 (100%)</p>	<p data-bbox="612 264 1209 360">Apr. 1992 Joined Mitsubishi Trust and Banking Corporation (currently Mitsubishi UFJ Trust and Banking Corporation)</p> <p data-bbox="612 365 1082 394">Sept. 2007 Joined Tokyo Branch, UBS AG</p> <p data-bbox="612 398 1198 459">Nov. 2014 Cluster Head of Tokyo Sales Department 1, Wealth Management Division</p> <p data-bbox="612 463 1209 524">July 2019 Representative Member of NOKs Labo LLC (current position)</p> <p data-bbox="612 528 1193 589">Feb. 2021 Executive Consultant of EoD, Inc. (current position)</p> <p data-bbox="612 593 1182 654">June 2024 Outside Director of the Company (current position)</p> <p data-bbox="612 658 1142 687">[Important concurrent positions outside the Company]</p> <p data-bbox="612 692 1050 721">Representative Member of NOKs Labo LLC</p> <p data-bbox="612 725 948 754">Executive Consultant of EoD, Inc.</p>	<p data-bbox="1337 499 1442 528">815 shares</p>
6	<p data-bbox="279 763 852 792">[Reasons for nomination as candidate for Outside Director]</p> <p data-bbox="279 797 1426 1010">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.</p> <p data-bbox="279 1037 842 1066">[Special interest between the candidate and the Company]</p> <p data-bbox="279 1070 544 1099">There is no special interest.</p> <p data-bbox="279 1126 592 1155">[Independence of the candidate]</p> <p data-bbox="279 1160 1437 1261">Transactions of sales 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.</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	Shuhei Ishikawa (December 10, 1959) Reappointment Outside Tenure as Outside Director 1 year Attendance at meetings of the Board of Directors in the fiscal year ended March 31, 2026 15 / 15 (100%) *Only applies to Board of Directors meetings held after appointment as a Director on June 24, 2025	Mar. 1984 Joined NGK INSULATORS, LTD. (currently NGK Corporation) Apr. 2010 General Manager of New Metals Division, Electronics Business Group June 2010 Executive Officer June 2014 Managing Executive Officer June 2015 Director and Managing Executive Officer June 2019 Director and Senior Managing Executive Officer June 2021 Senior Managing Executive Officer June 2024 Adviser (current position) June 2025 Outside Director of the Company (current position) July 2025 Senior Adviser of CKD Corporation (current position)	356 shares
<p>[Reasons for nomination as candidate for Outside Director] Shuhei Ishikawa has accumulated abundant knowledge and experience through his career at NGK Corporation, 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 to continue as a candidate for Outside Director because, going forward, 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 Corporation 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:
- Masami Kawashita, Atsuko Yoshimura, Naoko Yamazaki, and Shuhei Ishikawa are candidates for Outside Director, and the Company has submitted notification to the Tokyo Stock Exchange and the Nagoya Stock Exchange that they have been designated as independent officers.
 - Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with Masami Kawashita, Atsuko Yoshimura, Naoko Yamazaki, and Shuhei Ishikawa to limit their liability for damages under Article 423, paragraph (1) of the Companies Act. If the election of each candidate is approved, the Company intends to renew the aforementioned agreement with each of them.
An overview of the content of the agreement is as follows.
 - 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.
 - 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.
 - 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.
If the election of each candidate is approved, 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.
 - The number of the Company's shares owned includes those acquired through the Stock Ownership schemes.

Proposal No. 4 Election of One Corporate Auditor

At the conclusion of this meeting, the term of office of Corporate Auditor Yoshiaki Fujikawa will expire. Therefore, the Company proposes the election of one Corporate Auditor.

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
<p>Yoshiaki Fujikawa (March 13, 1956)</p> <p>Reappointment</p> <p>Tenure as Corporate Auditor: 12 years</p> <p>Attendance at meetings of the Board of Directors in the fiscal year ended March 31, 2026 19 / 19 (100%)</p> <p>Attendance at meetings of the Board of Corporate Auditors in the fiscal year ended March 31, 2026 14 / 14 (100%)</p>	<p>Apr. 1980 Joined The Kyowa Bank, Ltd. (currently Resona Bank Ltd.)</p> <p>Mar. 2002 Joined the Company</p> <p>Apr. 2007 General Manager of General Affairs Department of the Company</p> <p>Apr. 2008 General Manager of General Affairs Division of the Company</p> <p>Apr. 2010 General Manager of General Affairs Department of the Company</p> <p>June 2014 Standing Corporate Auditor of the Company (current position)</p>	<p>73,500 shares</p>
<p>[Reasons for nomination as candidate for Corporate Auditor] Yoshiaki Fujikawa has abundant experience and achievements in the Company's general affairs and human resources fields, including supervision of the Group's risk management system as General Manager of the General Affairs Division for many years. Currently, as a Standing Corporate Auditor, he gives advice based on his expert knowledge at the major meetings inside the Company, including the Board of Directors. He has been nominated to continue as a candidate for Corporate Auditor because he is expected to continue to provide his oversight of and useful suggestions about management in general, based on his experience and achievements.</p> <p>[Special interest between the candidate and the Company] There is no special interest.</p>		

(Note) 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 Yoshiaki Fujikawa 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. 5 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
<p style="text-align: center;">Nobufumi Hayashi (April 12, 1955)</p> <p style="text-align: center;">Outside</p>	<p>Mar. 1978 Joined Osaka office of Showa Audit Corporation (currently Ernst & Young ShinNihon LLC)</p> <p>Sept. 1981 Joined Marunouchi Accounting and Auditing Firm</p> <p>Mar. 1982 Registered as a Certified Public Accountant</p> <p>Aug. 1995 Partner at Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>Sept. 2014 Left Deloitte Touche Tohmatsu LLC</p> <p>Oct. 2014 Established Nobufumi Hayashi Accounting Office (current position)</p>	<p>– shares</p>
<p>[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.</p> <p>[Special interest between the candidate and the Company] There is no special interest.</p>		

- 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 3 and 4 (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]	•	•		•			•	•		
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 “executive”) 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 executive or employee of a major shareholder of the Company in the past five years
 - (iii) An executive 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 executive 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 executive 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 subsidiaries and affiliates
 - (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

Proposal No. 6 Renewal of Policy for Measures against Large-Scale Acquisitions of Share Certificates, Etc. of the Company (Policy for Measures against Takeovers)

The effective period of the policy for measures against large-scale acquisitions of share certificates, etc. of the Company (the “Policy”) that was approved by the shareholders at the 72nd Annual General Shareholders’ Meeting of the Company held on June 21, 2024 will expire at the conclusion of this Annual General Shareholders’ Meeting.

Since the adoption of Policy, the Company has continued to deliberate on appropriate policies for measures against takeovers (“takeover defense measures”) for the Company based on changing trends involving takeover defense measures. As a result, in advance of the expiration of the effective period of the Policy, the Company determined at the Board of Directors meeting held on May 14, 2026 to renew the contents of the Policy (the “Renewal”) as a measure to prevent decisions on the Company’s financial and business policies from being controlled by persons deemed inappropriate (Article 118, Item 3(b)(ii) of the Regulations for Enforcement of the Companies Act) in light of the basic policy regarding persons who control decisions on the Company’s financial and business policies (as provided in the main text of Article 118, Item 3 of the Regulations for Enforcement of the Companies Act; the “Basic Policy”), subject to the shareholders’ approval at this General Shareholders’ Meeting, and thus the Company hereby makes an announcement as detailed below. The section that has been substantially changed in the content of the Policy upon this renewal is the definition of “Non-Qualified Parties” stipulated in the exercise conditions for the Share Options (7. of Attachment 6 below).

In addition, all of the Directors (including four outside Directors) attended the Board of Directors meeting at which the Renewal was decided, and they unanimously approved, and passed a resolution in favor of, the Renewal. Also, upon making such resolution, all of the Corporate Auditors (including two outside Corporate Auditors) expressed an opinion to the effect that they had no objections in respect of the Renewal.

1. Reasons for Proposal

(1) Basic Policy Regarding the Persons Who Control Decisions on the Company’s Financial and Business Policies

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 Acquisitions of the share certificates, etc. of the Company 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 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 Acquisitions 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 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, 2026 is described in Attachment 1 ‘Status of Major Shareholders of the Company,’ 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 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 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 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 Source of the Company's Corporate Value and Measures to Realize the Basic Policy

(a) 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.

(b) 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 is aware that the following are challenges to be addressed for improving its corporate value: (i) establishing a system to gradually promote capital investment in both Japan and overseas in order for the Company to fulfill its supply responsibilities, (ii) improving the Company's research and development and quality assurance in order to meet the increasingly higher 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 will fulfill its responsibilities to its customers and society by placing strong emphasis on integrity (sincerity and sincerity) as the base of the Company's "pride in manufacturing," which it has long cherished, making determinations based on social norms and ethics, reexamining its daily operational processes beyond the challenges and problems it directly faces, and solidifying the Company's "pride in manufacturing." In addition, with regard to business processes, the Company will promote digital transformation (DX) by actively utilizing data, automation, and IT technologies in order to further enhance such processes.

The Company is placing greater importance on its supply chain management as a result of procurement difficulties and soaring costs for raw materials and disruptions to logistics networks brought about in recent years due to increasing geopolitical risk. In order to establish a more robust supply system, the Company will ensure stable procurement of raw materials that satisfies customer requirements and will continue to make company-wide efforts to strengthen 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.

(c) 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, the Company has a basic 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 previously examined an addition of DOE (dividend on equity) related policy; however, the Company is currently in an agile capital allocation phase focusing on capital investment to capture growth opportunities in the semiconductor market. Accordingly, in order to carry out highly balanced management between investment for the growth and shareholder returns, the Company decided to newly adopt a progressive dividend policy to maintain or increase dividends, in addition to existing basic policy, at least for the period of the current Medium & Long Term Business Plan (from the fiscal year ended March 2024 to the fiscal year ending March 2029). Through these policies, the Company aims to realize more robust and stable shareholder returns that are resilient to changes in the business environment.

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 that are used in the high-precision polishing process in which silicon wafers, which become semiconductor substrates, are flattened and mirror polished. The Company offers high-quality products and services by which a total solution for every step of the process from cutting to polish finishing can be achieved. The Company aims to become its customers' "most trusted partner" by continuing to provide highly distinctive new products supported by new technologies so that the Company can satisfy the increasingly sophisticated requirements of its customers.

In addition, in anticipation of the further future proliferation of electric vehicles and hybrid vehicles, the

Company is advancing its development of products for SiC substrates, for which demand is expected to increase over the medium to long term, and the Company is advancing the production of products for SiC substrates at its locations in the United States and Malaysia in order to supply those products to its customers around the world.

CMP (Chemical Mechanical Planarization) Business

In this business, the Company researches, develops, manufactures, and sells abrasives that are used in the manufacturing process of semiconductor devices. The types of films to be polished and the manufacturing process for which CMP is used are tending to increase as semiconductor devices have become more highly-functional and highly-integrated products with higher density. In addition, in recent years, the Company has been developing technology for three-dimensional integration of semiconductor devices and advancing mass production of such devices in order to improve their performance as a system and has been using CMP in this area. The Company has established manufacturing and development bases in Japan, the United States, and Taiwan, which are located near the manufacturing and development bases of its customers, thereby building closer relationships with customers and developing new products in accordance with customers' roadmaps.

Hard Disk Substrates Business

In this business, the Company researches, develops, manufactures, and sells abrasives that are 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, the replacement of hard disk drives with SSDs (solid-state drives) has largely run its course, and with the spread of AI, the need for large-capacity data storage has been increasing. Accordingly, the Company believes that demand for hard disk substrates for data centers will continue to increase. 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 and other products for a wide variety of materials (such as metal, resin, ceramic, and composite materials) and shapes (two-dimensional and three-dimensional) for various applications. The Company will continue to serve new surfacing requests of customers from various industries across the globe by not only supplying abrasives but also providing a wide range of polishing methods depending on the intended use, thereby offering total solutions, including everything from the recommendation of application-specific equipment and consumables, to the processing stage.

As an example of a specific initiative, the use of polish compounds for automobile exteriors has progressed, and the Company aims to expand sales of these products. In addition, the Company has launched a new polishing solutions business to meet the needs of customers who are considering the introduction of polishing processes for the first time.

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.

(d) Corporate Governance

The Company strives to improve corporate governance with a view to becoming a company that is trusted by shareholders, clients, and social communities by securing the transparency and effectiveness of its management through appropriate corporate activities in compliance with laws and ordinances and by aiming to enhance the corporate value under a governance system in which management supervision, business execution, and audits function effectively.

The Company has adopted the corporate auditor system, and two out of three Corporate Auditors are independent outside Corporate Auditors. Also, in preparation for cases where there is a shortage in the number of corporate auditors as required by law or ordinance, the Company has elected one replacement Corporate Auditor.

Half of the members of the Board of Directors (four out of eight members) are outside Directors, and if the proposal for the election of Directors to be submitted to this General Shareholders' Meeting is approved by shareholders, outside Directors will constitute a majority (four out of seven) of the members of the Board of Directors. In addition, for the purpose of establishing a management system that is able to promptly respond to changes in the management environment, the Company has, as before, set the term of office of each Director at one year, and also has a system under which the Company's shareholders may exert their influence over the Company's governance through the annual election and dismissal of Directors.

Meetings of the Board of Directors are held at least once a month, at which matters that require a resolution by the Board of Directors under law, ordinance, or the Company's Articles of Incorporation are resolved and important matters relating to the supervision of business operation and management are deliberated on and reported from time to time. In addition, for the purpose of promptly responding to changes in the management environment, the Company holds Management Meetings composed of Directors and Senior General Managers, and other principal meetings every month, and confirmation of and measures in response to management issues, as well as other important matters relating to the Company's management, are examined and deliberated on at these meetings.

Corporate Auditors attend meetings of the Board of Directors and other principal meetings, where they state opinions or the like as necessary, and they also conduct audits under a fair monitoring system in cooperation with accounting auditors and the Internal Audit Department.

Furthermore, with an aim to stabilize management bases by appropriately handling a variety of risks that are likely to cause impacts on the business operation of the Company's group, the Company has established the Global Risk Management Committee, whereby the confirmation and evaluation of risks, examination of countermeasures, and other risk management activities are performed on a global basis for minimizing impacts that may be caused if any risks are revealed.

In addition, in order to enhance the objectivity and transparency of the procedures for the election or appointment of, dismissal or removal of, and determination of compensation for, the Company's management, the Company has established the Advisory Committee, the majority of whose members are outside Directors, to deliberate on matters relating to election or appointment of, dismissal or removal of, and determination of compensation for, the President, Directors, and outside Directors, as well as matters relating to succession planning for the President and other key executives.

The Company will continue to strive to improve corporate governance and take measures to enhance its corporate value.

(3) Purpose of the Renewal

Based on the Basic Policy set out in 1.(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 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.

As set out in 2.(4)(a) below, under the Policy, in order to secure the reasonableness and fairness of decisions on matters such as whether it is appropriate or not to trigger countermeasures, the Company shall establish an independent committee as an organization independent from the Board of Directors in accordance with the Independent Committee Rules (an outline of which is provided in Attachment 2) (the "Independent Committee"). The Independent Committee must have no less than three members, and the members must be appointed from among persons who are independent from the Company's executive management team, such as outside Directors, outside Corporate Auditors, lawyers, certified public tax accountants, certified public accountants, experienced academics, persons who are familiar with investment bank business, or outside parties who have experience of serving as a director or an executive officer at other companies. Upon the Renewal, three persons in total, namely Mr. Masami Kawashita, Ms. Atsuko Yoshimura, and Mr. Kazunori Shibata, will assume office as members of the Independent Committee. The profile of each member is set out in Attachment 3 'Profiles of the Independent Committee Members.'

The outline of the Policy is set out in Attachment 4 'Outline of the Policy (Flowchart of Procedures to be Followed if an Acquisition is Commenced).'

2. Details of the Policy

(1) Establishment of the Large-Scale Acquisition Rules

Under the Policy, if an act that falls under (I), (II), or (III) below or any similar act, or a proposal¹ for such act (excluding acts that have been approved by the Board of Directors in advance, an "Acquisition"; a party that conducts or makes a proposal for an Acquisition, an "Acquirer") takes place or such act is proposed by an Acquirer, countermeasures under the Policy may be triggered.

- (I) A purchase or other acquisition that would result in the holding ratio of share certificates, etc. (*kabuken tou hoyuu wariiai*)² of a holder (*hoyuusha*)³ totaling 20% or more of the share certificates, etc. (*kabuken tou*)⁴ issued by the Company;
- (II) A tender offer (*koukai kaitsuke*)⁵ that would result in the ownership ratio of share certificates, etc. (*kabuken tou shoyuu wariiai*)⁶ of the party conducting the tender offer and the ownership ratio of share certificates, etc. of a specially related party (*tokubetsu kankei-sha*)⁷ totaling 20% or more of the share certificates, etc. (*kabuken tou*)⁸ issued by the Company; or

¹ "Proposal" includes solicitation of a third party.

² Meaning a "holding ratio of share certificates, etc." prescribed in Article 27-23(4) of the Financial Instruments and Exchange Act; the same applies below. If any law, ordinance, or the like referred to in the Policy is amended (including any changes to the title of the law or ordinance and establishment of a new successor law, ordinance, or the like), each provision and term of such law, etc. must be read as the respective provision or term of the law, etc. that substantially replaces the predecessor law, etc. after the amendment, unless otherwise provided for by the Board of Directors.

³ Meaning a holder prescribed in Article 27-23(1) of the Financial Instruments and Exchange Act and including persons described as a holder under Article 27-23(3) of the Act (including persons who are deemed to fall under the above by the Board of Directors); the same applies below.

⁴ Meaning "share certificates, etc." prescribed in Article 27-23(1) of the Financial Instruments and Exchange Act; the same applies below unless otherwise provided for.

⁵ Meaning a "tender offer" prescribed in Article 27-2(6) of the Financial Instruments and Exchange Act; the same applies below.

⁶ Meaning an "ownership ratio of share certificates, etc." prescribed in Article 27-2(8) of the Financial Instruments and Exchange Act; the same applies below.

⁷ Meaning a "specially related party" prescribed in Article 27-2(7) of the Financial Instruments and Exchange Act (including persons who are deemed to fall under the above by the Board of Directors); provided, however, that persons provided for in Article 3(2) of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other than Issuer are excluded from the persons described in Article 27-2(7)(i) of the Financial Instruments and Exchange Act; the same applies below.

⁸ Meaning "share certificates, etc." prescribed in Article 27-2(1) of the Financial Instruments and Exchange Act.

(III) Regardless of whether any one of the acts provided for in items (I) and (II) above is conducted, an act⁹ (i) conducted between (a) a person who intends to acquire share certificates, etc. of the Company, a joint holder (*kyoudou hoyuusha*)¹⁰ 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 other¹¹ 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.

(a) Submission in Advance to the Company of Statement of Intent to Conduct Large-Scale Acquisition

First, the Company will request an Acquirer to submit to the Company before effecting an Acquisition a “Statement of Intent to Conduct Large-Scale Acquisition” (signed by or affixed with the name and seal of the representative of the Acquirer) in the form prescribed by the Company and in Japanese, stating matters such as an undertaking that the Acquirer will comply with the procedures set out in the Policy (the “Large-Scale Acquisition Rules”).

Specifically, the Statement of Intent to Conduct Large-Scale Acquisition must include the following matters.

- (i) Outline of the Acquirer
 - (A) Name and address or location
 - (B) Name of the Representative
 - (C) Purpose and description of business
 - (D) Outlines of major shareholders or large investors (10 largest shareholders or investors in terms of the number of shares held or contribution ratio)
 - (E) Contact information in Japan
 - (F) Governing law of incorporation
- (ii) Type and number of share certificates, etc. of the Company that are held by the Acquirer at the relevant time and the status of transactions involving share certificates, etc. of the Company by the Acquirer during the period of 60 days before the submission of the Statement of Intent to Conduct Large-Scale Acquisition
- (iii) Outline of the Acquisition proposed by the Acquirer (type and number of share certificates, etc. of the Company that the Acquirer intends to acquire through the Acquisition and the outline of the purpose of the Acquisition (including purposes such as the acquisition of a controlling interest or participation in the management, net investment or policy-based investment, or the transfer of the share certificates, etc. of the Company after the Acquisition, or, if the purpose of the Acquisition is to make a material proposal¹² or there is any other purpose, to that effect and an outline thereof; if there are several purposes, all of them must be stated))
- (iv) Undertaking that the Acquirer will comply with the Large-Scale Acquisition Rules (no conditions or reservations may be attached)

⁹ The Board of Directors must, respecting the judgment of the Independent Committee, reasonably determine whether or not any act prescribed in item (III) of the main text has been conducted. In addition, the Board of Directors may, to the extent necessary for determining whether or not the requirements prescribed in item (III) of the main text are satisfied, request the Company’s shareholders to provide necessary information.

¹⁰ As defined in Article 27-23(5) of the Financial Instruments and Exchange Act, including persons regarded as a joint holder under Article 27-23(6) of the Financial Instruments and Exchange Act (including persons who are deemed a joint holder by the Board of Directors); the same applies hereinafter.

¹¹ Determination as to whether 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” has been established between them will be made based on certain factors, such as the existence of a current or past capital relationship (including a joint control relationship), business alliance relationship, business relationship, contractual relationship, relationship of interlocking directorate, provision of financing, and credit granting, whether any ramping of the price of the Company’s share certificates, etc. has occurred, the status of exercise of voting rights pertaining to the Company’s share certificates, etc., whether there is any beneficial interest in the Company’s share certificates, etc. through derivatives, stock lending, and other transactions, and direct or indirect effects on the Company caused by that Acquirer of Share Certificates, Etc. and the other shareholder(s).

¹² Meaning a “material proposal” prescribed in Article 27-26(1) of the Financial Instruments and Exchange Act, Article 14-8-2(1) of the Order for Enforcement of the Financial Instruments and Exchange Act, and Article 16 of the Cabinet Office Order on Disclosure of the Status of Large-Volume Holdings in Share Certificates.

When submitting the Statement of Intent to Conduct Large-Scale Acquisition, the Acquirer will be requested to attach a certified copy of commercial register, a copy of its articles of incorporation, or any other documents that prove the existence of the Acquirer and the qualification of the representative who signed or affixed his/her name and seal to the Statement of Intent to Conduct Large-Scale Acquisition.

(b) Provision of “Large-Scale Acquisition Information”

If the Statement of Intent to Conduct Large-Scale Acquisition set out in (a) above is submitted, 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 (“Large-Scale Acquisition Information”) in accordance with the following procedures. If the Board of Directors is provided with the Large-Scale Acquisition Information, it shall promptly provide it to the Independent Committee. Any Large-Scale Acquisition Information must be provided in Japanese.

First, the Company will send to the Acquirer a “List of Large-Scale Acquisition Information” to the address of the contact information in Japan set out in (a)(i)(F) above, describing information that must be initially submitted by the Acquirer, within 10 business days¹³ (the first day of the period is not included for the purpose of the calculation) from the date on which the Company receives the Statement of Intent to Conduct Large-Scale Acquisition, and disclose that list to the Company’s shareholders. The Acquirer will then be requested to provide sufficient information to the Board of Directors in accordance with the List of Large-Scale Acquisition Information.

Also, if, in light of the terms, form, and other details of the Acquisition, the Board of Directors reasonably determines that the information that was submitted by the Acquirer in accordance with the List of Large-Scale Acquisition Information above is not 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, the Board of Directors will request the Acquirer to provide additional information to be separately requested by the Board of Directors after setting a reply deadline as appropriate. However, the final reply deadline (the “Final Reply Deadline”) must, as a general rule, be no later than 60 days from the date on which the Statement of Intent to Conduct Large-Scale Acquisition is received even if the Board of Directors does not determine that necessary and sufficient information has been submitted (unless the Acquirer requests that the deadline should be extended, in which case the Final Reply Deadline may be extended to the extent necessary). Regardless of the terms, form, or other details of the Acquisition, all of the information set out in the items below must be included in the List of Large-Scale Acquisition Information as a general rule.

- (i) Details (including name, financial position, operation results and other status of accounting, an outline of the relationships between companies in the Acquirer’s group (the “Acquirer Group”) (such as capital relationship, business relationship and personnel relationship), and the details and results of any act conducted in the past by the Acquirer Group that is similar to the Acquisition) of the Acquirer and the companies in the Acquirer Group (including joint holders, specially related parties, and specially related parties of a person in relation to whom the Acquirer is the controlled corporation, etc.¹⁴).¹⁵
- (ii) The purpose, method and specific terms of the Acquisition (including the structure of any related transactions and opinions on the legality of the Acquisition and the feasibility of the Acquisition).
- (iii) The type and amount of the consideration for the Acquisition (and an exchange ratio if the type of the consideration is securities, etc.) and grounds and backgrounds for the calculation of the amount.
- (iv) The status of financing required for the Acquisition, the outline of the parties that provide funds and the outline of related transactions.
- (v) Information on any past acquisitions or disposals of share certificates, etc. of the Company by the Acquirer Group.
- (vi) Specific terms of any agreement between the Acquirer and a third party regarding the share certificates,

¹³ “Business day” means any day other than days listed in the items of Article 1(1) of the Act on Holidays of Administrative Organs; the same applies below.

¹⁴ Defined in Article 9(5) of the Order for Enforcement of the Financial Instruments and Exchange Act.

¹⁵ If an Acquirer is a fund, information relating to the matters described in (i) about each partner and other constituent members is required.

etc. of the Company that the Acquirer already holds or intends to acquire through the Acquisition.

- (vii) Post-Acquisition management policy, business Policy, capital and dividend policies for the Company Group.
- (viii) If the Acquirer intends to acquire additional share certificates, etc. of the Company after the Acquisition, reasons for and the details of the acquisition.
- (ix) If it is expected that share certificates, etc. of the Company will be delisted after the Acquisition, to that effect and reasons for delisting.
- (x) Policy for dealing with the shareholders (other than the Acquirer), employees, trading partners, customers, social communities and other stakeholders of the Company.
- (xi) Information on any relationship between the Acquirer Group and an anti-social force.
- (xii) Any other information that the Independent Committee, etc. reasonably considers necessary.

If the Company receives a proposal for an Acquisition, it will promptly make disclosure thereof, and if the Company determines it necessary in order for the shareholders to make decisions on the Acquisition, it will disclose, at the timing it deems appropriate, all or part of the information provided by the Acquirer.

In addition, if the Board of Directors reasonably determines that the provision of the Large-Scale Acquisition Information by the Acquirer has been completed or the Final Reply Deadline has passed, the Company will give notice to the Acquirer to that effect (“Information Provision Completion Notice”) and promptly make disclosure to that effect.

(c) Setting of the Board of Directors’ Evaluation Period and Other Related Matters

After giving an Information Provision Completion Notice, the Company will, according to the difficulty of evaluation of the Acquisition or other issues relating to the Acquisition, set a period for evaluation, examination and negotiation of, formulating opinions on, and drafting an alternative plan for, the Acquisition by the Board of Directors, which will be a period of 60 days if the Acquisition by the Acquirer targets all of the share certificates, etc. of the Company solely in exchange for money as consideration (Japanese yen), or a period of 90 days in the event of other Acquisitions (in each case, the first day of the period is not included for the purpose of the calculation) (the “Board of Directors’ Evaluation Period”). If there are any unavoidable circumstances that prevent the Board of Directors from passing a resolution to trigger or not to trigger the countermeasures within the Board of Directors’ Evaluation Period for reasons such as the Independent Committee not reaching a decision on a recommendation set out in (4)(a) below within the Board of Directors’ Evaluation Period, the Board of Directors may extend the Board of Directors’ Evaluation Period to the extent necessary (up to 30 days; the first day of the period is not included for the purpose of the calculation) based on a recommendation made by the Independent Committee. If the Board of Directors resolves to extend the Board of Directors’ Evaluation Period, it will timely and appropriately disclose the specific period of extension for which the resolution was passed and the reason why the specific period is necessary in accordance with the applicable laws, ordinances, or the like and the rules of the stock exchange.

The Acquirer may commence the Acquisition only after the passing of the Board of Directors’ Evaluation Period, or, in cases where a meeting to confirm shareholders’ intent is to be held or a vote in writing is to be conducted as described in (2)(c) below, the Acquirer may commence the Acquisition only after a proposal for countermeasures is rejected.

During the Board of Directors’ Evaluation Period, the Board of Directors will fully evaluate and consider matters such as the Acquirer, the specific terms of the Acquisition, and the impact of the Acquisition on the corporate value of the Company and, in turn, the common interests of its shareholders, based on the Large-Scale Acquisition Information provided by the Acquirer while obtaining advice from experts and other outside parties as necessary, carefully summarize opinions as the Board of Directors on the Acquisition and give notice to the Acquirer, and timely and appropriately make announcements to shareholders regarding these matters. In addition, the Board of Directors may, if necessary, negotiate the conditions for and methods of the Acquisition with the Acquirer, and, furthermore, present its alternative proposal to shareholders.

(2) Policy for Measures in Response to an Acquisition

- (a) Conditions for Triggering of Countermeasures

(i) If an Acquirer conducts an Acquisition not in compliance with the Large-Scale Acquisition Rules
If an Acquirer conducts or intends to conduct an Acquisition not in compliance with the Large-Scale Acquisition Rules (including cases where the Acquirer does not provide time or information considered reasonably necessary to make a determination regarding the details of the Acquisition) and it is necessary and reasonable to trigger countermeasures, the Board of Directors may, regardless of the specific conditions, methods, and other terms of the Acquisition, determine that the Acquisition would significantly harm the corporate value of the Company and, in turn, the common interests of its shareholders, and take countermeasures that are necessary and reasonable to ensure and enhance the corporate value of the Company and, in turn, the common interests of its shareholders in accordance with (b) below.

(ii) If an Acquirer conducts an Acquisition in compliance with the Large-Scale Acquisition Rules
If an Acquirer conducts or intends to conduct an Acquisition in compliance with the Large-Scale Acquisition Rules, the Board of Directors will not immediately take countermeasures to the Acquisition even if it objects to the Acquisition, although this does not eliminate the possibility that it may take actions such as declaring an opposing opinion, presenting an alternative proposal, or providing an explanation to shareholders. A decision on whether or not to accept the proposal for the Acquisition will be made by each shareholder taking into consideration the Large-Scale Acquisition Information relating to the Acquisition, opinions of the Board of Directors on the Acquisition, any alternative proposals, and other matters relating to the Acquisition.

However, even if an Acquirer conducts or intends to conduct an Acquisition in compliance with the Large-Scale Acquisition Rules, if the Acquisition is determined to fall under any of the categories listed in Attachment 5 or there are circumstances based on which the Acquisition is suspected of falling under any such categories from an objective and reasonable perspective, the Board of Directors may take countermeasures necessary and reasonable to ensure and enhance the corporate value of the Company and, in turn, the common interests of its shareholders in accordance with (b) below.

(b) Procedures for Triggering Countermeasures

When the Board of Directors makes a decision on whether or not to trigger countermeasures, the following procedures must be followed in order to secure the reasonableness and fairness of the decision.

First, before triggering countermeasures, 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. The Board of Directors shall respect the recommendation of the Independent Committee to the maximum extent when making a decision on whether or not to trigger the countermeasures.

In addition to the consultation with the Independent Committee described above, the Board of Directors shall, while obtaining advice from experts and other outside parties as necessary, evaluate, consider, and take other actions in relation to, the Acquirer, the specific terms of the Acquisition, and matters such as the impact of the Acquisition on the corporate value of the Company and, in turn, the common interests of its shareholders, based on the Large-Scale Acquisition Information provided by the Acquirer, and then make a decision on whether or not to trigger the countermeasures.

However, if the procedures for confirming the intent of shareholders are to be implemented in accordance with (c) below, the Board of Directors shall follow the outcome of these procedures.

(c) Confirmation of Shareholders' Intent

The Board of Directors may, after giving maximum consideration to the recommendation made by the Independent Committee, choose between (i) a shareholders' vote at a meeting to confirm shareholders' intent and (ii) a vote in writing, and implement that process as the procedure for confirmation of the intent of shareholders. A meeting to confirm shareholders' intent may be held at the same time as an ordinary or extraordinary general shareholders' meeting.

If the procedures for confirmation of the intent of shareholders are to be implemented or there is a possibility thereof, the Board of Directors will promptly set a record date for finalizing shareholders who

may exercise the right to cast votes (the “Record Date for Voting”) and make a public announcement no later than two weeks before the Record Date for Voting. Shareholders who may exercise the right to cast votes in the procedures for confirmation of the intent of shareholders are those shareholders who are written or recorded in the latest register of shareholders as of the Record Date for Voting and they are entitled to cast one vote per voting right. If a shareholders’ vote at a meeting to confirm shareholders’ intent is implemented, the proposal must be approved or rejected with a majority of votes cast by shareholders who attend the meeting, where shareholders representing at least one-third of all rights to cast votes must be present. If a vote in writing is implemented, shareholders representing at least one-third of all rights to cast votes must participate in the voting and the proposal must be approved or rejected with a majority of votes cast by those shareholders. The Board of Directors shall decide the method of confirmation of the intent of shareholders, that is, whether it will hold a meeting to confirm shareholders’ intent or implement a vote in writing, and promptly make disclosure of its decision. Also, if the Board of Directors holds a meeting to confirm shareholders’ intent or implements a vote in writing, it will promptly disclose information on the result of voting and other matters that the Board of Directors determines appropriate.

(d) **Discontinuation or Withdrawal of Countermeasures that Have Been Triggered**

Even if the Board of Directors triggers countermeasures in accordance with the procedures set out in (b) and (c) above, if (i) the Acquirer ceased to proceed with the Acquisition or withdrew its proposal for the Acquisition or (ii) there has been a change in the facts or other matters on which the decision on whether or not to trigger the countermeasures was made, leading to a situation under which it is considered unreasonable to maintain the countermeasures that had been triggered from the perspective of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders, the Board of Directors shall consult with the Independent Committee again regarding whether it is appropriate to maintain the countermeasures after presenting the specific circumstances that led to such a situation, and, while obtaining advice from experts and other outside parties as necessary, consider the possibility of discontinuing or withdrawing the countermeasures that had been triggered. The Independent Committee, based on the consultation, and while obtaining advice from experts and other outside parties as necessary, will consider whether it is appropriate to maintain the countermeasures, and will make a recommendation to the Board of Directors. The Board of Directors shall respect the recommendation of the Independent Committee to the maximum extent when making a decision on whether or not to maintain the countermeasures.

Based on the recommendation of the Independent Committee above, if the Board of Directors has reached the decision that it is not reasonable to maintain the countermeasures from the perspective of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders, it will discontinue or withdraw the countermeasures that had been triggered by passing an ordinary resolution at its meeting and promptly make disclosure to that effect. If a gratis allotment of Share Options (defined in (3) below; the same applies below) is implemented as a countermeasure, the gratis allotment of Share Options may be cancelled by the date that is two business days before the ex-rights date relating to the record date for the gratis allotment of Share Options (the “Ex-rights Date”) at the latest. However, any gratis allotment of Share Options may not be cancelled on or after the business day before the Ex-rights Date so that general investors who, before the Ex-rights Date, have sold or purchased the Company’s shares assuming that the economic value per share in the Company will be diluted due to the implementation of the gratis allotment of Share Options will not suffer damage by a fluctuation in the share price. However, the Company may acquire Share Options for no consideration during the period starting from the effective date of the gratis allotment of Share Options and ending on the date before the commencement date of the exercise period of the Share Options (in this case, shareholders who have sold or purchased the Company’s shares assuming that the economic value per share in the Company will be diluted may suffer damage by a fluctuation in the share price as described in 4.(2) below).

(3) **Details of Countermeasures**

As a countermeasure under the Policy, the Company will, in principle, implement a gratis allotment of share options, an outline of which is provided in Attachment 6 (“Share Options”), in accordance with a resolution by the Board of Directors. However, if it is determined appropriate to trigger other countermeasures that are permitted under the Companies Act, other law or regulation, or the Company’s Articles of Incorporation, such countermeasures may be taken.

(4) Establishment of the Independent Committee and Procedures for Consultation, Etc.

(a) Establishment of the Independent Committee

The Board of Directors will make a final decision on whether procedures have proceeded in compliance with the Large-Scale Acquisition Rules, and, if the Acquirer has acted in compliance with the Large-Scale Acquisition Rules, whether or not to take certain countermeasures that are considered necessary and reasonable in order to ensure and enhance the corporate value of the Company and, in turn, the common interests of its shareholders. However, in order to secure reasonableness and fairness of the Board of Directors' decision, the Company decided to establish the Independent Committee as an organization independent from the Board of Directors in accordance with the Rules of the Independent Committee, an outline of which is provided in Attachment 2. The Independent Committee must have no less than three members, and the members must be appointed from among persons who are independent from the Company's executive management team, such as outside Directors, outside Corporate Auditors, lawyers, certified public tax accountants, certified public accountants, experienced academics, persons who are familiar with investment bank business, or outside parties who have experience of serving as a director or an executive officer at other companies. Upon the Renewal, three persons in total, namely Mr. Masami Kawashita, Ms. Atsuko Yoshimura, and Mr. Kazunori Shibata, will assume office as members of the Independent Committee. The profile of each member is set out in Attachment 3 'Profiles of the Independent Committee Members.'

Based on the Large-Scale Acquisition Information provided by the Acquirer and while obtaining advice from experts and other outside parties as necessary, the Independent Committee will, within the Board of Directors' Evaluation Period, make a recommendation regarding measures to be taken by the Board of Directors in accordance with the Policy after evaluating, considering, and taking other actions in relation to, the specific terms of the Acquisition and matters such as the impact of the Acquisition on the corporate value of the Company and, in turn, the common interests of its shareholders.

Based on the recommendation of the Independent Committee and respecting the recommendation to the maximum extent, the Board of Directors will determine measures in accordance with the Policy. In addition, the Independent Committee, upon consultation by the Board of Directors, and while obtaining advice from experts and other outside parties as necessary, will consider whether or not to maintain the countermeasures that have been triggered and make a recommendation to the Board of Directors. The Board of Directors will make a decision on whether or not to maintain the countermeasures respecting to the maximum extent the recommendation of the Independent Committee.

The Independent Committee may, by itself or through the Board of Directors or other parties, require the Acquirer to provide additional Large-Scale Acquisition Information, have discussions or negotiations, or take other actions. The Acquirer must accept such request promptly.

Upon the submission of the Statement of Intent to Conduct Large-Scale Acquisition and the Large-Scale Acquisition Information by the Acquirer, in order to conduct an examination in comparison with matters such as the Board of Directors' management plan and the Company's corporate valuation by the Board of Directors from the perspective of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders, the Independent Committee may, after setting a reply deadline as appropriate (of up to 30 days and within the Board of Directors' Evaluation Period), request the Board of Directors to present its opinions on the Acquirer and the terms of the Acquisition, supporting materials, alternative proposals, or other information, materials or the like that the Independent Committee deems necessary (the "Board of Directors' Information"), and the Board of Directors shall accept such request. In addition, the Independent Committee may request that the Board of Directors, the Company's Board of Corporate Auditors, employees who participated in the formulation, etc., and third parties who provided advice at the time of the formulation, etc. provide explanations as required by the Board of Directors regarding the Board of Directors' Information.

(b) Discretionary consultation with the Independent Committee

If there is a doubt about whether the information provided by the Acquirer is sufficient as the Large-Scale Acquisition Information or the Board of Directors otherwise determines necessary, the Board of Directors may discretionarily consult with the Independent Committee regarding matters other than whether it is appropriate to trigger countermeasures or to maintain the countermeasures that have been triggered as described above, and if such consultation is made, the Independent Committee will consider the matters on which it has been consulted while obtaining advice from experts and other outside parties as necessary and make a recommendation to the Board of Directors. The Board of Directors shall also respect such recommendation of the Independent

Committee to the maximum extent.

(5) Effective Period, Abolition and Amendment of the Policy

The effective period of the Policy will be until the conclusion of the 76th General Shareholders' Meeting of the Company to be held in June 2028.

However, if, even before the expiration of the effective period of the Policy, the Board of Directors or the Company's general shareholders' meeting resolves to abolish or amend the Policy, the Policy will be abolished or amended at that time.

In addition, if the Policy is abolished or amended, the Company will promptly disclose the fact that such abolition or amendment has taken place or other matters that the Board of Directors determines appropriate in accordance with the applicable laws, ordinances, and the rules of the stock exchange.

3. Rationale of the Policy

(1) Placing High Value on Shareholders' Intent

The Policy will be renewed subject to the shareholders' approval at this General Shareholders' Meeting.

In addition, even if the proposal for the Renewal is approved at this General Shareholders' Meeting, (i) if the Company's general shareholders' meeting approves a proposal to abolish or amend the Policy, or (ii) if the Board of Directors composed of the Directors elected at the Company's general shareholders' meeting resolves to abolish or amend the Policy, the Policy will be abolished or amended at that time. Further, the Board of Directors may directly confirm the intent of shareholders by following procedures for confirming shareholders' intent regarding whether it is appropriate to trigger countermeasures, respecting to the maximum extent a recommendation of the Independent Committee.

(2) Fully Satisfying Requirements of the Guidelines for Takeover Defense Measures

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. These principles are namely:

- ensuring and enhancing the corporate value and, in turn, shareholders' common interests;
- prior disclosure and shareholder intent; and
- ensuring necessity and reasonableness.

In addition, the renewal of 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. Further, the Policy is consistent with the purposes of the rules regarding the introduction of takeover defense measures established by the Tokyo Stock Exchange and the Nagoya Stock Exchange.

(3) Renewal Being Made for Purpose of Ensuring and Enhancing Corporate Value of the Company and, in turn, Common Interests of Shareholders

As set out above in 1. (3) 'Purpose of the Renewal,' the renewal of the Policy is for the purpose of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders by requiring an Acquirer to provide in advance necessary information on the Acquisition that the Acquirer intends to conduct and to secure the period of time necessary for evaluating, considering, and taking other actions in relation to, the terms of the Acquisition.

(4) Establishment of Reasonable and Objective Requirements for Triggering Countermeasures

As set out above in 2.(2)(a) above, the Policy is established so that countermeasures will not be triggered unless reasonable and objective requirements have been satisfied, and ensures a structure to prevent arbitrary triggering

by the Board of Directors.

(5) Establishment of the Independent Committee

As set out in 2.(4) above, under the Policy, in order to secure the reasonableness and fairness of the Board of Directors' decision on matters such as whether procedures have proceeded in compliance with the Large-Scale Acquisition Rules, and, if the Acquirer has acted in compliance with the Large-Scale Acquisition Rules, whether or not to take certain countermeasures that are considered necessary and reasonable in order to ensure and enhance the corporate value of the Company and, in turn, the common interests of its shareholders, as well as to secure the reasonableness and fairness of the Policy in other respects, the Company decided to establish the Independent Committee as an organization independent from the Board of Directors.

In this way, a structure to prevent arbitrary operation of the Policy or triggering of countermeasures by the Board of Directors is ensured.

(6) No Dead-Hand or Slow-Hand Takeover Defense Measures

As set out in 2.(5) above, the Policy may be abolished at any time by a meeting of the Board of Directors composed of Directors who are elected by the Company's general shareholders' meeting even before the expiration of the effective period of the Policy. Therefore, the Policy is not a dead-hand takeover defense measure (a takeover defense measure in which even if a majority of the members of the Board of Directors are replaced, the triggering of the measure cannot be stopped). Also, as the term of office of the Company's Director is until the conclusion of the General Shareholders' Meeting relating to the last fiscal year ending within one year after the election, the Policy is not a slow-hand takeover defense measure either (a takeover defense measure in which triggering takes more time to stop due to the fact that all members of the Board of Directors cannot be replaced at once).

4. Impact on Shareholders and Investors

(1) Impact on Shareholders and Investors Upon the Renewal

Upon the Renewal, no actual gratis allotment of Share Options will be implemented. Therefore, the renewal of the Policy will have no direct specific impact on the legal rights and economic interests relating to the Company's shares held by shareholders and investors.

(2) Impact on Shareholders and Investors at the Time of Gratis Allotment of Share Options

If the Board of Directors decides to trigger countermeasures and passes a resolution for the implementation of a gratis allotment of Share Options in accordance with the general rule, the Company will allot Share Options to each shareholder who is stated or recorded in the Company's latest register of shareholders as of the record date to be separately determined at the ratio of at least one Share Option (to be separately determined by the Board of Directors) per share in the Company held by the shareholder on the effective date to be separately determined. Due to this framework of the countermeasures, the Company does not expect that any direct specific impact will be caused to legal rights and economic interests relating to the Company's shares held by shareholders and investors as a whole, because, although the economic value per share in the Company held by each shareholder and investor will be diluted at the time of the gratis allotment of Share Options, the economic value of the shares in the Company held by all shareholders and investors as a whole will not be diluted, and the ratio of voting rights held by each shareholder and investor will not be diluted, either.

However, even if the Board of Directors had resolved to implement a gratis allotment of Share Options, if the Board of Directors determines to discontinue or withdraw the countermeasures that it had triggered in accordance with the procedures set out in 2.(2)(d) above, investors who have sold or purchased the Company's shares assuming that the economic value per share in the Company will be diluted may suffer damage by a fluctuation in the share price because the economic value per share in the Company held by each shareholder and investor will not be diluted.

(3) Impact on Shareholders and Investors upon Exercise or Acquisition of Share Options after Implementation of Gratis Allotment of Share Options

If any of the Company's shareholders or investors other than the Acquirer does not exercise his/her Share Options or pay the monetary amount equivalent to the exercise price, the economic value per share in the Company and the ratio of voting rights held by him/her will be diluted by the exercise of Share Options by other shareholders.

However, if the Company acquires Share Options from shareholders other than Non-Qualified Parties (defined in 7. of Attachment 6; the same applies below) and delivers shares in the Company in exchange, the shareholders other than Non-Qualified Parties will receive shares in the Company without exercising Share Options or paying the monetary amount equivalent to the exercise price, and the economic value per share in the Company and the ratio of voting rights held by the shareholders will not be diluted as a general rule.

Regardless of the above, Share Options may not be assigned without approval from the Board of Directors, so please note that there is a possibility that collection by transfer of the portion of the value of capital invested in shares in the Company held by each shareholder that is attributable to Share Options may be restricted only to that extent during the period from the record date for the gratis allotment of Share Options to the date on which shares are delivered to the shareholders as a result of the exercise or acquisition of the Share Options.

On the other hand, because it is planned that discriminatory conditions will be attached in relation to the exercise or acquisition of Share Options, it is expected that the legal rights and other interests of Non-Qualified Parties will be diluted upon the exercise or acquisition of Share Options.

5. Procedures that are Required to be Followed by Shareholders Due to Gratis Allotment of Share Options

(1) Procedures to be Followed on Effective Date of Gratis Allotment of Share Options

If the Board of Directors decides to trigger countermeasures and passes a resolution for a gratis allotment of Share Options in accordance with the general rules, the Board of Directors will determine and give a public notice regarding the record date. Under the procedures for a gratis allotment of Share Options, all shareholders who are stated or recorded in the Company's register of shareholders on the record date will receive allotment of Share Options according to the number of shares held. The shareholders to whom Share Options are to be allotted will be granted Share Options as a matter of course on the effective date of the gratis allotment of Share Options, so no procedures, such as applying for such gratis allotment, will be necessary.

(2) Procedures that are Required to be Followed by Shareholders upon Exercise of Share Options by Shareholders or Acquisition by the Company of Share Options after Implementation of Gratis Allotment of Share Options

If the Company acquires Share Options in accordance with acquisition provisions, the Company will, in accordance with the procedures provided for in the Companies Act (Article 273 and Article 274 of the Companies Act), cause the Board of Directors to pass a resolution for each acquisition provision if there are several acquisition provisions, give a public notice to all share option holders, and then acquire the Share Options.

If the Company requests that shareholders other than Non-Qualified Parties should exercise Share Options after the exercise period for the Share Options has commenced, the Company will deliver documents to be submitted upon the exercise of the Share Options (including necessary matters such as the terms and number of the Share Options for exercise and the exercise date for the Share Options, as well as representations and warranties regarding matters such as that the shareholders themselves satisfy the exercise conditions of the Share Options, indemnity clauses and other covenants, and information necessary to record shares in the Company to the account to which the shares are to be transferred) and other documents necessary for the exercise of the Share Options. The shareholders will therefore be requested to exercise the Share Options during the exercise period (payment of a certain amount of money will be required at that time).

In either case, the Company will timely and appropriately disclose the details of the procedures in accordance with the applicable laws, ordinances, and rules of the stock exchange, so shareholders are requested to pay attention to information disclosure made by the Company if countermeasures are to be triggered.

6. Other Matters

The Board of Directors will continue to pay attention to future trends in judicial decisions and responsive

measures, etc. taken by stock exchanges and other public institutions, amendments to the Financial Instruments and Exchange Act and other regulations such as the listing regulations of stock exchanges, as well as the establishment, amendment, and abolishment of or to other laws, ordinances, or the like, and will, from the perspective of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders, review the Policy or take other appropriate measures as necessary, which may include the introduction of separate takeover defense measures in place of the Policy.

Attachment 1**Status of Major Shareholders of the Company**

The status of the major shareholders of the Company as of March 31, 2026 is as follows.

Name of Shareholder	Investment in the Company	
	Number of shares owned (thousands)	Ratio of the number of shares owned to the total number of issued shares (%)
Koma Co., Ltd.	13,381	17.7
The Master Trust Bank of Japan, Ltd. (Trust account)	7,911	10.4
Custody Bank of Japan, Ltd. (Trust account)	4,424	5.8
Fujimi Suppliers' Stock Ownership Program	1,960	2.5
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	1,948	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
HSBC - FUND SERVICES CLIENTS A/C 500 (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	1,604	2.1
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
Total	37,898	50.2

(Each number of shares less than 1,000 is disregarded and each percentage is rounded to one decimal place.)

Note: The ratio of the number of shares owned to the total number of issued shares is calculated by excluding the number of shares of treasury stock (4,646,244 shares).

Attachment 2

Outline of the Rules of the Independent Committee

1. The Independent Committee is established as a consultative body of the Board of Directors by resolution of the Board of Directors for the purpose of eliminating arbitrary decisions of the Board of Directors on the operation of the Policy, the triggering of countermeasures and other matters and securing the reasonableness and fairness of the decisions.
2. The Independent Committee has no less than three members, and the members are appointed from among persons who are independent from the Company's executive management team, such as outside Directors, outside Corporate Auditors, lawyers, certified public tax accountants, certified public accountants, experienced academics, persons who are familiar with investment bank business, or outside parties who have experience of serving as a director or an executive officer at other companies based on a resolution at a meeting of the Board of Directors. The Company will execute an agreement that contains provisions regarding the duty of care of a good manager and confidentiality obligation with each member of the Independent Committee.
3. Unless otherwise determined in a resolution by the Board of Directors, the term of office of a member of the Independent Committee will be until the date of conclusion of the General Shareholders' Meeting to be held within one year from the appointment or the date on which the member of the Independent Committee and the Company separately agree.
4. Meetings of the Independent Committee are convened by the representative director of the Company or a member of the Independent Committee.
5. The Chair of the Independent Committee will be appointed by and from among the members of the Independent Committee.
6. As a general rule, resolutions of meetings of the Independent Committee will pass with a majority when all the members of the Independent Committee are in attendance. However, if any of the members of the Independent Committee is unable to attend a meeting or there is any other special reason, resolutions may be passed with a majority when a majority of the members of the Independent Committee are in attendance.
7. The Independent Committee will pass resolutions regarding the matters listed in the items below after evaluation and examination based on the consultation by the Board of Directors, and make recommendations to the Board of Directors containing the details of and reasons for the resolutions:
 - (1) whether it is appropriate to trigger countermeasures under the Policy (including a decision on whether or not an Acquisition will significantly harm the corporate value of the Company and, in turn, the common interests of its shareholders);
 - (2) whether it is appropriate to maintain countermeasures under the Policy;
 - (3) abolition of and amendments to the Policy; and
 - (4) other matters on which the Board of Directors discretionary consult with the Independent Committee in relation to the Policy.
8. In deliberating on matters and passing resolutions at meetings of the Independent Committee, each member of the Independent Committee must act solely with a view to considering whether or not the corporate value of the Company and, in turn, the common interests of its shareholders will be enhanced, and not for their own interests or those of the management of the Company.
9. The Independent Committee may, if necessary, request the attendance of a Director, Corporate Auditor, or an employee of the Company, or any other party that the Independent Committee considers necessary, and may require explanation of any matter it requires.
10. In performing its duties, the Independent Committee may, at the Company's expense, obtain the advice of experts and other outside parties who are independent from the Company's management team (including investment banks, securities companies, financial advisers, certified public accountants, lawyers, consultants and other experts).

Attachment 3**Profiles of the Independent Committee Members**

Masami Kawashita (September 3, 1949)

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

Atsuko Yoshimura (May 6, 1971)

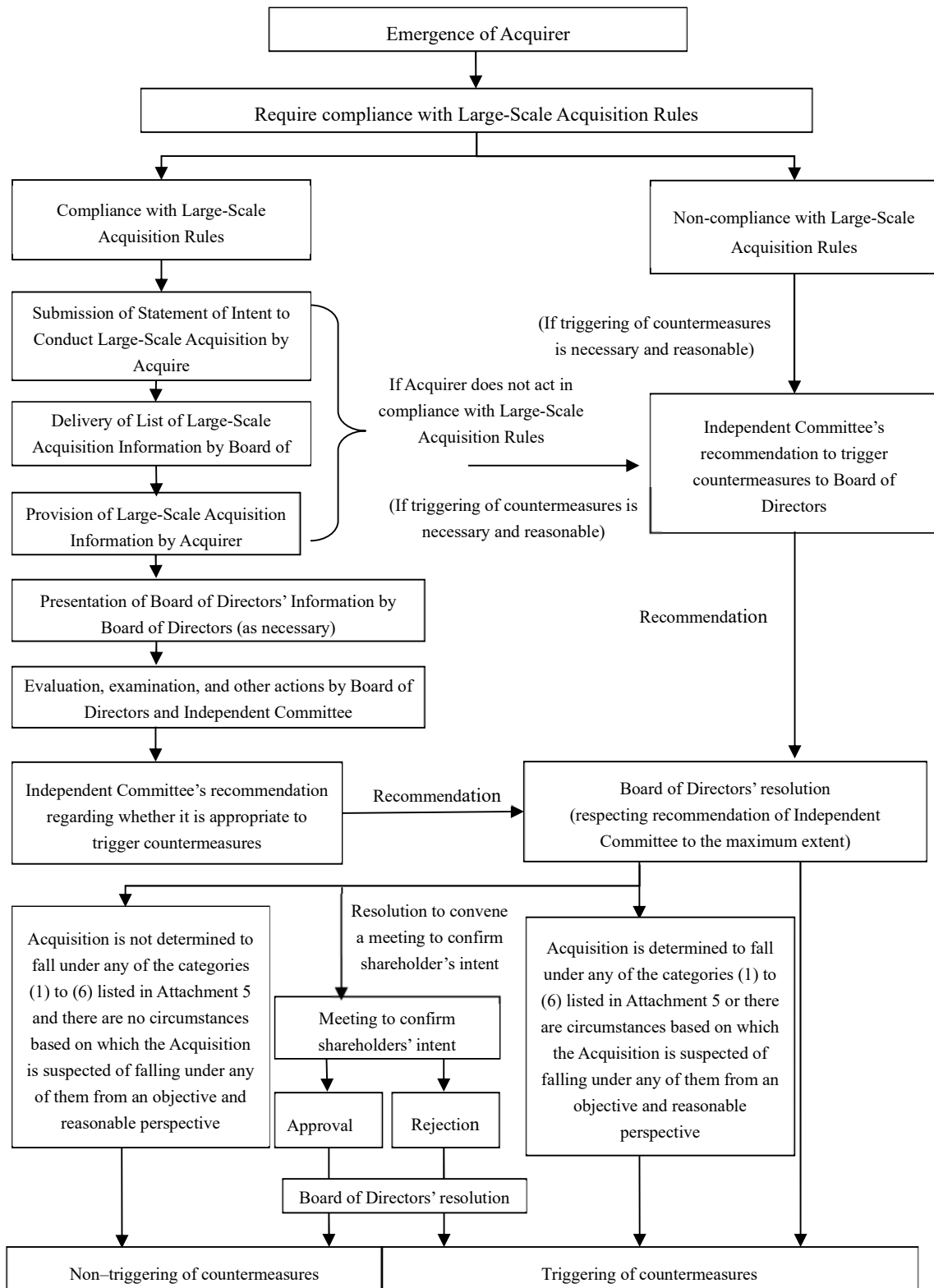
Apr. 1995	Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION (currently NTT, Inc.)
May 2002	Transferred to NTT Communications Corporation (currently NTT DOCOMO BUSINESS, Inc.)
June 2004	Joined JPMorgan Securities Japan Co., Ltd.
Mar. 2007	Joined UBS Securities Japan Co., Ltd.
Mar. 2015	Joined Goldman Sachs Japan Co., Ltd.
Sept. 2020	Managing Director and in charge of Asia Region Strategy of Roquette Japan K.K.
Dec. 2021	Representative Director and President, Managing Director and in charge of Asia Region Strategy
June 2022	Outside Director of the Company (current position)
Mar. 2023	Representative Director of VG-C Inc. (current position)
Dec. 2023	CEO and Co-founder of PhytoMol-Tech Inc. (current position)
Jan. 2024	Managing Director of DAIZ Engineering Inc. (currently SprouTx Inc.) (current position)
June 2025	Outside Director of ASAHI YUKIZAI CORPORATION (current position)

Kazunori Shibata (June 22, 1956)

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

Attachment 4

Outline of the Policy
(Flowchart of Procedures to be Followed if an Acquisition is Commenced)



This chart was prepared as a reference material solely for the purpose of helping shareholders understand the details of the Policy. Please refer to the text of the press release titled “Renewal of Policy for Measures against Large-Scale Acquisitions of Share Certificates, Etc. of the Company (Policy for Measures against Takeovers)” for the details of the Policy.

Attachment 5

Requirements for Triggering Countermeasures

- (1) It is determined that the corporate value of the Company and, in turn, the common interests of its shareholders would be significantly harmed because:
 - (a) the Acquirer is determined to be a person who acquires or intends to acquire the share certificates, etc. of the Company merely for the purpose of inflating the share price and forcing the Company or the Company's stakeholders to buy the share certificates, etc. of the Company at a high price even though the Acquirer does not intend to actually participate in the Company's management (so-called "greenmailer");
 - (b) it is determined that the Acquirer is acquiring the share certificates, etc. of the Company for the purpose of transferring the Company's or the Company's group companies' assets, such as intellectual property rights, know-how, corporate confidential information, major trading partners, or clients, that are necessary for their business management by temporarily controlling the Company's management;
 - (c) it is determined that the Acquirer is acquiring the share certificates, etc. of the Company for the purpose of diverting the Company's or the Company's group companies' assets to secure or repay debts of the Acquirer, its group companies, or other parties after controlling the Company's management; or
 - (d) it is determined that the Acquirer is acquiring the share certificates, etc. of the Company for the purpose of temporarily controlling the Company's management to bring about a sale or other disposal of high-value assets such as real property and securities that are not related to the Company's or the Company's group companies' businesses for the time being, and declaring temporarily high dividends from the profits of the disposal, etc., or selling the share certificates, etc. of the Company at a high price taking advantage of the opportunity afforded by the sudden rise in share prices created by the temporarily high dividends.
- (2) It is determined that the method of acquisition of the share certificates, etc. of the Company proposed by the Acquirer corresponds to a type of acquisition that restricts shareholders' opportunity for, or discretion in, making decisions on the acquisition and in effect threatens to coerce the shareholders into selling share certificates, etc. of the Company, such as a coercive two-tiered acquisition (meaning an acquisition of share certificates, etc. including tender offers, in which no offer is made to acquire all share certificates, etc. of the Company in the initial acquisition, and acquisition terms for the second stage are set that are unfavorable or unclear).
- (3) It is determined that the financial conditions of the Acquisition proposed by the Acquirer (including the type and amount of consideration for acquisition, the basis of calculation of the amount, and the timing and method of payment of consideration for acquisition) are significantly inadequate or inappropriate in light of the corporate value of the Company and, in turn, the common interests of its shareholders.
- (4) It is determined that the corporate value of the Company in the case of the Acquirer having acquired control of the Company would become significantly inferior to the corporate value of the Company that would be realized otherwise when future corporate value over the medium to long term in each case is compared with each other.
- (5) The Acquirer is determined to be an anti-social force or a person equivalent thereto.
- (6) It is determined that the proposal from the Acquirer includes the contents (including the existence of illegality and feasibility of the Acquisition, management policies or business plans after the Acquisition, and policies dealing with the Company's shareholders (excluding the Acquirer), clients, employees, and any other stakeholders in the Company after the Acquisition, as well as the financial conditions of the Acquisition) that may cause a material threat to be contrary to the corporate value of the Company and, in turn, the common interests of its shareholders, by ways such as harming the Company's technological and development capabilities, the relationship of trust with clients, and other assets that are indispensable to the generation of the corporate value of the Company.

Attachment 6

Outline of Share Options

1. **Total Number of Share Options to be Allotted**
The total number of Share Options to be allotted will be the same number as the number (to be separately determined) that is equal to or more than the most recent total number of issued shares of common stock in the Company (excluding the number of shares of common stock in the Company held by the Company at that time) on a certain date (the “Allotment Date”) that is separately determined in a resolution by the Board of Directors relating to the gratis allotment of Share Options (“Gratis Allotment Resolution”).
2. **Shareholders Eligible for Allotment**
The Company will allot Share Options for no consideration to each shareholder who is stated or recorded in the latest register of shareholders on the Allotment Date, at the ratio of at least one Share Option (to be separately determined by the Board of Directors) per share of common stock in the Company (excluding the number of shares of common stock in the Company held by the Company at that time) owned by the shareholder.
3. **Effective Date of Gratis Allotment of Share Options**
The effective date of the gratis allotment of Share Options will be separately determined in the Gratis Allotment Resolution.
4. **Type and Number of Shares to be Acquired upon Exercise of Share Options**
The type of shares to be acquired upon exercise of Share Options is shares of common stock in the Company, and the number of shares to be acquired upon exercise of each Share Option (the “Applicable Number of Shares”) shall be one share. However, if the Company implements a share split, share consolidation, or the like, necessary adjustments must be made.
5. **Details and Amount of Contributions upon Exercise of Share Options**
Contributions upon exercise of the Share Options are to be in cash, and the amount per share of common stock in the Company to be contributed upon exercise of the Share Options will be an amount separately determined in the Gratis Allotment Resolution, which must be equal to or more than one yen.
6. **Restriction on Assignment of Share Options**
Any assignment of Shares Options requires approval from the Board of Directors.
7. **Conditions for Exercise of Share Options**
The following parties may not exercise the Share Options (the parties falling under (I) through (V) below are collectively referred to as “Non-Qualified Parties”¹⁶):
 - (I) Acquirers;
 - (II) Joint holders of Acquirers (including parties with whom joint holders of an Acquirer have a special capital relationship¹⁷);
 - (III) Specially related parties of Acquirers (including parties with whom specially related parties of an Acquirer have a special capital relationship);
 - (IV) Any transferee of, or successor to, the Share Options of any party falling under (I) through (III) without the approval of the Board of Directors (including their joint holders and specially related parties); or
 - (V) Any Affiliated Party¹⁸ of any party falling under (I) through (IV).

¹⁶ A party that the Board of Directors recognizes as a party whose acquisition or holding of share certificates, etc. of the Company is not contrary to the Company’s corporate value or the common interests of shareholders or certain other party that the Board of Directors separately determines in the Gratis Allotment Resolution does not constitute a Non-Qualified Party.

¹⁷ As defined in Article 9(1) of the Order for Enforcement of the Financial Instruments and Exchange Act; the same applies below.

¹⁸ An “Affiliated Party” of a given party means a person who substantially controls, is controlled by, or is under common control with such given party (including any party who is deemed to fall under the above by the Board of Directors), or a party deemed by the Board of Directors to act in concert with such given party. “Control” means to “control the determination of the financial and business policies” (as prescribed in Article 3(3) of the Enforcement Regulations of the Corporation Law) of other corporations or entities.

In determining whether a person constitutes a Non-Qualified Party¹⁹, the Board of Directors shall hear opinions from the Independent Committee and respect the recommendation of the Independent Committee to the maximum extent. The details of conditions for exercise of Share Options will be separately determined in the Gratis Allotment Resolution.

Further, nonresidents of Japan who are required to follow certain procedures under applicable foreign laws and ordinances to exercise the Share Options may not as a general rule exercise the Share Options (provided, however, that the Share Options held by nonresidents will be subject to acquisition by the Company of Share Options as set out in 8. below, subject to confirmation of compliance with applicable laws and ordinances). In addition, anyone who fails to submit a written undertaking, in the form prescribed by the Company and containing representations and warranties regarding matters such as the fact that he or she satisfies the exercise conditions of the Share Options, indemnity clauses and other covenants, may not exercise the Share Options.

8. Acquisition of Share Options by the Company

At any time on or before the date immediately prior to the commencement date of the exercise period of Share Options, if the Board of Directors deems that it is appropriate for the Company to acquire the Share Options, the Company may, on a day that falls on a date separately determined by the Board of Directors, acquire all of the Share Options for no consideration.

In addition, on a date separately determined by the Board of Directors, the Company may acquire the Share Options that are held by parties other than Non-Qualified Parties and, in exchange, deliver shares of common stock in the Company as consideration in the number equivalent to the Applicable Number of Shares on that acquisition date for each Share Option.

The details of acquisition provisions regarding Share Options will be separately determined in the Gratis Allotment Resolution.

9. Acquisition for No Consideration in Cases such as Cancellation of Triggering of Countermeasures

The Company may acquire all of Share Options for no consideration if the Board of Directors resolves to discontinue or withdraw the countermeasures that had been triggered or in cases separately determined in the Gratis Allotment Resolution.

10. Issuance of Share Options

No certificates of Share Options will be issued.

11. Exercise Period of Share Options, Etc.

The exercise period of Share Options and other necessary matters will be separately determined in the Gratis Allotment Resolution.

¹⁹ The Board of Directors may request a person, whose applicability as a Non-Qualified Party is questioned, to submit information and other materials necessary for making a determination.

Business Report

(From April 1, 2025 to March 31, 2026)

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

(1) Business Activities and Results

During the FY2026, concerns about geopolitical risks and a global economic recession increased. The tensions between Russia and Ukraine continued, while military conflicts involving Iran in the Middle East began to impact energy prices and logistics. In addition, China's economic growth rate is slowing down, and new developments regarding U.S. tariffs were observed following the Supreme Court ruling, which led to continuing uncertainty regarding the outlook for the global economy.

The global semiconductor market was driven by firm demand for AI-related advanced semiconductor devices, while signs of bottoming out were observed in demand for semiconductor devices for PCs, smartphones, and automotive applications. However, a close attention should be paid to the downside risk associated with shortage and price surge for general memory semiconductor devices.

The consolidated results for this period are shown below.

Consolidated Results for Fiscal Year 2026:	Millions of JPY unless otherwise stated		
	FY ended March 31, 2025	FY ended March 31, 2026	Change YoY
Net Sales	62,503	69,404	11.0%
Operating Profit	11,780	13,826	17.4%
Ordinary Profit	12,251	14,169	15.7%
Profit Attributable to Owners of Parent	9,428	9,059	△3.9%

(Note) Profit attributable to owners of parent decreased by 3.9% year-on-year as a result of booking additional income taxes for prior fiscal years totaling JPY 1,215 million based on the findings by the Nagoya Regional Taxation Bureau's tax audit.

Segment Operating Results by Region

(i) Japan

Net sales in Japan increased by 11.2% to JPY 39,450 million compared with the previous fiscal year. Operating profit increased by 17.3% to JPY 11,401 million. The increases were mainly due to firm demand for products for semiconductor devices and silicon wafers.

(ii) North America

Net sales in North America decreased by 2.9% to JPY 7,967 million compared with the previous fiscal year. Operating profit increased by 22.1% to JPY 335 million. The decrease in net sales was mainly due to weak demand for lapping abrasive products for small-diameter silicon wafers, despite strong demand for

products for semiconductor devices. The increase in operating profit was mainly due to an improved product mix and lower costs.

(iii) Asia

Net sales in Asia increased by 17.0% to JPY 19,599 million compared with the previous fiscal year. Operating profit increased by 11.6% to JPY 5,252 million. The increases were mainly due to higher sales of products for advanced logic semiconductor devices, which more than offset forward-looking cost increases including personnel expansion as well as the decline in sales of products for hard disk substrates.

(iv) Europe

Net sales in Europe increased by 14.5% to JPY 2,387 million compared with the previous fiscal year. Operating profit increased by 6.1% to JPY 162 million. The increases were mainly due to firm demand for products for semiconductor devices and silicon wafers.

Segment Operating Results by Application

(i) Silicon Wafers

Regarding products for silicon wafers, net sales of lapping abrasive products increased by 0.4% to JPY 7,590 million compared with the previous fiscal year. Net sales of polishing slurry products increased by 5.4% to JPY 13,384 million compared with the previous fiscal year.

(ii) Semiconductor Devices

Regarding products for the CMP process of semiconductor devices, net sales increased by 17.9% to JPY 36,135 million compared with the previous fiscal year. The increase was mainly due to firm demand for products for logic and memory semiconductor in both advanced applications.

(iii) Hard Disks

Regarding products for hard disk substrates, net sales decreased by 12.1% to JPY 2,238 million compared with the previous fiscal year, despite continued favorable customer operations. The decrease was mainly due to reduced usage of our products attributable to improvements in their production processes.

(iv) General Industries

Regarding products for general industries, net sales increased by 18.7% to JPY 6,426 million compared with the previous fiscal year. The increase was mainly due to the inclusion of sales from Nanko Abrasives Industry Co., Ltd., which became a consolidated subsidiary in the previous fiscal year.

(v) Others

Regarding products for others, net sales increased by 0.2% to JPY 3,629 million compared with the previous fiscal year.

(2) Status of Capital Investments

The Group invested JPY 24,931 million during this consolidated fiscal year.

(3) Status of Financing

The Group borrowed JPY 17,500 million from financial institutions for operational funding purposes during this consolidated fiscal year.

(4) Status of Consolidated Assets and Operating Results

Category	Millions of JPY unless otherwise stated			
	71 st Fiscal Year	72 nd Fiscal Year	73 rd Fiscal Year	74 th Fiscal Year
	Ended	Ended	Ended	Ended
	March 31, 2023	March 31, 2024	March 31, 2025	March 31, 2026
Net Sales	58,394	51,423	62,503	69,404
Ordinary Profit	13,595	8,958	12,251	14,169
Profit Attributable to Owners of Parent	10,594	6,499	9,428	9,059
Net Profit per Share (JPY)	142.68	87.62	127.10	122.12
Total Assets	80,101	82,999	90,908	121,302
Net Assets	69,011	72,576	76,895	84,715
Net Assets per Share (JPY)	930.27	978.34	1,026.10	1,130.59

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 71st 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
NANKO ABRASIVES INDUSTRY CO., LTD.	JPY 10 million	75.0%	Manufacture and sales of lapping abrasive

(6) Issues to be Addressed

1) Business Environment

Regarding the business environment surrounding the Group, concerns about geopolitical risks and a global economic recession increased. The tensions between Russia and Ukraine continued, while military conflicts involving Iran in the Middle East began to impact energy prices and logistics. In addition, China's economic growth rate is slowing down, and new developments regarding U.S. tariffs were observed following the Supreme Court ruling, which led to continuing uncertainty regarding the outlook for the global economy.

The semiconductor market, which is the Company's primary business domain, was driven by firm demand for AI-related advanced semiconductor devices, while signs of bottoming out were observed in demand for semiconductor devices for PCs, smartphones, and automotive applications. However, a close attention should be paid to the downside risk associated with shortage and price surge for general memory semiconductor devices. 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.

Furthermore, 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 addition, with regard to operational processes, the Company will actively utilize data, automation, and IT technologies to promote digital transformation (DX) and further enhance operational sophistication.

The recent increase in geopolitical risks has 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, the Company has a basic 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 previously examined an addition of DOE (dividend on equity) related policy; however, the Company is currently in an agile capital allocation phase focusing on capital investment to capture growth opportunities in the semiconductor market. Accordingly, in order to carry out highly balanced management between investment for the growth and shareholder returns, the Company decided to newly adopt a progressive dividend policy to maintain or increase dividends, in addition to existing basic policy, at least for the period of the current Medium & Long Term Business Plan (from the fiscal year ended March 2024 to the fiscal year ending March 2029). Through these policies, the Company aims to realize more robust and stable shareholder returns that are resilient to changes in the business environment.

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, anticipating further adoption of electric vehicles and hybrid vehicles in the future, the Company is advancing the development of products for SiC substrates, for which medium- to long-term demand growth is expected. 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 and mass-produced to enhance overall system performance, and CMP is also being applied in this area. 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, the replacement of hard disk drives (HDDs) with solid-state drives (SSDs) has largely matured, and the widespread adoption of AI has increased the need for large-capacity data storage, which has led to expectations for continued strong demand for hard disk drives for data centers. 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 developed polishing compounds for automotive exteriors, and their adoption is progressing. 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, 2026)

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

(8) Plants and Offices (as of March 31, 2026)

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
Kakamiyama 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) NANKO ABRASIVES INDUSTRY CO., LTD.	Head Office: Kita-ku, Tokyo Ichikawa Plant: Nishiyatsushiro-gun, Yamanashi Shiojiri Plant: Shiojiri City, Nagano

(9) Status of Employees (as of March 31, 2026)

1) Employees of the Group

Region	Number of Employees	Increase (Decrease) from the Previous Business Year-End
JAPAN	858	Increased by 60
North America	117	Decreased by 1
Asia	228	Increased by 14
Europe	4	-
Corporate (Common)	98	Decreased by 3
Total	1,305	Increased by 70

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
911	Increased by 56	41.9 years old	12.7 years

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

(10) Major Lenders (as of March 31, 2026)

Lender	Outstanding Borrowings
Syndicated loan	JPY 10,000 million
Others	JPY 7,232 million

Note: The syndicated loan represents borrowings under a syndicated loan agreement arranged by MUFG Bank, Ltd.

2. Status of the Company's Shares (as of March 31, 2026)

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

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

(3) Number of Shareholders: 16,793

(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)	7,911	10.4
Custody Bank of Japan, Ltd. (Trust Account)	4,424	5.8
Fujimi suppliers' stock ownership program	1,960	2.5
STATE STREET BANK AND TRUST COMPANY 505001 (Standing Proxy: Transaction Banking Coordination Department, Mizuho Bank, Ltd.)	1,948	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
HSBC – FUND SERVICES CLIENTS A/C 500 (Standing proxy: HSBC, Tokyo Branch)	1,604	2.1
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

Notes:

1. The shareholding ratio is calculated by excluding the number of shares of treasury shares (4,646,244 shares).
2. Although the Change Reports of Large-Volume Holdings made available for public inspection on October 21, 2025 state that Sumitomo Mitsui Trust Asset Management Co., Ltd. and its joint holder, Amova Asset Management Co., Ltd. owned the shares listed below as of October 15, 2025, the Company was unable to confirm the actual number of shares beneficially owned as of the end of the current fiscal period. Accordingly, these shareholdings are 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 (%)
Sumitomo Mitsui Trust Asset Management Co., Ltd.	2,828	3.53
Amova Asset Management Co., Ltd.	788	0.98

(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, 2026)

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	Katsuyuki Hibi	Senior General Manager of Human Resources and Organization Planning Division Senior General Manager of Business Planning Division General Manager of Internal Control Department
Director	Masami Kawashita	
Director	Atsuko Yoshimura	Representative Director of VG-C Inc. CEO and Co-founder of PhytoMol-Tech Inc. Managing Director of SprouTx Inc. Outside Director of Asahi Yukizai Corporation
Director	Naoko Yamazaki	Representative Member of NOKs Labo LLC Executive Consultant of EoD, Inc.
Director	Shuhei Ishikawa	
Standing Corporate Auditor	Yoshiaki Fujikawa	
Corporate Auditor	Masaru Okano	
Corporate Auditor	Kazunori Shibata	Managing Partner of Hokushin Tax Corporation Outside Director (Audit and Supervisory Committee Member) of Sasatoku Printing Co., Ltd. Outside Director (Audit and Supervisory Committee Member) of VT Holdings Co., Ltd.

Notes:

1. The Company has entered into an agreement with the Outside Directors Masami Kawashita, Atsuko Yoshimura, Naoko Yamazaki, and Shuhei Ishikawa, and with the Outside Corporate Auditors Masaru Okano and Kazunori Shibata, 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, Atsuko Yoshimura, Naoko Yamazaki, and Shuhei Ishikawa 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. Changes in significant concurrent positions of Directors during the current fiscal year are as follows:

Atsuko Yoshimura was appointed as an Outside Director of Asahi Yukizai Corporation effective June 18, 2025.

4. Masaru Okano and Kazunori Shibata 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. Kazunori Shibata, 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.

6. Masahiko Takahashi, the Outside Corporate Auditor, resigned upon the conclusion of the 73rd Annual General Shareholders' Meeting held on June 24, 2025.

7. Pursuant to resolutions of the Board of Directors passed on February 3, 2026 and March 25, 2026, the roles of Directors and their significant concurrent positions were partially changed effective April 1, 2026 as follows:

Name	Before Change	After Change
Toshiki Owaki	Managing Director President of FUJIMI-MICRO TECHNOLOGY SDN. BHD.	Managing Director
Katsuhiro Suzuki	Managing Director Chairman of FUJIMI CORPORATION President of FUJIMI TAIWAN LIMITED	Managing Director President of FUJIMI TAIWAN LIMITED

(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	221	141	-	80	-	9
(of which Outside Directors)	(40)	(40)	-	(-)	-	(5)
Corporate Auditors	39	39	-	-	-	4
(of which Outside Corporate Auditors)	(18)	(18)	-	-	-	(3)
Total	260	180	-	80	-	13
(of which Outside Officers)	(58)	(58)	-	(-)	-	(8)

Notes;

1. 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.

2. The above table includes one Outside Director who retired and one Outside Corporate Auditor who resigned upon the conclusion of the 73rd Annual General Shareholders' Meeting held on June 24, 2025.

3. 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.

4. 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.

5. 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	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 19 Board of Directors meetings held in the current business year, Naoko Yamazaki makes statements based on her experience and knowledge gained through serving in key positions 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	Shuhei Ishikawa	After assuming the role of the Director, Shuhei Ishikawa attended all 15 Board of Directors meetings held in the current business year. He makes statements based on his experience and knowledge gained through serving in key positions, including as an Executive Officer and Director, 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.
Corporate Auditor	Masaru Okano	Having attended all 19 Board of Directors meetings and all 14 Board of Corporate Auditors meetings held in the current business year, Masaru

Okano supervises and provides effective advice on overall management as the Outside Corporate Auditor, such as making statements based on his long experience and extensive knowledge in management at other corporations.

Corporate Auditor	Kazunori Shibata	After assuming the role of the Corporate Auditor, Kazunori Shibata attended 14 of the 15 Board of Directors meetings and all 10 Board of Corporate Auditors meetings held in the current business year. He supervises and provides effective advice on overall management 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.
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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 42 million
Total amount of monies and other property benefits payable by the Group to the Accounting Auditor	JPY 42 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. 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, 2026 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 14, 2026 on the Company's website (<https://www.fujimiinc.co.jp>).

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

As of March 31, 2026

Assets	
Current assets	
Cash and deposits	31,346
Notes and accounts receivable - trade	13,681
Merchandise and finished goods	6,935
Work in process	1,504
Raw materials and supplies	6,482
Other	1,255
Allowance for doubtful accounts	△19
Total current assets	61,186
Non-current assets	
Property, plant and equipment	
Buildings and structures, net	26,713
Machinery, equipment and vehicles, net	3,661
Land	8,475
Construction in progress	8,875
Other, net	3,463
Total property, plant and equipment	51,189
Intangible assets	
Software	165
Other	1,478
Total intangible assets	1,644
Investments and other assets	
Investment securities	6,079
Deferred tax assets	330
Retirement benefit asset	568
Other	313
Allowance for doubtful accounts	△9
Total investments and other assets	7,282
Total non-current assets	60,116
Total assets	121,302

	(Millions of yen)
	As of March 31, 2026
Liabilities	
Current liabilities	
Notes and accounts payable - trade	4,375
Current portion of long-term borrowings	1,071
Income taxes payable	2,879
Provision for bonuses	2,146
Accounts payable - other	1,654
Accounts payable - facilities	4,092
Provision for share awards	141
Other	1,780
Total current liabilities	<u>18,142</u>
Non-current liabilities	
Long-term borrowings	16,160
Deferred tax liabilities	566
Retirement benefit liability	535
Provision for share awards	47
Other	1,134
Total non-current liabilities	<u>18,445</u>
Total liabilities	<u>36,587</u>
Net assets	
Shareholders' equity	
Share capital	4,753
Capital surplus	5,038
Retained earnings	68,698
Treasury shares	△4,416
Total shareholders' equity	<u>74,073</u>
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	2,655
Foreign currency translation adjustment	6,640
Remeasurements of defined benefit plans	501
Total accumulated other comprehensive income	<u>9,797</u>
Non-controlling interests	844
Total net assets	<u>84,715</u>
Total liabilities and net assets	<u>121,302</u>

Consolidated Statement of Income

	(Millions of yen)
	Fiscal year ended March 31, 2026
Net sales	69,404
Cost of sales	38,192
Gross profit	31,211
Selling, general and administrative expenses	17,384
Operating profit	13,826
Non-operating income	
Interest income	254
Dividend income	112
Foreign exchange gains	49
Other	140
Total non-operating income	557
Non-operating expenses	
Interest expenses	135
Commission expenses	46
Loss on retirement of non-current assets	27
Other	4
Total non-operating expenses	214
Ordinary profit	14,169
Extraordinary losses	
Impairment losses	369
Plant reorganization expenses	52
Total extraordinary losses	421
Profit before income taxes	13,747
Income taxes - current	3,237
Income taxes for prior periods	1,215
Income taxes - deferred	167
Total income taxes	4,620
Profit	9,127
Profit attributable to non-controlling interests	67
Profit attributable to owners of parent	9,059

Non-consolidated Financial Statements
Non-consolidated Balance Sheets

(Millions of yen)

As of March 31, 2026

Assets	
Current assets	
Cash and deposits	17,438
Notes	97
Accounts receivable - trade	12,868
Merchandise and finished goods	3,143
Work in process	1,398
Raw materials and supplies	4,074
Prepaid expenses	349
Other	946
Allowance for doubtful accounts	△17
Total current assets	40,298
Non-current assets	
Property, plant and equipment	
Buildings, net	21,825
Structures, net	1,498
Machinery, net	1,897
Equipment, net	1,831
Land	7,834
Construction in progress	7,371
Other	12
Total property, plant and equipment	42,270
Intangible assets	
Software	120
Other	1,133
Total intangible assets	1,254
Investments and other assets	
Investment securities	6,079
Shares of subsidiaries and associates	7,691
Prepaid pension costs	12
Deferred tax assets	273
Other	283
Allowance for doubtful accounts	△9
Total investments and other assets	14,331
Total non-current assets	57,855
Total assets	98,154

(Millions of yen)

As of March 31, 2026

Liabilities	
Current liabilities	
Accounts payable - trade	3,731
Current portion of long-term borrowings	1,071
Accounts payable - other	2,272
Accrued expenses	396
Income taxes payable	2,137
Provision for bonuses	1,715
Accounts payable - facilities	4,039
Provision for share awards	141
Other	411
Total current liabilities	<u>15,917</u>
Non-current liabilities	
Long-term borrowings	16,160
Retirement benefit liability	702
Provision for share awards	47
Other	335
Total non-current liabilities	<u>17,247</u>
Total liabilities	<u>33,164</u>
Net assets	
Shareholders' equity	
Share capital	4,753
Capital surplus	5,038
Retained earnings	56,958
Treasury shares	<u>△4,416</u>
Total shareholders' equity	<u>62,334</u>
Valuation and translation adjustments	
Valuation difference on available-for-sale securities	<u>2,655</u>
Total net assets	<u>64,990</u>
Total liabilities and net assets	<u>98,154</u>

Non-consolidated Statement of Income

	(Millions of yen)
	Fiscal year ended March 31, 2026
Net sales	49,502
Cost of sales	29,004
Gross profit	20,498
Selling, general and administrative expenses	13,168
Operating profit	7,330
Non-operating income	
Interest income	11
Dividend income	4,151
Foreign exchange gains	202
Other	120
Total non-operating income	4,485
Non-operating expenses	
Interest expenses	121
Commission expenses	46
Loss on liquidation of subsidiaries	35
Loss on retirement of non-current assets	13
Other	5
Total non-operating expenses	221
Ordinary profit	11,593
Extraordinary losses	
Impairment losses	369
Plant reorganization expenses	52
Total extraordinary losses	421
Profit before income taxes	11,172
Income taxes - current	1,906
Income taxes for prior periods	1,215
Income taxes - deferred	△0
Total income taxes	3,121
Profit	8,050