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FUJIMI INCORPORATED

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

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Notice Concerning the Formulation of the Medium- to Long-Term Business Plan 2026

In May 2023, FUJIMI INCORPORATED (the “Company”) announced its “Medium- to Long-Term Business Plan 2023 (fiscal years ending March 2024 through March 2029)” (the “Previous Plan”). In light of changes in the business environment, particularly the recent acceleration in the growth of the semiconductor market, the Company is currently formulating a new 6-year business plan, the “Medium- to Long-Term Business Plan 2026 (fiscal years ending March 2027 through March 2032)” (the “New Plan”), covering the period beginning with the fiscal year ending March 2027.

The Company hereby announces that the quantitative targets for the New Plan have been finalized, as outlined below. Further details of the New Plan, including its qualitative aspects, will be announced in November 2026.

1. Basic Policy and Key Initiatives

Guided by its corporate mission, "To develop new, innovative technologies and applications with a commitment to environmental sustainability, thereby enabling the advancement of technology for the betterment of humanity," the Company aims to contribute to the realization of a sustainable society by evolving from an abrasives manufacturer into a Powder & Surface Company.

While the basic policy established under the Previous Plan will remain unchanged, the Company plans to revise its key initiatives in response to recent changes in the business environment.

2. Changes in the Business Environment

The following changes in the business environment, which were not anticipated under the Previous Plan, have significantly altered the underlying assumptions of our business.

(1) General Economic Environment

During the first three years of the Previous Plan, from April 2023 to March 2026, geopolitical risks continued to intensify, driven by the prolonged Russia-Ukraine conflict, deteriorating conditions in the Middle East, escalating tensions between the United States and China, and heightened tensions across the Taiwan Strait.

Against this backdrop of growing geopolitical risks and diverging monetary policies among countries, the prolonged depreciation of the Japanese yen pushed up import prices, increasing procurement costs for energy, raw materials, and other inputs, and significantly affecting business operations. In addition to rising prices, structural labor shortages and wage increases have made managing higher personnel expenses and other operating costs an increasingly important

challenge for corporate management.

Furthermore, protectionist measures, including the tightening of U.S. tariff policies and China's increasingly stringent export restrictions on critical minerals and rare earth elements, have prompted companies to restructure their supply chains with greater emphasis on business continuity and stable supply. Such efforts include diversifying procurement sources, reassessing inventory levels, and diversifying or relocating production facilities.

In addition, the rapid advancement of generative AI technologies since 2023 has not only stimulated demand in the semiconductor and related markets but also brought about significant changes in business activities themselves. Beyond improving productivity and addressing labor shortages, the transformation of business processes and business models through digital technologies has become an increasingly important management priority for creating new value and strengthening competitiveness.

Meanwhile, as climate change driven by global warming becomes an increasingly pressing global issue, the social and economic impacts of more frequent and severe natural disasters have grown more pronounced. Governments and regulatory authorities around the world are tightening environmental regulations to promote decarbonization and the transition to a circular economy, placing increasingly strong expectations on companies to pursue environmentally responsible and sustainable business practices.

(2) Semiconductor Market

Although the semiconductor market experienced a temporary contraction due to a pullback in demand following the surge during the COVID-19 pandemic, it has been on a recovery trend since 2024 and has grown significantly, driven by the rapid adoption of generative AI and expanding investment in data centers.

Looking ahead, semiconductor applications are expected to expand further, accompanied by continued advances in performance and memory capacity, supported by the increasing sophistication and adoption of generative AI, as well as the emergence of physical AI, which integrates AI with robotics, as a new growth area. Semiconductors are becoming increasingly important as essential infrastructure underpinning the digital society, and the market is expected to continue expanding over the medium to long term.

Against this backdrop, demand for advanced logic semiconductors used in AI applications and advanced memory products, including high-bandwidth memory (HBM), has been increasing, prompting semiconductor device manufacturers to expand their production capacity and accelerate capital investment in advanced manufacturing processes.

3. Quantitative Targets

The quantitative targets for the New Plan are as follows.

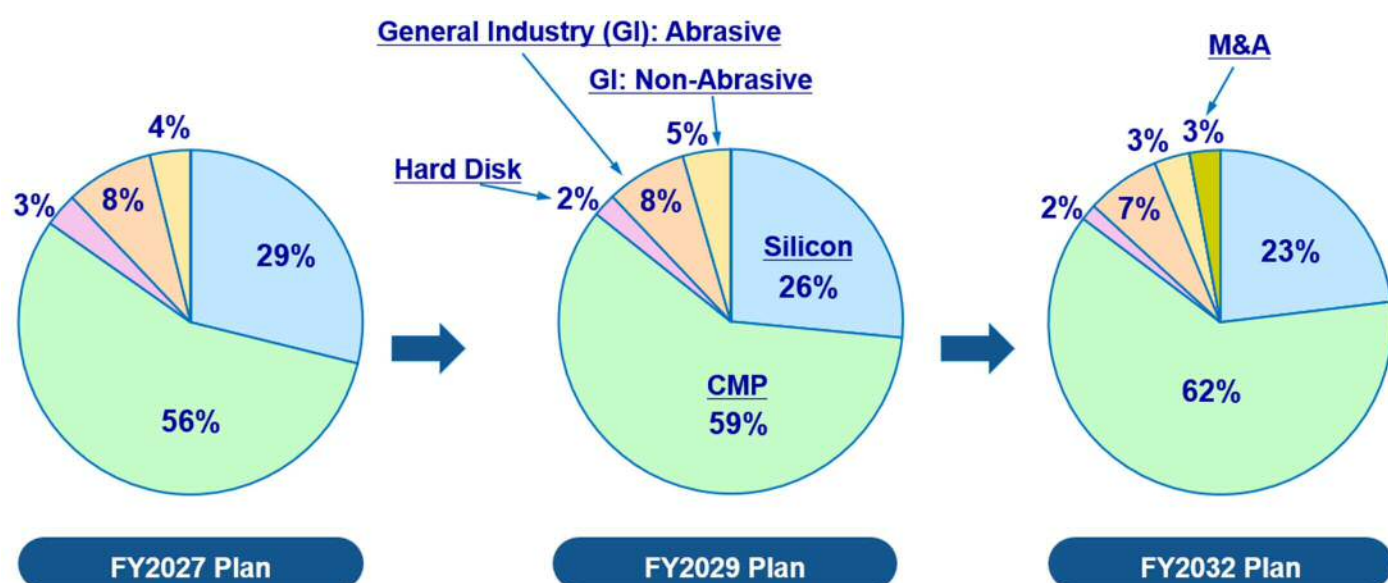
Target Metrics	Year 1 of the New Plan	Year 3 of the New Plan	Year 6 of the New Plan
	FY2027 Plan*	FY2029 Plan	FY2032 Plan
Net Sales (JPY billions)	82.5	104.0	138.0
Operating Income Margin	20.9%	20%	21%
EBITDA Margin	26.0%	29%	31%
Return on Equity (ROE)	14.3%	14%	17%

*For further details, please refer to the “Notice Concerning Revisions of Financial Forecast and Dividend Forecast” announced today.

Net Sales by Application

(JPY billions)

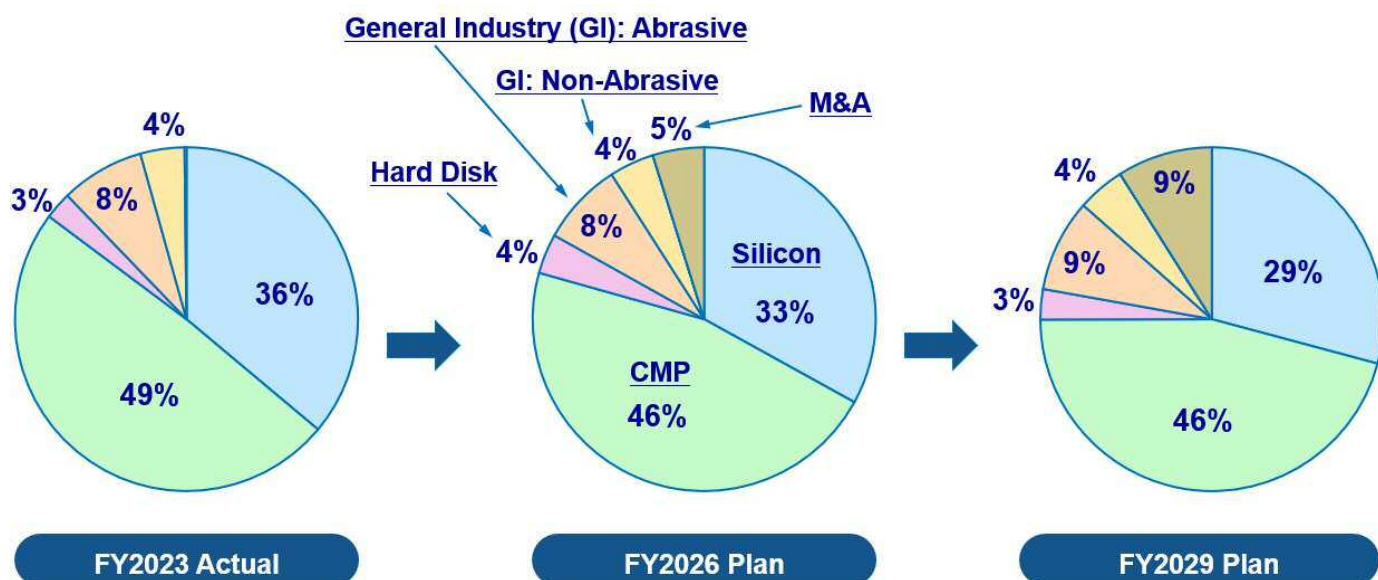
	Year 1 of the New Plan	Year 3 of the New Plan	Year 6 of the New Plan
	FY2027 Plan	FY2029 Plan	FY2032 Plan
Silicon	23.8	27.6	31.8
CMP	46.1	61.5	85.8
Hard Disk	2.6	2.3	2.1
General Industry (GI): Abrasive	6.8	7.9	9.6
General Industry (GI): Non-Abrasive	3.2	4.7	4.7
M&A	-	-	4.0



(Reference) Medium- to Long-Term Business Plan 2023 (Previous Plan)

Target Metrics	FY2023 Actual	FY2026 Plan	FY2029 Plan
Net Sales (JPY billions)	58.3	77.0	95.0
Operating Income Margin	22.7%	20%	20%
EBITDA Margin	25.6%	26%	27%
Return on Equity (ROE)	16.1%	15%	15%

Net Sales by Application



4. Investment Plans

The outline of the investment plans is as follows.

As described in “2. Changes in the Business Environment” above, while demand for the Company’s products from semiconductor device manufacturers is expected to increase further amid continued growth in the semiconductor market, the Company’s production facilities are already operating at high utilization rates. The Company believes that further expansion of its production capacity is essential to reliably meet growing customer demand and fulfill its responsibility to ensure a stable supply of its products.

Looking ahead, the semiconductor market is expected to continue expanding and advancing technologically, particularly in leading-edge fields such as AI. To fully capitalize on these future growth opportunities and establish a supply infrastructure capable of supporting customers' medium- to long-term business expansion, the Company believes it is critically important to proactively and continuously strengthen its production and R&D infrastructure from a long-term perspective, rather than waiting until demand materializes.

Accordingly, the capital investments under the New Plan are positioned not merely as a response to the current increase in demand, but as essential strategic investments aimed at fulfilling the Company's responsibility to ensure a stable supply over the long term, maintaining and enhancing its technological competitiveness, and achieving sustainable growth over the medium to long term. Through these investments, the Company will establish an R&D and supply infrastructure that enables its customers to adopt and use its products with confidence over the long term.

Based on this approach, the Company plans to make the following investments.

(1) Capital Investment Plan

The Company plans to make cumulative capital expenditures of JPY 130 billion over the 6-year period covered by the New Plan (FY2027–FY2032).

Major Planned Investments

a) Investments to Expand Production Capacity and Strengthen Our Stable Supply Capabilities*

- Japan (Gifu)
 - Expansion of the Kakamiyama Plant (originally completed in February 2026)
 - Construction of a new plant on land adjacent to the Kakamiyama Plant (land already acquired)
- Taiwan
 - Construction of a new plant (site selection underway for the second plant of our Taiwan subsidiary)

*Final investment decisions have not yet been made.

b) Investments to Strengthen Our Core Technologies and Develop New Technologies

- Construction of the new R&D center (scheduled for completion by the end of 2026) and installation of equipment
- Introduction of state-of-the-art equipment and instruments at existing R&D facilities, including overseas locations

(2) Other Investment Plan

M&A investments aimed at creating new businesses and other growth opportunities

Medium- to Long-Term Business Plan 2026

	Year 1 of the New Plan	Year 3 of the New Plan	Year 6 of the New Plan
	FY2027 Plan	FY2029 Plan	FY2032 Plan
Capital Expenditure (JPY billions)	19.0	85.0 FY2027–FY2029 (3-Year Total)	45.0 FY2030–FY2032 (3-Year Total)

(Reference) Medium- to Long-Term Business Plan 2023 (Previous Plan)

	FY2023 Actual	FY2026 Plan	FY2029 Plan
Capital Expenditure (JPY billions)	2.1	30.0 FY2024–FY2026 (3-Year Total)	25.0 FY2027–FY2029 (3-Year Total)

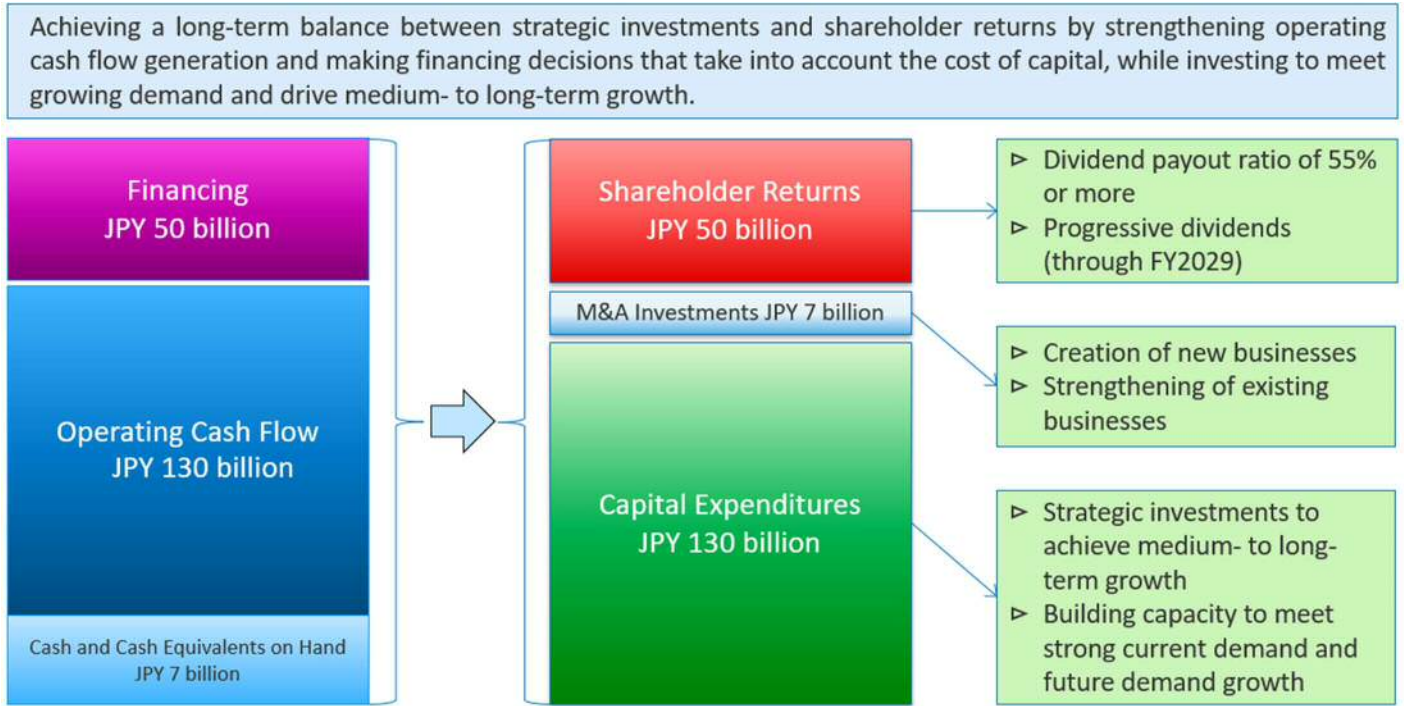
5. Shareholder Returns

The Company recognizes that providing appropriate returns to shareholders is one of its key management priorities. Its basic dividend policy is to actively return profits to shareholders in line with its business performance while maintaining stable dividend payments. Specifically, the Company targets a consolidated dividend payout ratio of 55% or more and has adopted a progressive dividend policy, under which dividends will be maintained or increased, through the fiscal year ending March 31, 2029, the final year of its Previous Plan. (For details, please refer to the “Notice Concerning Change in Dividend Policy” dated May 14, 2026.) From the fiscal year ending March 31, 2030 onward, the Company anticipates the need for further investments to strengthen its supply capacity to meet robust demand from the semiconductor market, which is expected to continue expanding. Accordingly, the Company will consider an appropriate approach to achieving a long-term balance between sustainable growth through investment and shareholder returns.

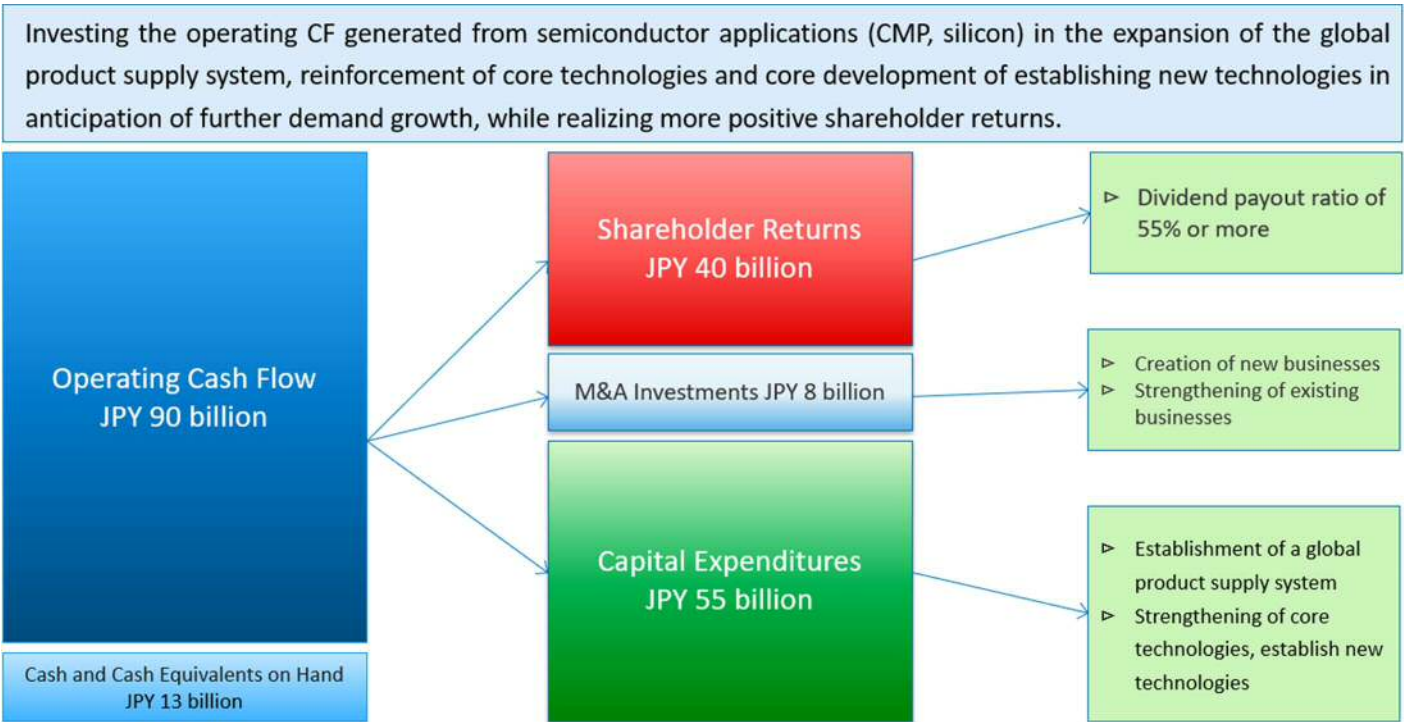
Regarding retained earnings, the Company strives to reinforce R&D and production systems to meet customers' satisfaction, to execute global business strategies and to expand the business domain in order to deal with changing business environments.

6. Capital Allocation

The capital allocation for the 6-year period under the New Plan is as follows.



(Reference) Medium- to Long-Term Business Plan 2023 (Previous Plan) — 6-Year Total



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