

Integrated Report | **2025**

# Structure of Corporate Philosophy

## Corporate Slogan

# THE FOCUS ON INNOVATION

**A high value-added company leading the future with organic materials technology**

Since the establishment of our Company named after Mt. Fuji, a famous peak in Japan, we will apply all the technological capabilities we have cultivated with a flexible mindset and connect it to our business with a new perspective. We will continue to pursue new technologies and always lead the times. This is our innovation spirit, “The Focus on Innovation.” Never stuck in the past, never stick to the present. Be more dynamic and ambitious toward a world of endless innovation. Raising our corporate mark with a determination “Challenge on Innovation,” Fujibo Group keeps challenging the remote future.



## Corporate Philosophy

We will always support leading-edge industries by providing new technologies and products demanded by the times, capitalizing on our technology and experience cultivated over more than a century of Fujibo’s history. In this way, we are committed to realizing a more prosperous and sustainable future for people, society, and the global environment.

## Fujibo Vision

### Fujibo Vision

**Making a Breakthrough and Going ahead of the Times**  
— Guidelines for Being a Manufacturer

**Management with Integrity and Sustainable Growth**  
— Guidelines for Corporate Management

**Respecting the Individual and Fostering Harmony**  
— Guidelines for the Working Environment

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## Information Disclosure System

	Financial information	Non-financial information
Reports	<b>Integrated Report 2025 (this report)</b> Broadly introduce our corporate stance, business strategies, activities, etc. aimed at increasing long-term corporate value	
	Annual Securities Reports (Japanese only)	
	Reports to shareholders	Corporate governance reports (Japanese only)
Website	Investor relations <a href="https://www.fujibo.co.jp/en/ir/">https://www.fujibo.co.jp/en/ir/</a>	Sustainability <a href="https://www.fujibo.co.jp/en/sustainability/">https://www.fujibo.co.jp/en/sustainability/</a>
Dialogues	Financial results briefing sessions	Dialogues between the Board of Directors and investors
	Briefing sessions on Medium-term Management Plan	
	Briefing sessions for investors	
	Individual meetings	
	Shareholders' Meetings	

## Editorial Policy

### Scope of report: The Fujibo Group

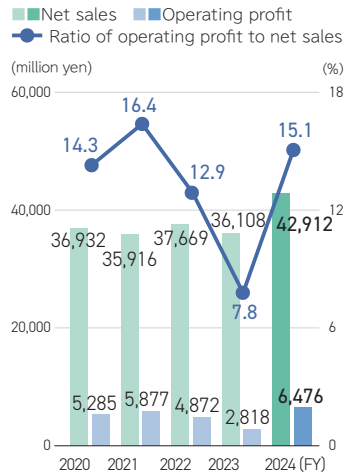
(Fujibo Holdings, Inc. and its domestic and overseas Group companies)  
 Reporting period: Mainly for FY2024 but including certain periods before and after the fiscal year

### Date of issuance: September 2025

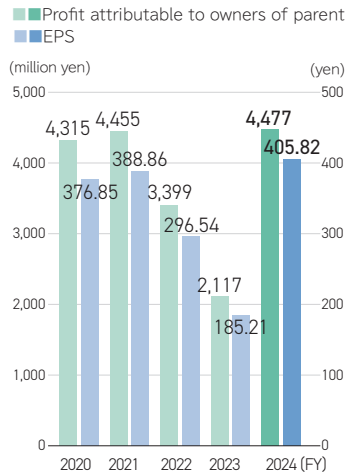
Referenced guidelines: “Guidance for Collaborative Value Creation” of the Ministry of Economy, Trade and Industry; “The International Integrated Reporting Framework” of the IFRS Foundation; “Sustainability Reporting Standards” of GRI; “Environmental Reporting Guidelines” of the Ministry of the Environment; Task Force on Climate-related Financial Disclosures (TCFD)

# Financial and Non-financial Highlights

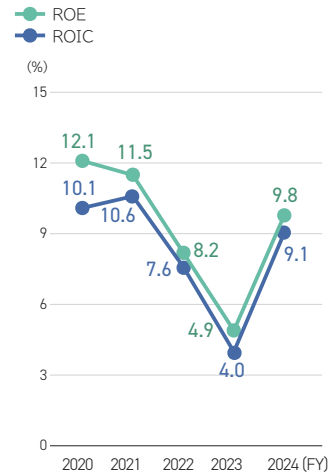
## Net sales/Operating profit/ Ratio of operating profit to net sales



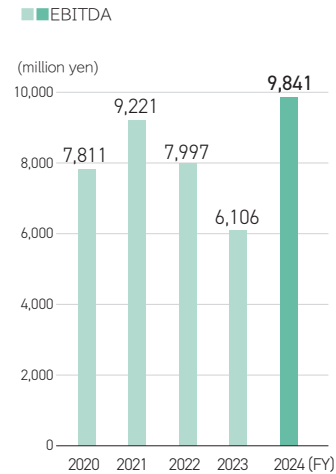
## Profit attributable to owners of parent/EPS



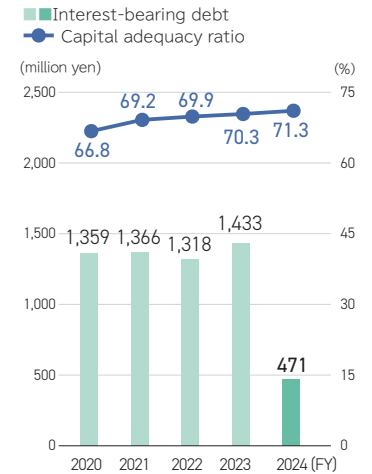
## ROE/ROIC



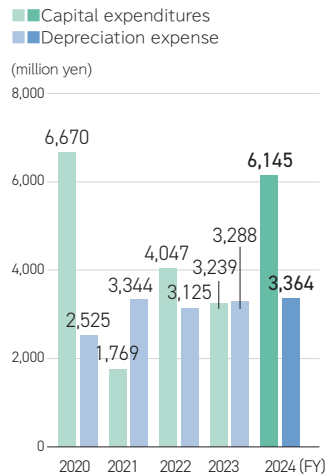
## EBITDA



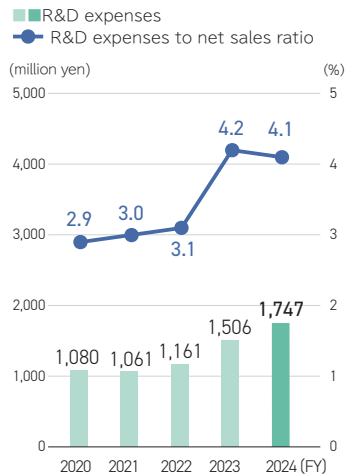
## Interest-bearing debt/ Capital adequacy ratio



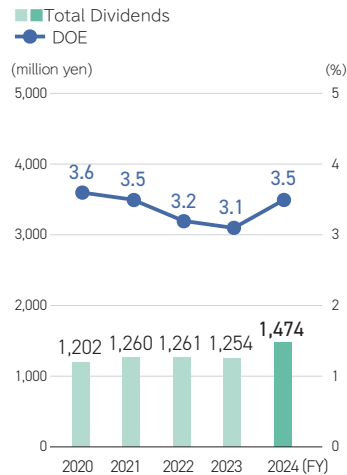
## Capital expenditures/ Depreciation expense



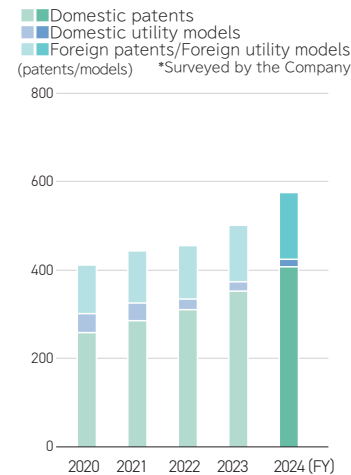
## R&D expenses/ R&D expenses to net sales ratio



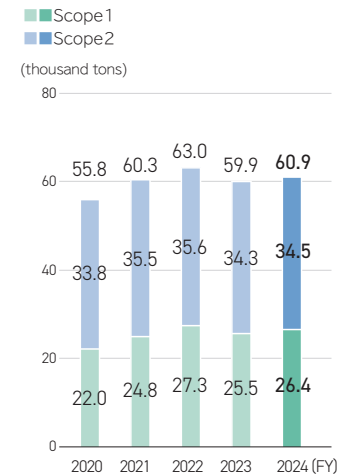
## Total Dividends/DOE



## Number of patents and utility models held



## GHG emissions



# Aiming to be the outstanding No. 1 player in a niche segment, and to be a company that takes on many challenges

Representative Director and President **Masahide Inoue**

## Setting the stage for our next phase of growth with portfolio reform and growth investments

For the fiscal year ended March 31, 2025, the Company reported increased revenues and profits, with operating profit of ¥6.4 billion (up 129.8% from the previous year), which was close to a record high. Amid a significant increase in demand for advanced semiconductors centering on generative AI, the Polishing Pad Business performed well, aptly responding to the needs for semiconductor miniaturization and layering through such measures as the consolidation of facilities and personnel with the establishment of a new technology development annex at the Nyugawa Plant. The Industrial Chemicals Business saw its performance recover as well as an increase in plant capacity utilization rates due to a resurgence in the electronic materials market as well as the mass production of new products to meet customer needs. For the fiscal year ending March 31, 2026, we expect business performance to remain strong as the trend of expansion of AI-related investments in the semiconductor market continues.

In the Polishing Pad Business, we will further strengthen coordination among development, manufacturing, quality assurance, and intellectual property-related divisions to improve our ability to meet the needs of our customers. In addition, we will continue to strengthen our R&D structure in preparation for the opening of our new R&D center in Taiwan, which is scheduled for fall 2026 onward. Through these measures, we will continue to capture strong demand for CMP\* applications and expand the scale of our business. Specifically, to respond to the trend of semiconductor miniaturization and layering, we will work to further expand our share of the soft pad market and increase sales of hard pads.

In the Industrial Chemicals Business, we will continue to strengthen coordination between the Yanai and Takefu Plants and work to expand our revenue base by adding a new plant facility at the Yanai Plant (to start operation in April 2026).

FY2025 is the final year of our Medium-term Management Plan “Zokyo 21-25.” Over the past four years, we have worked to reform our business portfolio, increase production capacity, and strengthen our R&D capabilities. In our business portfolio reform, we will continue efforts to suspend some Lifestyle Apparel Business operations and

\*Chemical mechanical polishing





## Top Message

promote the selection and concentration of management resources in our mainstay Polishing Pad Business.

With regard to growth investments, there were delays in the expansion of production facilities at the Yanai Plant and the start of construction of the R&D center in Taiwan. Total investments for growth over the last five-year period, however, are roughly in line with those planned, and we believe these investments will lead to growth from the next Medium-term Management Plan onward.

At the same time, there are increasing uncertainties in the international community, such as the tariff policy of the United States and growing geopolitical risks. Although the impact of the U.S. tariff policy on the Company is limited, we will need to continue to closely monitor how it affects the global economy as a whole. In the medium- to long-term, we will aim to build a business portfolio that is not overly dependent on any particular market. We also believe it is necessary to expand our business areas and explore and nurture new businesses.



### Expanding our human resource strategy as an intangible asset

Under the Medium-term Management Plan “Zokyo 21-25,” we set targets of ¥60.0 billion in net sales and ¥10.0 billion in operating profit. However, we expect to have difficulty achieving these goals. In the next Medium-term Management Plan, we see and will work toward ¥10.0 billion in operating profit not as a target but rather as something that we will definitely achieve. Therefore, in the next Medium-term Management Plan, with regard to tangible aspects, we will continue to engage in capital expenditures, while on the intangible side of our business, we believe our human resource strategy in particular will become even more important.

Under our human resource strategy, we will mainly promote human resource development and personnel system reform. With regard to human resource development, we will enhance various education and training programs, but also believe it is important to promote initiatives that enable employees to see their growth. Regarding personnel system reform, in addition to raising overall wages and enhancing employee benefits, we will break away from a seniority-based personnel and promotion system and pursue a merit-based personnel promotion system, which will lead to employees feeling more rewarded and satisfied. In addition, we will continue our efforts to promote health and productivity management, promote the participation of women and non-Japanese employees, and increase employee engagement.

In operating a business, it is important to concentrate people, goods, and money in areas with higher profitability. In our case, our basic strategy will be to further increase our ambitions for the Polishing Pad and Industrial Chemicals Businesses. To this end, I believe it is important to enhance

the capabilities of each employee as well as those of the Company itself. I see this is an issue that must be addressed in order to strengthen the Company for the next 10 and 20 years to come.

### Creating a corporate culture that encourages employees to be bold and take on challenges

As symbolized by the phenomenal spread and evolution of generative AI, social change is accelerating. In order for companies to survive and continue to grow in this environment, they must transform themselves.

Looking back, it was in 2006 that we embarked on structural reforms to become the “outstanding No. 1 player in a niche segment,” and the theme we set forth at that time was Henshin (Transformation). Since then, we have worked to implement transformation and change, such as promoting the multi-skilling of employees.

I believe that continuing to take on challenges without fear of failure and accumulating successes one by one will help a company and its people to grow. I especially want the younger generation to be bold and take on challenges, and it is essential that we make the Company one in which this is possible.

I believe that the most important role of top management is to present a vision and create a corporate culture that encourages people to take on the challenge of achieving it. I intend for us to aim to be the “outstanding No. 1 player in a niche segment,” and make the Company one where many employees are eager to take on new challenges, as well as one that will continue to grow for the next 10 and 20 years.

## Top Message

### Promoting sustainability management

As part of our sustainability management, we are 1) increasing investment in human resources, 2) enhancing governance, and 3) promoting environmental measures.

Human capital is at the core of our corporate value, and we intend to further solidify our foundation for sustainable growth by steadily implementing the aforementioned human resource strategy.

On the governance front, we are working to enhance questioning and deliberations at Board of Directors meetings. In order to invigorate discussion of management strategies amid increasing uncertainty about the economic outlook, we took measures in FY2024 such as delegating authority to the Management Committee and regularly holding opinion exchange sessions for outside directors. With a new Medium-term Management Plan to be formulated in FY2025, we will strive to further improve the operation of the Board of Directors through such means as further enhancing discussions on medium- to long-term management strategies, enriching discussions on risk management, addressing sustainability challenges, and incorporating non-financial information perspectives. We also intend to further clarify the division of roles between management and execution, and strengthen supervisory functions for the Board of Directors.

In terms of environmental measures, we will continue our efforts to reduce CO<sub>2</sub> emissions by promoting the installation of solar power generation equipment, mainly at Fujibo Ehime's Nyugawa Plant. Furthermore, in addition to strengthening our existing efforts aimed at saving energy and introducing renewable energy, in the formulation of the next Medium-term Management Plan, we will also set CO<sub>2</sub> reduction targets for 2030 and develop measures to

improve our CDP score (a score for evaluating corporate measures on climate change, water security, and forests by an international NGO).

### To our stakeholders

We have taken various opportunities to engage in close communication with our shareholders, investors, and other stakeholders. Going forward, we intend to continue to engage in substantial dialogues and in turn create new corporate value.

In addition, to realize management that is conscious of cost of capital and stock price, we are promoting various measures, such as growth investments to enhance corporate value over the medium to long term, and thorough implementation of "Fujibo ROIC Management." Among these, we have positioned returning profits to shareholders as the most important management issue, and in May 2025, we announced quantitative targets for our dividend policy. Specifically, we have set a target consolidated dividend payout ratio of 35% with a minimum DOE of 3.5%, which will be applied from the fiscal year ending March 31, 2026. By clarifying our profit distribution policy, we will continue to strive to enhance profit returns and improve capital efficiency.

Last but not least, we believe that timely and appropriate information disclosure, communication with shareholders and investors, and a commitment to shareholder returns are important foundations for building a relationship of trust with the capital market. We will continue to strive to enhance our corporate value while valuing this relationship of trust. We appreciate your continued understanding and support.





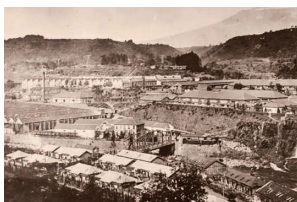
# Growth Trajectory

For around 130 years since its founding in 1896, the Fujibo Group has been creating value through the provision of new technologies and products that meet the demands of the times and has continued to grow steadily.

1896

## Established

In 1896, Fuji Spinning Co., Ltd. was established. In 1898, operations began at the Oyama Factory in Sunto District, Shizuoka Prefecture. Taking advantage of the abundant water from Mt. Fuji as a power source, the company expanded the spinning business, and contributed to the modernization of Japan.



1939

## Entered the Industrial Chemicals Business

In 1939, Yanai Chemical Industry Co., Ltd. was established as a plant to produce carbon bisulphide, and we entered the industrial chemicals field. We have accumulated our know-how in organic synthesis and, as a result, established a position as a No. 1 player in a niche segment of contract manufacturing of organic synthesis intermediates such as raw materials for pharmaceuticals, agricultural chemicals, electronic materials, and functional chemicals for major chemical manufacturers.



1976

## Entered into a licensing agreement with B.V.D. in the United States

In 1976, the company entered into a licensing agreement with B.V.D. in the United States and formed the foundation for the Lifestyle Apparel Business. The B.V.D. brand has been recognized for its high quality and supported by many customers for many years because of the integrated system that has been established in the Group, handling everything from spinning of original yarn to sewing products.



2013

## Yanai Chemical Industry Co., Ltd. began operations of Takefu Plant.

In 2013, Yanai Chemical Industry Co., Ltd. succeeded from Toyobo Co., Ltd. its businesses of manufacturing pharmaceutical intermediates, agricultural chemical intermediates, and other industrial chemicals through a company split. Yanai Chemical Industry Co., Ltd. began operations of those businesses at Takefu Plant.



2012

## Angle Miyuki Co., Ltd. joined the Group.

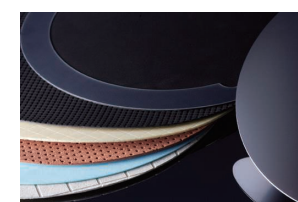
In 2012, Angle Miyuki Co., Ltd. joined the Fujibo Group. Since then, after all its shares were acquired in the Group, we have currently developed our luxury underwear produced in Japan such as Asamerry and Airmerry under the ANGLE brand of Fujibo Apparel Corporation.



1998

## Cultivated the Polishing Pad Business

In 1977, Fujibo Ehime Co., Ltd. was established. As part of efforts to diversify business at the Nyugawa Plant, which handled rayon production, we cultivated the polishing pad market from 1998 based on our nonwoven fabric and film processing technologies. Since then, we have developed the POLYPAS® series of polishing pads, and expanded the Polishing Pad Business in various applications such as CMP, silicon wafers, hard disks, and LCD glass.



2017

## Established Taiwan Fujibo Precision Materials Co., Ltd.

In 2017, we established Taiwan Fujibo Precision Materials Co., Ltd. in Taiwan as a manufacturing site of the Polishing Pad Business.



2020

## Fujibo Ehime Co., Ltd. newly constructed Oita Plant.

In 2020, Fujibo Ehime Co., Ltd. newly constructed the Oita Plant as a manufacturing site of the Polishing Pad Business.



2024

## Fujibo Ehime Co., Ltd. newly established a technology development annex at its Nyugawa Plant

In 2024, we integrated research and development resources such as those for assessment facilities and personnel to strengthen our R&D capabilities in the Polishing Pad Business.



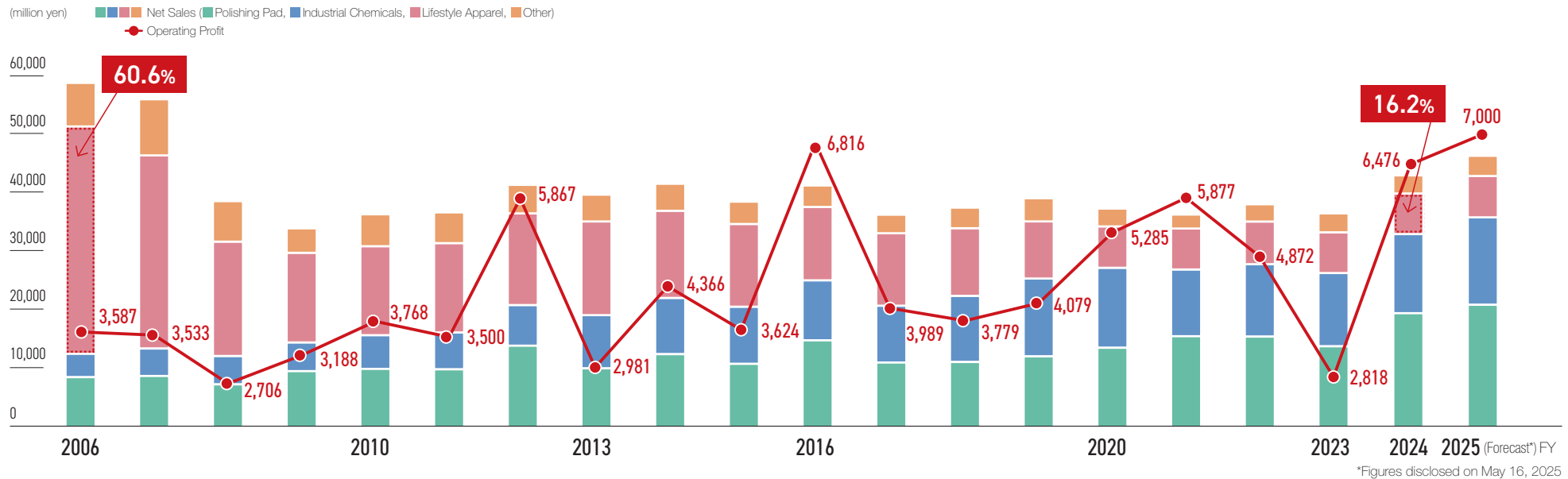


## Changes in the Business Structure of the Fujibo Group

The business restructuring that began with the Medium-term Management Plan “Henshin 06-10” has continued with “Toppa 11-13,” “Maishin 14-16,” “Kasoku 17-20,” and “Zokyo 21-25,” and transformed the Group into a highly profitable entity. When Mitsuo Nakano was appointed President in 2006, he promoted the idea that “there is no business without profit,” and we implemented thorough cash flow management through a shift in the focus from net sales to profits and improved balance sheet efficiency. As part of our business restructuring, we restructured and downsized our Textile Business and expanded into the non-textile fields such as the Polishing Pad Business and Industrial Chemicals Business to transform ourselves into a profit-oriented company in niche areas with a strong presence. (Percentage of Textile Business: 60.6% in FY2006 to 16.2% in FY2024)

In June 2022, Mitsuo Nakano was succeeded by Masahide Inoue as top management, who is committed to growth investment and ROIC management to further increase corporate value.

### Net sales and operating profit trends since “Henshin 06-10” — Shift in the focus from net sales to profits



“Henshin 06-10”



“Toppa 11-13”



“Maishin 14-16”



“Kasoku 17-20”

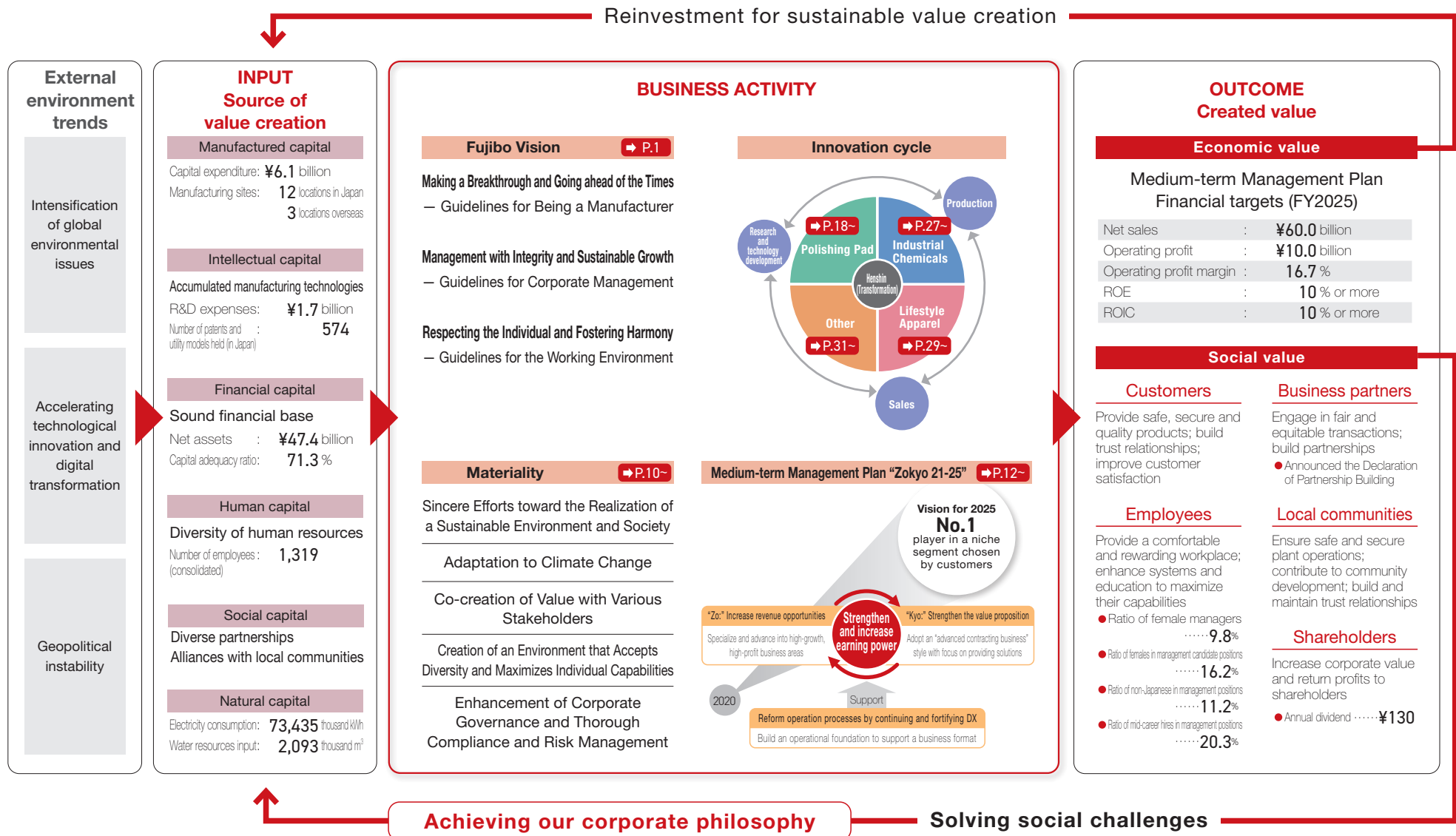


“Zokyo 21-25”



# Value Creation Process

In serving as the “No. 1 player in a niche segment chosen by customers,” the Fujibo Group will create economic and social value through providing high-value-added products.



# Materiality

In order to achieve a sustainable society, the Group has analyzed the magnitude of the effects and the impact of our business activities on stakeholders, the economy, society and the environment, and identified five materialities at the Board of Directors.

## Identification Process
















Extracting materiality candidates

Identifying materialities and setting KPIs linked to materialities

Resolution by the Board of Directors

## The Fujibo Group's Materiality

The Fujibo Group is promoting the following initiatives through our business activities in order to achieve a sustainable society together with all of our stakeholders:

	Materiality	Specific Initiatives	Achievements in FY2024	Related to SDGs
E	<b>Sincere Initiatives toward the Realization of a Sustainable Environment and Society</b>	Conservation of the natural environment and biodiversity <ul style="list-style-type: none"> <li>Conservation of water resources</li> <li>Reduction of soot and smoke</li> <li>Management of chemical substances based on the Pollutant Release and Transfer Register (PRTR) Act</li> <li>Reduction of marine plastic pollution and the promotion of eco-plastic products</li> <li>Recycling of resources</li> </ul>	Water resources input: 2,093 thousand m <sup>3</sup> (Up by 167 thousand m <sup>3</sup> year on year) Water resources discharge: 1,410 thousand m <sup>3</sup> (Up by 173 thousand m <sup>3</sup> year on year) Soot and smoke emissions: 49.4 tons (Up by 0.6 tons year on year) Amount of PRTR substances treated: 7,282 tons (Up by 1,620 tons year on year) Waste discharge: 48.6 thousand tons (Up by 3 thousand tons year on year) Participation in the FUKU-NO-WA Project and the promotion of reuse	  
	<b>Adaptation to Climate Change</b>	Addressing the TCFD recommendations Initiatives to reduce greenhouse gases <ul style="list-style-type: none"> <li>Reduction of greenhouse gas emissions</li> <li>Conversion to renewable energy</li> </ul>	Greenhouse gas emissions (Scope 1 + Scope 2): 60.9 thousand t-CO <sub>2</sub> (Up by 1.0 thousand t-CO <sub>2</sub> year on year) (Scope 3): 112.3 thousand t-CO <sub>2</sub> (Up by 18.3 thousand t-CO <sub>2</sub> year on year) Reduction of 325 t-CO <sub>2</sub> through use of renewable energy - Installation of solar panels at the technology development annex at Fujibo Ehime's Nyugawa Plant	  
S	<b>Co-creation of Value with Various Stakeholders</b>	Dialogues with stakeholders <ul style="list-style-type: none"> <li>Contribution to solving social issues through business activities</li> <li>Timely and appropriate information disclosure and listening to the voices of the capital market</li> <li>Strengthening of partnerships and building of a better supply chain</li> <li>Coexistence with local communities</li> </ul>	Sales activities Shareholders' meetings and financial results briefing sessions Quality assurance support Cleanup activities Assistance to disaster-affected areas through SEMA with clothing donation	  
	<b>Creation of an Environment that Accepts Diversity and Maximizes Individual Capabilities</b>	Diverse organizations and respect for human rights <ul style="list-style-type: none"> <li>Response to work style reforms</li> <li>Support for women's career development</li> <li>Strengthening of education and training systems and educational programs</li> <li>Promoting employee health maintenance and enhancement (promoting health and productivity management)</li> </ul>	Introduction of "Welcome Back System," a reinstatement system Review of personnel systems (increase of annual leave, etc.) Implementation of job and human resource rotations Holding of career development training Recognition under 2025 Certified Health and Productivity Management Outstanding Organizations Recognition Program (large enterprise category) Improvement of employee engagement (implementation of questionnaires, etc.)	  
G	<b>Enhancement of Corporate Governance and Thorough Compliance and Risk Management</b>	Highly transparent management <ul style="list-style-type: none"> <li>Promotion of response to the Corporate Governance Code (CGC)</li> <li>Strengthening of the Risk Management System</li> </ul>	Effectiveness of Board of Directors <ul style="list-style-type: none"> <li>Increased diversity with 2 female outside directors, of whom 1 is a foreign national (ongoing)</li> </ul> Enhancement of cybersecurity <ul style="list-style-type: none"> <li>Established CSIRT framework to handle unforeseen security incidents</li> </ul>	  



## Communications with Stakeholders

The Fujibo Group takes various opportunities to communicate with shareholders, investors and other stakeholders.

Through such communications, we will work together to create new corporate value.

	Roles of the Fujibo Group	Communication tools	Status of communications
Shareholders and investors	Timely information disclosure such as operating results, management policies and medium-term management plans Building trust relationships Shareholder returns	Financial results, reference materials for financial results and video distributions Annual Securities Reports Corporate governance reports Integrated Report Completion of CDP questionnaire	Shareholders' meeting Financial results briefing sessions Financial results briefing videos Meetings with institutional investors
Customers	Providing safe, secure and quality products Building trust relationships Improving customer satisfaction	Product brochures Quality Assurance Certificates Contact TV commercials Corporate website Suzu Bra (Cool Bra) Community website	Direct response by the person in charge Quality assurance support Various exhibitions Audits Customer service office Joint research
Business partners	Fair and equitable transactions	Sustainability Procurement Guidelines	Opinion exchanging meetings Quality support
Employees	Providing a comfortable and rewarding workplace Enhancing systems and education to maximize their capabilities	The Group's internal newsletters Intranet Internal Reporting Contact Office (corporate ethics hotline)	Labor-management council Various training Dialogues with management Interviews with junior- and middle-level employees Women's conference
Local communities	Ensuring safe and secure plant operations Contributing to community development Building and maintaining trust relationships	Corporate information (videos and brochures)	Actively participating in local communities Exchanging opinions and cooperating with local governments and neighboring companies Information disclosure (website) Recruitment campaigns (universities, etc.)

# Medium-term Management Plan “Zokyo 21-25”

## Medium-term Management Plan “Zokyo 21-25”

### Overall Policy

Aim to become the “outstanding No. 1 player in a niche segment,” strengthen and increase earning power, and continue and fortify DX

Under the Medium-term Management Plan “Kasoku 17-20” that ended in March 2021, we worked to strengthen our R&D capabilities and production capacity in the Polishing Pad Business and Industrial Chemicals Business, as well as to reduce costs, improve efficiency, and improve profitability. In the Lifestyle Apparel Business, we implemented various business reforms, including strengthening competitiveness by optimizing and enhancing the supply chain, reviewing sales strategies, and reducing expenses in order to cope with the contracting market along with the decline in sales due to the spread of COVID-19.

Under the ongoing Medium-term Management Plan “Zokyo 21-25,” we are steadily implementing medium-term measures to close the gap between the vision for 2025 derived from our desirable future position and the vision for 2025 as an extension of current trends as we aim to transform ourselves into a sustainable and profitable business.

### Management Policy

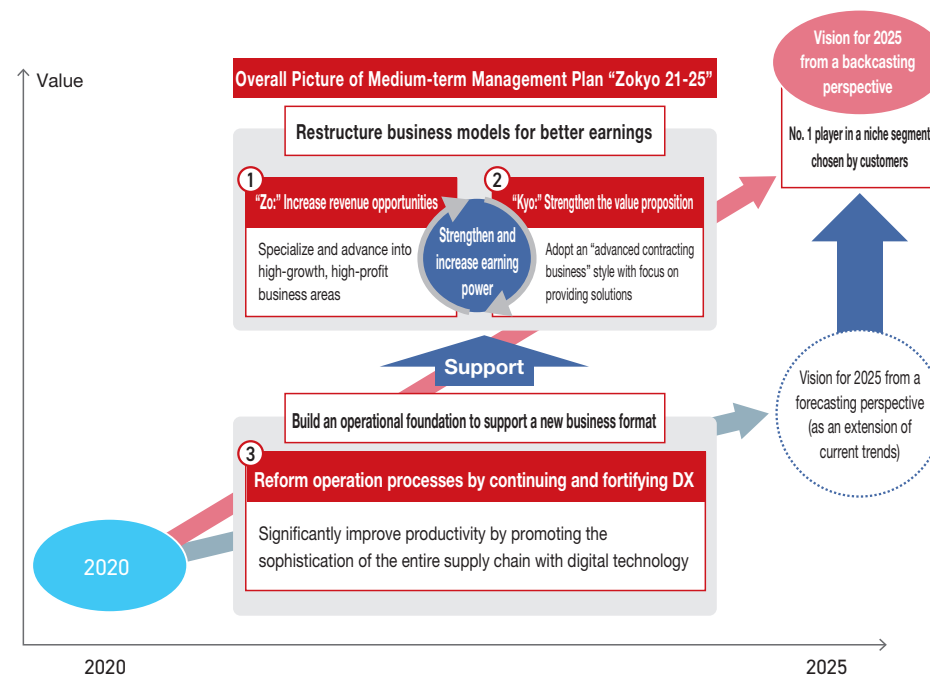
Aiming to become the “outstanding No. 1 player in a niche segment,” we will promote the following:

- 1 “Zo:” Increase revenue opportunities (Specialize and advance into high-growth, high-profit business areas);
- 2 “Kyo:” Strengthen the value proposition (Adopt an “advanced contracting business” style with focus on providing solutions);
- 3 Reform operation processes by continuing and fortifying DX (Significantly improve productivity by promoting the sophistication of the entire supply chain with digital technology)

to strengthen and increase earning power.

Through these efforts, the Fujibo Group is working together toward achieving the consolidated performance targets for FY2025 (net sales of ¥60.0 billion and operating profit of ¥10.0 billion).

Please refer to our website for details on the Medium-term Management Plan. ➡ <https://www.fujibo.co.jp/en/ir/businessplan/>



### FY2025 Consolidated Performance Targets

Net sales	¥60.0 billion	ROE	10% or higher
Operating profit	¥10.0 billion	ROIC	10% or higher
Operating profit margin	16.7%	Capital adequacy ratio	65% or higher

## Medium-term Management Plan “Zokyo 21-25”

### Progress and Efforts of Medium-term Management Plan “Zokyo 21-25”

#### ► Quantitative Targets

Although we got off to a smooth start, we were impacted by a downward adjustment in the silicon cycle from the second half of FY2022.

	Achievements in FY2021	Achievements in FY2022	Achievements in FY2023	Achievements in FY2024
Net sales	¥35.9 billion	¥37.6 billion	¥36.1 billion	¥42.9 billion
Operating profit	¥5.8 billion	¥4.8 billion	¥2.8 billion	¥6.4 billion

#### ► Business Portfolio Management and Key Measures

Key measures are generally progressing smoothly as we aim to become the “outstanding No. 1 player in a niche segment.”

Business segment	Positioning	Status of progress
Polishing Pad	Growth area	We are making aggressive investment in facilities and R&D in an aim to expand semiconductor-related applications.
Industrial Chemicals	Growth area	We are making investments to increase production capacity for functional materials that are expected to see increased orders.
Lifestyle Apparel	Selection and concentration	We are transitioning to an e-commerce business model.
Other (Chemical Products Business, etc.)	Establishment as a fourth pillar	We are focusing on the medical field and strengthening the integrated operation of chemical products and molds.

Performance has been gradually recovering since FY2024.

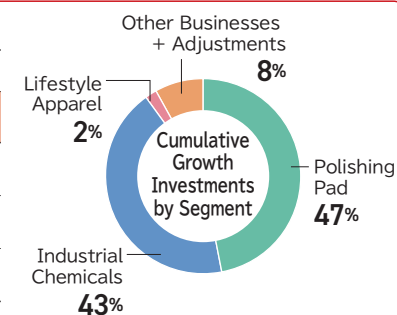
Although it will be difficult to achieve the FY2025 target figures of the Medium-term Management Plan, we will aim to achieve them over the medium term.

	Forecast for FY2025	Medium-term Management Plan Targets in FY2025
Net sales	¥46.2 billion	¥60.0 billion
Operating profit	¥7.0 billion	¥10.0 billion

\*Figures disclosed on May 15, 2025

#### ► Status of Investment Strategy Implementation

	FY2021-2025 cumulative	
	Medium-term Management Plan Targets	Achievements Forecast
Capital expenditures	¥15.0 billion	¥23.4 billion
M&As, etc.	¥10.0-15.0 billion	¥1.4 billion
Total	¥25.0-30.0 billion	¥24.8 billion



- ¥25.0 billion to ¥30.0 billion planned as growth investments.
- Emphasize investments in organic growth centered on the Polishing Pad Business and Industrial Chemicals Business, including increasing capacity and strengthening R&D. R&D investment increased particularly in the Polishing Pad Business as a means of strengthening cutting-edge fields.
- Expect to make investments within the total amount planned in “Zokyo 21-25”.



# Human Resource Strategy



## Human Resource Strategy

The Fujibo Group has set the following human resource strategy and aims to sustainably increase its corporate value by drawing out the full potential of its diverse human resources.

### ① Ensure diversity

We believe that inclusion of diversity such as race, gender, age, gender identity, disability, etc., will foster a corporate culture of mutual respect that will propel us to grow together. As we move forward with the upgrading of our business structure, we believe that respecting diversity, providing opportunities for employees to demonstrate their abilities, and promoting the improvement of the working environment will contribute to sustainable growth and the increase of corporate value. We provide opportunities for a diverse range of human resources to demonstrate their abilities and play an active role, regardless of gender, age, nationality, disability, etc. We are also promoting the development of

an internal environment in which each employee can work with peace of mind and vigor in a healthy state.

### ② Human resource development

We aim to become the “outstanding No. 1 player in a niche segment” as our long-term vision. In realizing this, we recognize that employees are our corporate asset, and we are working to develop them. We have set three specific human resource development policies: 1. Develop problem-solving human resources, 2. Develop globally competent resources, and 3. Develop next-generation leaders. We actively provide educational and training opportunities to draw out and enhance knowledge, skills, and abilities of individuals in order to support employee growth.

### ③ Improvement of engagement

We create highly engaged work environment where employees feel motivated and fulfilled in their work. We aim to improve productivity and, ultimately, sustainably increase our corporate value by drawing out the full potential of our diverse human resources.

## Human Capital Indicators

Item	Achievements in FY2024	Target (Target Period)
Ratio of female managers	<b>9.8%</b>	<b>10%</b> or higher (FY2025)
Ratio of females in management candidate positions	<b>16.2%</b>	<b>8%</b> or higher (FY2025)
Ratio of non-Japanese in management positions	<b>11.2%</b>	<b>13%</b> or higher (FY2025)
Ratio of mid-career hires in management positions	<b>20.3%</b>	<b>17%</b> or higher (FY2025)
Rate of paid leave taken	<b>50.7%</b>	—
Ratio of childcare leave taken by male employees	<b>25.0%</b>	—
Turnover ratio	<b>3.8%</b>	—

## Initiatives in FY2024

### Review of personnel system

#### ① Leveling out of annual working hours and increasing annual leave

We are working to level out annual working hours and increase annual leave at each business site in the Group to enhance employee motivation, promote retention and prevent turnover, and secure new recruits.

#### ② Review of the system for promotion to managerial positions

Until now, we conducted promotions to managerial positions once a year. We have introduced a new system for unscheduled promotions to managerial positions, where employees with personal qualities, educational background, and willingness as managers will be promoted as needed. With this new system, we are working to implement flexible management and develop candidates for next-generation executives. In addition, we have increased opportunities allowing general employees to be considered for salary increases and promotions. Along with these measures, we are considering the introduction of a personnel system for highly specialized human resources (specialists) such as R&D professionals.

### ③ Other system reform

In order to develop candidates for leaders who are qualified to be future executives, we have established the position of “Principal Manager,” which is placed between Executive Officer and General Manager. Target managers are those possessing personal qualities required as candidates for next Executive Officers and capacities of executing business equivalent to those of Executive Officers. They will accumulate necessary experience as next-generation executives through management of subsidiaries and other duties.

### Human resource development

#### ① Enhancement of education and training

We conduct education and training programs as needed, each designed for respective purposes, including a training program for junior managers to develop candidates for next-generation executives, as well as an evaluator training program to ensure the operation of highly transparent, merit-based personnel evaluation. As for language training, aimed at enabling our employees to directly communicate with major customers in the business context, we provide them with overseas language training programs along with courses in English, Chinese, Taiwanese Mandarin, and Thai, in addition to a Japanese language course for foreign national employees.

#### ② Job and human resource rotations

We promote human resource rotations across companies in the Group and across divisions. Although we have so far conducted rotations mainly to increase staff or fill vacancies, we will now utilize them to drive innovation in business units by implementing periodic rotations particularly in the Polishing Pad division. In addition, we will develop human resources capable of observing the overall Group’s management from various perspectives by conducting staff transfers and rotations

between the parent company and subsidiaries in administrative departments such as finance and accounting, general affairs, and human resources.

### Employee engagement

We visualize engagement by implementing questionnaires to employees. We conduct questionnaires to assess employees’ satisfaction and awareness of issues, specifically matters regarding their job motivation, organizational status, and communication within the organization. The results of the questionnaires are fed back by internal email and posted on the intranet bulletin board, along with a message from the President. The results are utilized to identify issues, consider measures to be taken, and verify the effectiveness of the system. The questionnaires conducted in 2024 showed positive responses regarding communication, compliance with the internal rules, and consideration for safety and health. They also revealed negative responses concerning the clarity and transparency of personnel evaluation criteria. We will work to address the results as urgent issues and improve the conditions.

#### ● Outline of questionnaires conducted for employees in 2024

Scope of questionnaires	The Fujibo Group’s all employees in Japan: 1,106 persons
Content of questionnaires	Office communication, status of establishment of and compliance with internal rules, personnel evaluation criteria, consideration for safety and health, and motivation

### Promotion of D&I

As the Fujibo Group navigates through the advancement of its business structure, it respects diversity regardless of gender, age, nationality, etc., and creates a labor environment that maximizes individual capabilities.

#### ① Promotion of women’s participation

As we believe that the promotion of women’s participation contributes to sustainable growth and increasing corporate value, we ensure fair and equal opportunities for employment, promotion and

compensation, etc. In addition, we are taking steps to ensure that women’s skill development and careers are not interrupted, by setting and aiming to achieve measurable targets.

- Enhancement of leave of absence system for nursing care
- Introduction of “Welcome Back System” (recruitment of alumni)
- Conducting seminars on the topic of women’s health
- Roundtable discussion between female outside directors and female managers
- Roundtable discussion with senior female employees at the time of recruiting new graduates

#### ② Active role of foreign-national human resources

We are recruiting foreign-national employees with high-level skills to secure the diversity of human resources. In the Polishing Pad Business, we are developing and utilizing them mainly in the positions of technology sales, R&D, and production technology. In addition, in some business firms, foreign-national employees have been appointed as directors and playing active roles globally.

### Promotion of health and productivity management

Our initiatives to promote employee health maintenance and enhancement improve employee vitality and stimulate our organization, which in turn prompts better financial results and increased corporate value. In FY2025, we gained recognition under the 2025 Certified Health and Productivity Management Outstanding Organizations Recognition Program (large enterprise category), as we were in FY2023 and FY2024.

In addition, we formulated the Fujibo Group’s health and productivity management strategy map to promote health and productivity management efficiently. In accordance with this map, we will engage in enhancing employee vitality and stimulating our organization such as improving productivity.

Health and productivity management strategy map (Japanese only) ➡  
[https://www.fujibo.co.jp/sustainability/social/health\\_productivity/](https://www.fujibo.co.jp/sustainability/social/health_productivity/)



## Making growth investments in preparation for the next Medium-term Management Plan and implement management that is conscious of the cost of capital.

Representative Director, Managing Executive Officer, in charge of finance and accounting

**Tatsuya Sasaki**

### Performance Summary in FY2024

In FY2024, the Polishing Pad Business saw increased demand and performance, primarily for soft pads for CMP applications. The increase was driven particularly by the growing demand for advanced semiconductors for AI applications, leading to increased performance. In the Industrial Chemicals Business, performance remained strong as harsh market conditions, mainly in electronic materials, showed signs of recovery. Particularly in the Polishing Pad Business, strong performance was achieved because of our success in catching up with the trend of semiconductor device miniaturization, supported by sustained R&D and investments to increase equipment capacity to date.

Regarding ROE and ROIC, which are part of our management indices, we set a target of 10% for each, conscious of the level exceeding the Company's cost of capital. Although ROE and ROIC improved to 9.8% and 9.1% respectively in FY2024 due to a recovery in performance, they fell slightly short of the targets. We will

focus on further strengthening earning power and improving efficiency of invested capital.

### Outlook for FY2025

We expect that the recovery trend in FY2024 to continue in the Polishing Pad Business and the Industrial Chemicals Business, and aim to achieve increases in net sales and operating profit from the previous fiscal year.

In the Polishing Pad Business, we expect growth in semiconductors for advanced logic, as well as a potential recovery in demand for smartphones, PCs, etc., from the latter half of FY2025. In the Industrial Chemicals Business, we will achieve operation levels at near full capacity due to a recovery in electronic materials and our efforts on acquiring new customers and new orders. In the Lifestyle Apparel Business, while we forecast lower profit due to the impact of the weak yen as well as increased logistics costs and advertising and promotional expenses, we will strive to maintain our profit level by promoting a shift to e-commerce

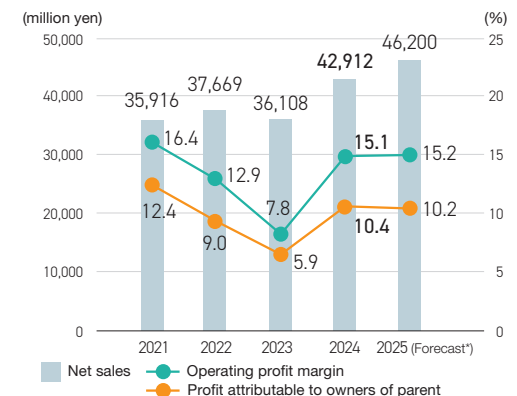
and expanding high-value added brand products, namely ANGLE.

In FY2025, we also expect the impact of U.S. tariff policies and geopolitical risks. The impact of tariff policies affects direct sales to the U.S. in the Polishing Pad Business; however, it has not been factored into the financial results forecast as the proportion of the sales is limited. Going forward, such impact will need to be closely monitored, as there is potential for a decline in demand in the overall semiconductor market.

We plan to achieve approximately 7.7% increase in net sales, while we aim for an operating profit margin of approximately 15%, roughly the same level in FY2024, as we have factored in higher labor costs due to rising wage levels and an increase in personnel.

The Medium-term Management Plan, "Zokyo 21-25" will conclude in FY2025. Although it will be difficult to achieve its quantitative targets for net sales of ¥60.0 billion and operating profit of ¥10.0 billion, we are firmly committed to achieving targets set in the next Medium-term Management Plan by implementing growth investments and various measures.

### Trend of financial results



\*Figures disclosed on May 15, 2025

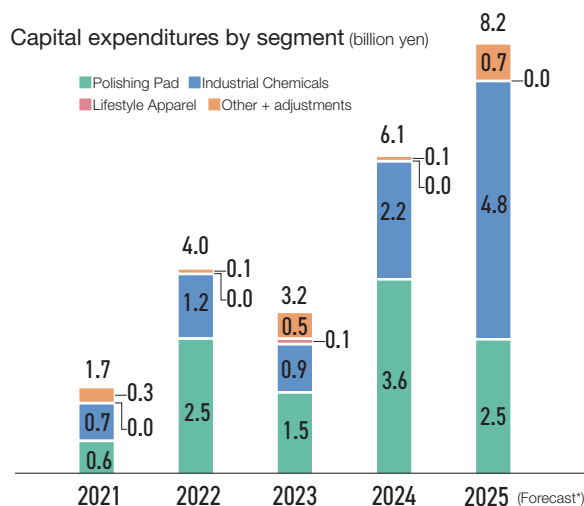


## Cash Allocation

Aiming for medium- to long-term increase in corporate value, we will implement management of cash allocation of the Company with a focus on growth investments in the Polishing Pad Business and the Industrial Chemicals Business, while considering the balance with profit returns to shareholders.

In FY2024, operating cash flow recorded a net inflow of ¥8.6 billion due to strong performance, mainly in the Polishing Pad Business. Investment cash flow posted a net cash outflow of ¥6.5 billion centered on growth investments, and financial cash flow posted a net cash outflow of ¥2.3 billion due mainly to dividends paid. As a result, the balance of cash and deposits as of March 31, 2025 declined slightly from the balance at the end of the previous fiscal year.

Capital expenditures by segment (billion yen)



\*Figures disclosed on May 16, 2025

In FY2025, operating cash flow is planned to post a net cash inflow exceeding the one in the previous fiscal year based on the financial results forecast of an increase in operating profit. However, as we plan capital expenditures

of ¥8.2 billion, the total cash flow is expected to record a net cash outflow, with an increase in dividend and acquisition of treasury stock of ¥0.5 billion. As a result, the balance of cash and deposits is expected to decline from the balance as of March 31, 2025. Meanwhile, in order to minimize the increase in working capital due to increased sales, we are working on the reduction of trade receivables through a review of transaction terms, optimization of inventory management with the use of DX, and other measures.

## Indicators for Financial Targets

The Polishing Pad Business is affected by semiconductor market conditions. Therefore, it is also important to maintain and improve the security of our financial base in order to steadily invest in medium- to long-term growth without being swayed by current performance conditions. Although our current level of equity capital is satisfactory (capital adequacy ratio of 71% as of the end of FY2024), we believe that its optimal level will need to be examined.

We aim to achieve ROE and ROIC of 10%, while whether to set higher targets for these indicators in the next Medium-term Management Plan remains to be considered along with our review of the level of equity capital.

## Management that is Conscious of the Cost of Capital and Stock Price

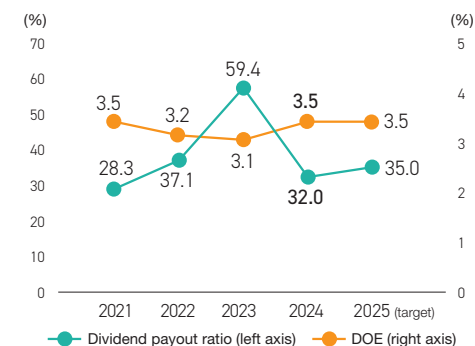
Management that is conscious of the cost of capital and stock price is important in financial strategy. We believe that, among the relevant measures, shareholder returns and cash allocation, as well as dialogues with investors such as enhancing information disclosure, are important.

Our basic policy regarding dividend is as follows: we take into consideration matters of business environment and business performance trends, and carry out a lasting and

stable dividend policy based on performance. Based on this policy, we have steadily increased dividend so far. To clarify our profit distribution policy, we have set dividend targets. Specifically, we have set the targets of a consolidated dividend payout ratio of 35% and dividend on equity ratio (DOE) of not less than 3.5%.

The target for the dividend payout ratio has been determined with the awareness that cash allocation will be made by directing two-thirds of profits to growth investments and one-third to shareholder returns. This is intended to increase profit returns to shareholders through a medium- to long-term increase in corporate value. Going forward, we will strive to enhance profit returns to shareholders and improve capital efficiency.

Trend of dividend payout ratio and DOE



As a company aiming for a medium- to long-term increase in corporate value by expanding business areas with high growth potential such as the Polishing Pad Business and the Industrial Chemicals Business, we are determined to remain a company particularly well-regarded by investors who seek growth from a medium- to long-term perspective. Therefore, we will strive to provide detailed explanations of our growth investments, enhance the content of reference materials for financial results and integrated reports, and actively engage in IR activities.

# Strategy by Business Segment: Polishing Pad Business

## Polishing Pad Business



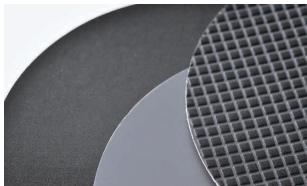
**Aiming to become the No. 1 global player in a niche segment as a comprehensive polishing pad manufacturer.**

Director, Managing Executive Officer,  
supervisory duties of Polishing Pad Business

**Yoshimi Mochizuki**

## Business Overview

The Polishing Pad Business engages in the sale of ultra-high precision polishing pads—our main products—to IT-device-related companies across the world. These pads are used to polish various IT devices in their manufacturing process, such as semiconductor devices (CMP), silicon wafers, hard disks, LCD glass, and other devices. Jointly with users, we are developing polishing pads that can be used for manufacturing IT devices in advanced and next-generation processes, utilizing the latest research equipment, testing devices, and manufacturing facilities.



**POLYPAS**  
(Suede series)

Final-polishing pad for semiconductor wafers, hard disks, etc.



**POLYPAS**  
(FXA series)

Non-filler type hard urethane pad that can be used for various purposes, including first polishing of semiconductor wafers and polishing of crystal oscillator optical lenses



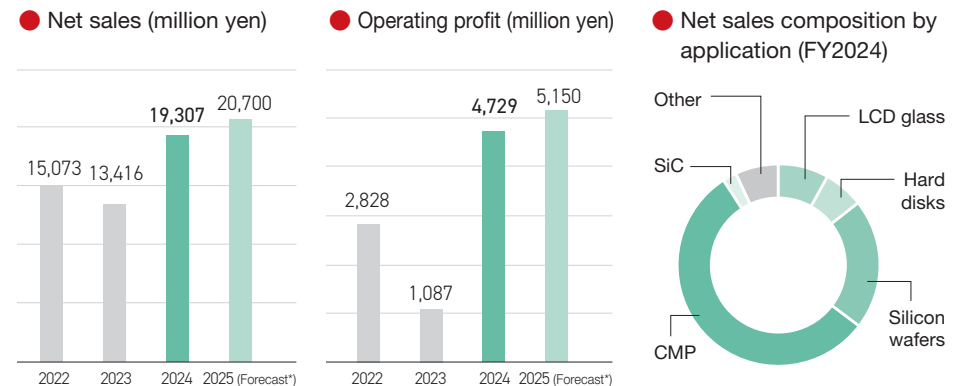
Please refer to our website for details of product information.

<https://www.fujibo.co.jp/en/division/polishingpad/product/>

## Performance: Review of FY2024 and Outlook for FY2025

After bottoming out in the first half of 2023, the global semiconductor market has been recovering at a moderate pace since 2024. Against this backdrop, orders for ultra-high precision polishing pads for semiconductor devices (CMP) increased, as demand increased for semiconductors for use in memory chips, including HBM, and advanced logic, fueled by the adoption of generative AI, as well as the ensuing rise in inventory levels among some users. A certain level of sales for silicon wafers was secured due to strong demand in advanced product applications, despite the sluggish demand in applications for general-use products. Demand for hard disk applications by data centers recovered, while in terms of LCD glass applications, the consumption of LCD panels has picked up in conjunction with growing TV demand from the latter part of the fiscal year, resulting in a rebound of orders. As a result, net sales amounted to ¥19,307 million, a year-on-year increase of ¥5,891 million (43.9%), and operating profit amounted to ¥4,729 million, a year-on-year increase of ¥3,641 million (334.8%).

For FY2025, we expect demand for advanced logic and memory chips to expand with the growth of AI-related investments, and forecast net sales of ¥20,700 million and operating profit of ¥5,150 million.

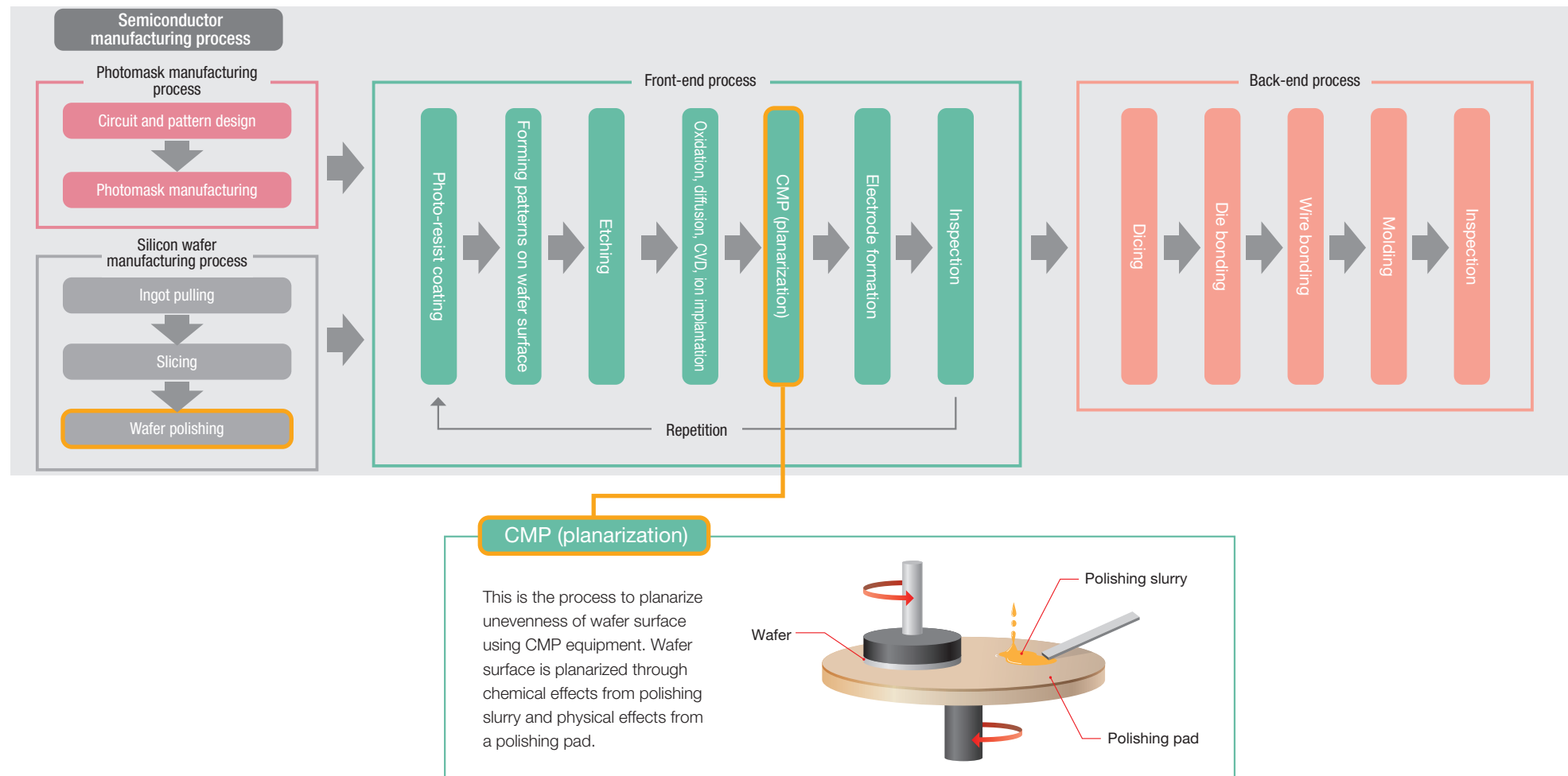


\*Figures disclosed on May 16, 2025

## Roles of Polishing Pads in the Semiconductor Manufacturing Process

Our polishing pads are used in the silicon wafer polishing process and the CMP\* process, in the front-end process during the semiconductor manufacturing process. Particularly, in the market for polishing pads for CMP (planarization), we have captured the top market share in the soft pad field.

\*Chemical mechanical polishing





## Strategy by Business Segment: Polishing Pad Business

### Strengths of the Business

Our strength lies in our comprehensive ability to respond to the diverse needs of customers in a careful manner by transcending departmental boundaries and integrating manufacturing, sales, and technology. We also have one of the largest manufacturing capacities in the industry along with strong BCP capabilities, with a system of five locations in Japan and abroad, including Taiwan. In order to meet the growing needs for polishing performance that will accompany the further growth in semiconductor demand, including AI and automotive applications, that is anticipated, we will work on increasing manufacturing capacity and advancing R&D by continuing to make active capital expenditures.

### Review of the “Zokyo 21-25” Period

Under “Zokyo 21-25,” we worked on reinforcing the business, aiming to become the “outstanding No. 1 player in a niche segment of the polishing pad industry.” From the second half of FY2022 to FY2023, we experienced slower performance due to the impact of a downward adjustment of the silicon cycle. As a result, although we have been observing a recovery trend from the beginning of FY2024, it will be difficult to achieve the Medium-term Management Plan targets within FY2025—the final fiscal year of the plan.

If we divide our performance throughout the five years into our existing fields and new fields, our existing fields have largely reached their planned level except during the one-and-a-half year period of the silicon cycle, while hard pads for the CMP field which had planned to be introduced, and fields for new applications failed to reach their targets.

Despite not meeting their targets, these two areas are advancing steadily. In the next Medium-term Management Plan, we will continue our persistent efforts to make these businesses major pillars.



Technology development annex, Nyugawa Plant

### Growth Strategy

In order to become the No. 1 global player in a niche segment in 2030, we will proactively launch initiatives with a view to our visions to be realized in 2035.

To this end, the most important factor is increasing corporate value by strengthening earning power. The key driving force behind this is human resources and, in the next Medium-term Management Plan, we will take on the challenge of driving innovation such as improving productivity, expanding businesses, and creating new ones, through investment in human capital. Specifically, we will promote the expansion of hard pads for the CMP field and fields for new applications, in addition to the expansion of existing fields. We will also propose the overall merits of our businesses to customers by leveraging our manufacturing know-how. Furthermore, we will incorporate promising growth fields at an early stage, which are expected to generate latent demand, thereby capitalizing on both offensive and defensive strengths through these initiatives.



## Strategy by Business Segment: Polishing Pad Business



**Message from CTO**

**Aiming to be the most trusted partner for our customers with the strength of our next-generation precision polishing solutions**

General Manager of Technology Development Department, Fujibo Ehime Co., Ltd.  
PhD (Engineering)

**Yoshihide Kawamura**

### With our accumulated technologies, we have gained a foothold in the market for precision polishing pads

Fujibo Ehime Co., Ltd. was established in 1977 with a core business of manufacturing the synthetic fiber rayon. Thereafter, the company diversified its business based on the non-woven fabric and artificial leather processing technologies developed in its initial textile business before entering the polishing pad market in the latter half of the 1990s. It was at this time that the company brought together experts in non-woven fabric, film, surface chemistry, and reaction engineering—fields related to polymer materials—to take on the challenge of research and development.

Since then, we have provided products for a wide variety of precision polishing applications, including smartphones, tablets, LCD glass, hard disks, silicon wafers, and semiconductor devices.

Polishing technology involves the pursuit of surfaces that are as level, even, and smooth as possible, and aims for defect-free products which will never scratch or leave foreign matter on a polished surface. We have created a foundation consisting of such diverse technologies as those involved in forming and processing polymer materials like non-woven fabrics and artificial leather, as well as surface chemistry and reaction engineering derived from material dyeing and processing, and have adapted these technologies to the high-tech field of semiconductor manufacturing. By bringing together these diverse technologies to meet the needs of our customers, we have established core technologies that cannot be easily imitated by other companies and enhanced our competitiveness.

In 2008, we opened a development center. Starting with 19 employees, this number has been expanded to 41 (as of March 31, 2025), including the Technology Development Department and Product Development Laboratory, and is set to reach 48 by March 31, 2026. The center's



researchers are mainly composed of those in materials, chemistry/chemical engineering, and mechanical engineering, with 29 bachelor's degree holders, 18 master's, and 3 PhDs. In addition, the company is also promoting the hiring of overseas human resources who have completed master's degree programs at national universities in Taiwan, as well as the appointing of female researchers.

### Further strengthening our ability to meet customer needs through performance assurance, mass production capabilities, and technical coordination

In the development of soft pads and other precision polishing pads, we have proactively created a wide range of new technologies while at the same time effectively “selecting and concentrating” on technologies that meet market needs. Furthermore, I believe that as a latecomer to

## Strategy by Business Segment: Polishing Pad Business

the market, our business development has been driven by our emphasis on strengthening our ability to thoroughly and consistently meet customer needs and requests.

We see “meeting customer needs” first as meaning detailed “customization” to provide what customers require, and secondly as “speed.” Providing what customers need and require with an emphasis on speed in all aspects helps build trust. Thirdly, we see “meeting customer needs” as being able to provide “mass production capabilities.” With multiple production sites, we are well-positioned to handle customers’ mass production needs. Our future plans include further investment in production and manufacturing to increase our mass production capabilities even more.

Another major factor is performance assurance. In the case of general industrial products, specifications are determined and as long as they are met, the product can be sold, but this is not sufficient in the field of



semiconductors that we engage in. It is necessary to guarantee that the product will perform reliably when actually used by the customer. This is what determines the success or failure of our precision polishing pad business. In order to assure performance, it is essential to improve assessment facilities. We have a system in place that enables in-house assessment using the same analytical equipment as that used by our customers. This system is also useful for failure analysis when something goes wrong.

By using the same polishing assessment equipment as our customers and reproducing their evaluation processes in-house, we can speed up the PDCA cycle of development in the preliminary customer evaluation stage, helping us to make better customer proposals.

In terms of capital expenditures, in 2010 we established a development and assessment system for CMP soft pads, and in 2019 we began full-scale development of CMP hard pads. In 2023, we updated to the latest defect detection equipment, Scanning Electron Microscopy, and AFM profilometers to strengthen our sophisticated assessment system for advanced semiconductors.

In 2017, as we had done for the semiconductor industry, we introduced a polishing assessment facility for bare silicon wafers, and have been focusing on the development of hard pads in addition to soft pads. We particularly have an overwhelming share of the soft pad market for final polishing and are leveraging this to gain share in the hard pad market.

Communicating with customers is also essential to ensuring product performance. This does not mean just exchanging words with customers but also engaging in technical communication, and our abilities in this area are derived in part from our organizational management as well as from our human resource development. In other words, it is essential that we create a system in which our

engineers can talk directly with customers.

Customization, speed, mass production capabilities, performance assurance, assessment facilities, and technical communication -- the strength of all of these together represent our ability to meet customer needs, and we are focusing on strengthening this winning combination.

### Technological superiority as a result of free discussion and interdepartmental coordination in R&D

Our organizational culture is based on flat, non-hierarchical relationships, and emphasizes the free and vigorous exchange of ideas. Providing customers with solutions, not products, is our motto, and active discussions among our researchers are essential to achieving this. I believe that, in addition to actively developing a wide range of new



## Strategy by Business Segment: Polishing Pad Business

technologies, our business development has been driven by effectively selecting and concentrating on technologies that meet market needs.

Furthermore, we work side by side with the Intellectual Property Office in the technology development annex, making it possible for us to be cognizant of patent issues from the early development stage. Talking face-to-face is effective in such areas as patenting development ideas, identifying industrial property issues at the prototype stage, and expediting patent applications.

In fact, for nearly a decade, we have led our competitors by far in the number of patent applications in the polishing pad field, and the strength of the wide moat created by our intellectual property is one of our distinguishing characteristics.

In addition, analysts from the Quality Assurance Department are always stationed in our newly constructed technology development annex, and we work and collaborate face-to-face with them to solve quality issues. In the semiconductor field in particular, not only quality assurance but also performance assurance is a prerequisite for adopting a product. Therefore, we have in-depth knowledge of our customers' processes and can make highly reliable development and product proposals in coordination with our manufacturing divisions.

### Aiming for our next phase of growth by establishing a site in Taiwan and strengthening our CMP

One of our most important measures going forward is the establishment of an R&D base in Taiwan, which we aim to be operational in 2027. The semiconductor polishing process is based on the optimal combination of various

tools and consumables, such as polishing machines, disks, polishing pads, and polishing fluids, and we believe that direct face-to-face interaction between engineers is important in a region like Taiwan where there is a high concentration of related component manufacturers.

On the business front, our top priority is to expand our share of the CMP hard pad market. Although CMP is considered to be in a growth phase in the polishing pad field, as semiconductor miniaturization and layering technologies advance, it is expected that eventually the market will be such that only the top one or two manufacturers will be able to survive. Although we already have an overwhelming share of the soft pad market, the key to the sustainability of our business will be how much share we can gain in the hard pad market. For my part, I am prepared to take on the challenge and aim to be number one in the field of hard pads.

With regard to product development, speed is becoming even more important. In efficient organizational management, the acquisition of accurate technical



information, making precise capital expenditures, and establishing relationships of trust with customers — in all of these, it is essential that we be faster. Furthermore, polishing pads have complex shapes and properties, and the production of soft pads in particular is a challenging process. Here, in addition to conventional intuition and experience, the key to achieving stable performance is the degree to which a science-based perspective can be incorporated.

Fujiibo Ehime considers its customer-oriented approach based on its capabilities to meet their needs as the source of its competitiveness. The company has earnestly addressed the challenges created by diversity and transformed it into a driving force for innovation. As each of our business areas, from LCD glass, HDD substrates, and wafers to semiconductors, have sequentially reached the end of their life cycles, we have flexibly shifted our focus areas to achieve sustainable development through selection and concentration. We will continue to adhere to this policy and provide advanced polishing solutions to society by combining our technology and manufacturing capabilities.



## Roundtable Discussion from [R&D ×Intellectual property]

Freely and openly exchanging ideas from the standpoints of development and intellectual property—  
Aiming to create new value in the global market

Members of the Technology Development Department and Intellectual Property Office gathered to discuss the results of the current Medium-term Management Plan, important themes for the next Medium-term Management Plan, and their vision for the future 10 years from now.



Manager, Intellectual Property Office, Fujibo Holdings, Inc.  
**Keisuke Kawamoto**

Deputy General Manager, Technology Development Department, Fujibo Ehime Co., Ltd.  
**Yoshie Kiraku**

Manager, Technology Development Department, Fujibo Ehime Co., Ltd.  
**Kenta Sasatani**

Deputy General Manager, Technology Development Department, Fujibo Ehime Co., Ltd.  
**Keisuke Tanaka**

Q 1

### What have been your main initiatives and accomplishments under the current Medium-term Management Plan?

**Tanaka** During the five years of the current Medium-term Management Plan, we have been making capital expenditures and allocating personnel with an eye toward semiconductor-related development. In developing polishing pads for the semiconductor field, it is necessary to explain not only the capabilities of a product but also the mechanisms that go into how it provides those capabilities. Accordingly, investigating the parameters that define pad characteristics has become an important research theme, and we have added a succession of new equipment for conducting this kind of analysis over the past five years.

Among these include advanced wafer polishing and defect inspection equipment, and we have created an environment that enables us to conduct assessments at the same level as our customers. In addition, customers are further raising



the level of their manufacturing and are increasingly noting even the slightest variations in performance. Investigating the causes of such variations and providing solutions are also important roles for the R&D team.

**Kawamoto** During the current Medium-term Management Plan, the Intellectual Property Office has been working with the R&D divisions to push patent applications related to polishing pads with a focus on CMP. In addition to protecting the Company's technologies, we have been actively engaging in the strategic submission of patent applications with an awareness of other companies' patent areas and, moreover, have striven for value creation with an eye toward global expansion. As a result, the number of applications and patents we have filed and received in the polishing pad field in Japan has exceeded that of our competitors, and overseas, the number of patent applications we have submitted has increased approximately 1.3 times over the past five years.

Q 2

### What do you see as our strengths in R&D?

**Tanaka** There are basically three core technologies that go into soft pad development. The first is the polymer-related technologies involved in designing, analyzing, and evaluating polymers. The second is film deposition technology, which is an important part of the manufacturing process. And the third is speed—how fast things move when transitioning from development to mass production.

Concerning the first—the technologies involved in polymer design, analysis, and evaluation—we are engaging in joint development with manufacturers of various pad materials, including resins and additives, as well as with companies that handle double-sided tapes. Our strength in this aspect is that we have a large number of options available to us, making it possible to make flexible adjustments in terms of selecting and combining the best options for a given situation.

With regard to the second, film deposition technology, the technologies we have accumulated to date serve as our

## Strategy by Business Segment: Polishing Pad Business

foundation in this area. As we have moved forward with our semiconductor-related initiatives, we have evolved our film deposition process into a highly controlled and well-maintained production line. Currently, we have a system in place that allows us to use our mass production lines to engage in manufacturing from the prototype stage.

For the third, one of our defining characteristics is our ability to smoothly manufacture products and quickly move to mass production when a product has been assessed by customers at the prototype stage and is adopted for mass production.

**Kiraku** In addition, another of our strengths is our ability to meet customer needs. We have advanced analytical equipment equal to that used by our customers. This enables us to conduct assessments which are highly reproducible—in other words, we can conduct assessments under the same conditions as our customers, and this makes it possible for us to make proposals from the point of view of our customers.

Also, our development staff is not limited to people specializing in the semiconductor field, but also includes those with expertise in a variety of other fields, such as hard disks and glass substrates. Leveraging staff with expertise in each field enables us to develop products that are closely tailored to customer needs.



**Sasatani** The culture of our department is characterized by a high degree of freedom in research and development, as well as the ability to engage in trial and error and take on any challenge. The experience we gain through repeated trial and error in response to user issues also aids our development work. With regard to hard pad development, which I am in charge of, we were a late starter in this area. Because of this, we began with hard pads for glass, entering the silicon wafer and semiconductor device markets in parallel with upgrading the level of our manufacturing and development. In particular with the new fields we have entered, we have sought to make market inroads by also providing technical support for production.

**Kawamoto** From an IP strategy perspective, one of our strengths is the fact that, as mentioned above, we have filed more applications and obtained more patents in Japan than our competitors. In addition, the percentage of patent applications that are actually granted a patent, i.e., those that pass the examination of the Japan Patent Office and meet the prescribed requirements, tends to be higher than that of other companies, which is another strength of ours.

### Q3 What are your goals for the next Medium-term Management Plan?

**Sasatani** An important aspect of the next Medium-term Management Plan is further efforts concerning products for semiconductor devices. As substrate wiring becomes increasingly miniaturized, the polishing performance required is becoming extremely high. Our immediate priority is appropriately responding to this challenge.

As part of our efforts in this area, we will utilize the new R&D center in Taiwan that is currently being set up. The company intends to continue strengthening its support for cutting-edge processes in coordination with users and

manufacturers.

In addition, amid a rapidly changing market environment, the ratio of overseas customers is increasing. In response to this, my team is in the process of building a system that incorporates overseas personnel, including members from Taiwan and Hong Kong. We aim to achieve further growth in the next Medium-term Management Plan by utilizing human resources from overseas and meeting the needs of our global customers.

**Kawamoto** The main issue is the percentage of overseas applications. Although the number of overseas applications itself has increased, as a percentage of the total, it has not changed significantly. Despite the fact that our market is expanding globally, our overseas IP efforts are somewhat lagging behind, and we would like to increase this percentage in the future.

In addition, as a new initiative, we are considering strengthening our external disclosure of information. The revised Corporate Governance Code now asks that companies disclose IP information to stakeholders. Going forward, we intend to proactively disclose information we feel stakeholders really want to know about, such as how strategic our IP is, as well as its connection to our business. Furthermore, we feel that it is important to link IP information with management information and promote the interest of the management team in this area through so-called IP landscape initiatives, and we will be making new efforts in this area.



## Strategy by Business Segment: Polishing Pad Business

### Q 4 Please share your vision for what R&D should look like in 10 years.

**Tanaka** As evidenced by our aggressive investment in R&D, we have already established the groundwork for development for the next 10 years. Up until now, customers have asked us to do something about their problems, and we have proposed solutions to them.

On the other hand, going forward, it will be essential to take a one-step-ahead approach by identifying issues on our own and proposing solutions to them. Therefore, I believe it is important to create an organization in which everyone shares the same goals, and in which each individual can work independently toward those goals.

**Kiraku** With an eye to the coming 10 years, I feel that it is important that we secure R&D human resources in order to enhance our capabilities to advance development. In addition to securing human resources, we are promoting initiatives such as the use of AI in order to make our development work more efficient. We are also in the process of inputting all past experimental results into AI to predict performance without conducting experiments. I believe this will allow us to increase the efficiency of development with limited personnel.

**Sasatani** Looking ahead 10 years, we also need to think about areas other than polishing pads. I want us to emphasize having an attitude of creating new value on our own.



Meanwhile, we will seek to automate operations while continuing to engage in trial and error, which is one of our strengths. This will enable us to build a system that is even faster in terms of both development and production.

**Kawamoto** AI and machine learning are also rapidly penetrating the field of intellectual property work, and I suspect that much of this work may be replaced by AI in 10 years. Thinking about what we can do as an IP division in the future, in the end, what will be important is how we make use of IP information and how we will make proposals based on that information. As I mentioned before about the IP landscape, the role of the IP division will be key in terms

of determining how the IP information we have is linked to management and development.

The Company got its start in the field of textiles, and today has expanded its business into the field of polishing pads. In line with this transition, we will further increase our contribution as the IP division by providing directions for future business from an IP standpoint, and by making proposals such as the kinds of companies it might be good to collaborate with.





# Strategy by Business Segment: Industrial Chemicals Business

## Industrial Chemicals Business



**Supporting manufacturing in the chemical industry through accumulated trust and technological capabilities**

Director, Senior Executive Officer, supervisory duties of Industrial Chemicals Business

**Koji Tosaka**

## Business Overview

Leveraging its long-standing expertise in organic synthesis, the Industrial Chemicals Business undertakes contract manufacturing of functional materials, pharmaceutical intermediates, and agricultural chemical intermediates for major chemical manufacturers. Operating multi-purpose plants for contract manufacturing in Yanai City, Yamaguchi Prefecture and Echizen City, Fukui Prefecture, the business meets diverse customer needs through swift production of small-lot, multi-product orders using facilities capable of handling a wide range of chemical reactions. The business emphasizes rigorous quality control, reliable delivery schedules, advanced environmental measures, and thorough safety management throughout its operations.

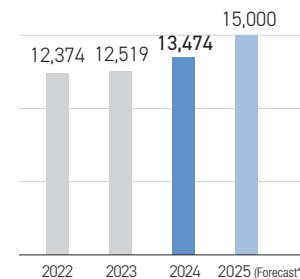


## Performance: Review of FY2024 and Outlook for FY2025

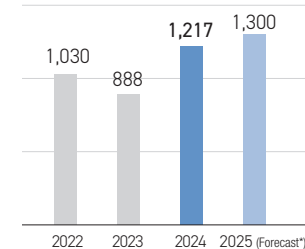
Orders for contract manufacturing of functional materials, pharmaceutical intermediates, agricultural chemical intermediates, etc. remained strong. This was supported by a recovery in demand driven by the gradual expansion and completion of inventory adjustments in the electronic materials market, including semiconductors, despite the ongoing worldwide inventory adjustments of agricultural chemicals. Efforts to develop new products also proved successful, leading to improved plant utilization. As a result, net sales amounted to ¥13,474 million, a year-on-year increase of ¥955 million (7.6%), and operating profit amounted to ¥1,217 million, a year-on-year increase of ¥328 million (37.0%).

For FY2025, the business expects an increase in orders due to a recovery in overall demand in the chemical industry and favorable market conditions for electronic materials, particularly semiconductors, with projected net sales of ¥15,000 million and operating profit of ¥1,300 million.

● Net sales (million yen)



● Operating profit (million yen)



\*Figures disclosed on May 16, 2025



## Strategy by Business Segment: Industrial Chemicals Business

### Strengths of the Business

We have established strong relationships of trust with our customers by leveraging our long-standing experience in contract manufacturing, offering technical expertise, cost competitiveness, and a customer-oriented approach that includes proactive improvement proposals. We place the highest importance on manufacturing the products our customers need, and we aggressively invest in the necessary equipment for this purpose. We will strengthen coordination between our Yanai and Takefu Plants to meet a broad range of customer needs.

### Review of the “Zokyo 21-25” Period

In the Industrial Chemicals Business, we gained momentum with the expansion of the Takefu Plant in February 2021, and planned to further grow our operations during the “Zokyo 21-25” period. In FY2021, domestic demand recovered following the initial impact of COVID-19, enabling us to steadily accumulate profits and achieve a record-high operating profit of ¥1.36 billion. However, the outbreak of the Ukraine conflict in early 2022 led to a global surge in raw material and fuel prices. Although we maintained near full-capacity operations throughout FY2022, rising costs compressed profitability, and operating profit declined to ¥1.03 billion. In FY2023, we implemented a strategy to pass on higher raw material and fuel prices to sales prices in order to secure profits. Nevertheless, sluggish economic conditions in China led to a decline in overall demand in the chemical industry, forcing us to reduce plant operations. As a result, operating profit fell for the second consecutive year to ¥0.88 billion. The following year, in FY2024, demand recovered due to the expansion and the completion of inventory adjustments of the electronic materials market, including semiconductors, resulting in a V-shaped recovery in operating profit to ¥1.21 billion. FY2025 has also been progressing steadily.

Amid these developments, we examined the feasibility of constructing a new plant and announced plans at the end of FY2023 to further expand our operations, despite the challenging business environment. The new plant is scheduled for completion at the end of FY2025 and is expected to begin full-scale operations in early FY2026. Through this initiative, we aim to realize the business scale envisioned under “Zokyo 21-25.”

### Growth Strategy

We will continue to refine the contract manufacturing technologies we have cultivated over the years and contribute to society by supporting manufacturing in the chemical industry as a reliable and robust partner to our customers. Specifically, we aim to establish a stable earnings base early on by operating the new plant at full capacity from the first year of the next Medium-term Management Plan. Building on this foundation, we will pursue initiatives with new customers and new themes to develop next-generation core products, while also taking on the challenge of further expanding our operations through additional plant construction toward the final year of the next Medium-term Management Plan. By enhancing our production capacity, we will be able to meet broader range of customer needs. At the same time, we will continue to focus on improving employee satisfaction through better benefits and working conditions, thereby increasing the overall appeal of our business.



Groundbreaking ceremony for the new plant

# Strategy by Business Segment: Lifestyle Apparel Business

## Lifestyle Apparel Business



### Differentiating ourselves in the market and pursuing a profit-oriented business operation

Managing Executive Officer, supervisory duties of Lifestyle Apparel Business

**Yasuhiro Shimizu**

\*Wearing a shirt made of "memory cotton<sup>®</sup>" fabric

## Business Overview

The Lifestyle Apparel Business of the Fujibo Group engages in the manufacturing, processing, and sales of textile products, primarily innerwear, as well as high-performance textile materials such as original yarns, and dyeing processes. In textile products, we offer a wide range of items through various sales channels, including popular brands such as B.V.D., which is highly regarded by many users for its quality, and Asamerry, a high-end product line. These products are supported by an integrated production system from original yarn spinning to garment sewing that ensures high quality.

In textile materials, we provide high-performance fibers developed using spinning and processing technologies cultivated over many years. These materials are tailored to meet diverse customer needs, ranging from fashion apparel to industrial applications. We are also actively engaged in the development of environmentally friendly materials, including memory cotton<sup>®</sup>.



memory cotton<sup>®</sup>

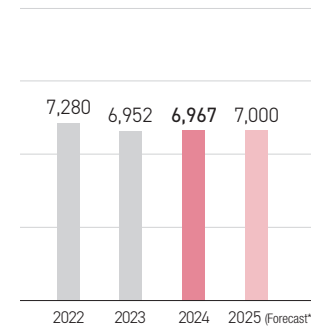
<https://www.fujibo.co.jp/en/division/textile/product/8265/>

## Performance: Review of FY2024 and Outlook for FY2025

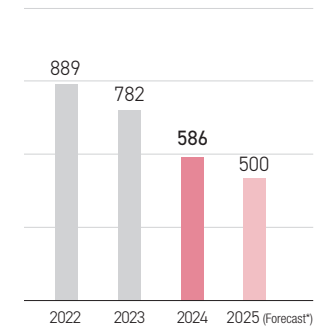
A difficult environment persisted for textile materials due to rising logistics and energy costs as well as the weak yen. Textile products struggled due to a decline in the number of mass merchandiser stores and the impact of increased consumer frugality. On the other hand, in our online sales, we strengthened Website marketing efforts, such as social media and search advertisements, and expanded our lineup of online-only products to more effectively promote our products. In addition, our high-quality Japan-made products were well received, and overseas sales remained strong. However, on the profit front, prices of raw materials and supplies continued to soar due to the ongoing weakening of the yen, and the gross margin ratio fell. As a result, net sales amounted to ¥6,967 million, a year-on-year increase of ¥14 million (0.2%), and operating profit amounted to ¥586 million, a year-on-year decrease of ¥195 million (25.0%).

For FY2025, we will continue to strengthen our product sales capabilities and expand sales channels overseas, and we forecast net sales of ¥7,000 million and operating profit of ¥500 million.

### ● Net sales (million yen)



### ● Operating profit (million yen)



\*Figures disclosed on May 16, 2025

## Strategy by Business Segment: Lifestyle Apparel Business

### Strengths of the Business

We will strengthen marketing, product planning, and branding, centered around the integrated production system at our own factories, our manufacturing technologies, and our commitment to quality. We seek to differentiate ourselves by pursuing the uniqueness of materials and the brand strength of our products. We implement a niche strategy by focusing on specific customer needs in order to avoid being caught up in price competition. In particular, our luxury underwear has gained a strong reputation, especially among wealthy overseas customers. Our focus is on expanding sales of these products in cooperation with overseas distributors.

### Review of the “Zokyo 21-25” Period

In the Textile Materials division, securing profit rather than sales volume remains the basic business policy. In line with this approach, we have decided to suspend operations of the synthetic fiber manufacturing and stainless fiber manufacturing divisions at the end of March 2026, as future growth potential in these areas is deemed limited. In other segments as well, we are focusing sales on highly profitable products and working to further increase the proportion of material supply to the Group’s textile product business.

The Textile Products division is also working to improve profitability by withdrawing from unprofitable transactions and reviewing low-margin deals, while shifting toward core products with stable earnings. To address rising costs, we are implementing appropriate price adjustments, reviewing transaction terms, and streamlining and updating our product lineup. These efforts reflect our continued commitment to securing profitability.

### Growth Strategy

The external environment surrounding this business has seen the emergence of negative factors, which are expected to intensify going forward. It is therefore essential to take note of these environmental changes and turn them into business opportunities. Our basic policy is to transform our strategy toward a business model that secures profitability by demonstrating uniqueness in niche markets.

As part of the next Medium-Term Management Plan, our first key measure is to advance and give concrete shape to both our brand strategy and overseas expansion strategy, focusing on brands such as B.V.D. and ANGLE. In Japan, we aim to shift away from reliance on existing sales channels and further expand direct-to-consumer sales,

particularly through e-commerce. We will also work to develop sales in global markets including through cross-border e-commerce, and cultivate the affluent consumer segment.

The second measure involves building a framework to appropriately shift our supply chain in line with future cost structures, and to optimize the entire Lifestyle Apparel Business through an integrated management structure. In recent years, as the economic gap between Japan and other Asian countries has narrowed and the yen’s purchasing power has declined, our traditional business model of low-cost procurement in Southeast Asia may face limitations and become unsustainable in the medium to long term. In addition, with the diversification of consumer values and the accelerating pace of trend changes, we anticipate the need for a highly advanced supply chain capable of supporting small-lot, multi-variety production in coordination with marketing and related functions. We are actively working to establish such a framework.

#### B.V.D.



#### Shundan GRID-TEC BASEGARMENTS

This is a functional innerwear designed with a grid structure that combines excellent heat retention and moisture release, allowing you to stay comfortable even in extreme cold. Thanks to its brushed lining, you can feel the warmth the moment you put it on.

B.V.D. website  
<https://www.bvd.jp/>  
 (Japanese only)

#### ANGLE



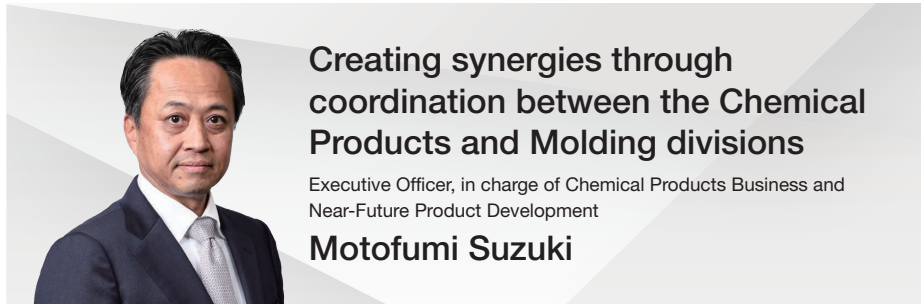
#### Asamerry

Asamerry, the flagship product of ANGLE, has delivered a linen-like coolness from cotton for over 70 years. By consistently pursuing a distinctive texture, Asamerry has built a solid tradition of quality as a premium innerwear brand. Today, Asamerry continues to evolve, aiming to bring its value to new generations and global markets.

ANGLE Website  
<https://angle-fujibo.net/>  
 (Japanese only)

# Strategy by Business Segment: Chemical Products and Mold Business

## Chemical Products and Mold Business



## Business Overview

The Chemical Products division specializes in injection molding of components for medical devices and digital cameras. The Molding division focuses on the design and manufacturing of injection molds, primarily for automotive parts. We are striving to expand our business through a fully integrated process that encompasses everything from mold design and manufacturing to injection molding.

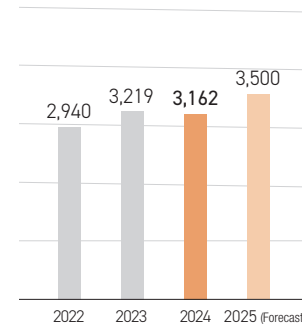


## Performance: Review of FY2024 and Outlook for FY2025

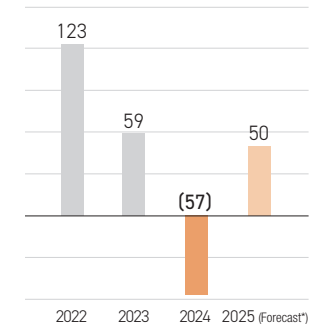
In the Chemical Products division, sales increased year on year as orders for medical device parts and digital camera parts have been solid. In the Molding division, the business situation remained uncertain due to quality assurance irregularities at automakers, ongoing moves toward business integration among major companies, and delays in the shift to EVs. In addition, the business situation remained harsh for office equipment molds due to a changeover period in development projects and a decline in demand for hot runners for automotive connectors and smartphone applications. As a result, net sales amounted to ¥3,162 million, a year-on-year decrease of ¥57 million (1.8%), and operating profit amounted to a loss of ¥116 million, a year-on-year decrease of ¥57 million (197.8%).

In FY2025, the Chemical Products division will focus on building a production system aligned with increased output from users of medical device parts. The Molding division will aim to acquire new customers and strengthen its cost management framework. Through these initiatives, we forecast net sales of ¥3,500 million and operating profit of ¥50 million for the fiscal year.

● Net sales (million yen)



● Operating profit (million yen)



\*Figures disclosed on May 16, 2025



## Strategy by Business Segment: Chemical Products and Mold Business

### Strengths of the Business

In this highly competitive industry, we have built up a solid track record of high quality and precision and stable production and delivery that fulfill the needs of our customers. Based on the trust we have earned, our strong business foundation and our ability to respond to diverse customer needs, supported by a full lineup of molds enabled through M&A, have become key strengths. The inclusion of Tokyo Molding and IPM in the Group has made it possible to receive orders for projects that these companies and the Company could not have received alone. In addition, the number of newly developed products through database sites for manufacturing is also on the rise.

### Review of the “Zokyo 21-25” Period

In the Chemical Products division, the molding operations were integrated into Fujichemi Co., Ltd. in October 2022, and since then, we have steadily expanded our sales scale. Among these, the medical device components segment has shown particularly strong growth, and further expansion is expected. In preparation for the next Medium-term Management Plan, we are strengthening our organizational structure to support continued growth.

In the Molding division, IPM Co., Ltd. joined the Group in 2022. With Tokyo Molding, which specializes in large molds, and IPM, which manufactures and sells small precision molds and hot runners, we have established a system capable of supplying a full range of molds from small to large sizes. We are promoting further business expansion by creating synergies through coordination between the Chemical Products and Molding divisions.



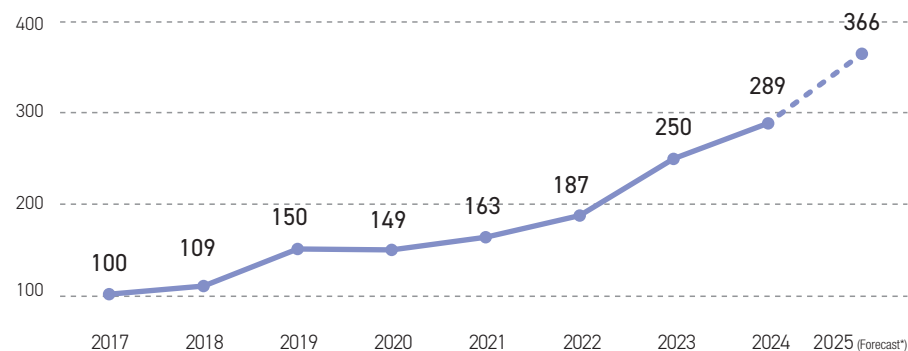
IPM

### Growth Strategy

In the Chemical Products division, we will continue to invest in expanding production capacity for medical device components, which are expected to see strong growth, in order to meet customer needs. Through coordination with the Molding division, we will promote “solution-oriented proposals” to drive business expansion and improve profitability.

Furthermore, leveraging the Company’s competitive advantage and advanced technological capabilities, including our integrated supply system for molds, hot runners, and molded products, we are actively pursuing development in high-value-added fields that require advanced expertise, with a strong focus on early delivery.

● Sales trend of chemical products for medical devices Note: Indexed to 2017=100



\*Figures disclosed on May 16, 2025

# The Fujibo Group Sustainability

The Fujibo Group's Sustainability Management



## Basic Policy

The Fujibo Group implements “sustainability management” that incorporates sustainability at the core of our business strategy.

The Group’s sustainability management is characterized by achieving sustainability through a well-balanced implementation of “profit-making,” growth, profitability, social contribution, and fair and transparent SDGs management founded on integrity.

A company must be financially profitable in order to pay dividends to its shareholders and achieve sustainable growth. In addition, focusing on being a public institution, it is important to establish a strong relationship with stakeholders as a company that is more trusted by society under proper corporate governance. Our Group will continue to work toward the sustainable enhancement of our corporate value.

## Sustainability Management System

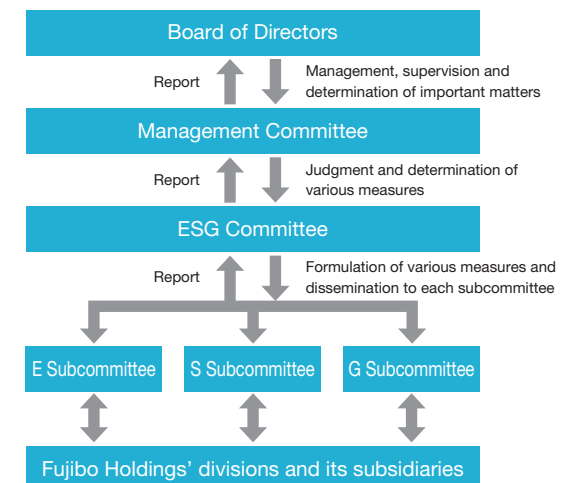
At present, the world is facing many serious social challenges, including climate change, and society’s expectations of companies as a leader in solving these issues are increasing. Against this backdrop, we established the ESG Committee on April 1, 2021 to promote sustainability management across the entire Fujibo Group by addressing important issues related to the SDGs, in line with the launch of our Medium-term Management Plan “Zokyo 21-25.”

The ESG Committee is headed by the President and consists of three subcommittees: the Environment Subcommittee, the Social Subcommittee and the Governance Subcommittee. The Committee will make recommendations to ensure that the Group responds appropriately to sustainability issues and that its sustainability efforts lead to medium- to long-term enhancement in corporate value.

In this system, each subcommittee addresses various issues related to sustainability promotion, and then consults with the ESG Committee, the Management Committee, or the Board of Directors depending on the level of importance. Therefore, the Board of Directors makes final decisions on important policies and measures for overall management and also controls and supervises the Management Committee, the ESG Committee, and other relevant bodies.

Although the Polishing Pad Business, Industrial Chemicals Business, Lifestyle Apparel Business, and Other Businesses have different requirements for sustainability, we will proactively tackle them from the perspective of risks and opportunities.

The Fujibo Group's Sustainability Management System



## Adaptation to Climate Change

### Addressing the TCFD Recommendations

The Fujibo Group recognizes that climate mitigation measures to realize a decarbonized society are an important management issue. Accordingly, in November 2021, the Group announced its support for the TCFD recommendations, which provide guidelines for starting the disclosure of climate change-related information. The following discloses key information about our response to climate change-related risks and opportunities, in line with the TCFD recommendations.

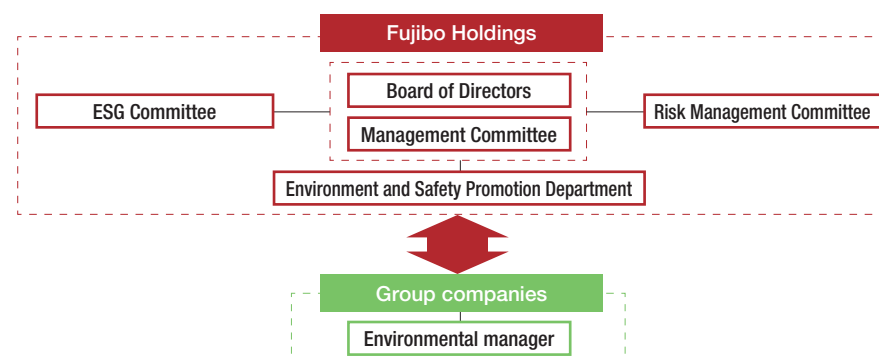
#### 1. Governance

The Fujibo Group's ESG Committee, chaired by the President, makes decisions on important environment-related targets and initiatives. In that regard, we enlist a system whereby climate change-related risks and opportunities are identified by the ESG Committee, which meets twice annually. The Environment Subcommittee, operating as a subcommittee of the ESG Committee, then addresses such challenges and accordingly consults with either of the ESG Committee, Management Committee, or the Board of Directors, depending on the level of importance. The Board of Directors makes final decisions upon having received reports from the relevant bodies such as the ESG Committee, then controls and supervises progress thereof.

#### 2. Risk Management

We have been engaged in establishing and maintaining a system for identifying and managing Group-wide information on risk, including climate change-related risk. We have accordingly established the Risk Management Committee, which collects and analyzes information pertaining to risk management and takes action if a risk materializes. Meanwhile, the ESG Committee also identifies risks and opportunities from the standpoint of their likelihood of occurrence and monetary importance, and takes action accordingly. Specifically, the Environment Subcommittee coordinates with each business firm to examine and implement countermeasures. Efforts of the Risk Management Committee and ESG Committee to engage in risk management entail reporting matters to the Board of Directors and Management Committee, depending on the level of importance.

#### Governance System for Climate Change



#### 3. Strategy

The Fujibo Group enlists the five procedural considerations listed below with respect to identifying risks and opportunities related to climate change, evaluating the impact of such risks and opportunities on its business activities, formulating strategies, and taking action accordingly.

- (1) Identification of climate change-related risks and opportunities
- (2) Assumptions for scenario analysis (define applicable businesses and climate change scenarios)
- (3) Impact of risks and opportunities on business, strategy, and financial planning
- (4) Strategies (transition planning) and resilience pertaining to risks and opportunities
- (5) Main risks and opportunities and measures to address such risks and opportunities

## Risks

Type of Risk		Risk Category	Risk Overview	Onset Timing	Degree of Impact by 2050	Countermeasures for Risk Reduction
Transition risk		Policy/Legal	Introduction of a carbon tax	Medium-term	Large	<ul style="list-style-type: none"> <li>• Rigorous energy-saving activities</li> <li>• Invest in efficient equipment to save energy</li> <li>• Convert to using renewable energies</li> <li>• Install solar power generators</li> <li>• Review fuel use</li> <li>• Improve energy efficiency through process improvements, etc.</li> </ul>
		Market/Reputation	Demands from business partner companies to reduce carbon	Short- to medium-term	Medium	
			Lower evaluation by investors, reputation risk	Medium-term	Medium	
Physical risks	Acute	Extreme weather	Increasing severity of abnormal weather conditions such as typhoons, heavy rain and lightning	Medium-term	Medium	<ul style="list-style-type: none"> <li>• Build new plants to disperse risk</li> <li>• Raise installation sites of electrical substation equipment, etc.</li> <li>• Build floodwalls</li> </ul>
	Chronic	Rising temperatures	Water shortages caused by drought	Long-term	Medium	<ul style="list-style-type: none"> <li>• Upgrade to water-saving equipment</li> <li>• Reuse water (circulation response)</li> </ul>
			Expansion of supply chain transition risk (rising raw materials prices due to reduced volume of cotton cultivation)	Long-term	Medium	Consider diversification of raw materials suppliers

## Opportunities

Opportunity Category	Summary of Opportunities from Climate Change	Time horizon	Degree of Impact by 2050	Measures to Utilize Opportunities
Markets	<ul style="list-style-type: none"> <li>• Rapid popularization of EV</li> <li>• Increased demand for energy-saving semiconductors (shift from silicon to SiC/GaN)</li> </ul>	Medium- to long-term	Large	Increase sales of polishing pads for power semiconductors, etc.
	Spread of the virtual society (Increased demand for semiconductors to connect all sorts of things)	Medium- to long-term	Large	<ul style="list-style-type: none"> <li>• Increase sales of polishing pads for semiconductors used in post-5G communications and sensors, etc.</li> <li>• Increase sales of polishing pads for logic IC in smartphones/HPC</li> </ul>
	Food supply shortages due to the increase in the global population and reduction of farming land area	Medium- to long-term	Large	<ul style="list-style-type: none"> <li>• Increase sales of agricultural chemical intermediates accompanying increase in need for stabilized agricultural production</li> </ul>
Products and services	Increasing needs for products responding to the low-carbon society	Short- to medium-term	Medium	<ul style="list-style-type: none"> <li>• Use of environmentally friendly packaging materials (B.V.D. brand underwear, etc.)</li> <li>• Environmentally certified products (luminous fiber [Lumifilo], etc.)</li> <li>• Waste-free chemical products (hot runner system)</li> </ul>
Resource efficiency	Respond to a recycling-based society	Short- to medium-term	Small	<ul style="list-style-type: none"> <li>• Reuse waste liquids as fuel</li> <li>• Reuse waste water</li> <li>• Upgrade to water-saving equipment</li> <li>• Reuse, recycle apparel, textile materials, etc.</li> </ul>
	Reform operational processes (DX, etc.)	Medium- to long-term	Medium	<ul style="list-style-type: none"> <li>• Introduce RPA, consider introducing product evaluation utilizing IoT</li> <li>• Reduce waste inventory and appropriately manage production by establishing a data management base</li> </ul>
Energy source	Transition to a low-carbon energy society	Short- to medium-term	Medium	<ul style="list-style-type: none"> <li>• Introduce and expand use of renewable energies</li> <li>• Respond to net zero energy buildings (ZEB) in plant construction</li> <li>• Engage in energy-saving, low-cost activities such as joint deliveries, direct-to-customer deliveries and promotion of shipping deliveries</li> </ul>
Resilience	Create a company resilient against natural disasters	Medium-term	Medium	<ul style="list-style-type: none"> <li>• Build new plants to disperse risk</li> <li>• Raise installation sites of electrical substation equipment, etc.</li> <li>• Build waterproof walls</li> </ul>

## 4. Metrics and Targets

Greenhouse gases emitted as a result of our business activities consist solely of CO<sub>2</sub> with no emissions of CH<sub>4</sub> (methane) or N<sub>2</sub>O (nitrous oxide). Whereas we are likely to consume more energy moving ahead amid our ongoing expansion of production, we are striving to reduce our greenhouse gas emissions by promoting a transition to renewable energy. Going forward, we will strive to increase our corporate value and contribute to achieving a decarbonized, low-carbon society by continuing efforts toward target-setting and persisting with business activities that place even greater emphasis on environmental concerns.

## [Emissions for each scope]

(Unit: thousand t-CO<sub>2</sub>)

	2020	2021	2022	2023	2024
Scope 1	22.0	24.8	27.3	25.5	26.4
Scope 2	33.8	35.5	35.6	34.3	34.5
Scope 1+2	55.8	60.3	63.0	59.9	60.9
Scope 3	—	100.6	109.9	94.0	112.3

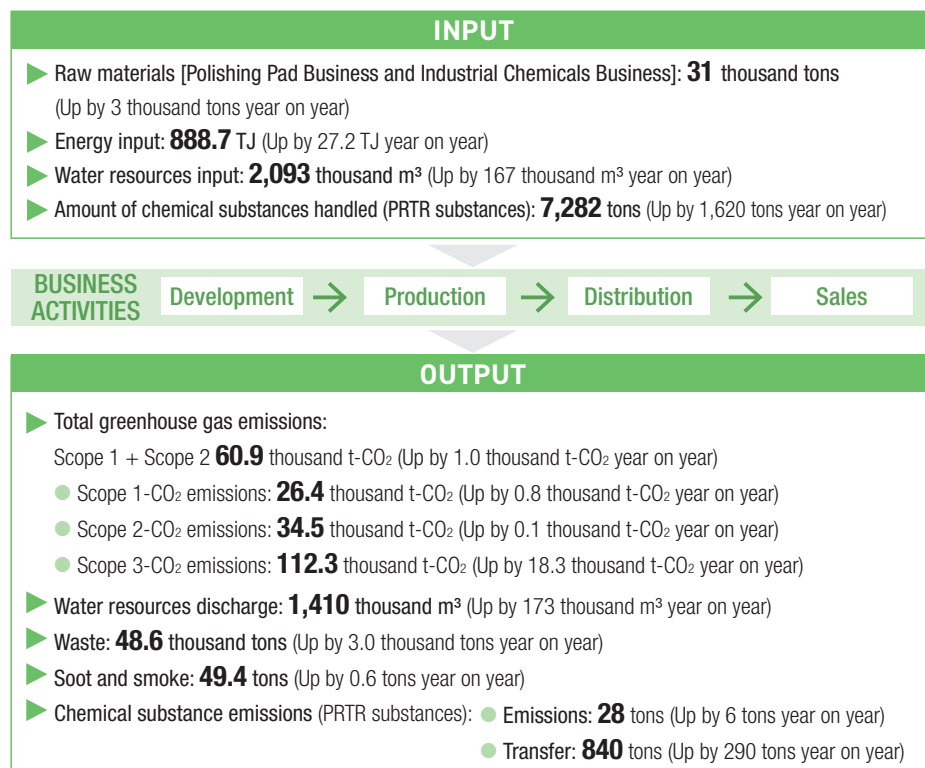


## Sincere Efforts toward the Realization of a Sustainable Environment and Society

### Overview of the Environmental Loads of Business Activities

The Fujibo Group monitors the amounts of energy and chemical substances used in business activities, as well as the emissions of CO<sub>2</sub> and waste, to get an overall picture of the environmental activities each fiscal year to assess the achievement of our targets.

#### Flow of Materials in Our Production Activities for 2024



### Use of Renewable Energy

In our effort to reduce CO<sub>2</sub> emissions, we are introducing solar power generation facilities and switching to electricity derived from renewable energy sources. At the Fujibo Ehime's Nyugawa Plant, we have installed solar panels on the roof of the research and development facility to utilize renewable energy.



Technology development annex,  
Fujibo Ehime's Nyugawa Plant

### Reduction of Environmental Loads on Water Resources

The Fujibo Group's business activities are dependent on abundant water resources, mainly the Seto Inland Sea. Nyugawa Plant and Oita Plant, both of which face the Seto Inland Sea, have wastewater treatment facilities that use the activated sludge process in our efforts to reduce the environmental load on water resources.

Moreover, each business site complies with the Water Pollution Prevention Law and the Sewage Act, regularly inspects water quality and discharges water in public water areas.



Wastewater treatment facility,  
Fujibo Ehime's Oita Plant

## Respect for Human Rights

The Fujibo Group follows our corporate philosophy “we will always support leading-edge industries by providing new technologies and products demanded by the times, and are committed to realizing a more prosperous and sustainable future for people, society, and the global environment.” and stipulates in the “Fujibo Group Charter of Conduct” that we will conduct management that respects the human rights of all people.

We have developed “The Fujibo Group Human Rights Policy” pursuant to the “United Nations Guiding Principles on Business and Human Rights” and Japan’s “National Action Plan on Business and Human Rights” developed in compliance therewith, and will address respect for human rights based on the Policy as a guide in order to fulfill our responsibility to respect human rights of all people involved in our business.



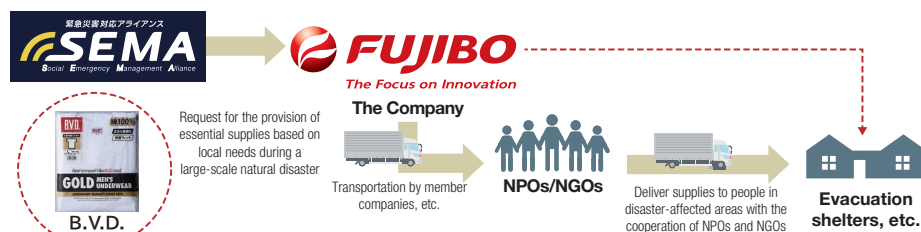
The Fujibo Group Human Rights Policy

<https://www.fujibo.co.jp/en/sustainability/social/human-rights/>

## Contributing to Local Communities

### Disaster Relief/Clothing Donation

The Fujibo Group donates underwear, which is a daily necessity, to assist people in areas affected by large-scale disasters such as earthquakes, typhoons and fires. Since December 2021, we have been a member of the Social Emergency Management Alliance (SEMA), which provides disaster relief in Japan through collaboration between private-sector companies and civil society organizations (CSOs). If there is a large-scale disaster, we will use the SEMA framework to supply men’s and women’s innerwear and underwear according to the needs of those in disaster-affected areas.



## Dialogues with Business Partners

The Fujibo Group has established an appropriate transaction policy and is conducting responsible procurement in accordance with the Sustainability Procurement Guidelines in order to support the development of a sustainable society throughout the supply chain. The Guidelines cover legal compliance, fair transactions, environmental considerations and respect for human rights (prohibition of child labor and forced labor) among others.

### Securing Sustainable Supply Chain



Sustainability Procurement Guidelines

<https://www.fujibo.co.jp/en/sustainability/social/supplier-management/>

### Announcement of the Declaration of Partnership Building

The Company has endorsed the purpose of the Council on Promoting Partnership Building for Cultivating the Future promoted by the Cabinet Office, the Ministry of Economy, Trade and Industry, etc., and announced the Declaration of Partnership Building. Going forward, based on the concept of sustainability management, we will work to enhance added value throughout the supply chain, and aim to maintain good partnerships with our business partners in order to fulfill our social responsibilities.



# Corporate Governance

## Directors and Corporate Auditors

### Directors



Representative Director and President,  
Executive President  
**Masahide Inoue**



Representative Director, Senior  
Managing Executive Officer  
**Osamu Hirano**



Representative Director, Managing  
Executive Officer  
**Tatsuya Sasaki**



Director, Managing Executive Officer  
**Yoshimi Mochizuki**



Director, Senior Executive Officer  
**Koji Tosaka**



Outside Director  
**Ruth Marie Jarman**



Outside Director  
**Hisashi Kobayashi**



Outside Director  
**Rieko Sato**



Outside Director  
**Takahiro Tsubota**

### Corporate Auditors



Full-time Corporate Auditor  
**Atsunori Noguchi**



Full-time Corporate Auditor  
**Katsuhiko Okamoto**



Outside Corporate Auditor  
**Kotaro Otsuka**



Outside Corporate Auditor  
**Katsuya Fujii**



For career summary of each Director and Corporate Auditor,  
please refer to Annual Securities Reports (Japanese only).  
<https://www.fujibo.co.jp/ir/library/securities-reports/>

## Skill Matrix

Fujiibo's Board of Directors is committed to achieving optimal performance from the perspective of helping the Company attain sustainable growth along with medium- to long-term gains in corporate value by enhancing its management oversight function. This entails striking an optimal balance with respect to its overall knowledge, experience, and capabilities, harnessing diversity, including that which involves international representation on the Board of Directors, and enlisting independent outside directors equipped with extensive experience.

	Name	Independent officers	Gender	Corporate management/ Strategy	Production technology/ Safety and quality	Sales and marketing	Legal affairs and risk management	Internationality	Finance and accounting
Directors	Masahide Inoue		Male	●	●	●			
	Osamu Hirano		Male	●			●		
	Tatsuya Sasaki		Male	●		●	●		●
	Yoshimi Mochizuki		Male	●	●				
	Koji Tosaka		Male	●	●	●	●		●
	Ruth Marie Jarman	●	Female	●		●		●	
	Hisashi Kobayashi	●	Male	●		●	●	●	
	Rieko Sato	●	Female	●		●	●		
	Takahiro Tsubota	●	Male	●	●	●		●	
Corporate Auditors	Atsunori Noguchi		Male	●			●		●
	Katsuhiko Okamoto	●	Male	●			●		●
	Kotaro Otsuka	●	Male				●		
	Katsuya Fujii	●	Male	●			●		●



## Roundtable Discussion by Outside Directors

With a view to further global business expansion, we will pursue the creation of value provided to customers as the outstanding No. 1 player in a niche segment



Outside Director  
**Takahiro Tsubota**

Outside Director  
**Ruth Marie Jarman**

Outside Director  
**Rieko Sato**

Outside Director  
**Hisashi Kobayashi**

**Q1** Please share your assessment of the efforts made so far under Medium-term Management Plan “Zokyo 21-25,” and what your key themes are for the next Medium-term Management Plan.

**Kobayashi** Looking at each individual theme, such as the investment strategy, ESG and SDGs initiatives, ROIC management, and shareholder return policy, I believe that the Company has made steady progress. On the other hand, the Company still has some way to go to achieve its quantitative targets for net sales and operating profit, and its challenge is to become more competitive and establish a profit structure that will not be affected by changes, such as the silicon cycle, in the external environment. In the next Medium-term Management Plan, I believe that the Company needs to have a strong desire to promote its business and increase the level of its commitment.

It is also important for the Company, as a holding company, to clarify its mission with regard to what it will contribute to society. It should be a clear and powerful message to internal and external audiences, a guideline for action when faced with difficulties, and a basis for decision-making when reviewing business operations.

**Jarman** I feel that through the initiatives of “Zokyo 21-25” to date, the Company’s foundation for profit-producing mechanisms has quite literally been strengthened. In an uncertain and challenging business environment, management has responded and adapted flexibly. I also feel that over the past few years, organizational capabilities and teamwork have been strengthened, and communication with the management of each business firm

## Corporate Governance

has become flatter and less hierarchical. I believe these changes will be a major positive factor for the Company's growth going forward.

Fujibo is a company that boldly takes on the challenge of new possibilities, and has many human resources with unique ideas and the ability to create innovation. I think it is important to really emphasize the idea of "Fujibo the Innovator" in the next Medium-term Management Plan.



**Sato** I praise the Company for its steady implementation of "Zo: Increase revenue opportunities," one of the three policies of "Zokyo 21-25." This includes enhancing production capacity and R&D capabilities in the Polishing Pad and Industrial Chemicals businesses, suspending a portion of Lifestyle Apparel Business operations, and concentrating management resources on the Polishing Pad Business. On the other hand, at this point, we do not have a clear picture of the progress made with regard to "Kyo: Strengthen the value proposition" or "Reform operation processes by continuing and fortifying DX," and I would like

to investigate these areas and gain an understanding of any lingering issues.

In the next Medium-term Management Plan, I believe it is important to properly evaluate how much has been achieved of what the Company wanted to achieve over the past five years, and then to identify remaining issues and set items to be addressed in the future.

**Tsubota** Although the scope of my evaluation will be limited as I was appointed as an outside director in 2024, I feel that the Company has done an excellent job of aggressively reforming its business portfolio.

Regarding the next Medium-term Management Plan, while a backcasting perspective is of course necessary, I believe that what is most important is how quickly and flexibly the Company can respond when something happens in a business environment where we cannot predict what will happen in the future. I would like to see the necessary measures included based on this perspective.

**Q 2**

**Please share your assessment of the Company's efforts in terms of governance and what challenges you see in this area for the future.**

**Sato** I view the Group's governance as being characterized by the fact that the entire Group is loosely bound together while still respecting the independence and autonomy of each business firm. At a time when the ability to respond appropriately and in a timely manner is required under highly uncertain circumstances, I believe this will be a great advantage.

However, it is essential the Fujibo Group have a firmly shared understanding of just what it is the Group values. Over the next five years, I believe it will be important to ensure that the standards of conduct, guidelines, and vision common to the entire Group permeate the management of each business firm.



**Jarman** I have been serving as an outside director since 2019 and I really feel that the trust between the executive side and outside directors has grown stronger and stronger. I can freely and without reservation say what I want to say and ask what I want to ask. Each business firm is independent yet bound together by the holding company structure, and a clear view can be gained of the whole. I believe that a challenge for the future is to devote more time to the discussion of important issues related to management strategy.

**Tsubota** In order for the Company to achieve faster management, it is necessary to expand the discretion of

the executive side through a significant transfer of authority, and to change the system to one that allows the Board of Directors to calmly supervise and evaluate the Company's operations. Going forward, I believe the Company should engage in investigating and revising its institutional design.

Another important issue is the establishment of governance at the global level. With there inevitably being areas that are difficult to keep an eye on, how will the Company make governance function in the global market? This is something the Company must take seriously in its next Medium-term Management Plan.

**Kobayashi** I share your view of the issues at hand. Changing the structure of a company takes time, but there are also the demands of the market and society to consider. I would like to see the Company work on changing ways of thinking as preliminary preparation, and on reforming the way the entire Group is managed.

### Q 3 What are some of the challenges the Company needs to address as it aims to become the global No. 1 player in a niche segment?

**Tsubota** In order to become the global No. 1 player in a niche segment, the Company must conduct marketing and develop products in various parts of the world and aggressively enter markets. Especially in entering new markets, I would like to see the Company take initiative and be proactive in product development, production, sales, and service.

The strength of a global company is that even if business is slow in one part of the world, it can sustain growth by shifting its focus to a region where it is doing well. It may

take time, but I anticipate that the Company will grow into such a true global player in a niche segment, and I will be contributing toward that goal to the best of my abilities.



**Sato** In aiming to be a global company, I think it is very important to keep abreast of what customers around the world are looking for, and to continue to pursue what the Company can do to meet those needs. In order to achieve this, the Company must fully leverage the capabilities of its people. I believe that it will become increasingly important for every employee to actively and freely express his or her own ideas, and for the Company to reflect these ideas in its strategies.

**Jarman** I have worked with many corporations, but I feel that few of them value their external stakeholders as much as the Company does. On the other hand, internal stakeholders will also be important in the coming future, and it is necessary for the Company to create an environment that motivates employees and pushes them to transition from a domestic mindset to an international

mindset.

It will also be important to raise morale by setting high goals. Additionally, I think one more issue is the revision of the compensation system to one based on performance and individual employee contributions.

**Kobayashi** I believe that the Company can provide products and services that exceed customer expectations by comprehensively integrating the technologies and business processes of its diverse business fields together with the needs of its customers. I think that by making visible its strengths in core technologies and capabilities to meet customer needs, and having each business firm utilize these as the common foundation of the entire Group, it will be possible for the Company to provide solutions unlike anything it has produced to date. I intend to work on the realization of this idea in the next Medium-term Management Plan.



## Evolution and Advancement of Governance

### Basic Concept

The Company's foremost objective is to maximize shareholder value by pursuing management efficiency and ensuring soundness. We are committed to ensuring management transparency and strive to disclose information to the greatest extent possible. At the same time, we actively seek to incorporate diverse opinions from both inside and outside the Company, aiming to enhance corporate governance and uphold high standards of corporate ethics.

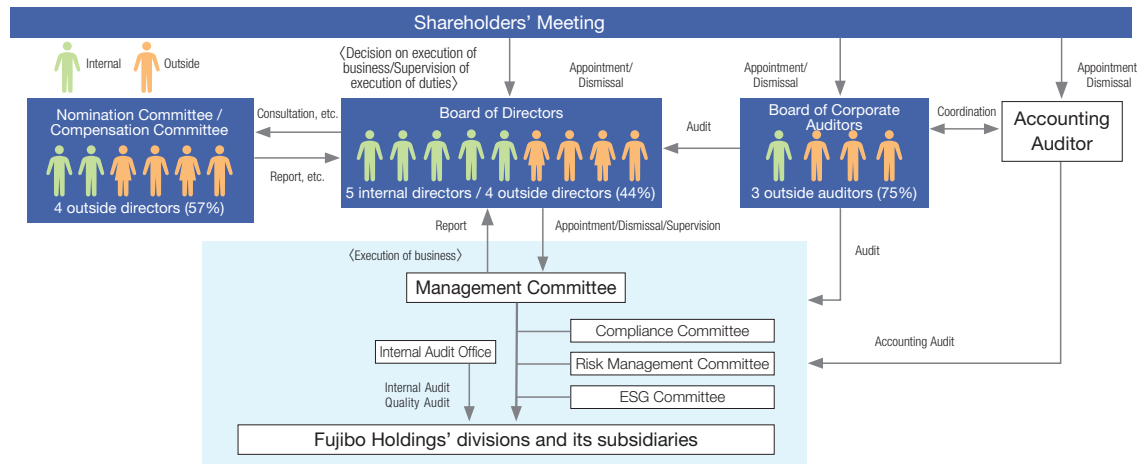
### Improving the Structure and Operations

Fujibo Holdings is a company with a Board of Corporate Auditors, and is taking initiatives to speed up the decision-making process of the Board of Directors, ensure greater transparency, and strengthen the oversight functions of the Board of Corporate Auditors.

Since June 2013, the Company has been inviting outside directors to oversee management from a more objective standpoint based on their abundant experience and extensive knowledge as executives. This enables the Company to build a system to strengthen the functions and roles of the Board of Directors, which include decision-making on business execution and supervision of the directors' execution of duties.

The Company's system allows corporate auditors to attend meetings of the Board of Directors and the Management Committee to understand the process of important decision-making and the status of business execution, and to conduct management audits appropriately.

#### ● Corporate Governance System (as of June 2025)



#### ● Initiatives for promoting corporate governance



#### ● Overview of major meetings and committees

	Number of meetings held in FY2024	Composition
Board of Directors	13	The Board of Directors consists of up to 9 members, with a term of 1 year. Currently, there are 9 directors, including 4 independent outside directors (outside director ratio of more than one third), 2 of whom are female directors.
Board of Corporate Auditors	13	1 internal auditor and 3 outside auditors
Management Committee	24	Executive director, executive officer, full-time corporate auditor
Nomination Committee	1	2 internal directors and 4 outside directors*
Compensation Committee	2	
Compliance Committee	2	5 internal directors and 2 full-time corporate auditors, 9 executive officers and other secretariat members; Reports to the Board of Directors after each meeting
Risk Management Committee	2	5 internal directors and 2 full-time corporate auditors, 9 executive officers and other secretariat members; Reports important matters to the Board of Directors
ESG Committee	2	Composed of all directors, corporate auditors, and executive officers, and outside experts are invited as needed

\*One Outside Director was appointed on June 27, 2024, and therefore did not attend any Nomination Committee meetings but attend one Compensation Committee meeting.



## Policies and Procedures for the Selection and Dismissal of Members of Senior Management and the Nomination of Candidates for Directors and Corporate Auditors

For the selection and dismissal of members of senior management and the nomination of candidates for directors and corporate auditors, a Nomination Committee composed of a majority of independent outside directors has been established, and the Board of Directors makes the final decision based on the committee's recommendations after deliberating on the policies, procedures, draft proposals, etc.

### (1) Board of Directors

The Company's policy is to appoint directors who meet the legal eligibility requirements, and who are capable of fulfilling the management duties and responsibilities entrusted to them by shareholders as directors in consideration of their character, insight, and career experience, regardless of whether they are inside or outside the Company, or their gender, age, or nationality.

The Board of Directors considers one of its main roles and responsibilities to be providing effective supervision of the management team and directors from an independent, objective standpoint, and it has appointed four outside directors and three outside auditors to conduct fair and highly transparent mutual evaluations and evaluations of executive officers, and established the Nomination Committee and Compensation Committee as independent bodies.

### (2) Board of Corporate Auditors

Candidates for corporate auditors are selected after thorough consideration of the importance of auditing and the role of corporate auditors in corporate management, as well as the character, insight, and career experience of the candidates. The Nomination Committee deliberates on suitable candidates who can fulfill the duties as the Company's corporate auditor, obtains the consent of the Board of Corporate Auditors, and the final decision is made by the Board of Directors.

Three of the Company's four corporate auditors are outside auditors, making the Board of Corporate Auditors highly independent.

### (3) Nomination Committee and Compensation Committee

The Company has established a voluntary Nomination Committee and Compensation Committee, composed mainly of independent outside directors, to ensure fairness, transparency, and objectivity in the processes for nominating directors and corporate auditors, etc. and determining compensation, etc., and enhance the oversight function of the Board of Directors and the corporate governance system. The chairpersons of both committees are selected by a resolution of the Board of Directors.

In selecting candidates for directors, we consider candidates with the character and insight suitable for directors and those who will contribute to the sustainable growth of the Group. For internal director roles, we select candidates who are considered to have the expertise, experience, and capabilities in their areas of responsibility.

As for outside director roles, we select nominees from a wide range of candidates who have abundant experience as corporate managers and a high level of insight into world affairs, social and economic trends, etc., so that they can be expected to supervise management from a broader perspective and from an independent standpoint, further enhance the transparency and fairness of management, and provide appropriate advice on management from a medium- to long-term perspective.

## Status of Independent Officers

Out of the nine directors of the Company, four outside directors -- Ms. Ruth Marie Jarman, Mr. Hisashi Kobayashi, Ms. Rieko Sato and Mr. Takahiro Tsubota -- are independent officers who satisfy the eligibility requirements set by the Tokyo Stock Exchange. Selected outside directors are individuals who can contribute appropriately to corporate governance from a more objective standpoint and are unlikely to have conflicts of interest with general shareholders. They are also selected based on consideration of their gender and international background. Among our four corporate auditors, three outside auditors -- Mr. Katsuhiko Okamoto (full-time), Mr. Kotaro Otsuka and Mr. Katsuya Fujii -- are also independent officers who make use of their high level of expertise and extensive experience in monitoring management, and providing appropriate advice at the Board of Directors as necessary.

## Compensation for Officers

The compensation for the Company's directors (excluding outside directors) consists of basic remuneration (monetary remuneration) as fixed remuneration and restricted stock compensation (non-monetary compensation). The amount of the monetary remuneration is determined by the Compensation Committee under delegation from the Board of Directors. Outside directors, who are responsible for supervising functions, shall be paid only basic remuneration (monetary remuneration) as fixed remuneration in light of their duties.

Non-monetary compensation consists of shares of the Company's common stock that are subject to a certain period of restriction on transfer and events of free acquisition by the Company and other terms. We have adopted the restricted stock compensation with a view to give incentives to strive for the continuous enhancement of our corporate value and to promote further sharing of values between directors (excluding outside directors) and shareholders.

### ● Compensation for directors and corporate auditors, etc.

Classification of officers	Total amount of compensation, etc. (in million yen)	Total amount of compensation, etc. by classification (in million yen)			Number of eligible officers (persons)
		Basic remuneration	Performance-based remuneration, etc.	Non-monetary compensation, etc.	
Directors (outside directors)	<b>184</b> (26)	<b>170</b> (26)	—	<b>13</b> (—)	<b>9</b> (4)
Corporate auditors (outside corporate auditors)	<b>50</b> (30)	<b>50</b> (30)	—	—	<b>5</b> (4)

## Evaluation of Effectiveness of Board of Directors

The Company conducts an annual evaluation of effectiveness of the Board of Directors to enhance its effectiveness and continuously improve corporate value.

In FY2024, an anonymous questionnaire based on the Corporate Governance Code with questions and open-ended responses was conducted with each director and corporate auditor at the end of March 2025. Based on the self-evaluation results, opinions, and recommendations aggregated, discussions were held by directors and corporate auditors at a meeting of the Board of Directors in April 2025, where it was analyzed and evaluated that the overall effectiveness of the Board of Directors had been ensured for FY2024.

In order to ensure objectivity, an external lawyer was contracted to verify the validity of the questions and confirm the aggregation results, and advice was also obtained on compiling future issues.

Issues identified and addressed in the previous fiscal year	<ul style="list-style-type: none"> <li>• Hold quarterly opinion exchange meetings with independent outside directors and share the feedback with executive directors to support the enhancement of sustainable corporate value</li> <li>• Revise the criteria for matters to be submitted to the Board of Directors, set agendas for issues the Board should address, and enhance deliberations on key topics such as growth strategies</li> <li>• Leverage external expert insights to advance initiatives on sustainability challenges and disclose them in the integrated report</li> </ul>
Issues identified in the FY2024 evaluation	<p>Continue addressing the following challenges alongside reform efforts of the Board of Directors</p> <ul style="list-style-type: none"> <li>• Deepen discussions on medium- to long-term management strategies</li> <li>• Enhance risk management deliberations in light of changes in the business environment</li> <li>• Initiatives on sustainability challenges</li> <li>• Enrich discussions by incorporating perspectives on non-financial information, including stakeholder engagement and human capital investment</li> </ul>

The Company's Board of Directors will deepen discussions on key issues that have been identified, while reviewing board operations based on input from outside directors. Through these efforts, the Board aims to further enhance its effectiveness in order to realize sustainable growth and increase the Company's medium- to long-term corporate value.

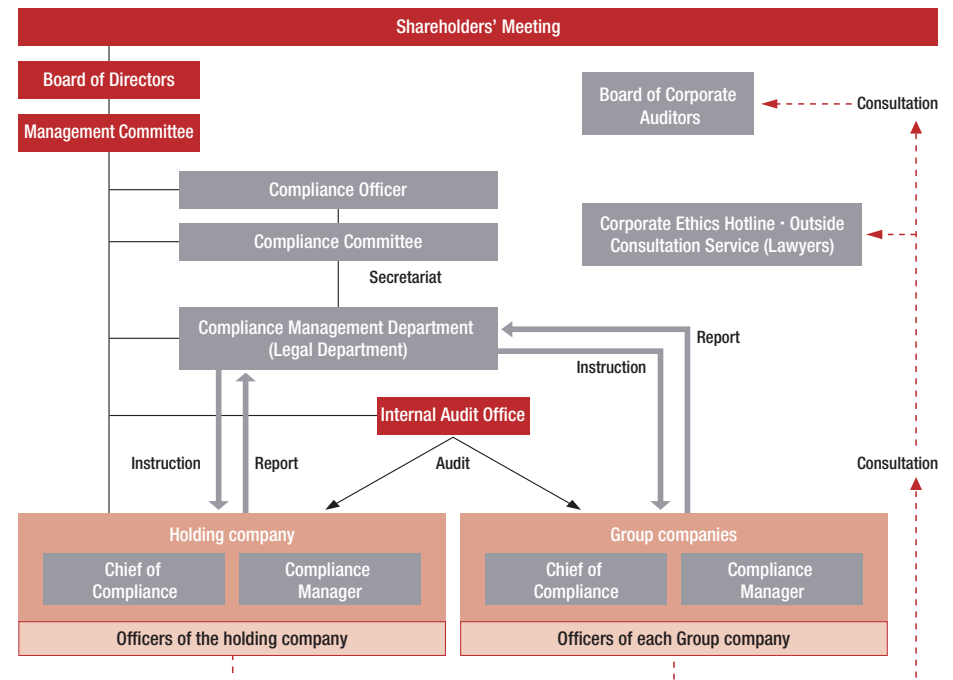
## Compliance

The Group recognizes compliance as an important management issue and has established the "Fujibo Group Charter of Conduct" with the aim of conducting corporate operations in accordance with internal regulations, while appropriately responding to various challenges arising from changes in the social background and the progress of globalization. In addition to legal compliance, the Group is committed to upholding social norms and corporate ethics.

To promote these efforts across the Group, we have selected a Compliance Officer, formed a Compliance Committee, and appointed chiefs of compliance and compliance managers at each business site and factory. Through these measures, we have created an organizational structure centered on the Compliance Committee.

As a whistleblowing body to augment and enhance those functions, a corporate ethics hotline, including an external legal consultation service provided by lawyers, has been established.

### Compliance Management System



## Monitoring the Enhancement of Compliance Awareness

In order to enhance awareness of compliance, the Group is working on the dissemination and thorough enforcement of the “Fujibo Group Charter of Conduct,” establishing an organizational structure centered on the Compliance Committee and setting semi-annual targets for awareness-raising activities such as priority legal measures to comply with important laws and regulations, information security, and harassment.

With regards to compliance promotion efforts, the Compliance Committee receives reports on the implementation of the compliance program and any problems that have arisen from each department on a semi-annual basis and examines them.

The Legal Department holds awareness sessions at each business site on compliance issues that companies and individuals are prone to, such as information leaks and harassment. These sessions are accompanied by surveys to promote greater awareness and understanding of compliance throughout the organization. In addition, the Internal Audit Office conducts multifaceted monitoring, including confirmation of the status of compliance with laws, regulations and internal rules in operational audits; confirmation of the status of development and operation of control to prevent fraud and errors, such as proper segregation of duties and IT control, in internal control assessments on financial reporting; and confirmation of whether the quality audits system, in compliance with quality-related laws and regulations, to prevent any inadequate incidents.

## Internal Reporting System

Along with the operation of the compliance program, as a key element of compliance, we established the “Corporate Ethics Hotline” which is a point of contact for inquiries and concerns about corporate ethics and regulatory compliance. The “Corporate Ethics Hotline” is operated not only by the internal department in charge, but also in cooperation with external consultation services which include female lawyers, creating an environment that facilitates consultation.

In accordance with the Whistleblower Protection Act, we respond to consultations and reporting in a fair manner protecting privacy and give due consideration so as not to disadvantage not only the callers (whistleblowers), but also those who cooperate with them. We are also working on making it widely known that our whistleblowing system is not limited to internal use, but can be used throughout the entire supply chain including the employees of our business partners.

Corporate Ethics Hotline card



## Anti-Corruption Initiatives

The Fujibo Group recognizes corruption as a serious risk factor that undermines corporate credibility. We focus on preventing any form of corruption, including bribery, collusion, embezzlement and breach of trust, and ensuring a sound business environment. We have established the Fujibo Group Anti-Corruption Policy to ensure thorough compliance with anti-corruption laws and internal regulations applicable in the countries and regions where we conduct business, and to demonstrate ethical and honest behavior. We request all officers, employees and business partners to thoroughly abide by this policy.



Anti-corruption/Tax Compliance

[https://www.fujibo.co.jp/en/sustainability/governance/anti-corruption\\_tax-policy/](https://www.fujibo.co.jp/en/sustainability/governance/anti-corruption_tax-policy/)

## Risk Management

In order to appropriately respond to various risks arising from the execution of duties, the Fujibo Group has established a Risk Management Committee to collect and analyze risk information related to the Group and take measures when risks become apparent. Depending on the nature of risk, the committee consults with internal and external experts to take action from a more specialized perspective.

## Crisis Management System

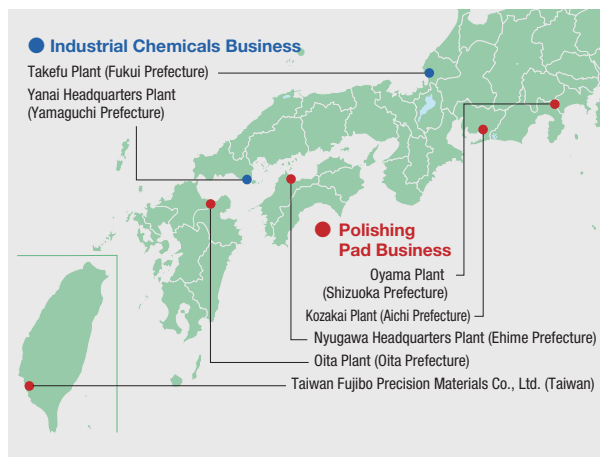
The Fujibo Group has established the Crisis Management Committee chaired by the President in accordance with the “Risk Management Regulations” and “Crisis Management Regulations” in order to promptly respond to emergencies such as earthquakes, and implements measures to minimize losses and restore normal functions.

## Business Continuity Plan

In the event of a major natural disaster, pandemic caused by an epidemic, large-scale terrorist attack or riot in Japan or overseas, war, or any other incident, accident, or problem that seriously interferes with the Group’s business operations, we will take the following actions to ensure the safety and security of its employees while continuing its business operations smoothly, ensuring an early recovery and a stable supply of products and services, and supporting the recovery and reconstruction of local communities and customers.

In an emergency, we have established an emergency headquarters and a system to respond quickly and appropriately in coordination with related departments.

Both the Polishing Pad Business and the Industrial Chemicals Business are establishing multiple business sites, which is a key component of the business continuity plan (BCP).



## Guidelines and Initiatives on Intellectual Property

The Fujibo Group is proactively undertaking strategic initiatives related to intellectual property to strengthen our technological competitiveness for global expansion and to enhance our corporate value.

Specifically, with the Intellectual Property Office as the lead department, we strive to secure the superiority of our business and contribute to a sustainable society through the appropriate protection of intellectual property rights, the proactive utilization of intellectual property rights, the pursuit of innovation in original technology, the monitoring of patent registrations in the global market, the systems for encouraging inventions and ideas that in turn promote creation of intellectual property, and the promotion of protection and use of intellectual property through education and training.

We resolutely take action against the infringement of intellectual property rights by third parties, the sale of counterfeit products of our brand, and the use and description of similar trademarks while striving to promote our business in a fair way so as not to infringe other companies’ rights from the R&D phase.

## Information Security

The Fujibo Group has continued to strengthen its cybersecurity measures by establishing a company-wide management framework through the formulation of its Information Security Policy and the establishment of the Information Security Committee. To ensure data protection and stable operations even in the event of a large-scale disaster, key systems have been migrated to the cloud using domestic data centers with high security and robust Business Continuity Planning (BCP) measures.

In FY2024, we implemented various system-level countermeasures to address the growing risks of cyber-attacks and information leaks, including the development of a secure online storage environment. We also continued to increase the Group network’s resilience to cyber-attacks, provided e-learning programs to improve all employees’ IT literacy and drills on targeted email attacks, and strengthened the so-called Computer Security Incident Response Team (CSIRT) to put a framework in place for swiftly implementing countermeasures in the unlikely event of a cybersecurity incident.

Additionally, we introduced asset management software across the company to accurately monitor and manage PC usage, detect suspicious communications and applications, and prevent the connection of unauthorized devices. These efforts reflect our commitment to multilayered countermeasures against evolving threats.



# Financial and Non-financial Summary

## 11 Years Financial Summary

Consolidated Financial Data	Unit	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net sales	million yen	41,173	38,117	40,878	35,891	37,097	38,701	36,932	35,916	37,669	36,108	42,912
Operating profit	million yen	4,366	3,624	6,816	3,989	3,779	4,079	5,285	5,877	4,872	2,818	6,476
Ordinary profit	million yen	4,471	3,724	7,076	4,269	3,983	4,329	5,450	6,045	5,041	3,276	6,675
Profit attributable to owners of parent	million yen	2,382	3,015	4,344	2,908	2,538	2,269	4,315	4,455	3,399	2,117	4,477
EBITDA	million yen	6,052	5,431	8,806	6,025	5,869	6,382	7,811	9,221	7,997	6,106	9,841
Ratio of operating profit to net sales	%	10.6	9.5	16.7	11.1	10.2	10.5	14.3	16.4	12.9	7.8	15.1
ROE	%	10.2	11.8	15.4	9.3	7.8	6.8	12.1	11.5	8.2	4.9	9.8
ROIC	%	9.1	9.5	14.2	8.2	7.1	7.4	10.1	10.6	7.6	4.0	9.1
EPS	yen	204.19	260.19	379.80	254.22	221.93	198.27	376.85	388.86	296.54	185.21	405.82
Dividend per share	yen	60	70	90	100	100	100	105	110	110	110	130
DOE	%	3.4	3.5	3.9	3.9	3.8	3.7	3.6	3.5	3.2	3.1	3.5
Treasury shares acquired	shares	223,700									135,300	
Total assets	million yen	48,677	45,858	50,044	48,390	52,270	52,194	55,789	58,531	61,368	62,512	66,608
Net assets	million yen	24,830	26,445	30,149	32,148	32,778	33,842	37,282	40,497	42,920	43,973	47,460
Cash and deposits	million yen	3,239	4,139	8,734	4,764	4,895	4,994	4,616	8,330	8,105	8,262	8,065
Interest-bearing debt	million yen	5,297	4,224	2,617	1,337	2,306	1,488	1,359	1,366	1,318	1,433	471
Capital adequacy ratio	%	51.0	57.7	60.2	66.0	62.7	64.8	66.8	69.2	69.9	70.3	71.3
Capital expenditures	million yen	3,876	1,843	2,114	4,766	4,777	3,471	6,670	1,769	4,047	3,239	6,145
Depreciation expense	million yen	1,686	1,806	1,989	2,035	2,089	2,303	2,525	3,344	3,125	3,288	3,364
R&D expenses	million yen	901	866	814	964	993	1,220	1,080	1,061	1,161	1,506	1,747
R&D expenses/net sales ratio	%	2.2	2.3	2.0	2.7	2.7	3.2	2.9	3.0	3.1	4.2	4.1

## Financial and Non-financial Summary

## Five Years Non-financial Summary

Environmental Data			Unit	2020	2021	2022	2023	2024
Energy and greenhouse gas emissions (Domestic and overseas consolidated subsidiaries)	Greenhouse gas emissions	Scope 1 + 2	thousand tons	55.8	60.3	63.0	59.9	60.9
		Scope 1	thousand tons	22.0	24.8	27.3	25.5	26.4
		Scope 2	thousand tons	33.8	35.5	35.6	34.3	34.5
		Scope 3	thousand tons	—	100.6	109.9	94.0	112.3
	Energy consumption		TJ	883.4	928.5	948.9	861.5	888.7
Electricity consumption		thousand kWh	66,204	70,936	71,873	71,100	73,435	
Water resources (Domestic consolidated subsidiaries)	Water resources input		thousand m³	1,871	2,059	1,832	1,926	2,093
	Water resources discharge		thousand m³	—	1,635	1,372	1,237	1,410
Waste and chemical substances (Domestic consolidated subsidiaries)	Waste discharge	Total	thousand tons	44.9	48.2	47.9	45.6	48.6
		Outsourced	thousand tons	24.7	20.5	18.8	17.5	18.1
		(Of which, recycled)	thousand tons	—	12.0	9.0	7.7	8.8
		(Of which, sent to landfill)	thousand tons	—	8.5	9.7	9.7	9.3
		Internally processed	thousand tons	20.2	27.6	29.1	28.1	30.4
	Soot and dust emissions		tons	7.7	24.8	21.8	29.9	13.7
	SOx emissions		tons	10.9	3.9	4.1	4.2	3.8
	NOx emissions		tons	32.7	10.1	14.8	14.6	31.8
	Amount of PRTR substances treated		tons	8,448	8,061	7,812	5,662	7,282
Social Data			Unit	2020	2021	2022	2023	2024
Diversity	Number of employees by gender (Consolidated) (Excluding temporary employees)	Total	persons	1,156	1,195	1,273	1,299	1,319
		Male	persons	732	761	832	844	857
		Female (ratio)	persons (%)	424(36.7)	434(36.3)	441(34.6)	455(35.0)	462(35.0)
	Number of non-Japanese employees (Consolidated)		persons	399	400	391	400	403
Managers	Number of managers (Consolidated)	Total	persons	139	153	151	149	143
		Male	persons	127	140	138	136	129
		Female (ratio)	persons (%)	12(8.6)	13(8.5)	13(8.6)	13(8.7)	14(9.8)
	Number of women at a general manager level or higher (ratio of female employees to all employees at a general manager level or higher)		persons (%)	4(8.5)	4(8.0)	4(8.3)	4(8.9)	4(9.3)
	Number of women at a section manager level (ratio of female employees to all employees at a section manager level)		persons (%)	8(8.7)	9(8.7)	9(8.7)	9(8.7)	10(10.0)
Number of employees by employment type (The number of temporary employees is the annual average.)	Regular		persons	1,156	1,195	1,273	1,299	1,319
	Temporary		persons	123	126	172	165	182
Recruitment (Domestic consolidated subsidiaries)	Number of hires (Including mid-career hires)	Total	persons	53	77	103	93	87
		Male	persons	44	68	83	65	60
		Female (ratio)	persons (%)	9(17.0)	9(11.7)	20(19.4)	28(30.1)	27(31.0)
Number of employees with disabilities* (ratio)			persons (%)	16(1.9)	15(1.7)	18(1.9)	16(1.7)	20(1.9)

\*The base dates for aggregate calculation for FY2020, FY2021, FY2022, FY2023, and FY2024 are June 1, 2021, June 1, 2022, June 1, 2023, June 1, 2024, and June 1, 2025, respectively.

			Unit	2020	2021	2022	2023	2024
Number of reemployed retirees (ratio)			persons (%)	16(88.9)	9(69.2)	24(88.9)	18(85.7)	19(82.6)
Employee data (Domestic consolidated subsidiaries)	Average age of employees	Total	years	41.6	41.8	41.2	40.8	40.0
		Male	years	41.6	41.6	40.9	40.5	40.0
		Female	years	41.8	42.3	42.2	42.1	41.0
	Average years continuously employed	Total	years	17.4	17.3	16.0	15.4	14.1
		Male	years	17.4	17.0	15.8	15.2	14.1
		Female	years	17.6	18.2	17.2	16.5	15.1
	Gender wage gap (Wages of female employees as a percentage of those of male employees)	All employees	%	54.0	57.3	60.3	64.1	65.3
		Regular	%	63.6	68.5	72.0	74.8	74.7
		Temporary	%	53.3	51.4	49.8	47.6	47.7
	Three-year new-graduate employee retention rate (The retention rate for new graduates hired three years ago as of the end of each fiscal year)	Total	%	60.9	94.4	96.3	81.8	78.4
		Male	%	60.0	92.3	95.8	78.6	79.1
		Female	%	66.7	100.0	100.0	100.0	75.0
	Total turnover rate (The ratio of those in Japan resigning during the year against the number of employees in Japan as of the end of each fiscal year)		%	6.6	3.4	3.8	3.8	3.8
Work-life balance (Domestic consolidated subsidiaries)	Number of days of paid leave given (Average of all employees)		days	20.8	20.4	19.7	20.9	20.1
	Rate of annual paid leave taken		%	42.5	47.7	50.6	53.1	50.7
	Number of employees who took parental leave (Parental leave uptake rate)	Total	persons (%)	3(17.6)	3(20.0)	9(45.0)	11(31.4)	7(53.8)
		Male	persons (%)	1(6.7)	0(0.0)	3(18.8)	5(17.9)	2(25.0)
		Female	persons (%)	2(100.0)	3(75.0)	6(150.0)	6(85.7)	5(100.0)
	Number of employees who work shorter hours for childcare	Total	persons	3	1	3	3	5
		Male	persons	0	0	1	1	0
		Female	persons	3	1	2	2	5
Employees' monthly average overtime hours		hours	10.7	9.2	8.0	7.4	7.6	
Employee health	Stress check participation rate		%	98.3	98.6	98.6	99.2	98.4
	Percentage of individuals with high stress		%	12.7	14.7	10.8	11.4	13.1
Governance Data			Unit	2021	2022	2023	2024	2025
Corporate governance (as of June 30 of each year)	Number of directors	Total	persons	8	8	8	9	9
		Male	persons	7	6	6	7	7
		Female	persons	1	2	2	2	2
	Number of outside directors (ratio)		persons (%)	3(37.5)	3(37.5)	3(37.5)	4(44.4)	4(44.4)
	Number of non-Japanese directors (ratio)		persons (%)	1(12.5)	1(12.5)	1(12.5)	1(11.1)	1(11.1)

# Consolidated Financial Statements

## Consolidated Balance Sheets

	(million yen)	
	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	8,262	8,065
Notes receivable - trade	284	214
Electronically recorded monetary claims - operating	605	533
Accounts receivable - trade	8,270	9,823
Merchandise and finished goods	1,071	1,031
Work in process	2,702	2,558
Raw materials and supplies	1,664	1,830
Other	837	1,000
Allowance for doubtful accounts	(7)	(7)
Total current assets	23,689	25,052
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	22,794	25,038
Accumulated depreciation	(11,987)	(12,957)
Buildings and structures, net	10,806	12,080
Machinery, equipment and vehicles	34,167	36,076
Accumulated depreciation	(27,604)	(29,087)
Machinery, equipment and vehicles, net	6,563	6,989
Land	13,858	15,068
Leased assets	193	200
Accumulated depreciation	(120)	(140)
Leased assets, net	72	60
Construction in progress	905	1,251
Other	4,783	5,058
Accumulated depreciation	(3,028)	(3,733)
Other, net	1,754	1,325
Total property, plant and equipment	33,962	36,776
<b>Intangible assets</b>		
Goodwill	1,002	862
Other	214	211
Total intangible assets	1,217	1,073
<b>Investments and other assets</b>		
Investment securities	2,773	2,923
Deferred tax assets	368	319
Other	501	462
Total investments and other assets	3,643	3,705
Total non-current assets	38,822	41,556
<b>Total assets</b>	<b>62,512</b>	<b>66,608</b>

	(million yen)	
	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	4,156	4,772
Electronically recorded obligations - operating	1,095	1,276
Short-term borrowings	1,223	321
Lease liabilities	48	44
Income taxes payable	497	1,863
Contract liabilities	142	128
Provision for bonuses	734	815
Other	3,857	3,276
Total current liabilities	11,756	12,499
<b>Non-current liabilities</b>		
Long-term borrowings	210	150
Lease liabilities	74	46
Deferred tax liabilities	1,016	995
Deferred tax liabilities for land revaluation	723	744
Retirement benefit liability	4,170	4,088
Asset retirement obligations	500	523
Other	85	100
Total non-current liabilities	6,782	6,649
<b>Total liabilities</b>	<b>18,539</b>	<b>19,148</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	6,673	6,673
Capital surplus	2,213	1,273
Retained earnings	32,684	35,846
Treasury shares	(1,002)	(28)
Total shareholders' equity	40,569	43,765
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,204	1,329
Deferred gains or losses on hedges	(4)	(5)
Revaluation reserve for land	1,527	1,505
Foreign currency translation adjustment	742	936
Remeasurements of defined benefit plans	(67)	(71)
Total accumulated other comprehensive income	3,403	3,694
<b>Non-controlling interests</b>	<b>0</b>	<b>0</b>
<b>Total net assets</b>	<b>43,973</b>	<b>47,460</b>
<b>Total liabilities and net assets</b>	<b>62,512</b>	<b>66,608</b>

## Consolidated Statements of Income

	(million yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
<b>Net sales</b>	<b>36,108</b>	<b>42,912</b>
<b>Cost of sales</b>	<b>25,495</b>	<b>28,028</b>
<b>Gross profit</b>	<b>10,613</b>	<b>14,884</b>
<b>Selling, general and administrative expenses</b>		
Salaries and wages	1,539	1,576
Retirement benefit expenses	139	151
Provision for bonuses	168	183
Technical research expenses	1,506	1,747
Other	4,440	4,748
Total selling, general and administrative expenses	7,794	8,407
<b>Operating profit</b>	<b>2,818</b>	<b>6,476</b>
<b>Non-operating income</b>		
Interest income	1	5
Dividend income	76	83
Rental income from non-current assets	306	298
Subsidy income	200	—
Other	96	61
Total non-operating income	682	449
<b>Non-operating expenses</b>		
Interest expenses	24	20
Rental expenses on non-current assets	84	99
Expenses pertaining to idle assets	28	28
Commitment fees	32	32
Foreign exchange losses	24	37
Other	29	32
Total non-operating expenses	224	250
<b>Ordinary profit</b>	<b>3,276</b>	<b>6,675</b>
<b>Extraordinary income</b>		
Gain on sale of non-current assets	14	5
Gain on sale of investment securities	128	208
Total extraordinary income	142	214
<b>Extraordinary losses</b>		
Loss on disposal of non-current assets	79	109
Impairment losses	88	141
Other	0	—
Total extraordinary losses	168	251
<b>Profit before income taxes</b>	<b>3,251</b>	<b>6,638</b>
<b>Income taxes - current</b>	<b>1,094</b>	<b>2,208</b>
<b>Income taxes - deferred</b>	<b>39</b>	<b>(47)</b>
<b>Total income taxes</b>	<b>1,133</b>	<b>2,161</b>
<b>Profit</b>	<b>2,117</b>	<b>4,477</b>
Profit attributable to non-controlling interests	0	0
<b>Profit attributable to owners of parent</b>	<b>2,117</b>	<b>4,477</b>

## Consolidated Statements of Cash Flows

(million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
<b>Cash flows from operating activities</b>		
Profit before income taxes	3,251	6,638
Depreciation	3,329	3,382
Amortization of goodwill	140	140
Impairment losses	88	141
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in retirement benefit liability	(125)	(98)
Interest and dividend income	(78)	(89)
Interest expenses	24	20
Foreign exchange losses (gains)	18	25
Loss (gain) on sale of non-current assets	(14)	(5)
Loss (gain) on disposal of non-current assets	79	109
Loss (gain) on sale of investment securities	(128)	(208)
Decrease (increase) in trade receivables	(1,165)	(1,399)
Decrease (increase) in inventories	526	78
Increase (decrease) in trade payables	(4)	779
Other	165	(188)
<b>Subtotal</b>	<b>6,107</b>	<b>9,326</b>
Interest and dividends received	78	89
Interest paid	(23)	(20)
Subsidies received	30	30
Income taxes paid	(1,205)	(768)
<b>Net cash provided by operating activities</b>	<b>4,987</b>	<b>8,656</b>

(million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(3,282)	(6,751)
Proceeds from sale of property, plant and equipment and intangible assets	46	15
Payments for retirement of property, plant and equipment	(44)	(71)
Purchase of investment securities	(6)	(6)
Proceeds from sale of investment securities	183	270
Proceeds from collection of loans receivable	10	—
<b>Net cash used in investing activities</b>	<b>(3,094)</b>	<b>(6,543)</b>

(million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(140)	(947)
Proceeds from long-term borrowings	300	—
Repayments of long-term borrowings	(130)	(60)
Purchase of treasury shares	(501)	(2)
Dividends paid	(1,258)	(1,299)
Repayments of lease liabilities	(56)	(50)
<b>Net cash used in financing activities</b>	<b>(1,786)</b>	<b>(2,360)</b>

(million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Effect of exchange rate change on cash and cash equivalents	48	50
Net increase (decrease) in cash and cash equivalents	155	(197)
Cash and cash equivalents at beginning of period	8,090	8,245
Cash and cash equivalents at end of period	8,245	8,048



# Company Information and Stock Information

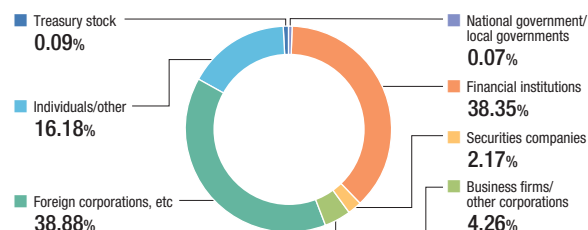
## Company Information (As of March 31, 2025)

Company Name	Fujibo Holdings, Inc.
Address	Tokyo : 1-18-12 Nihonbashi Ningyocho, Chuo-ku,
	Headquarters : Tokyo 103-0013, Japan
	Osaka : Oak Sakaisuji Honmachi Building, 1-8-12 Honmachi, Chuo-ku,
	Branch : Osaka City, Osaka 541-0053, Japan
Establishment	March 24, 1896
Capital	6,673,832,000 yen
Representative	Masahide Inoue, Representative Director and President
Number of Employees	1,319 (Consolidated)
Main Business Description	1.Manufacture, processing, and sales of polishing pads, nonwoven fabrics, and artificial leather 2.Manufacture, processing, and sales of various industrial chemicals 3.Manufacture, processing, and sales of various textile products

## Stock Information (As of March 31, 2025)

Listed stock exchange	Tokyo Stock Exchange Prime Market
Business year	April 1 to March 31 of the following year
Ordinary general shareholders' meeting	June every year
Total number of authorized shares	30,000,000 shares
Total number of issued shares	11,354,000 shares
Number of shareholders	5,569

### Distribution of Shares by Shareholder

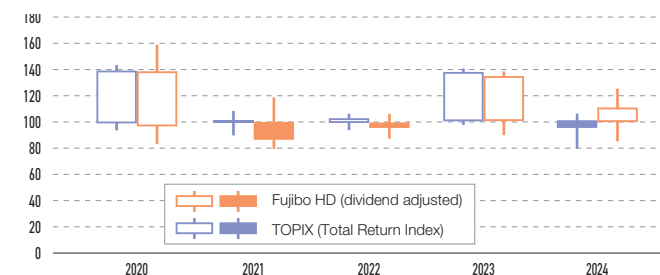


### Major Shareholders (Top Ten)

Shareholder name	Number of shares held (shares)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	1,330,300	11.73
Custody Bank of Japan, Ltd. (Trust account)	926,400	8.17
GOLDMAN SACHS INTERNATIONAL	708,938	6.25
Meiji Yasuda Life Insurance Company	533,500	4.70
MUFG Bank, Ltd.	500,000	4.41
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	482,599	4.25
CGML PB CLIENT ACCOUNT/COLLATERAL	446,000	3.93
Mitsubishi UFJ Trust and Banking Corporation	322,500	2.84
Fujibo Kyoeikai	291,200	2.57
BBH (LUX) FOR FIDELITY FUNDS - PACIFIC POOL	241,900	2.13

(Note) The percentage of shares held is calculated by deducting the number of treasury stock (10,733 shares).

### Stock Price Annual Fluctuation Index



(Candlestick chart of TOPIX (Total Return Index) and Fujibo HD stock price index after dividend adjustment, with the values at the end of the previous fiscal year set as 100)

### Trends in TSR

