



# Medium-term Management Plan “Shinka 26-30”

To the Next Growth Stage

February 9, 2026

Fujibo Holdings, Inc.

Representative Director and President  
Masahide Inoue

This document has been translated from the Japanese original for reference purpose only.  
In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



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# Fujibo Holdings at a Glance



## Company Overview

<b>in 1896</b>	<b>1,319</b>	<b>¥45.4bn</b>	<b>17%</b>
Founded	Employees (As of March 2025)	Consolidated Net Sales (FY2025) <sup>(1)</sup>	Operating Profit Margin (FY2025) <sup>(1)</sup>

## Key Customers

Polishing Pad			Industrial Chemicals		Lifestyle Apparel	Others (Chemical Products & Molding)
Semiconductor	Hard Disks	Display	Major Chemical Groups	Consumers	Major Medical Equipment Providers	

## Business Portfolio

Breakdown of Consolidated Operating Profit (FY2025)<sup>(1)</sup>

<b>Polishing Pad</b> (i.e., CMP pad for semiconductor, #1 global market share)
<b>Industrial Chemicals</b> (Contract manufacturing of fine chemicals)
<b>Lifestyle Apparel</b>
<b>Others (Chemical Products and Molding)</b>

## Similar Companies

<i>Entegris</i>	<i>Fujimi Incorporated</i>	<i>JX Advanced Metals</i>
<i>Qnity</i>	<i>Resonac Holdings</i>	<i>Tokyo Ohka Kogyo</i>

Notes:  
(1) Earnings forecast

# Structure of Corporate Philosophy



**Slogan**

***The Focus on Innovation***

**Philosophy**

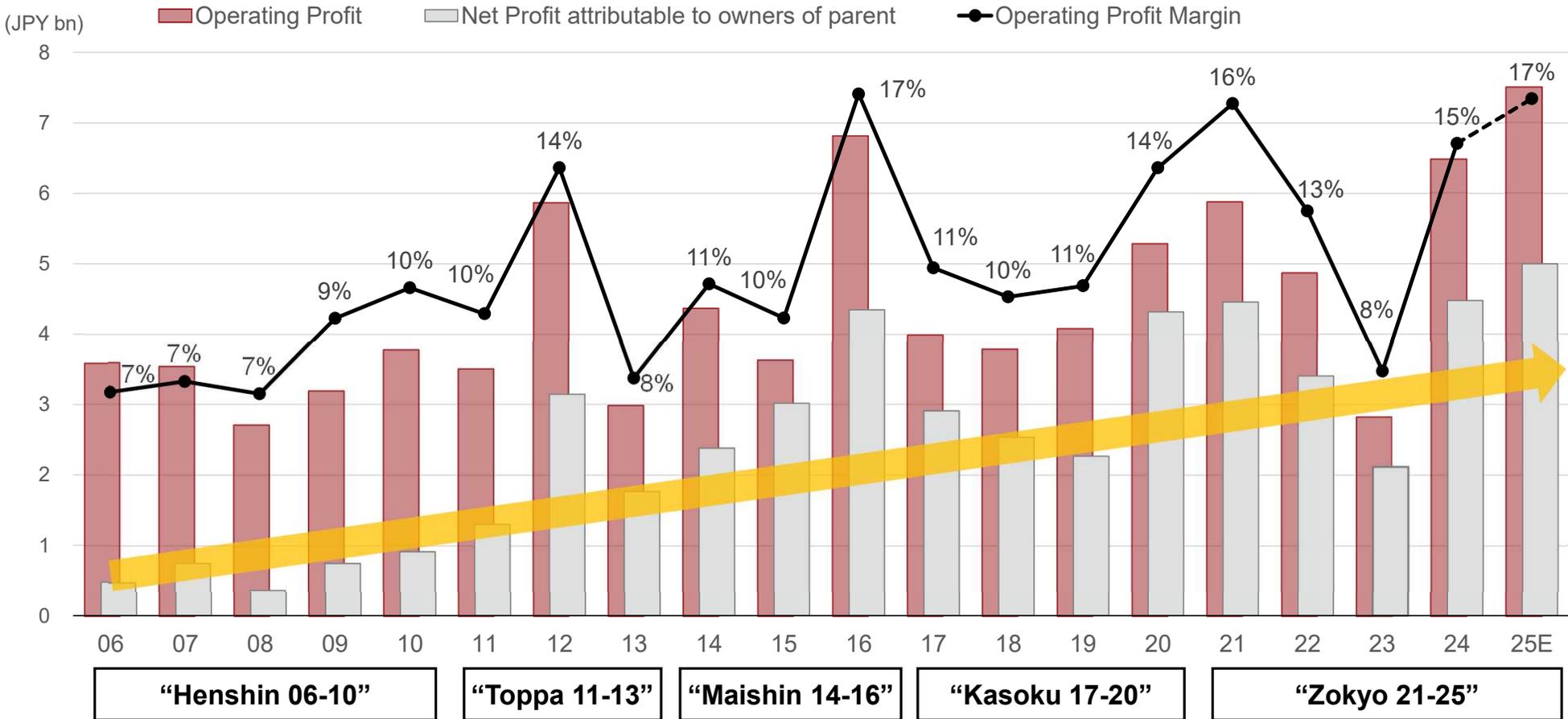
*We will always support leading-edge industries by providing new technologies and products demanded by the times, capitalizing on our technology and experience cultivated over more than a century of Fujibo’s history. In this way, we are committed to realizing a more prosperous and sustainable future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

**Vision**

***“Global No.1 Player in a Niche Segment”  
Making a Breakthrough and Going ahead of the Times  
Management with Integrity and Sustainable Growth  
Respecting the Individual and Fostering Harmony***

# Financial Performance

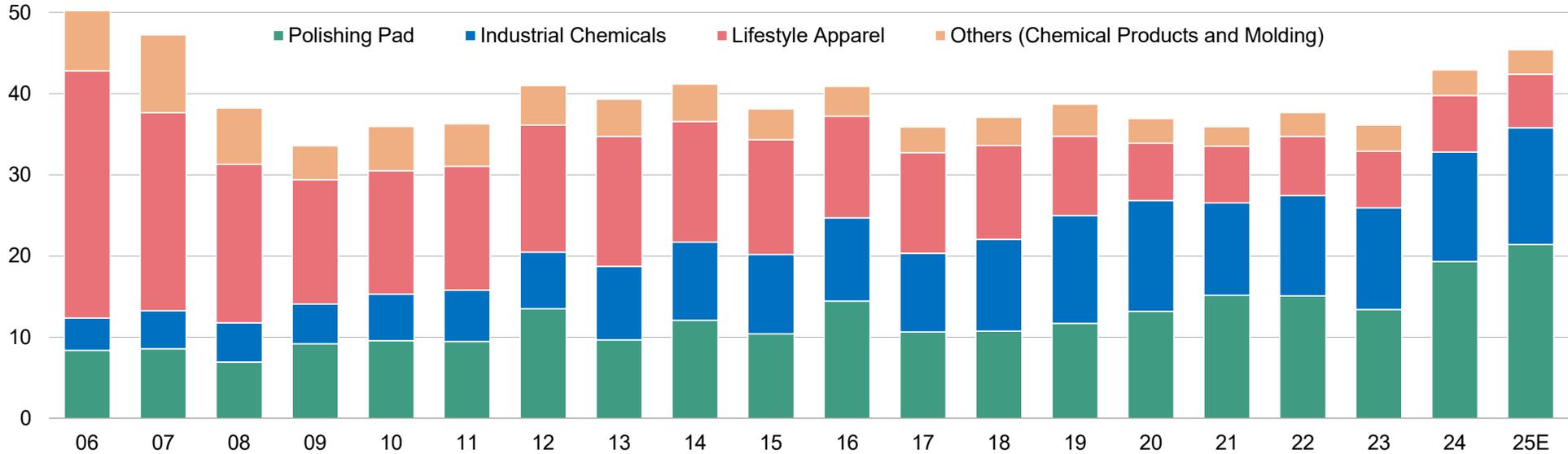
Since the medium-term management plan “Henshin 06–10,” **we have transformed into a profit-focused, highly profitable company** and strengthened our earning capability



# Trajectory of Business Portfolio Transformation

**Concentrate Management Resource on Polishing Pad and Industrial Chemicals with High Growth and High Margin**

Reflecting this trajectory and considering our new management plan, we have decided to change the Japanese company name from 富士紡ホールディングス to **フジボウホールディングス** (effective in Oct 2026)



“Henshin 06-10”      “Toppa 11-13”      “Maishin 14-16”      “Kasoku 17-20”      “Zokyo 21-25”

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## Review on Financial Targets and Key Initiatives

Though targets of net sales and operation profit were not achieved, both ROE and ROIC exceeded 10%

### Financial Targets

(JPY bn)	FY2025	
	“Zokyo 21-25” Targets	Forecast
Net Sales	60	45.4
Operating Profit	10	7.5
Operating Profit Margin	16.7%	16.5%
ROE	>10%	10.2%
ROIC	>10%	10.1%

### Growth Investment

(JPY bn)	FY2021 - 2025 Total	
	“Zokyo 21-25” Targets	Forecast
CAPEX	15	23
(Polishing Pad)	(6.5)	(11)
(Industrial Chemicals)	(6.5)	(9.6)
M&As, etc.	10-15	1.4
Depreciation	15	16.4

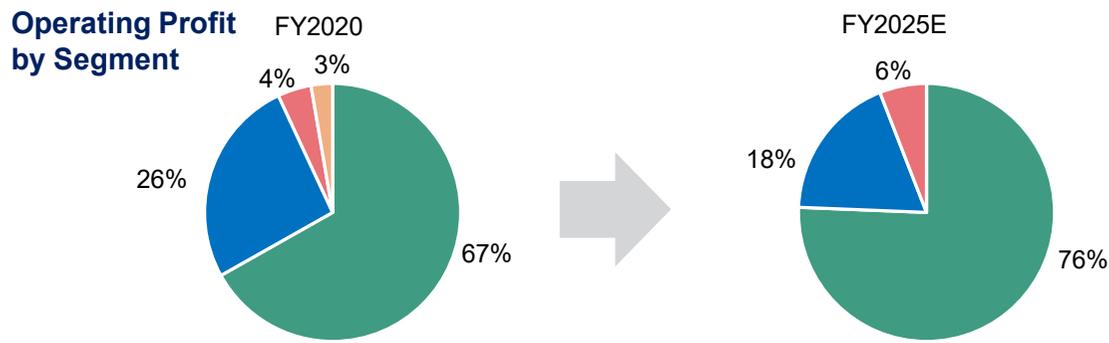
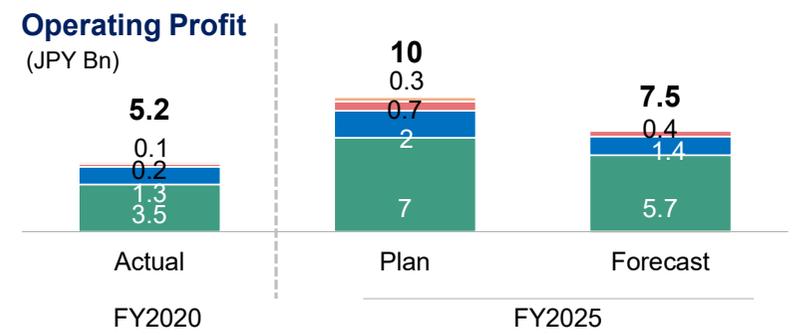
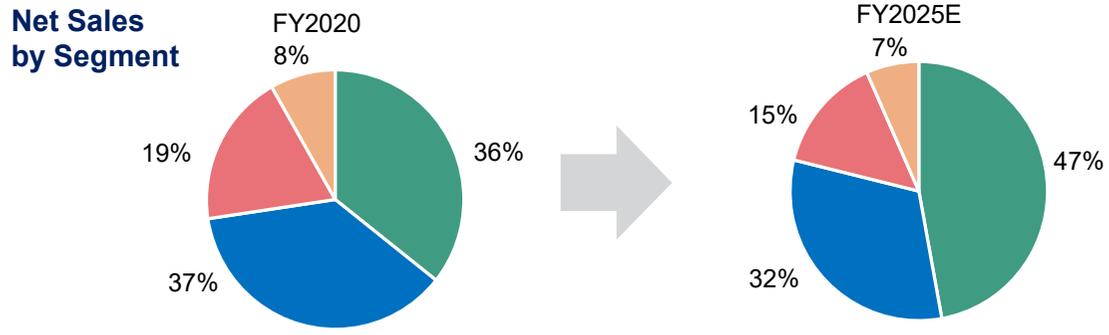
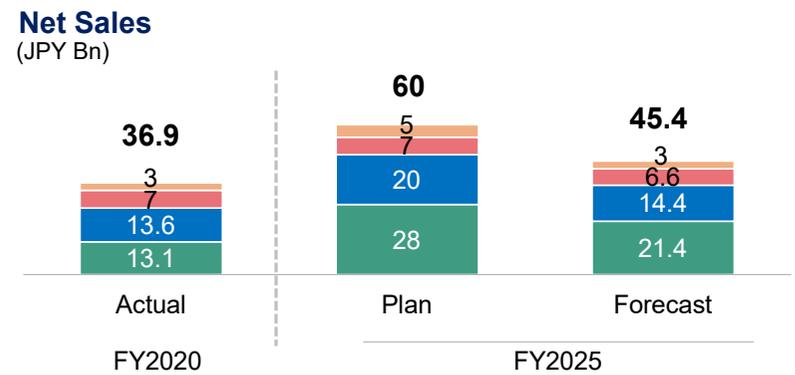
### Key Initiatives

Base Strategy	Review
Reform of Business Portfolio	Increased growth investments in Polishing Pad and Industrial Chemicals, with profitability and growth potential as key criteria Continued to carry out restructuring and re-allocation of management resources in Lifestyle Apparel and Other (Chemical Products and Molding) business
Enhancement of Focused Businesses	In Polishing Pad as a core business, expanded sales of CMP pads for semiconductor by promoting solution-based business model driven by Sales and R&D divisions as “one team” In Industrial Chemicals, made investment for capacity increase, aiming to expand fine chemicals
Continued and deepened DX for operational process innovation	Started use of AI and robotics for productivity improvement, with a plan of full-scale process innovation



# Review of Financial Targets by Business Segment

Performance fell short of targets as the expansion of demand in the Polishing pad business was delayed due to the past down cycle of semiconductor industry. Meanwhile, **the business has entered a mid-long term structural growth phase backed by expanding demand from AI applications**, resulting in higher contribution in both net sales and operating profit



■ Polishing Pad ■ Industrial Chemicals ■ Lifestyle Apparel ■ Others

■ Polishing Pad ■ Industrial Chemicals ■ Lifestyle Apparel ■ Others

## Review of Key Initiatives by Business Segment

Business	Performance	Progress of Key Measures (○=Achieved, △= In Progress)			
		“Zo”: Increase revenue opportunity		“Kyo”: Strengthen the value provided Fortifying DX	
Polishing Pad	<ul style="list-style-type: none"> <li>Net Sales and Operating Profit =&gt;Unachieved</li> <li><b>The down cycle of semiconductor industry pushing back the timing of demand expansion</b></li> </ul>	○	<ul style="list-style-type: none"> <li>Captured customer needs by Mfg., R&amp;D, and Sales functions as one team.</li> <li>CMP pads for semiconductor expanded.</li> </ul>	○	<ul style="list-style-type: none"> <li>Strengthen R&amp;D capability (Personnel and Facilities)</li> </ul>
		△	<ul style="list-style-type: none"> <li>Exploring new hard pad customers</li> </ul>	△	<ul style="list-style-type: none"> <li>Need to further enhance production capacity to cater to expanding demand</li> <li>Process innovation by AI / robots</li> </ul>
Industrial Chemicals	<ul style="list-style-type: none"> <li>Net Sales and Operating Profit =&gt;Unachieved</li> <li>Delayed CAPEX timing</li> </ul>	○	<ul style="list-style-type: none"> <li>Made bolt-on investment in functional materials</li> <li>Solidifying stable pipelines and winning new businesses in collaboration between Yanai and Takefu plants</li> </ul>	△	<ul style="list-style-type: none"> <li>Succession of Mfg. know-how to the next generation</li> <li>Augment personnel and utilize DX</li> </ul>
Lifestyle Apparel	<ul style="list-style-type: none"> <li>Net Sales and Operating Profit =&gt;Unachieved</li> <li>Sales in volume mass merchandiser stores decreased</li> <li>Cost hike due to unfavorable weak yen</li> </ul>	○	<ul style="list-style-type: none"> <li>Promoting transition to EC EC ratio:14.8% (FY2020) →23.3%(FY2025E)</li> </ul>	△	<ul style="list-style-type: none"> <li>Transferring B.V.D. sales channel (Adapting to decreasing volume mass merchandiser stores and aging society)</li> </ul>
		△	<ul style="list-style-type: none"> <li>Manage Mfg. cost increase</li> </ul>		
Others	<ul style="list-style-type: none"> <li>Net Sales and Operating Profit =&gt;Unachieved</li> <li>Model change of Mold's automotive customers slowing down</li> </ul>	○	<ul style="list-style-type: none"> <li>Focus on medical field (Chemical Products)</li> </ul>	△	<ul style="list-style-type: none"> <li>Exploring new business opportunities in collaboration between Chemical Products and Molding</li> </ul>
		△	<ul style="list-style-type: none"> <li>Diversifying the customer base to avoid concentration on key customers</li> </ul>		

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## Top Message

### We aim to be....

**“Global No. 1 Company in a Niche Segment”**

1

**Takes on many challenges**

2

**Achieve growth with all employees including management as one team**

3

**Further reward stakeholders, especially shareholders and employees**



# 2030 Vision

## 2030 Vision

**Solidify the base for exponential growth towards 2035  
Evolve into Global No. 1 Company in a Niche Segment**

**Further sophisticate customer solution  
and develop elements for the future**



### Materiality

#### Key Themes

- Resolve social issues through innovation
- Contribute to stakeholders by enhancing earnings power
- Work environment that accepts diversity and maximizes individual capabilities
- Sustainably increase corporate value through strengthening organizational capabilities
- Environmental protection for the next generation

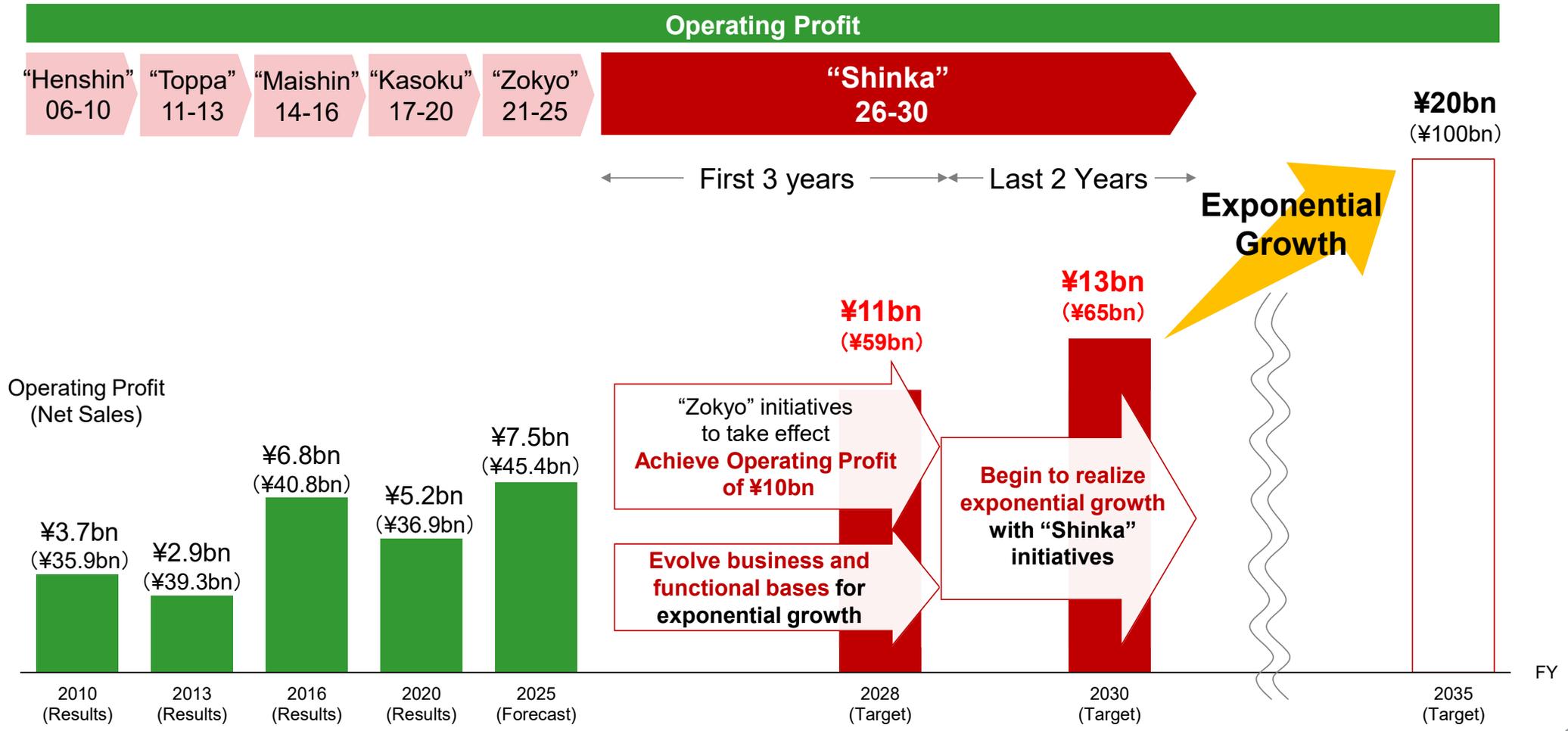
#### Specific Initiatives

- Enter new markets and develop new products
- Reward employees and shareholders through business growth and productivity improvement
- Elevate employee engagement and promote / recruit employees with diverse backgrounds
- Build up career development program, advance PDCA management, and pursue an optimal organizational structure
- Work on de-carbonization and contribute to local communities



# Direction of “Shinka 26-30”

Target exponential growth towards FY2035, starting from FY2025 with record-high net sales and operating profit



FY



# Key Concept of “Shinka 26-30”

Initiate exponential growth with “Shinka” (Evolution) of business base adapting to external environment and functional base for the next stage



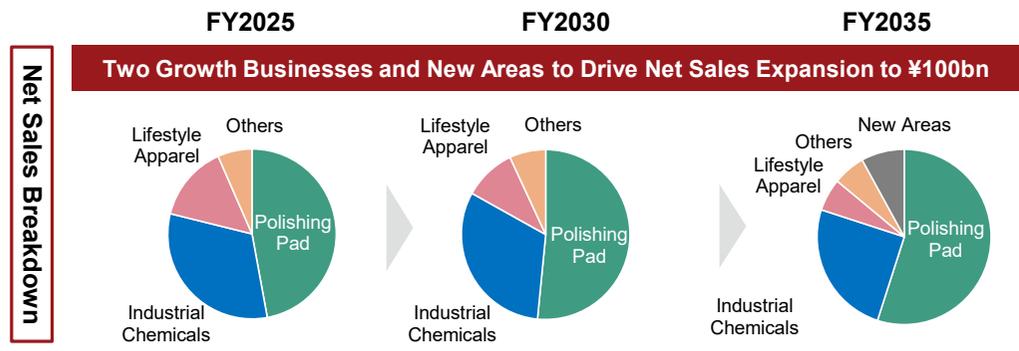
# Strategy and Key Initiatives

Strategy		Key Initiatives	
“Shinka”	Business Base	<p><b>1</b> Evolution of business portfolio</p>	<ul style="list-style-type: none"> <li>Expand investment in areas with high growth and high margin (i.e., Polishing Pad and Industrial Chemicals)</li> <li>Pursue optimal resource allocation and restructuring through ROIC management</li> </ul>
		<p><b>2</b> Create more Innovation Expand New Businesses Strengthen R&amp;D / IP strategy</p>	<ul style="list-style-type: none"> <li>Transition to a model that cultivates numerous new business seeds, reinforcing future growth drivers</li> <li>Led by the Polishing Pad business, expand into new areas, promote R&amp;D and IP initiatives, and strengthen the global customer base</li> </ul>
	Functional Base	<p><b>1</b> HR management system to maximize human resources</p>	<ul style="list-style-type: none"> <li>Raise wage levels in accordance with earnings achieved and promote talent development &amp; hiring for future growth</li> <li>Appropriately reward employees based on performance, roles, and contribution</li> </ul>
		<p><b>2</b> DX for Mfg. and Operational processes</p>	<ul style="list-style-type: none"> <li>Promote more IT tools including AI, automation / robotics, and operational improvement for better productivity</li> </ul>
		<p><b>3</b> Management base and Financial strategies</p>	<ul style="list-style-type: none"> <li>Advance functions of board meetings and management meetings and improve systems for remuneration and promotion / career development</li> <li>Cash Flow Management balancing growth investment and shareholder returns</li> <li>Control balance sheet aiming to improve ROE &amp; ROIC</li> </ul>

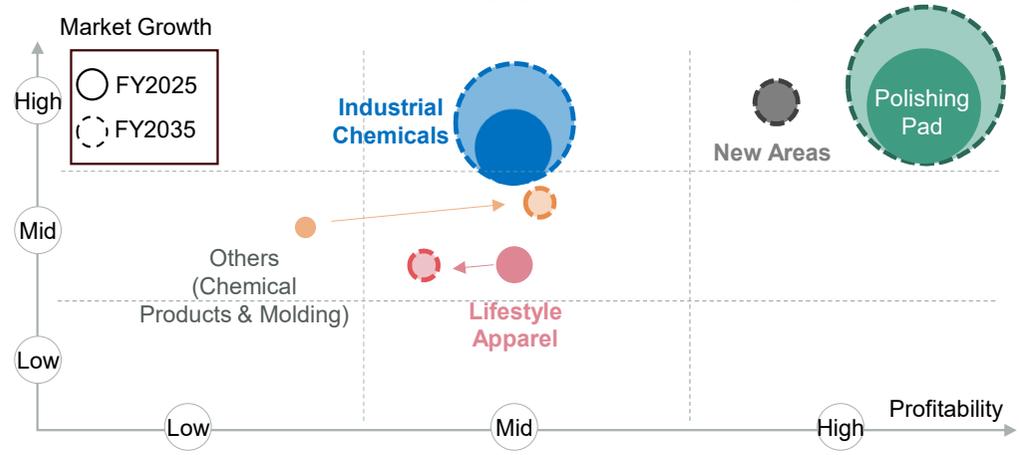
# Evolution of Business Portfolio

Polishing Pad and Industrial Chemicals as well as New Areas to drive expansion of **Net Sales to ¥100bn and Operating Profit to ¥20bn in FY2035**. Cyclicity of Polishing Pad to be mitigated by stable Industrial chemicals and Lifestyle Apparel

## Portfolio Management Policy



## Market Growth vs Profitability (FY2025 / FY2035)



<b>Polishing Pad</b>	Realize further business expansion and profitability improvement through accelerated growth investments
<b>Industrial Chemicals</b>	Secure stable profitability and capture growth opportunities
<b>Lifestyle Apparel</b>	Withdraw from unprofitable products and re-allocate resources to focus on profitability
<b>Others (Chemical Products &amp; Molding)</b>	Achieve synergy between the businesses and focused investment on profitable areas
<b>New Areas</b>	New applications of polishing pad, new materials under development in collaboration between Chemical Products and Molding, and leverage existing technologies to new businesses

# Outline of “Shinka 26-30”

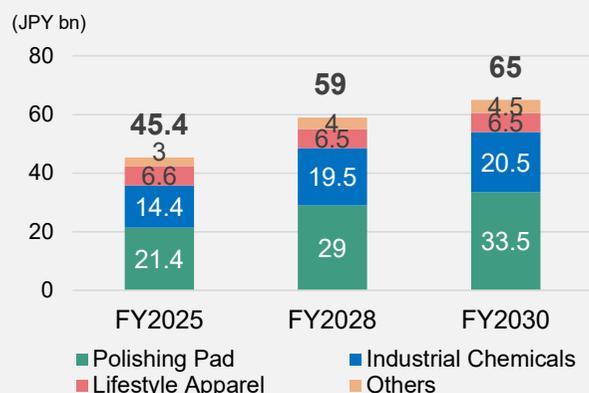
**Aiming to further improve Operating Profit margin with Polishing Pad business as the primary growth driver, while also enhancing capital efficiency**

## Financial Target

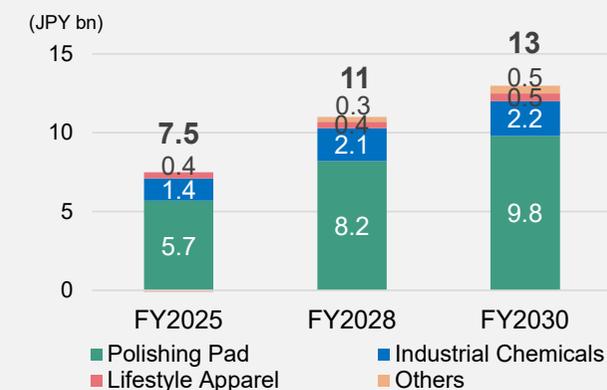
(JPY bn)	FY2025 Forecast	FY2028	FY2030
<b>Net Sales</b>	45.4	59	65
(CAGR)		9.1%	7.4%
<b>Polishing Pad</b>	21.4	29	33.5
(CAGR)		10.7%	9.4%
<b>Operating Profit</b>	7.5	11	13
(CAGR)		13.6%	11.6%
<b>Operating Profit Margin</b>	16.5%	18.6%	20.0%
<b>Polishing Pad</b>	5.7	8.2	9.8
(CAGR)		12.6%	11.3%
<b>Operating Profit Margin</b>	26.9%	28.3%	29.3%
<b>Net Profit</b> <small>attributable to owners of parent</small>	5	7.5	8.9
<b>EBITDA</b>	10.7	16.4	20.1
<b>ROE</b>	10.2%	>10%	>12%
<b>ROIC</b>	10.1%	>10%	>12%

### 1 Polishing Pad to drive the group growth

Net Sales by Segment



Operating Profit by Segment



### 2 Further Strengthen Earning Power

- Expand growth investments, Centered on the Polishing Pad business

### 3 Pursuit of Capital Efficiency

- Generate return over capital cost, Further enhance ROE and ROIC (ROE, ROIC more than 12% in FY2030)



# Investment Strategy and Shareholder Return Policy

Plan to increase growth investments in Polishing Pad and Industrial Chemicals, as well as strengthening shareholder return

## Investment Strategy

(JPY bn)	FY21-FY25 Total	FY26-FY30 Total	FY26E-FY28E Total
<b>CAPEX</b> <small>(incl. M&amp;A budget)<sup>(1)</sup></small>	<b>23</b>	<b>48</b>	<b>35</b>
(Polishing Pad)	(11)	(34.7)	(28.4)
(Industrial Chemicals)	(9.6)	(10.4)	(4.3)
<b>Depreciation</b>	<b>16.4</b>	<b>27.7</b>	<b>14.6</b>

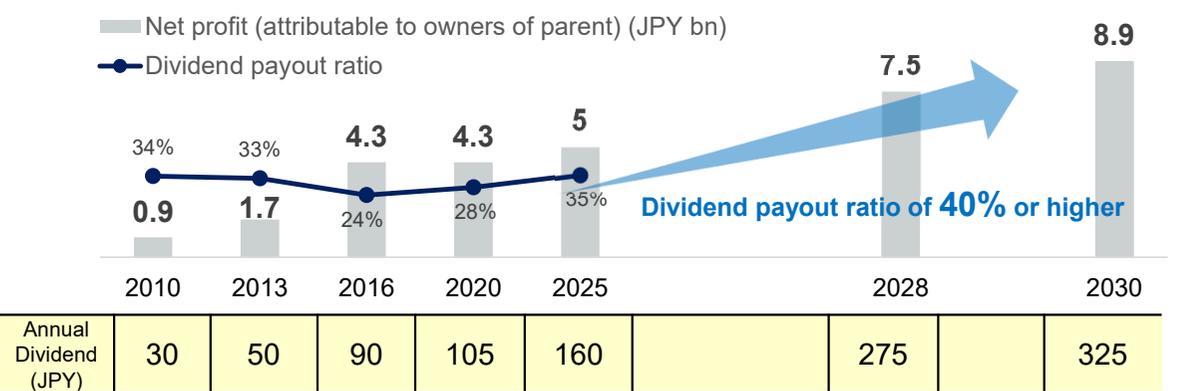
## Shareholder Return Policy

	FY2025 Forecast	FY2028	FY2030
<b>Dividend payout ratio</b>	35%	40%	40%

**Enhance both growth investment and shareholder return by increasing profit and utilizing debt**

- Targeted dividend payout ratio to be raised from 35% to 40%
- DOE = 3.5% at minimum (status quo)

To review upward revision at the end of FY2028



Annual Dividend (JPY)	30	50	90	105	160		275		325

Note:  
(1) M&A budget up to ¥5bn for Industrial Chemicals and Other businesses are included in CAPEX.

# Polishing Pad Business Business Highlight

## Global leading company driving innovation of semiconductor and electronic industries

**A global top manufacturer of semiconductor and electronic materials**



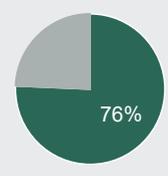
Global CMP pad (soft pad) market share 80% <sup>(1)</sup>

**Achieved growth over the global Semiconductor market**



Our polishing pad CAGR 10.2% vs the global Semiconductor market CAGR 7.9% (2020~2025)<sup>(3)</sup>

**Polishing Pad as core growth driver**



Operating profit contribution of Polishing Pad in FY2025E<sup>(2)</sup>

**Elite class profitability in the global semiconductor materials field**

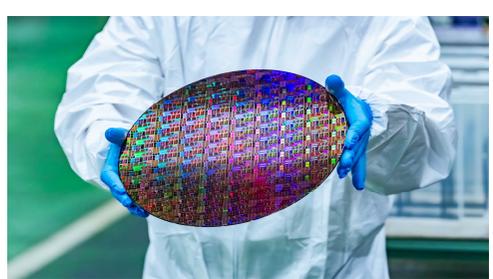
**26.9%**

Operating profit margin of Polishing Pad in FY2025E<sup>(2)</sup>

**Excellent relationship with global semiconductor manufacturers**



Solution-based business model with sales and R&D as one team



Notes:

- (1) Company estimate referring to industry reports and experts
- (2) Earnings forecast
- (3) Proprietary estimate based primarily on Tech Insights, QY Research, and other expert interviews



# Polishing Pad Business Business Strategy and Financial Targets

**Laser-focus on this business as core growth driver and capture market expansion opportunities. Cement the current market position as global top player**

## Situation Analysis

### Strength / Opportunity

- Miniaturization and Multilayering as key market growth drivers
- Dominant market share in CMP soft pad
- Solid customer base consisting primarily of global top players
- Mfg. capabilities, R&D, and sales force as one team to precisely meet customer needs

### Weakness / Threat

- More production capacity needed to fulfill robust mid-term demand
- Room for improvement in hard pad business with high growth expected
- Market volatility primarily in China

## Key Strategy

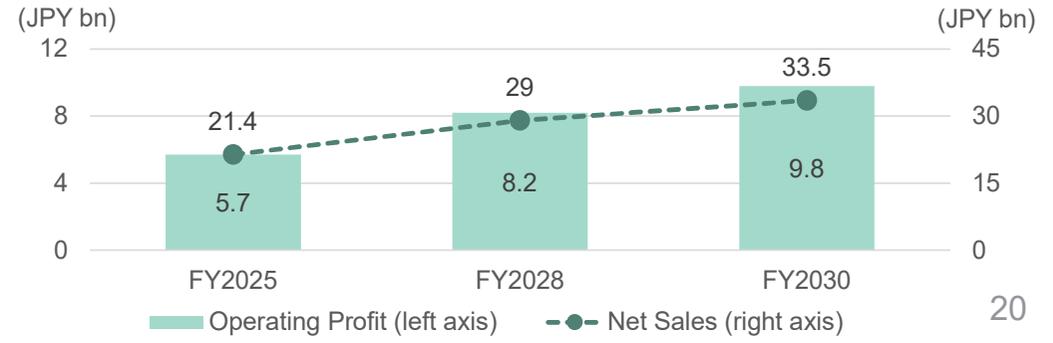
Net sales	1	Expand the current businesses' market shares (i.e., CMP, wafer, and Hard Disks)
	2	Officially enter the Hard Pad Market
	3	Expand into New Areas (Strategic move towards integrated polishing materials player)
Profit	4	Strategic pricing matching customer merits in highly value-added new products
	5	New Mfg. equipment to be introduced for labor saving and productivity improvement
Investment	6	Expand production capacity and R&D capabilities to meet customer needs and market expansion

## Strategic Direction

**Capture growth of the global soft pad market through active investment**

**Expand market share of hard pads and enter new areas primarily for advanced fabs**

## Financial Targets



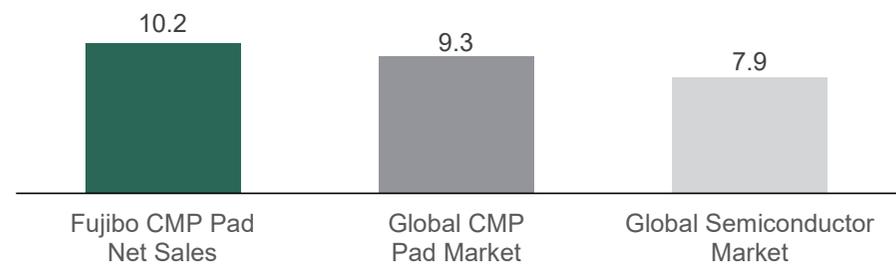


**Polishing Pad Business** Growth Potential Beyond the Semiconductor Market

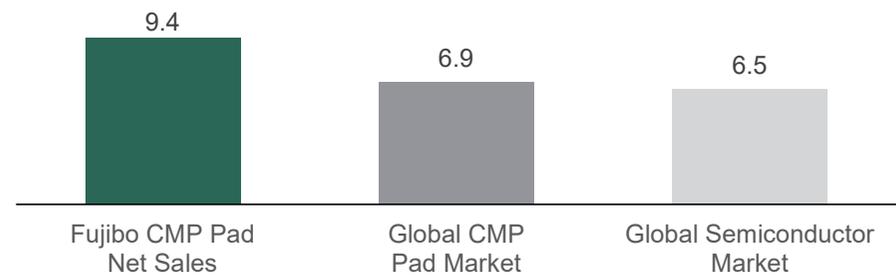
**CMP Pad is expected to grow rapidly thanks to miniaturization and multilayering of advanced semiconductor**

**Comparison of Growth<sup>(1)</sup>**

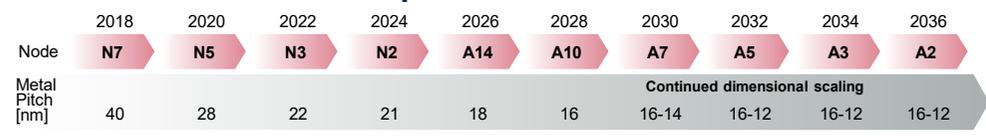
(FY2020~FY2025 CAGR %)



(FY2025~FY2030 CAGR %)



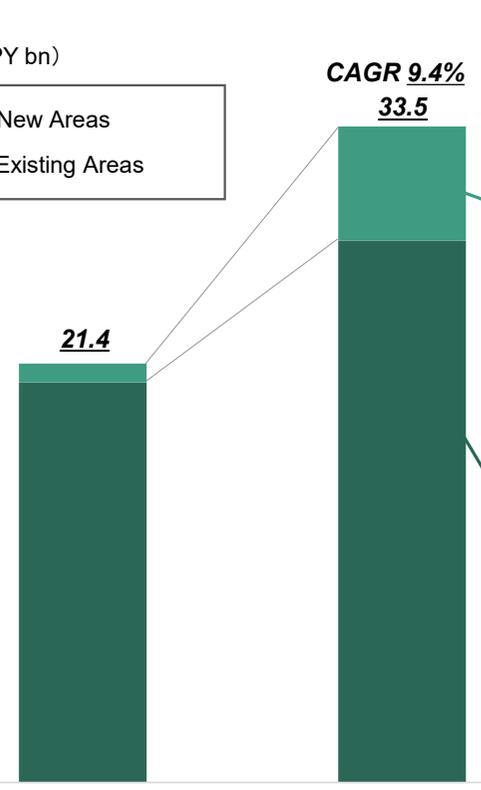
**Miniaturization roadmap from imec**



Notes:  
 (1) Company estimate based on Tech Insights, QY Research, and expert interviews

**Outlook for CMP Pad Net Sales**

(JPY bn)



**New Areas  
CAGR +43%**

- Expand net sales from CMP hard pads for advanced foundry
- New demand for SiC
- New areas captured as integrated pad maker

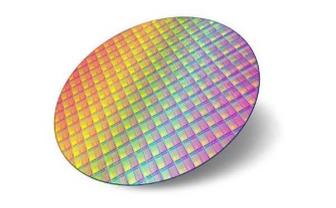
**Existing Areas  
CAGR +6%**

- Grow CMP soft pad with 80% global market share
- Stable expansion of pads for wafer and hard disks
- Gradual decline in LCD / LED

FY2025 FY2030

**Polishing Pad Business Strong Customer Base Consisting Primarily of Global Players**

As trusted supplier, we are leading innovation in partnership with global top customers

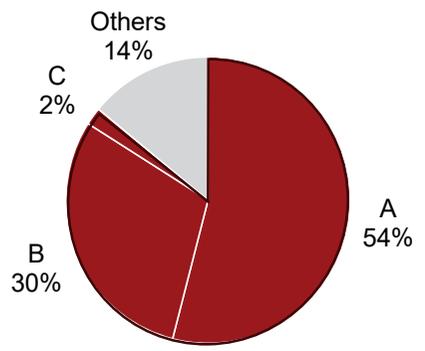
Application	Global Market Share (2024) <sup>(1)</sup>	History of Our Business Relationship	
<p><b>Semiconductor Device</b></p> 	<p><b>Our Customers</b></p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="537 542 828 774"> <p><b>Foundry</b></p> </div> <div data-bbox="840 542 1131 774"> <p><b>IDM</b></p> </div> </div>	<p><b>Foundry</b></p>	<p><b>10+ years with top 2 players</b></p>
<p><b>Wafer</b></p> 		<p><b>20~40 years with all the top 5 wafer players</b></p>	
<p><b>Hard Disks</b></p> 		<p><b>25+ years with top 2 Hard Disks players</b></p>	

**Notes:**  
 (1) Foundry and IDM(Integrated Device Manufacturer): Gartner(2024)、Silicon wafer and HDD: Fuji Keizai (2024)

**Polishing Pad Business** **Versatile Product Offerings**

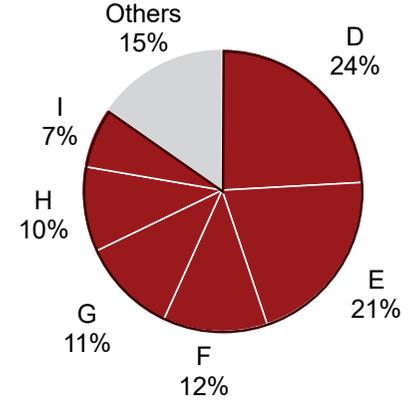
Our products can fit with most of global key CMP Equipment and CMP Slurry  
 – Resulting in the high Market Shares and Sales Expansion

**CMP Equipment Player  
 Global Market Share (2024)**



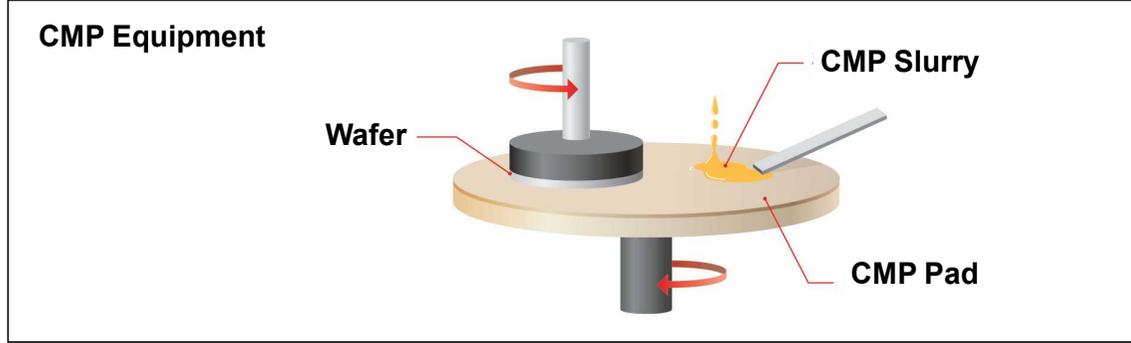
**CMP equipment where our products are applicable**

**CMP Slurry Player  
 Global Market Share (2024)**



**CMP slurry where our products are applicable**

**(Reference) Illustrative CMP Process**

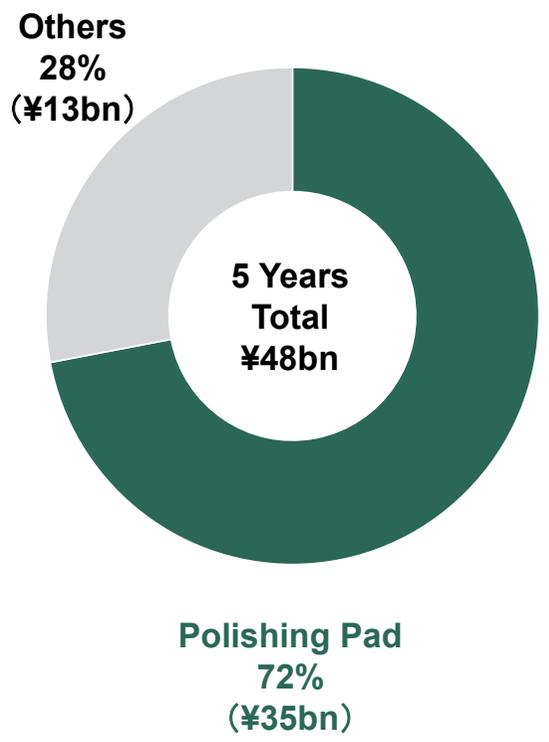


Source: Fuji Keizai, Gartner

**Polishing Pad Business Investment Strategy – Overview –**

**Accelerate investments in Japan and Taiwan to capture the market growth and strengthen R&D capabilities**

**Investments Details (FY2026-FY2030 Total)**



- Enhance Production Capacity  
¥24bn
- R&D  
¥5bn
- Maintenance\*  
¥6bn

(\* ) Incl. productivity and eco improvement

**Investment Examples (Announced)**

Fujibo Ehime Nyugawa Plant (Japan)	
	<ul style="list-style-type: none"> <li>New production line and facility for soft pads for ¥8.7bn, start operation in 2H FY2028</li> <li>60%+ capacity expansion mainly for CMP</li> </ul>
Fujibo Ehime Oita Plant (Japan)	
	<ul style="list-style-type: none"> <li>New production line and facility for post-processing of integrated production of soft pads For ¥5.3bn, start operation in 2H FY2028</li> <li>50%+ capacity expansion, primarily for non-CMP applications</li> </ul>
Taiwan Fujibo Precision Materials (Taiwan)	
	<ul style="list-style-type: none"> <li>R&amp;D center in Hsinchu, Taiwan For ¥6.5bn, start operation in 1H FY2027</li> </ul>

Polishing Pad Business

## Investment Strategy – Key Initiatives –

Achieve target net sales and operating profit with these key initiatives and exceed increased depreciation

### Net Sales Expansion

- Benefit from robust demand for CMP pads thanks to miniaturization and multilayering
- Capture growth of key markets such as WF, Hard Disks, and SiC as well as win new applications
- Officially enter the hard pad market
- Expand into new areas other than semiconductor

### Profit Expansion / Cost Reduction

- Strategic pricing matching customer merits in highly value-added new products
- New Mfg. equipment to be introduced for labor saving and productivity improvement (e.g. robotics and AI in inspection process to be introduced)

## Industrial Chemicals Business Business Highlight

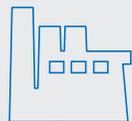
To be trusted & agile niche No.1 contract manufacturer of fine chemical intermediates

### Capabilities of wide variety of chemicals



Track record and experience of 400+ chemicals for functional materials and Pharmaceutical & agrochemical intermediates

### Production Capacities



2 plants in Yanai and Takefu in Japan

### Agility



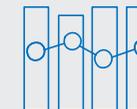
Manufacturing team serves customers comprehensively from order intake to quality control

### Long-standing strong relationship with chemical majors in Japan



Yanai Chemical Industry has cultivated a position as partner of choice from chemical majors since its establishment in 1938

### Stable earnings power



Solid pipelines with diversified customer base leading to stable earnings





# Industrial Chemicals Business Business Strategy and Financial Targets

Win more new contracts and enhance stability and profitability of contract Mfg. business, through ROIC management, while planting seeds for future businesses

## Situation Analysis

### Strength / Opportunity

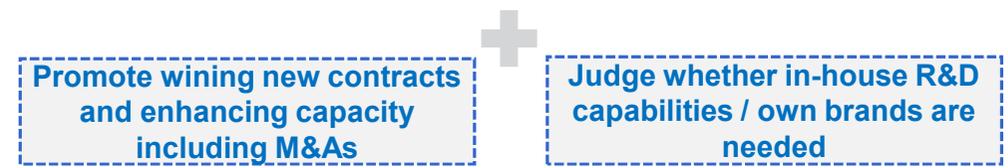
- Growth potential of fine chemicals market in Japan
- Catering to diverse customer needs with track record of 400+ chemical compounds
- Sales force specialized in contract manufacturing

### Weakness / Threat

- Volatility of chemicals / electronic materials markets
- Succession of tacit knowledge to the next generation including order judgement
- Promote DX

## Key Strategy

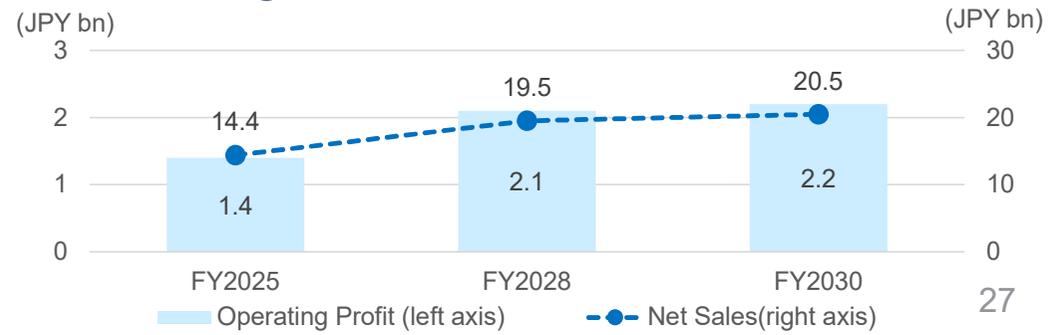
- 1 Strengthen collaboration between Yanai and Takefu plants  
Success know-how of gaining contracts to the next generation
- 2 Build up large scale pipelines primarily in functional materials by proactively capturing demand shift
- 3 ROIC management for judging and monitoring investments
- 4 Charge timely and appropriately



## Strategic Direction

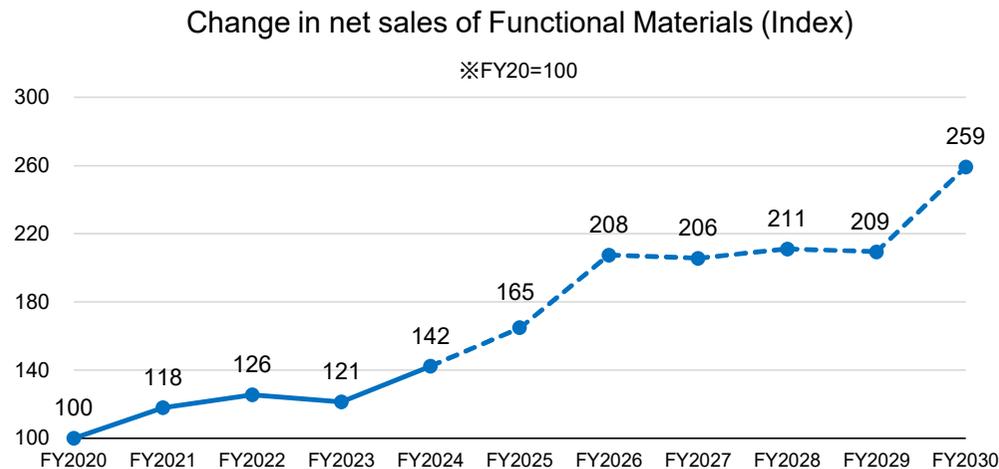
- ✓ Enhance stability and profitability of contract Mfg. business (Solidify the business base)
- ✓ Work on growth opportunities in new fields (Plant seeds for the future)

## Financial Targets



## Industrial Chemicals Business Growth Investments

### Outlook of Functional Materials



- Net sales is on track due primarily to growth of the electronic & semiconductor materials markets
- Our customers will further sharpen focus on fine chemicals that we are likely to benefit from

### Growth Investment Policy

- Added a new line for functional materials within the current plant area considering mid-term demand expansion for some of the main products in the functional materials, start operation in April 2026.
- This expansion will help to realize the target net sales of ¥20bn and operating profit of ¥2bn.
- Additionally, we are working on new large-scale projects and planning further expansion of capacity including M&As



Lifestyle Apparel Business **Business Highlight**

**Supplier of brand apparel and textile, with craftsmanship and commitment to quality as well as unique integrated business model**

**Long-time selling brand line-ups**



"B.V.D.", a century-long license brand, as well as high-end brands such as "Asamerry" and "Airmerry"

**Proprietary technologies of spinning and dyeing**



Pioneer of the textile industry since foundation in 1896, offering highly value-added products with integrated manufacturing base and diversified technologies

**Growth potential outside of Japan**



High-end underwear gaining reputation primarily from the high net worth. Expanding through local distribution partners





Lifestyle Apparel Business

# Business Strategy and Financial Targets

Symbolizes our corporate brand and contributes to HR foundation,  
Transforms to be a more stable profit structure

## Situation Analysis

### Strength / Opportunity

- Economic development in Asia and growing cross-border EC
- Brand power of B.V.D. and high profitability of Angle
- Stable quality and profit structure

### Weakness / Threat

- Shrinking Japan market
- Dependence on GMS as sales channel
- Polarized customer base
- Weak yen of JPY and cost increase due to primary manufacturing site in Thailand

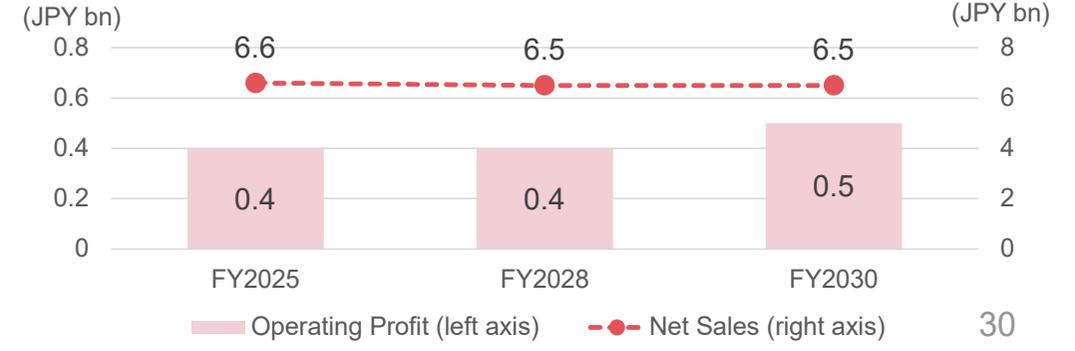
## Strategic Direction

- ✓ Focus management resource on profitable products
- ✓ Pursue optimal supply chain to cope with future cost increase

## Key Strategy



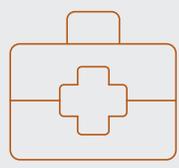
## Financial Targets



**Other Businesses** **Business Highlight**

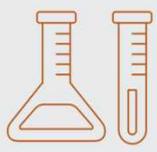
**Unique positioning in injection molding for precision machine parts**

**Long-standing relationship with global customers incl. medical equipment**



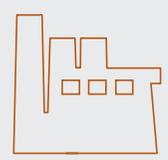
Track record of serving users with high quality standards including medical equipment and high-end digital cameras

**Highly value-added proprietary production technologies**



Introduced new facilities. Integrated and automated production capability along with injection molding for parts

**Extensive production facilities and diverse molding technologies**



Meeting diverse customer needs – building a new facility of injection molding for medical equipment and mold for automotive and precision machinery





Other Businesses

# Business Strategy and Financial Targets

Expand business areas and improve profitability primarily through expanding production capacity for mold for medical equipment and realize synergy between Chemical Products and Molding

### Situation Analysis

#### Strength / Opportunity

- Solid growth expected for the medical equipment area
- Mfg. technologies of mold for medical equipment
- Design and solutions to customer needs in mold for automotive as well as unique narrow-pitched small hot runners

#### Weakness / Threat

- Volatility of demand for mold for automotive
- Dependence on specific mold customers in the office equipment space

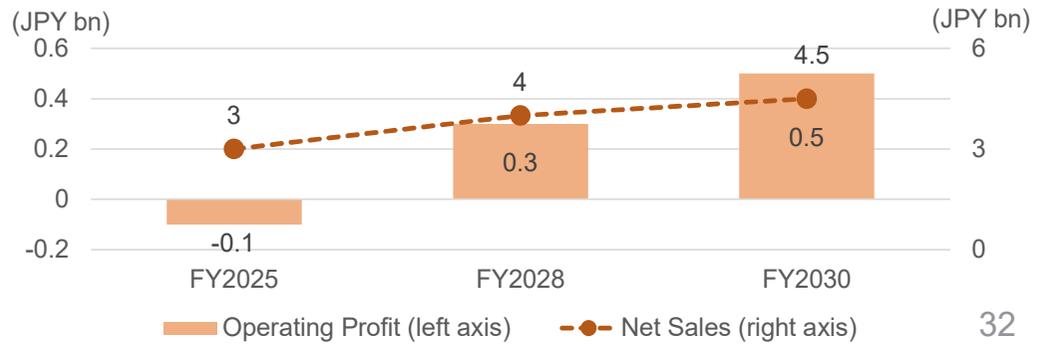
### Key Strategy

Expand production capacity and product portfolio	1	Chemical Products – expand capacity and improve Mfg. and quality control systems
	2	Molding – capture new business opportunities and strengthen R&D capabilities
Expand customer base	3	Explore new businesses (i.e., hot runners and non-auto incl. medical applicaton)
	4	Strengthen synergy between Chemical Products and Molding
Fortify Mgmt. base	5	Improve productivity and efficiency (i.e., reallocate staff, optimize Mfg. sites, develop multi-talent engineers, and leverage DX)

### Strategic Direction

- ✓ Expand production capacity and product portfolio
- ✓ Expand customer base
- ✓ Fortify management base

### Financial Targets



## Evolution of Functional Base | Focusing Areas and Initiatives

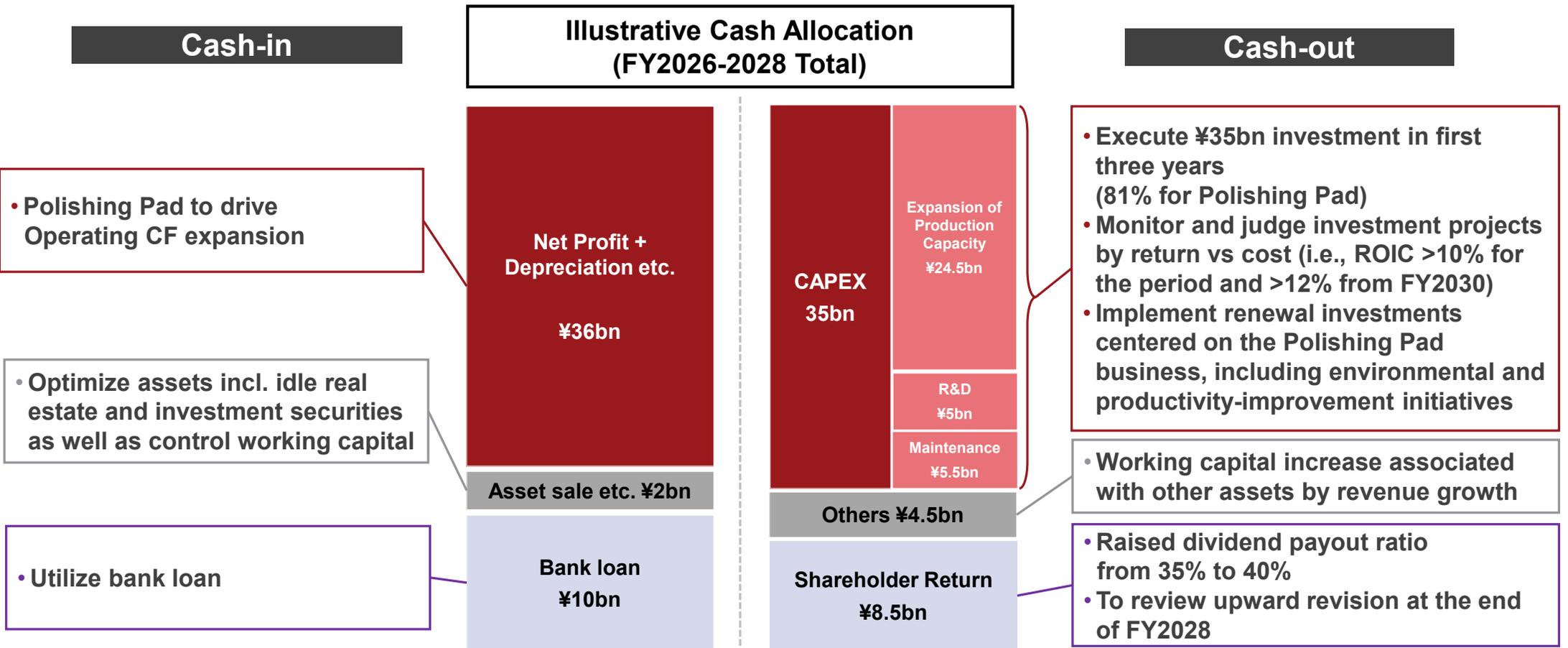
Focusing on 5 areas with initiatives below

	Key Themes	Initiatives
1 <b>New Businesses</b>	<ul style="list-style-type: none"> <li>• Shift to strategy-driven from customer needs-driven</li> <li>• Talent development</li> <li>• More new projects need to be created</li> </ul>	<ul style="list-style-type: none"> <li>• Sophisticate activities with our strengths x market potential taken into account</li> <li>• Embody ways of commercialization incl. open innovation</li> <li>• More specialized talent development and acquisition</li> </ul>
2 <b>IP Strategy</b>	<ul style="list-style-type: none"> <li>• Expansion of existing / new businesses is in progress, while protection of proprietary technologies / IP is properly working</li> </ul>	<ul style="list-style-type: none"> <li>• Leverage IP in light of commercialization (e.g. review potential of license business, use IP landscape to assess IP information for business development)</li> </ul>
3 <b>HR</b>	<ul style="list-style-type: none"> <li>• Shortage of human resources</li> <li>• Restructuring of education systems in progress</li> <li>• Utilize internal engagement survey</li> </ul>	<ul style="list-style-type: none"> <li>• Employer branding by reinforcing hiring activities</li> <li>• Improve employee engagement through talent development program, remuneration, and re-staffing</li> <li>• Promote health and productivity management</li> </ul>
4 <b>DX</b>	<ul style="list-style-type: none"> <li>• Upgrade internal IT systems and promote collaboration</li> <li>• DX based on the whole group’s future vision</li> </ul>	<ul style="list-style-type: none"> <li>• Upgrade enterprise system and introduce IT tools</li> <li>• Bring shape to initiatives of “DX Strategy Promotion”</li> </ul>
5 <b>Finance</b>	<ul style="list-style-type: none"> <li>• Manage cash / BS to well balance business growth and shareholder return</li> </ul>	<ul style="list-style-type: none"> <li>• Pursue optimal asset holding through ROIC management</li> <li>• Utilize leverage</li> <li>• Review upward revision of shareholder return</li> </ul>



# Cash Allocation

Strong commitment to Shareholder Return while accelerating strategic investment in Polishing Pad



# Actions to Implement Management Conscious of Cost of Capital and Stock Price



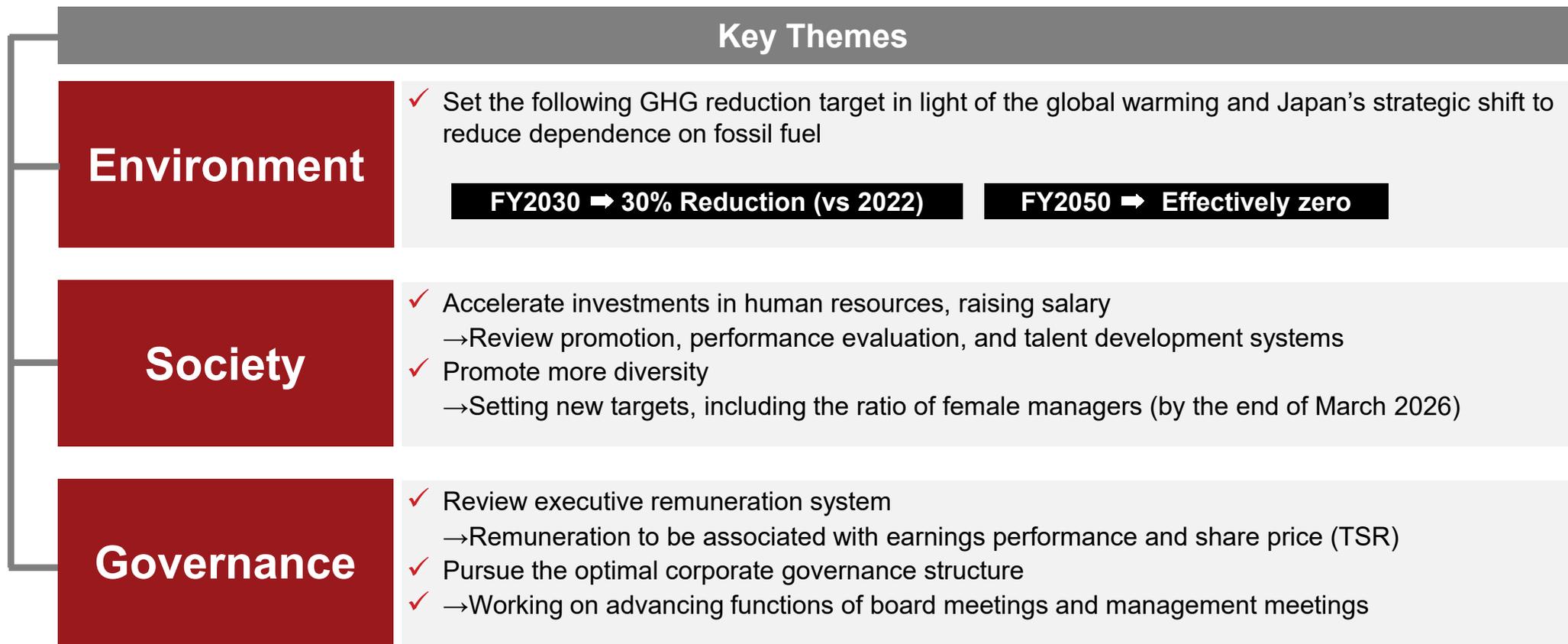
1. Business Overview
2. Review on “Zokyo 21-25”
3. New Medium-term Management Plan  
“Shinka 26-30”
4. **Actions for Sustainability**





# Actions for Sustainability

Achieve sustainability through a well-balanced implementation of innovation, growth, profitability, and fair and transparent SDGs management founded on integrity



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