FY03/2026
Financial Results
For the year ended March 31, 2026

FUSO CHEMICAL CO., LTD.

May 15, 2026

Prime Market（4368)

Tokyo Stock Exchange, Inc.

Table of Contents

I. FY03/2026 Financial Summary

(period April 1, 2025 – March 31, 2026)

Consolidated Financial Results for FY03/2026

(unit：100 millions of yen)	FY03/2026	vs FY03/2025			Budget (initial)			Budget (revised)		
		FY03/2025	YoY	YoY ratio	Budget	Change	vs budget	Budget	Change	vs budget
Net sales	**769.2**	695.0	＋74.2	＋10.7%	727.0	＋42.2	＋5.8%	755.0	＋14.2	＋1.9%
Operating profit	**188.5**	162.3	＋26.2	＋16.1%	140.0	＋48.5	＋34.6%	175.0	＋13.5	＋7.7%
Ordinary profit	**195.7**	165.6	＋30.1	＋18.2%	138.0	＋57.7	＋41.8%	176.0	＋19.7	＋11.2%
Profit attributable to owners of parent	**143.1**	116.2	＋26.8	＋23.1%	94.0	＋49.1	＋52.3%	122.0	＋21.1	＋17.3%
EBITDA	**297.8**	245.3	＋52.4	＋21.4%	255.0	＋42.8	＋16.8%	284.0	＋13.8	＋4.9%
Earnings per share	**¥405.86**	¥329.68	¥76.17	＋23.1%	¥266.61	¥139.2	＋52.2%	¥346.04	¥59.8	＋17.3%

※Earnings per share：Prior to the stock split

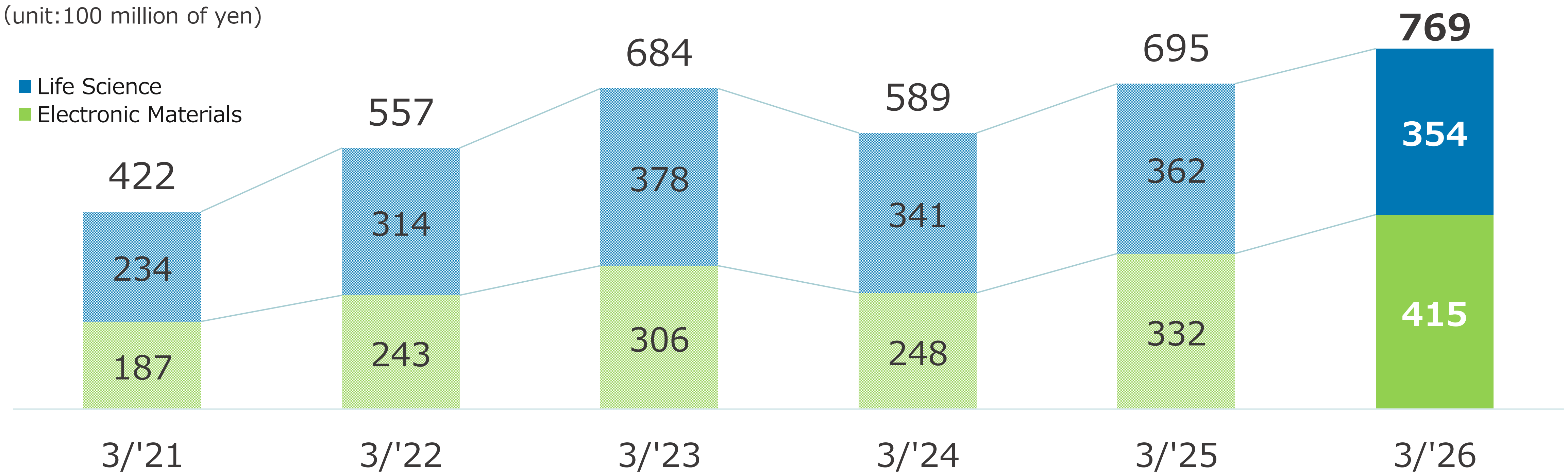
Net sales / EBITDA record high

Sales & Profit by Segment versus previous year FY03/2026

		FY03/2026	VS FY03/2025		
	(unit:100 millions of yen)		FY03/2025	YoY	YoY ratio
🟦Life Science	Net sales	**354.1**	362.8	△8.7	△2.4%
	Operating profit	**53.0**	52.8	+0.1	+0.4%
🟩Electronic Materials	Net sales	**415.1**	332.1	+83.0	+25.0%
	Operating profit	**159.2**	131.7	+27.5	+20.9%
(Adjustment)		**△23.8**	△22.3	△1.5	−
🟥Operating pfofit (consolidated)		**188.5**	162.3	+26.2	+16.1%

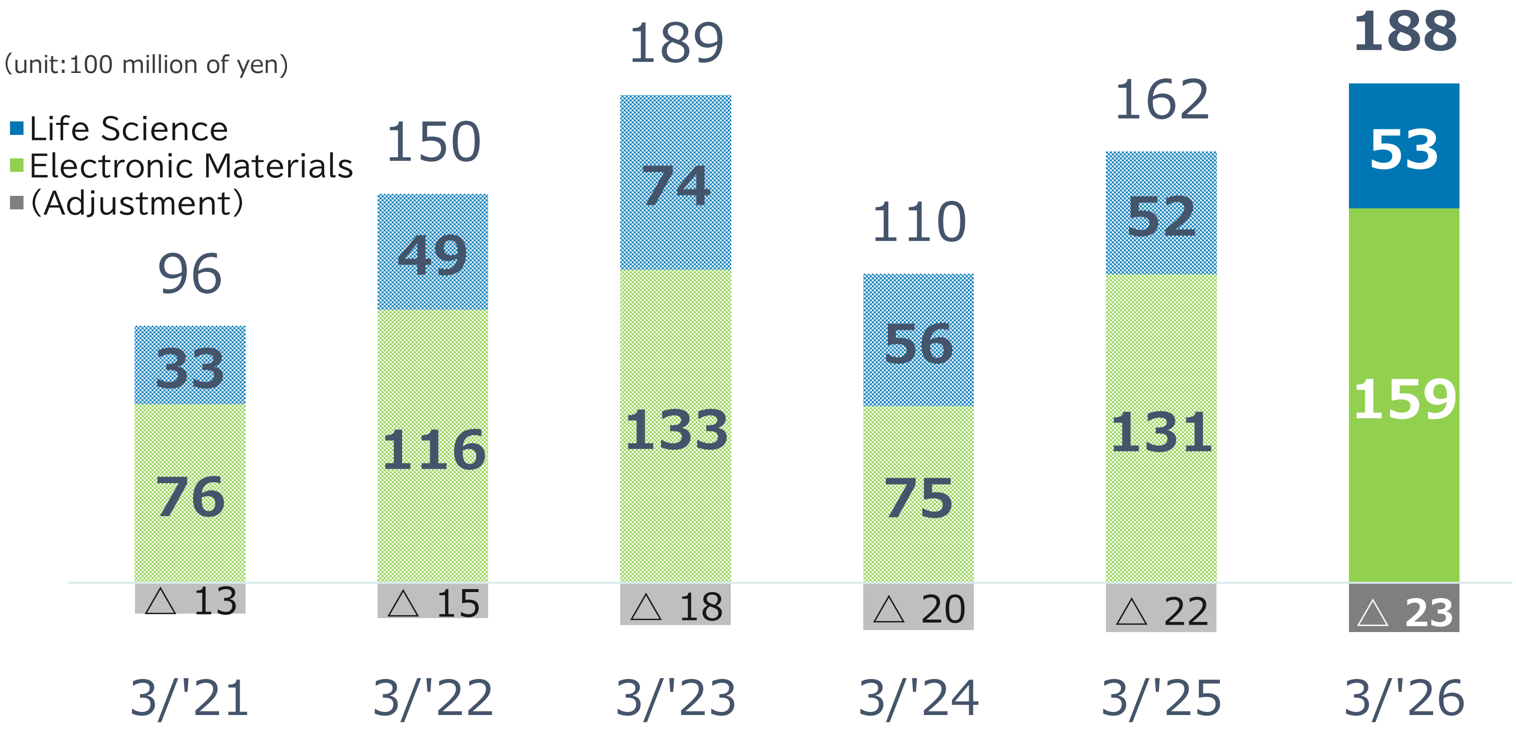
Net Sales by Segment

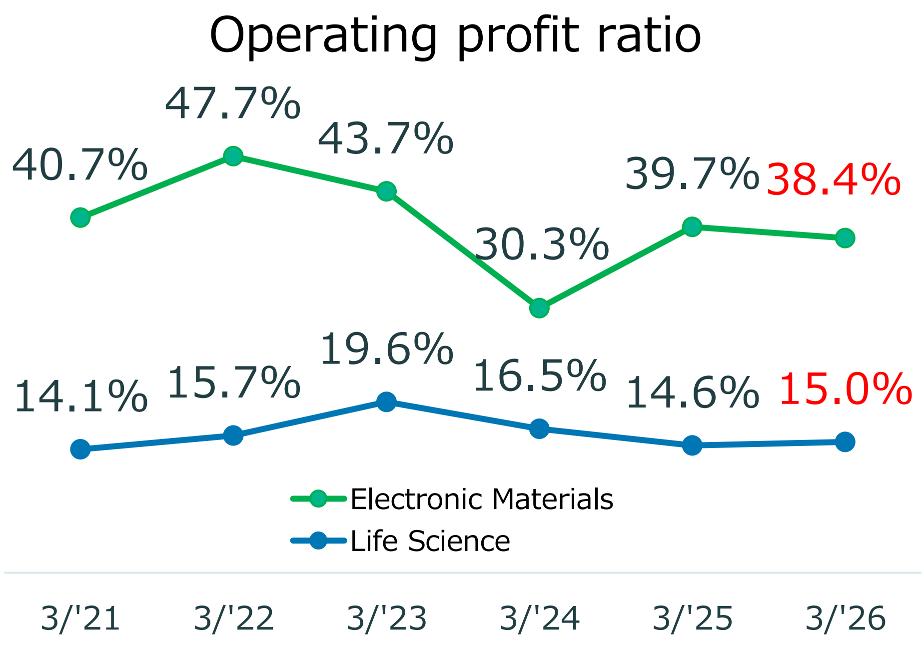
(unit:100 millions of yen)	3/'21	3/'22	3/'23	3/'24	3/'25	**3/'26**
Net Sales	422	557	684	589	695	**769**
Life Science	234	314	378	341	362	**354**
Electronic Materials	187	243	306	248	332	**415**



Operating Profit by Segment

(unit:100 millions of yen)	3/'21	3/'22	3/'23	3/'24	3/'25	**3/'26**
Operating Profit	96	150	189	110	162	**188**
Life Science	33	49	74	56	52	**53**
Electronic Materials	76	116	133	75	131	**159**
(Adjustment)	△ 13	△ 15	△ 18	△ 20	△ 22	△ 23

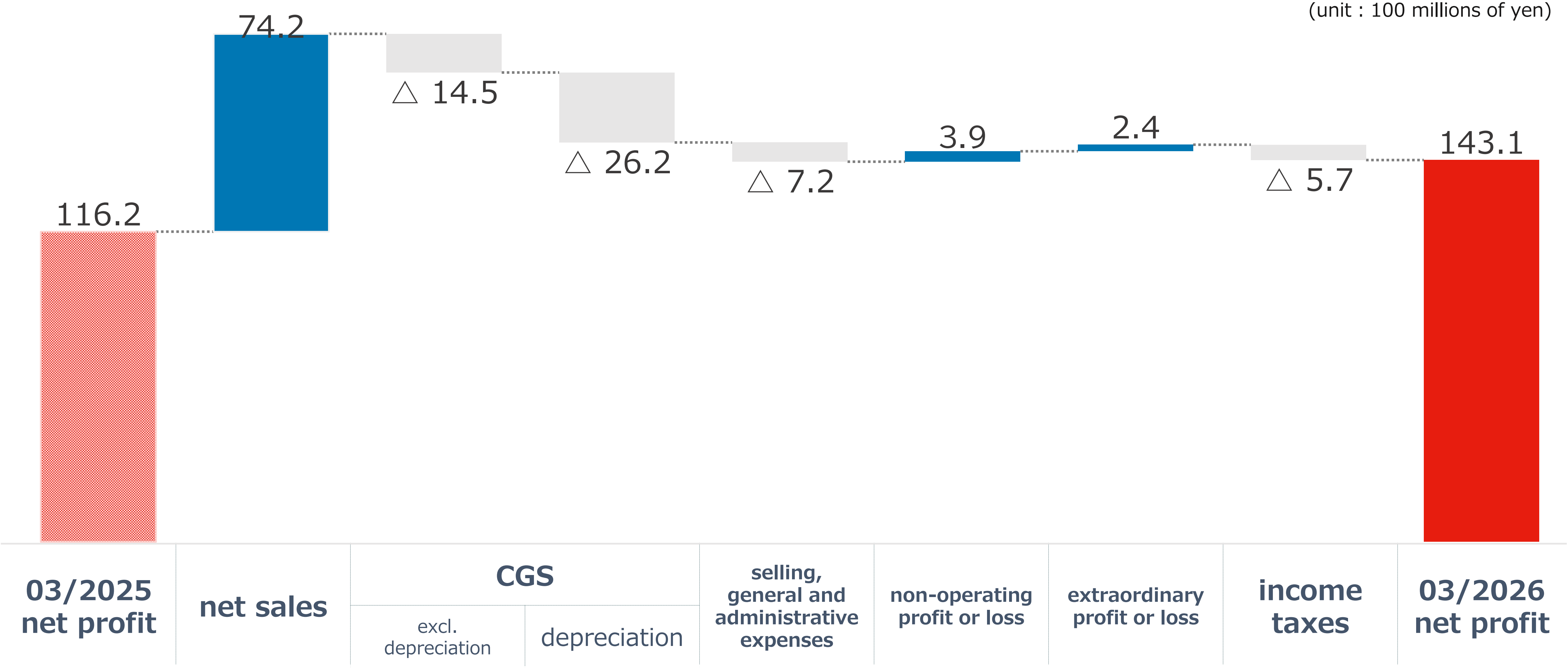




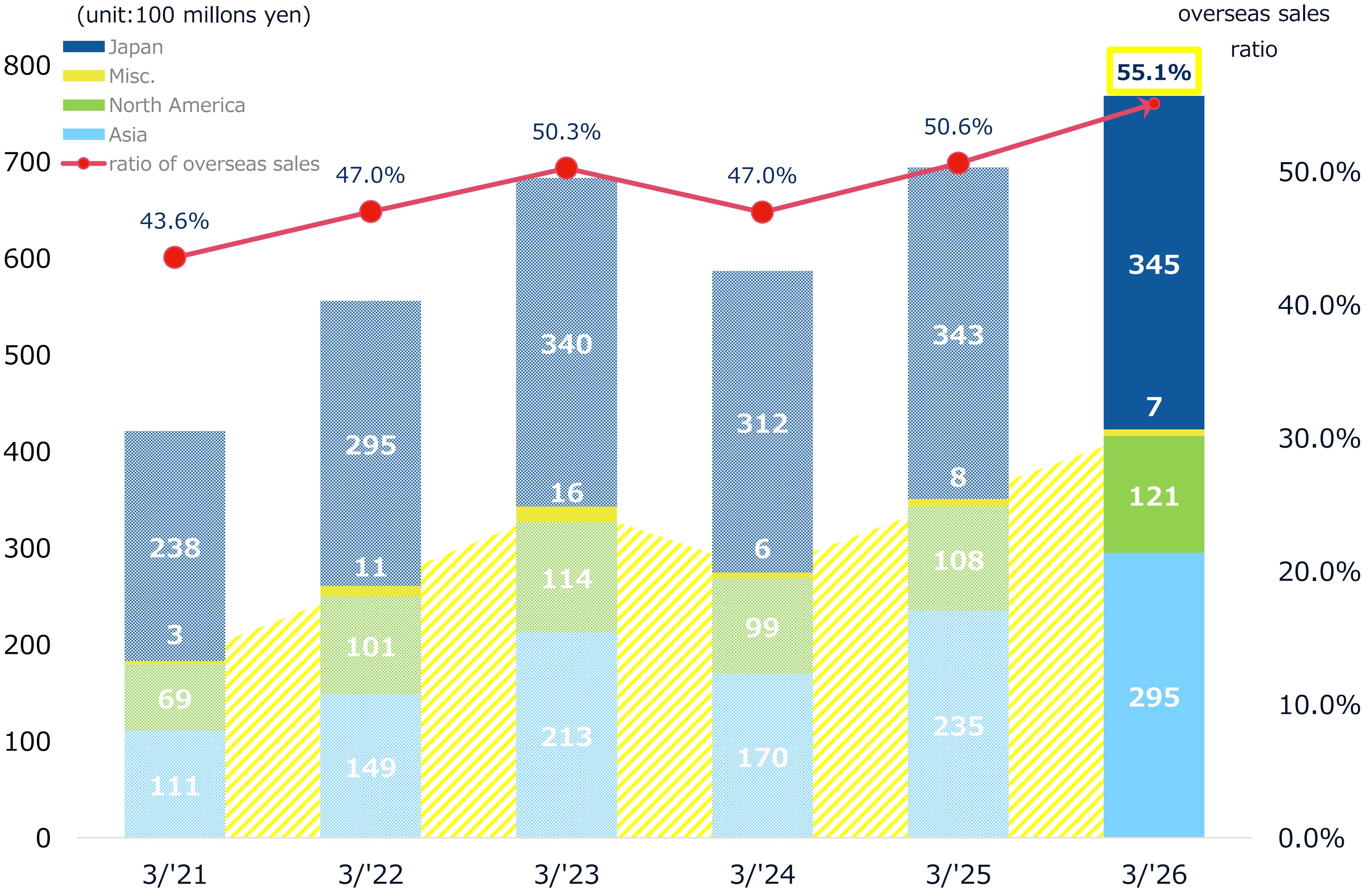
Net Profit Analysis

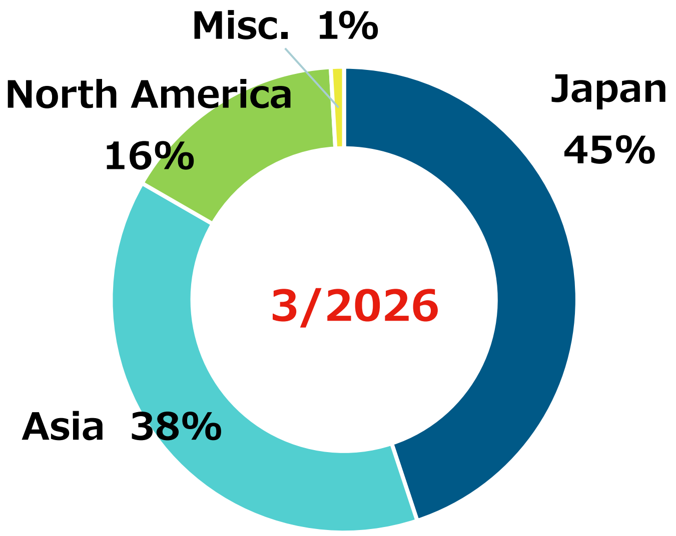
FY03/2025 versus FY03/2026

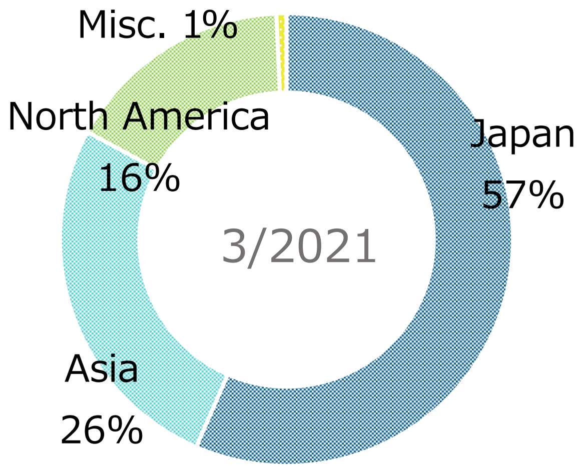
(unit : 100 millions of yen)



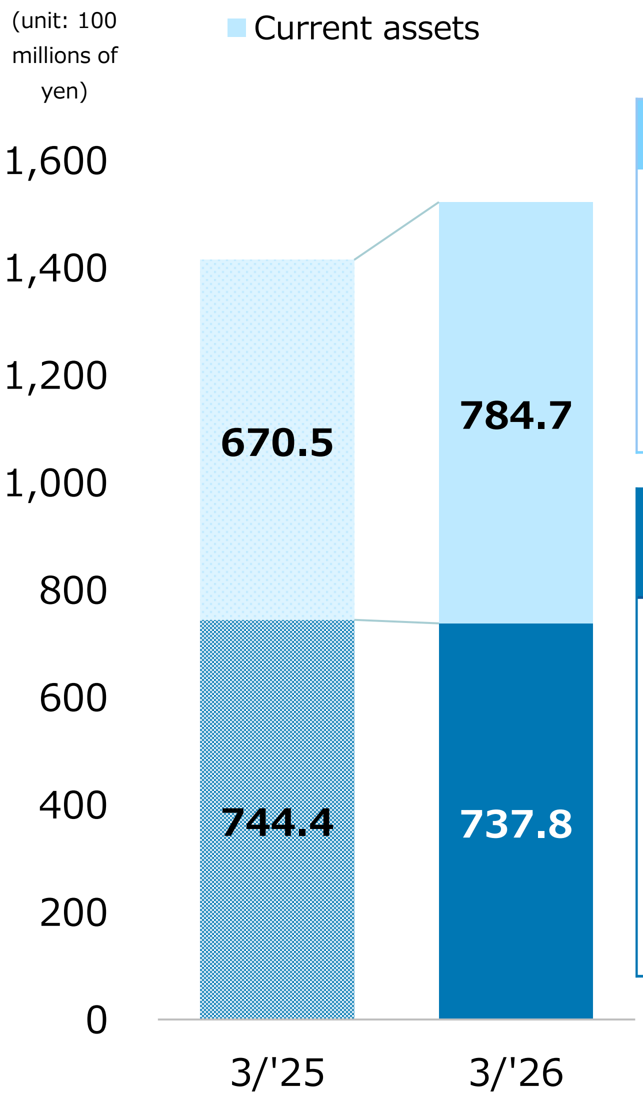
Overseas Sales Growth







Assets, Liabilities and Net Assets

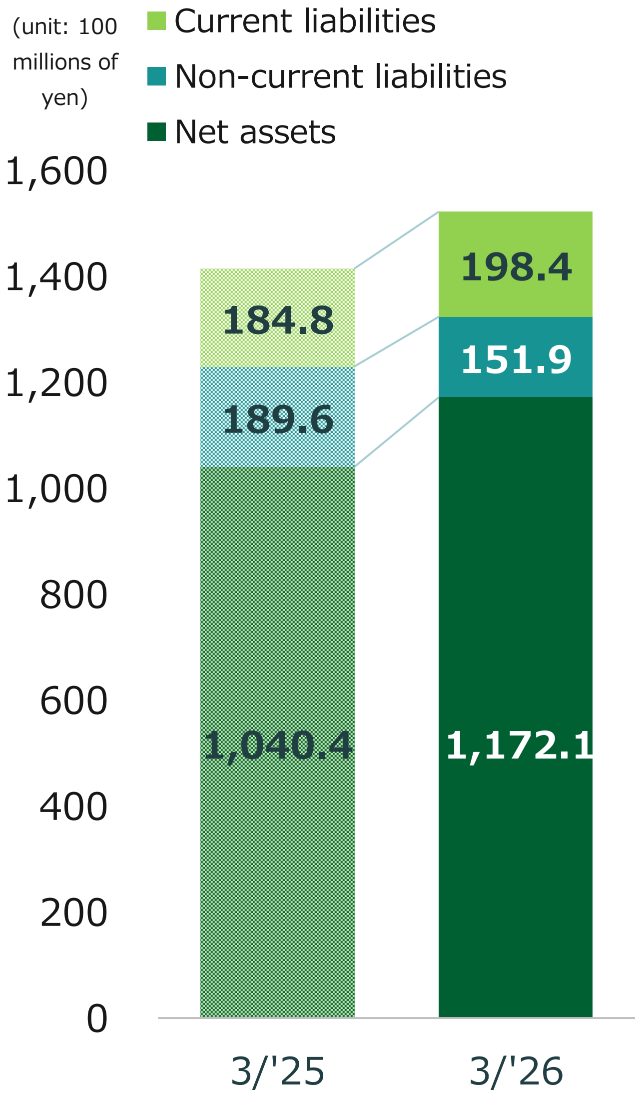


Current assets (Y on Y +114)

Cash and deposits	+97
Notes and accounts receivable - trade	+5
Consumption taxes refund receivbable	+5

Non-current assets (Y on Y △7)

Buildings and structures	+60
Machinery, equipment and vehicles	+69
Intangible assets	+14
Construction in progress	△153



Current liabilities (Y on Y +14)

Accounts payable – trade	△2
Current portion of long-term borrowings	+9
Accounts payable - facilities	△7
Income taxes payable	+12

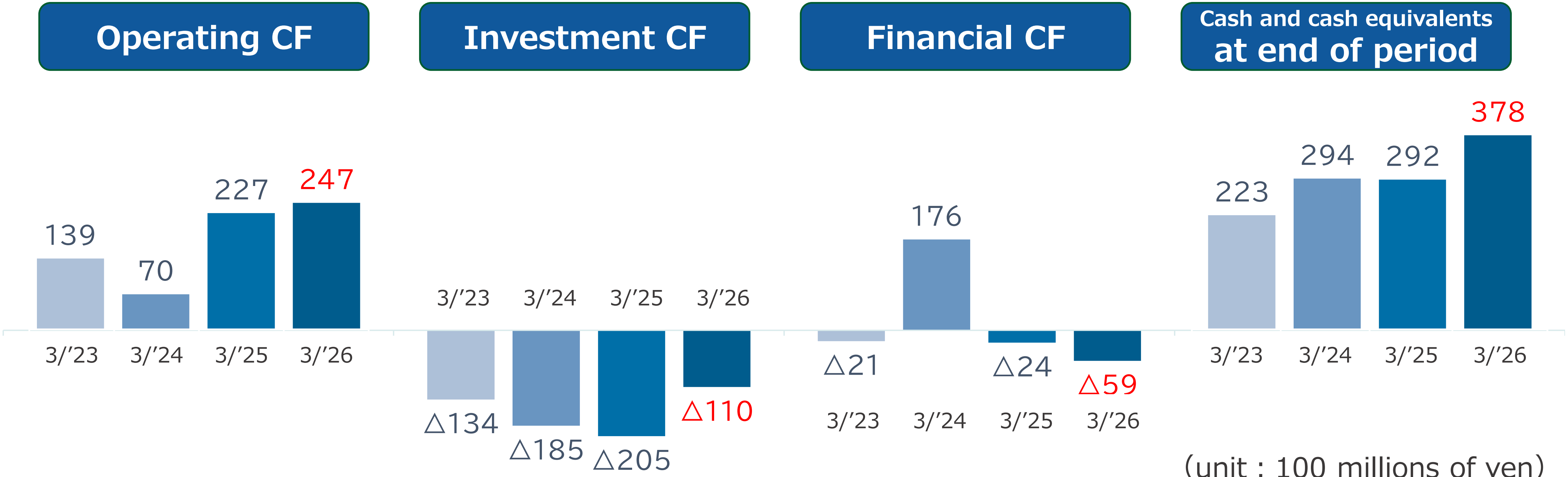
Non-current liabilities (Y on Y △37)

Long - term borrowings	△40

Net assets (Y on Y +131)

Retained earning	+115
Foreign currency translation adjustment	+16

Consolidated Statements of Cash Flows



(unit : 100 millions of yen)

■ Breakdown

Cash flows from operating activities

• Profit before income taxes	＋195
• Depreciation	＋109
• Income taxes paid	△41

Cash flows from investing activities

• Purchase of property, plant and equipment	△73
• Purchase of intangible assets	△27

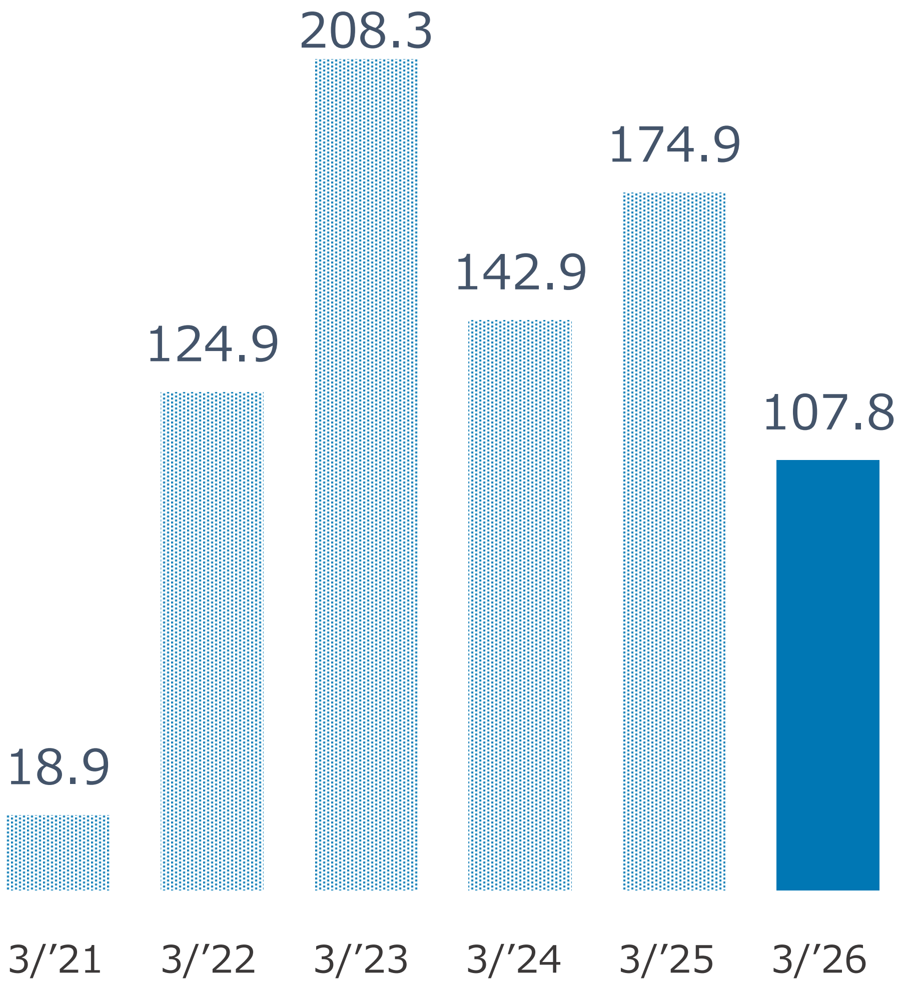
Cash flows from financing activities

• Repayments of long-term borrowings	△31
• Dividends paid	△27

Capital Investment/Depreciation/R&D Expenses

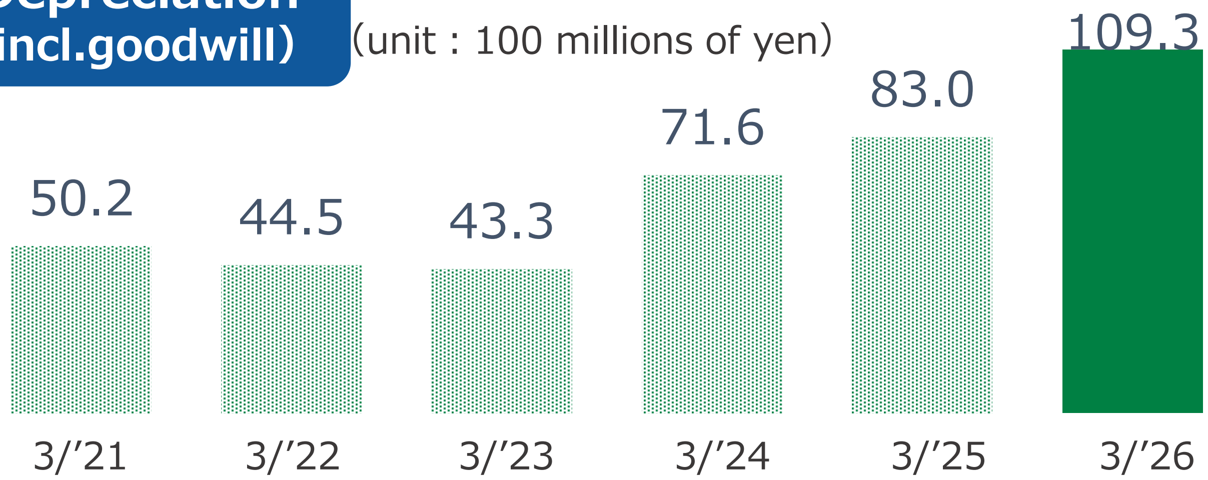
Capital Investment

(unit : 100 millions of yen)



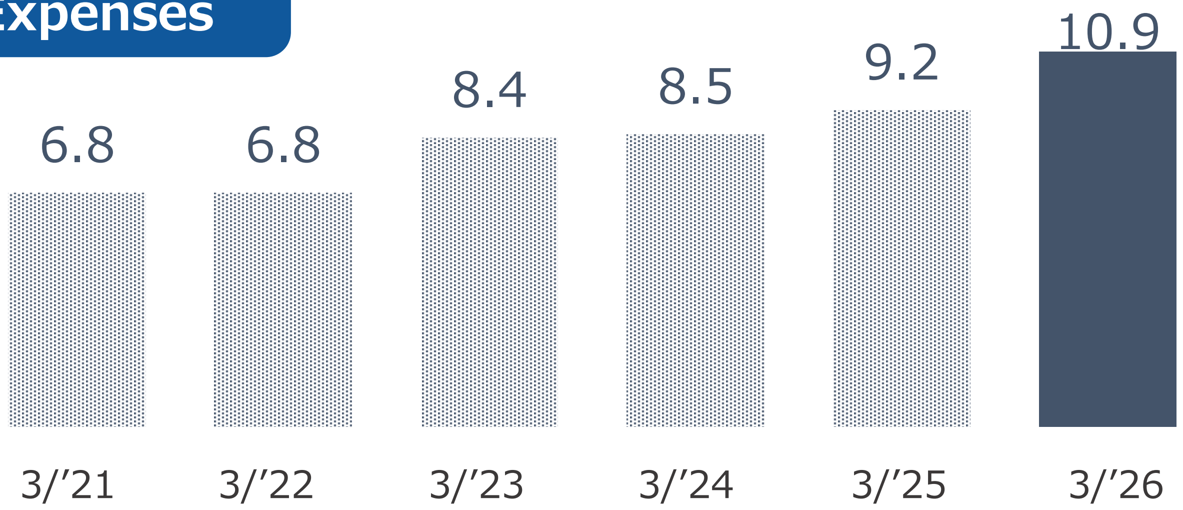
Depreciation (incl.goodwill)

(unit : 100 millions of yen)

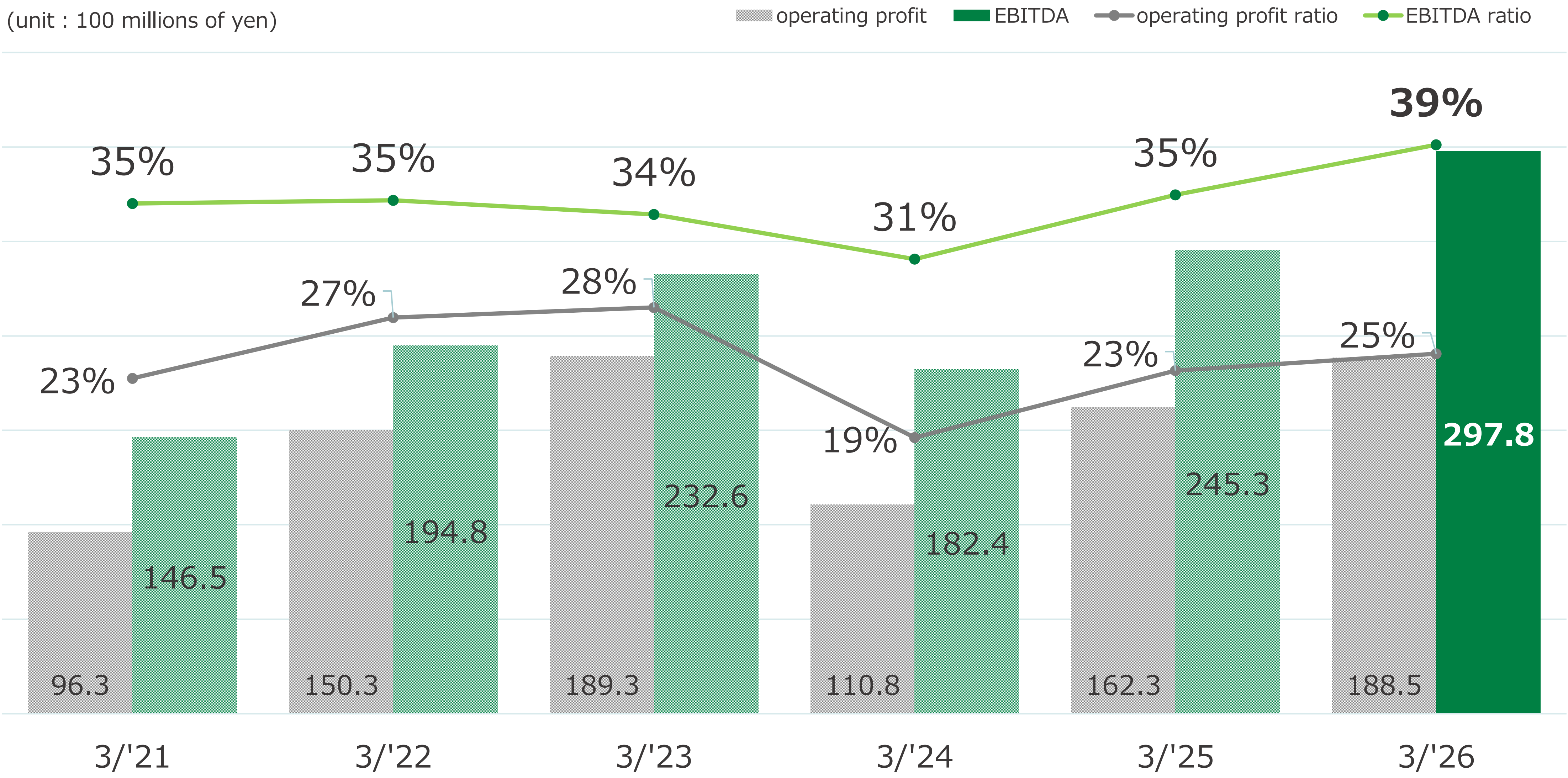


R&D Expenses

(unit : 100 millions of yen)



Operating Profit and EBITDA



II. Segment Result

Life Science

Business

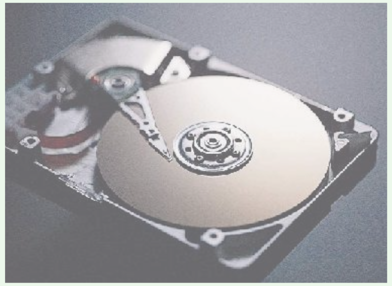
Life Science

- Malic acid
- Citric acid
- Gluconic acid
- Fumaric acid
- Maleic anhydride
- Other acid
  ･High purity fruits acid
  ･Succinic acid, Lactic acid, Tartaric acid
- Vitamin C
- Food additive formulations

Electronic Materials

- Electronic Materials
  - Ultra high purity colloidal silica

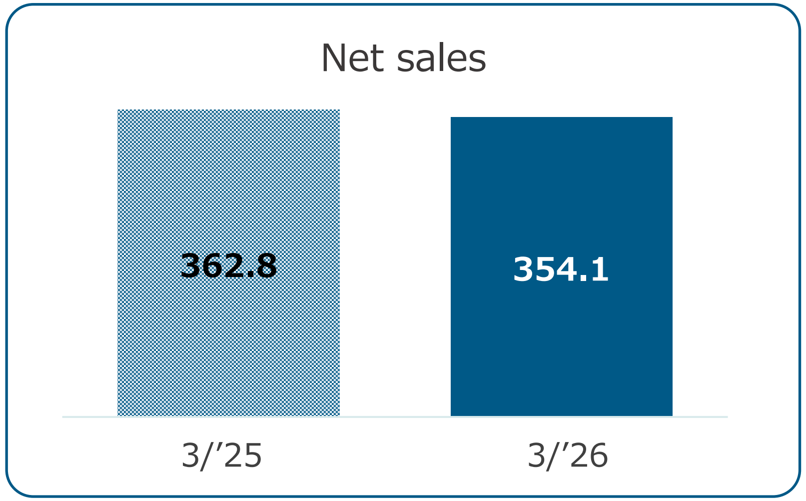
- Functional Chemicals
  - High purity organo silica sol
  - Silica nano powder
  - Alkyl silicate

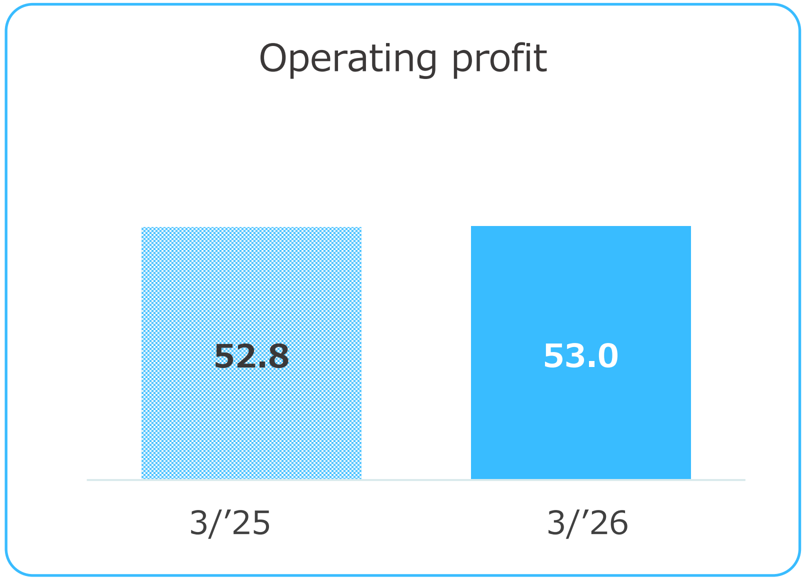


Life Science Business – FY03/2026 Overview

(unit:100 millions of yen)	3/'25	**3/'26**	Y on Y change	Y on Y ratio
Net sales	362.8	**354.1**	△8.7	△2.4% ↘
Operating profit	52.8	**53.0**	+0.1	+0.4% ↗

	Factors Affecting Net Sales		**Factors Affecting Operating Profit**
+	• Increased shipments of gluconic acid to the U.S. • Growth in overseas sales of malic acid • Expansion of formulation products at Fuso Thailand	+	• Improved utilization rate at Kashima Plant • Price corrections for domestic malic acid • Cost improvements in petrochemical-derived
–	• Decrease in pharmaceutical vitamin C volumes • Pricing measures to sustain fumaric acid market share • Loss of formulation business in China due to low-cost competitor	–	• Higher procurement costs • Intensified competition leading to price declines (citric acid, vitamin C, etc.)





(unit : 100 million yen)

Life Science Business – Initiatives & Results

FY2025 Initiatives	
Overseas business expansion	Malic Acid
	Gluconates
Securing domestic market share	Fruits Acid
	Vitamin C
New production system and efficiency	Kashima Plant (Malic/Fumaric Acid)
	Osaka Factory
Expansion of the FFA business	Strengthening sales development globally

FY2025 Results	
Malic acid:	+20% YoY (Volume)
Gluconic Acid	+10% YoY (Volume)
Fumaric Acid	Flat
Vitamin C	-10% YoY
Production	+40% plant output
Seismic retrofit	Dec.2025 completed
China :	New projects +30%
Thailand :	+20%

Life Science

Life Science – Key Strategies for FY03/2027

Ⅰ. Strengthening Global Collaboration

- Integrated strategies with overseas subsidiaries
- Expansion of overseas market share for fruit acids
- Increased sales of food

Ⅱ. Securing Domestic Market Share

- Maintain share in key product categories
  (Citric acid, Vitamin C, Malic acid, Fumaric acid)

Ⅲ. Review and Reinforcement of FFA Products

- Strengthen development from a global perspective
- Accelerate commercialization of new products
- Enhance application proposals for food additives

Ⅳ. Strengthening In-house Group Production

- Optimize external manufacturing
- Invest in facilities for stable, efficient operations

I. Strengthening Global Collaboration

Business strategy integrated with overseas subsidiaries

China

Qingdao Fuso Refining & Processing Co., Ltd.

- Expand operations in Asia(China, Thailand, Vietnam etc.)
- Develop products aligned with customer needs

FUSO (THAILAND) CO., LTD.

Thailand

Fuso Chemical Co., Ltd

Headquarters function

USA

- Manufacturing capacity expansion (Gluconates)
- Increasing global market share of fruit acids

PMP Fermentation Products, Inc.

Japan

- Promotion of an optimized production, development, and sales structure
- Stable operation of Malic acid

FUSO brand development

Technical capability | **Product strength** | **Supply capability**

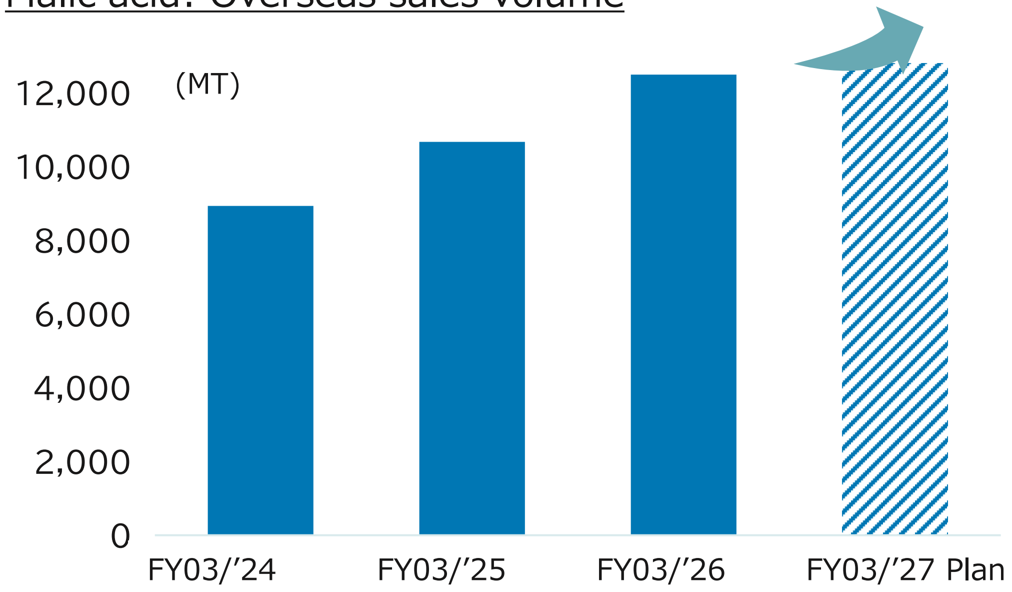
I. Strengthening Global Collaboration

Malic Acid & derivatives

Sales Strategy

- Increase sales volume through strategic pricing by region
- Expand sales in North America and Europe
- Develop new applications (e.g., agricultural materials)

Malic acid: Overseas sales volume



Gluconic Acid & derivatives

PMP PY2025 Results

- Sales: approx. ￥8.2billion (record high)
- Operating profit: approx. ¥1.2 billion (105% YoY)

Sales Volume

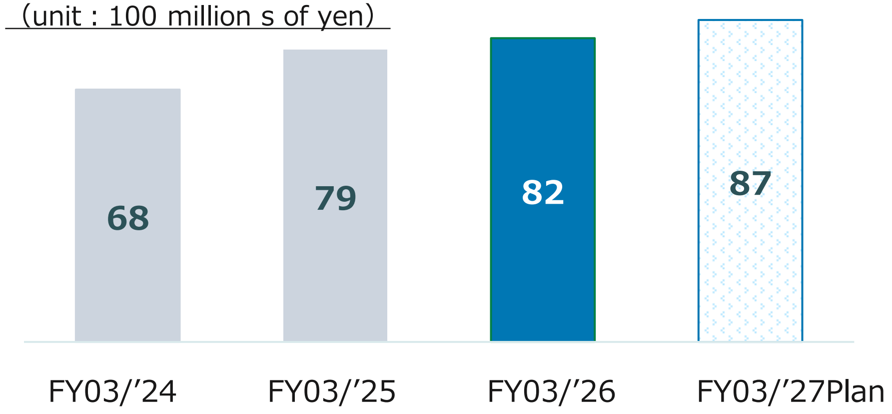
- Via price adjustments to recover share (since early 2024)
- Sales volume: +7% YoY

Capacity Expansion

- Dec 2023: fermentation equipment expansion July 2027: crystallizer expansion (ongoing)

Net sales at PMP

(unit : 100 million s of yen)



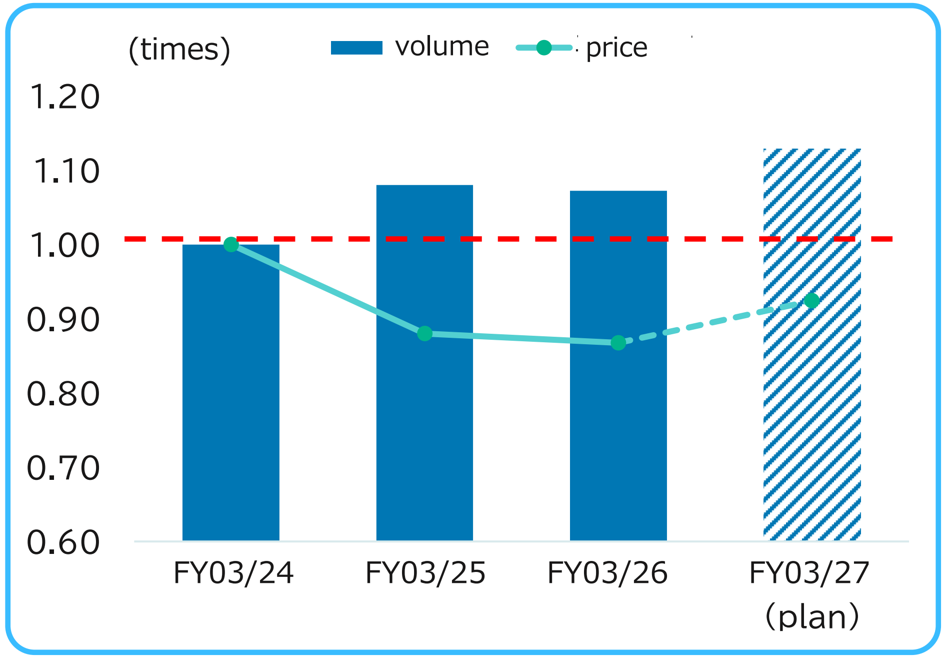
Ⅱ. Securing Domestic Market Share

Citric Acid

Sales Strategy

- Win bidding projects
- Timely price revisions reflecting raw materials
- Secure volume with major beverage and detergent

Sakes Volume

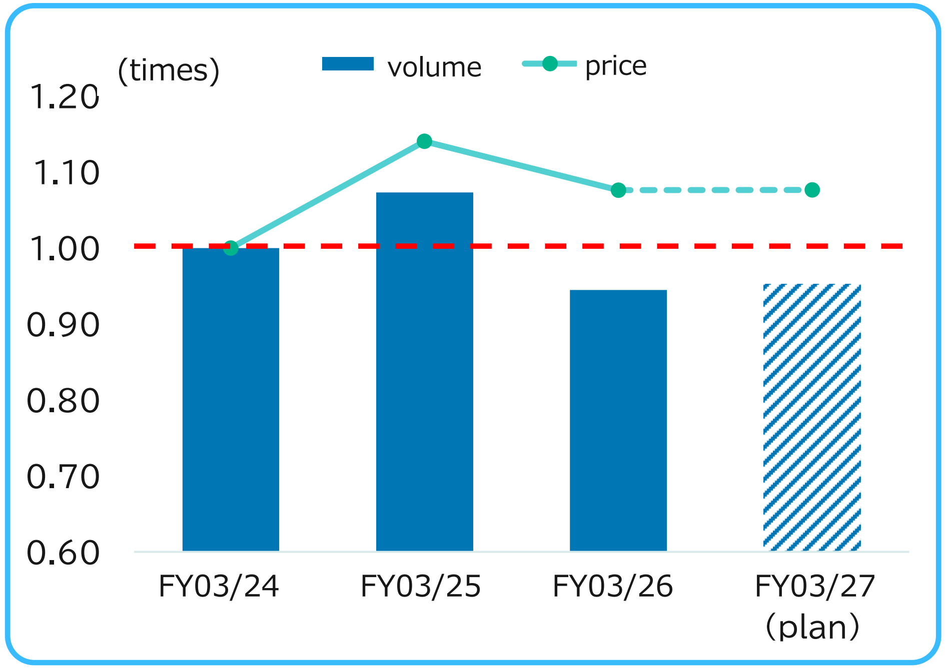


Vitamin C

Sales Strategy

- Expand share of high value-added products
- Recover lost customers via flexible pricing
- Capture bidding opportunities

Sales Volume



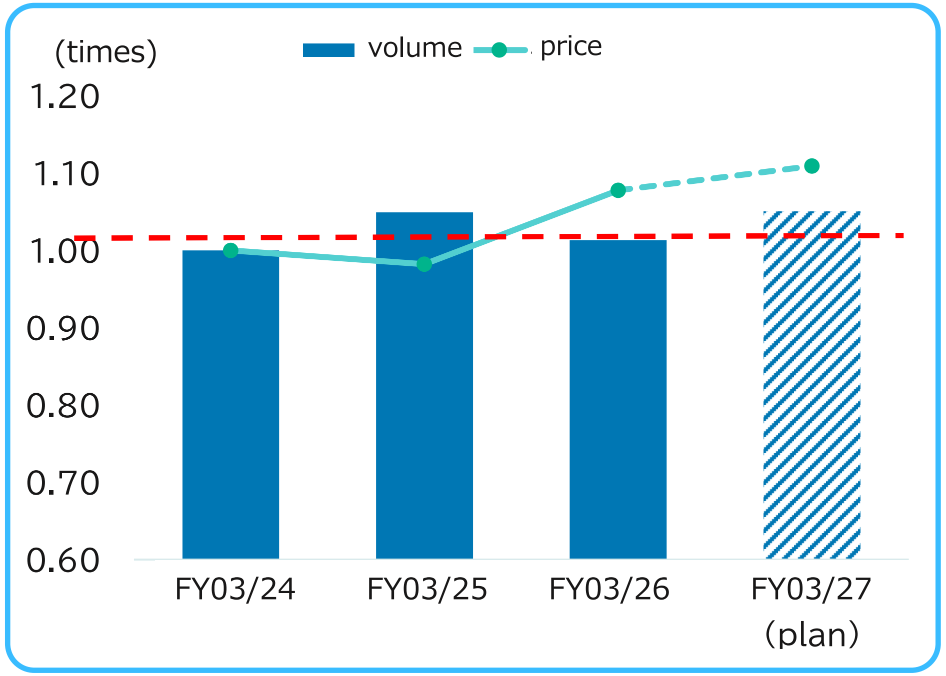
Ⅱ. Securing Domestic Market Share

Malic Acid

Sales Strategy

- Maintain and increase share among major users
- Improve competitiveness via in-house salt production
- Expand sales of by-product solutions

Sales Volume

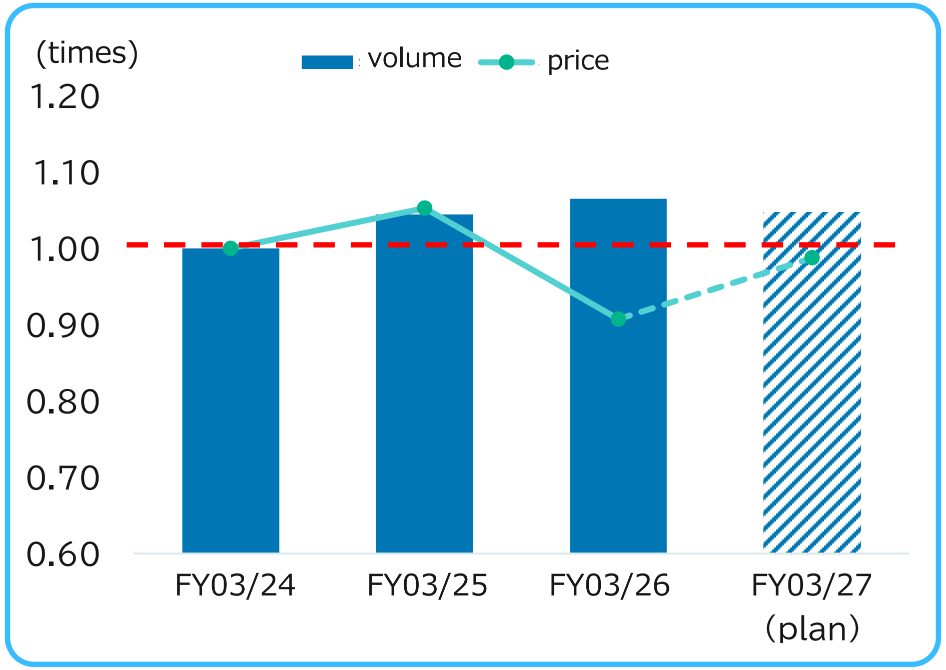


Fumaric Acid

Sales Strategy

- Maintain share with key customers
- Regain large accounts with flexible pricing
- Secure bidding projects

Sales Volume



Ⅲ. Review and Reinforcement of FFA Products

Establishing a global development structure

- Strengthening cooperation among Japan, China, and Thailand
- Improving customer service through the expansion of Tokyo R&D

Speedy launch of new products

- Strengthening collaboration among development, production, and sales
- Making the most of in-house facilities

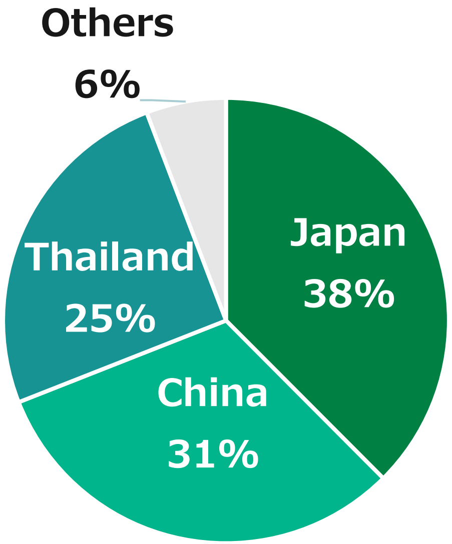
Enhancing application proposals of food additive formulations

- Expanding products of Qingdao Fuso into the Japanese market
- Identifying customer needs accurately

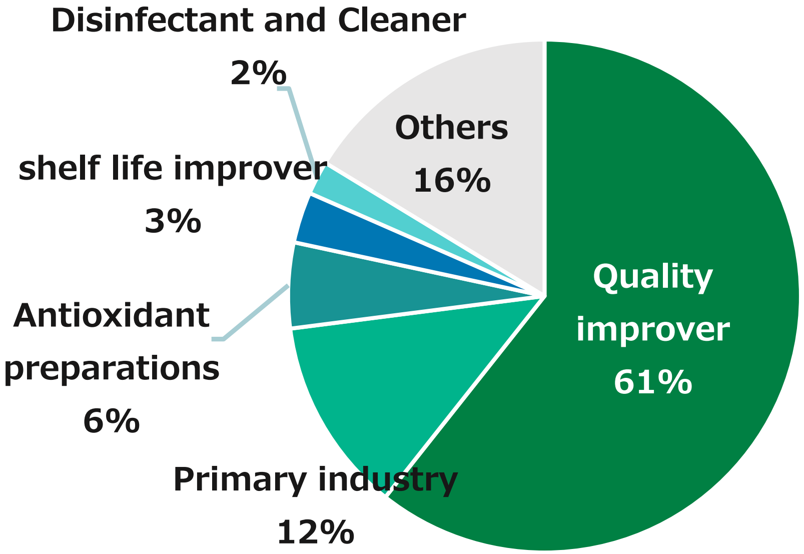
Tokyo R&D

Manufacturing and Development Facility

FFA Sales ratio by country



FFA Sales ratio by application



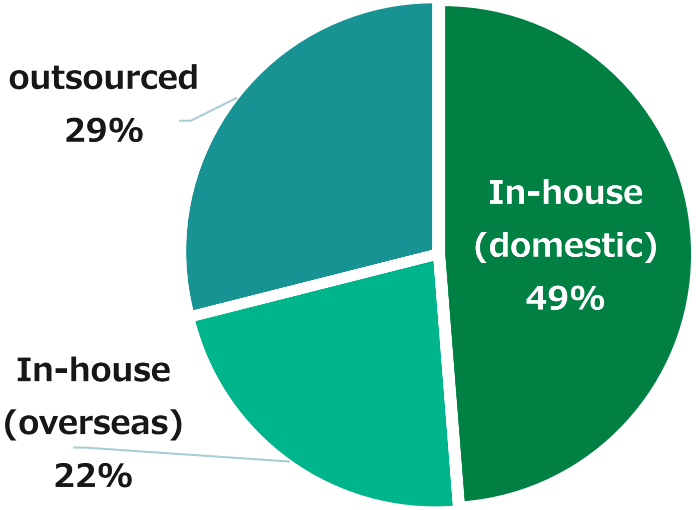
Ⅳ. Strengthening In-house Group Production

Revision of outsourced items

- Cost reduction by shifting production of externally sourced items to in-house production
  - Product candidates : Fruit acid salts, food additives
  - Potential locations : Osaka Factory, Qingdao Fuso
- Consolidation of low-profit and declining-sales items

Osaka Factory

Sales Results FY03/26



Targets: **75% in-house production rate**

Investment for stable, high-volume operations and efficiency improvements

FY03/27 Plan

- Osaka Factory : new office (including laboratories)
- Kashima Plant : tank repair
- PMP : expansion of crystallization tank and ancillary facilities

※ Impact of Middle East Instability

● Malic acid･Fumaric acid･Maleic anhydride

Benzene(key raw material): Soaring prices and supply instability

【Supply】

- Maleic anhydride : **Operating until the scheduled maintenance(early May)** , secured raw materials
- Regarding operations following the scheduled maintenance (late June), **uncertainly surrounding benzene supply**
- Under consideration for production of malic acid and fumaric acid **by external procurement of anhydrous maleic acid**

【Price】

- Benzene prices remain high, **revising prices**

● Citric acid

Rising purchase prices of sulfuric acid (a secondary raw material) by disruptions in sulfur supply

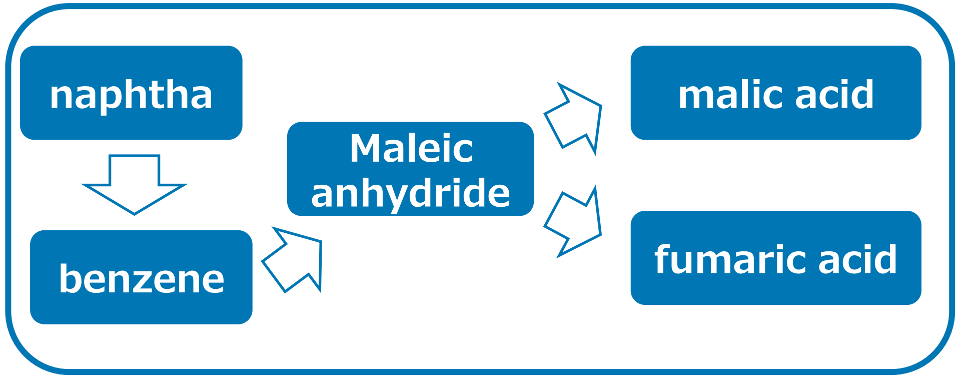
● Gluconic acid･Vitamin C

No direct impact currently

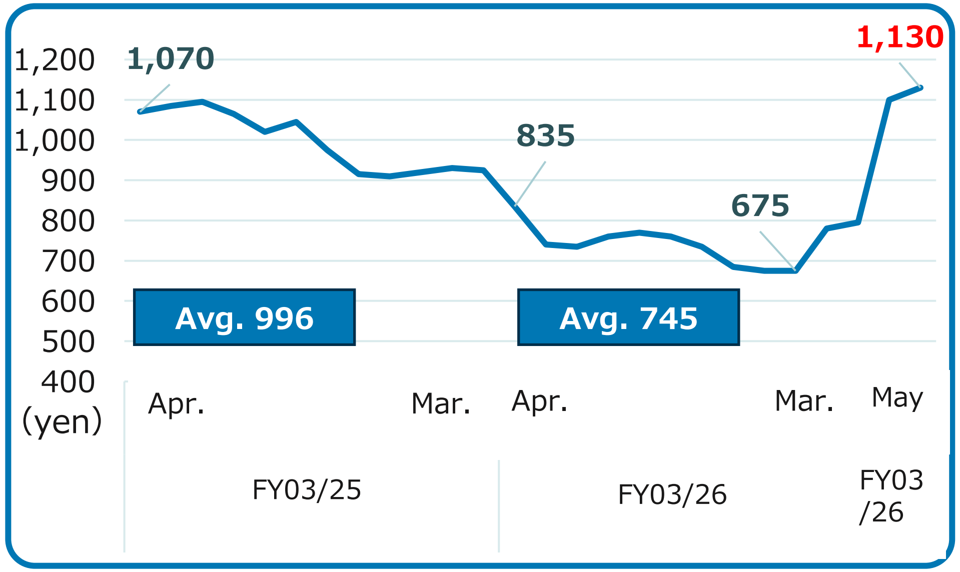
● All items

Instability in the procurement of logistics materials, and soaring prices

Benzene and Its Derivatives



Price of benzene ACP ($/MT)

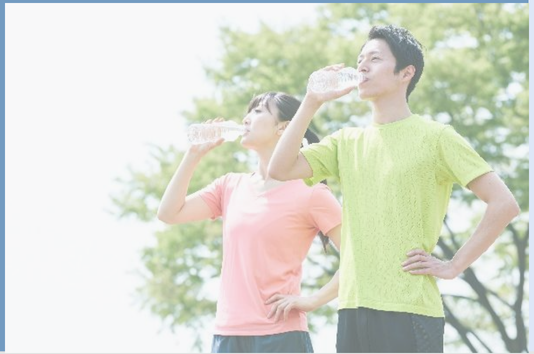


II. Segment Result

Electronic Materials

Business

Life Science



- Malic acid
- Citric acid
- Gluconic acid
- Fumaric acid
- Maleic anhydride
- Other acid
  ・High purity fruits acid
  ・Succinic acid, Lactic acid, Tartaric acid
- Vitamin C
- Food additive formulations

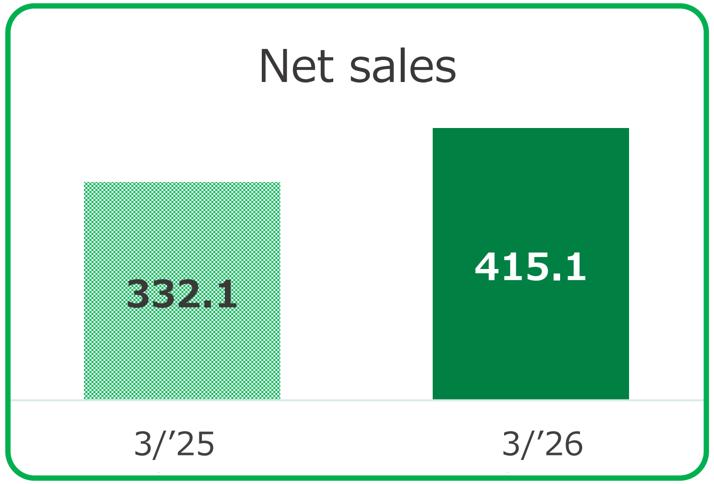
Electronic Materials

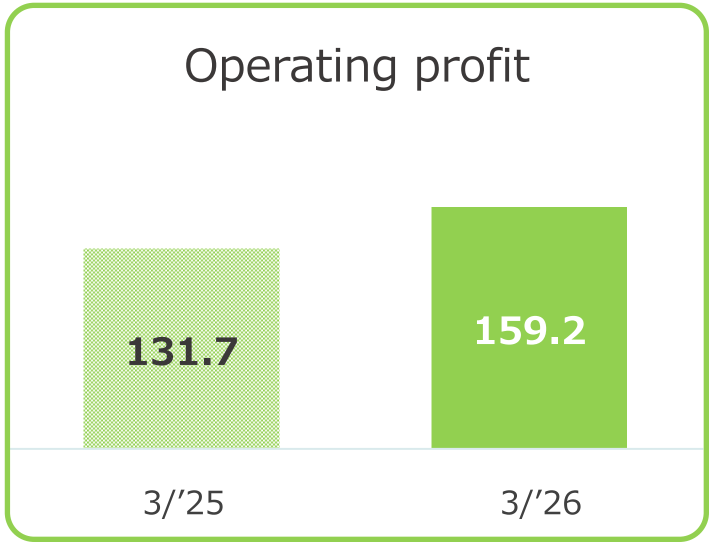
- **Electronic Materials**
  - **Ultra high purity colloidal silica**

- **Functional Chemicals**
  - **High purity organo silica sol**
  - **Silica nano powder**
  - **Alkyl silicate**

Electronic Materials Business – FY2025 Overview

(unit:100 millions of yen)	3/'25	**3/'26**	Y on Y change	Y on Y ratio
Net sales	332.1	**415.1**	+83.0	+25.0% ↗
Operating profit	131.7	**159.2**	+27.5	+20.9% ↗





(unit : 100 million yen)

Factors Affecting Net Sales

+
- Increase in colloidal silica sales volume
- Strong demand from AI semiconductor applications
- Growth in sales volume to China

–
- Weak demand from PC and smartphone applications

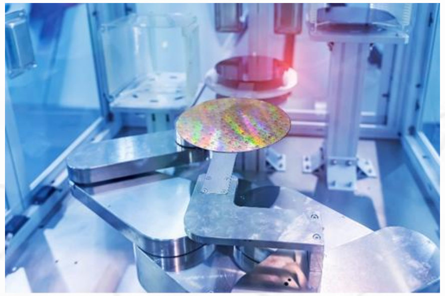
Factors Affecting Operating Profit

+
- Higher utilization rates driven by increased sales
- High operating rates of new production facilities
- Improved production efficiency

–
- Increase in depreciation expenses
- Rising labor and maintenance costs associated with additional production lines
- Increase in raw material costs

Electronic Materials – Key Strategies

I． Responding to the Rapidly Expanding Semiconductor Market



1. Enhancement of Production Capacity

- Early certification of the new production line (Kashima Phase II)
- Expansion of high-concentration and high-productivity products, and realization of planned production
- Multi-qualification / Optimization of existing equipment operations / Maintenance improvement / Shortened ramp-up time

2. Initiatives Toward the Next Generation

- Product development for leading-edge semiconductors and advanced packaging
- Preparation for the next phase of capital investment

  Market and technology intelligence gathering, Development of pricing strategies

II. Quick and Flexible Response to Changes in the External Environment

- Price adjustments to appropriately pass on cost increases
- Addressing supply chain risks, including the Middle East

Ⅲ. Portfolio Transformation toward New Functional Materials

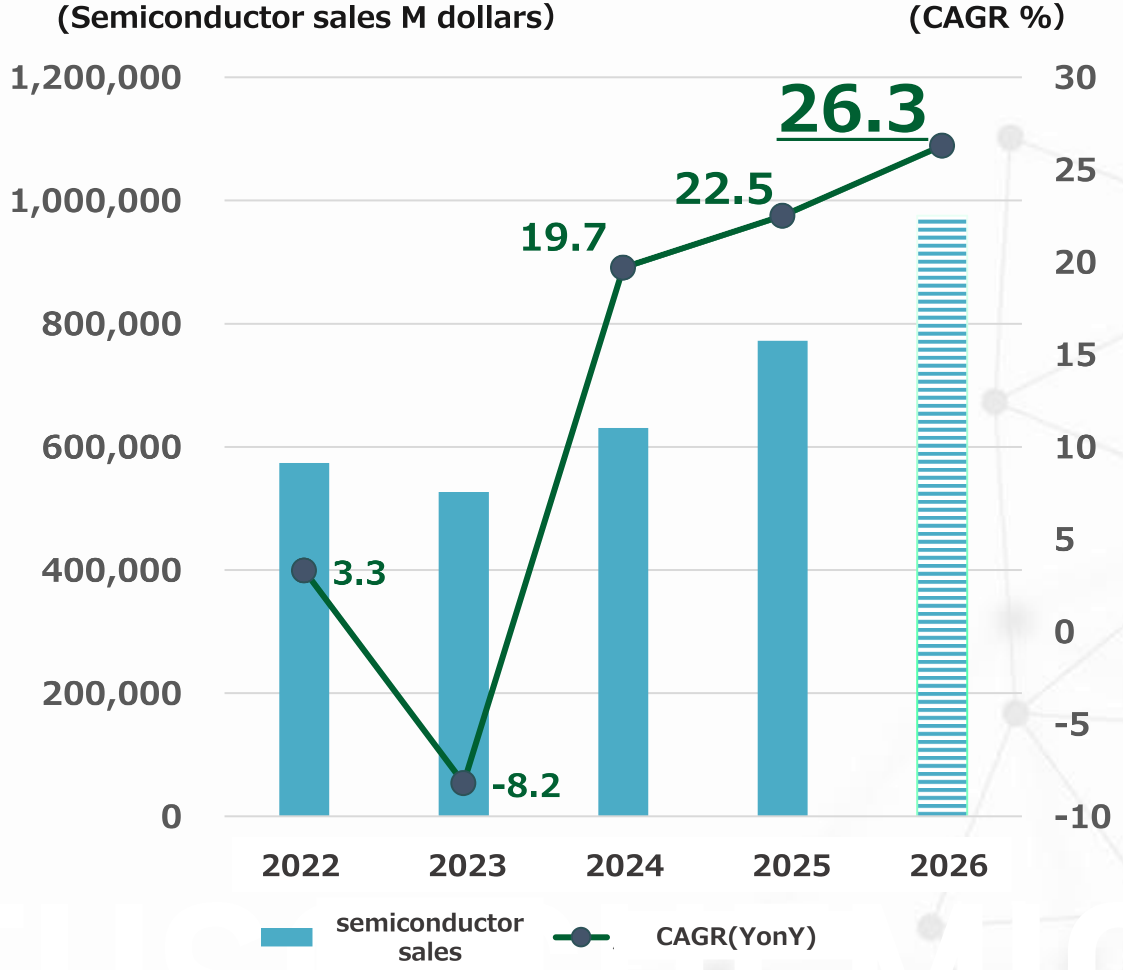
- Ensuring the adoption of Mirarika™ (hollow sub-micron silica)

Electronic Materials Business – Initiatives & Results

FY03/2026 Key Initiatives	FY03/2026 Result
Kajima [I & II]、Kyoto new line start-up and certification	Kajima [I] : Full operation Kyoto : Completed certification Kajima [II] : Completed construction in August
Adapting to cutting-edge technologies	Adopted for TSMC N2-generation nodes Confirmation of requirements for the A16/A14
Passing through cost increases to prices	Agreement on price increases associated with the next round of capital investment
Capturing new demand	Expansion in China: 10% of divisional sales
Expansion of high-concentration and high-productivity products	Increase in the share of total production volume
Addressing supply chain risks	Diversification of metal silicon suppliers
Launch of next-generation products	Start of construction of a mass-production line for Miralika™ (hollow silica)

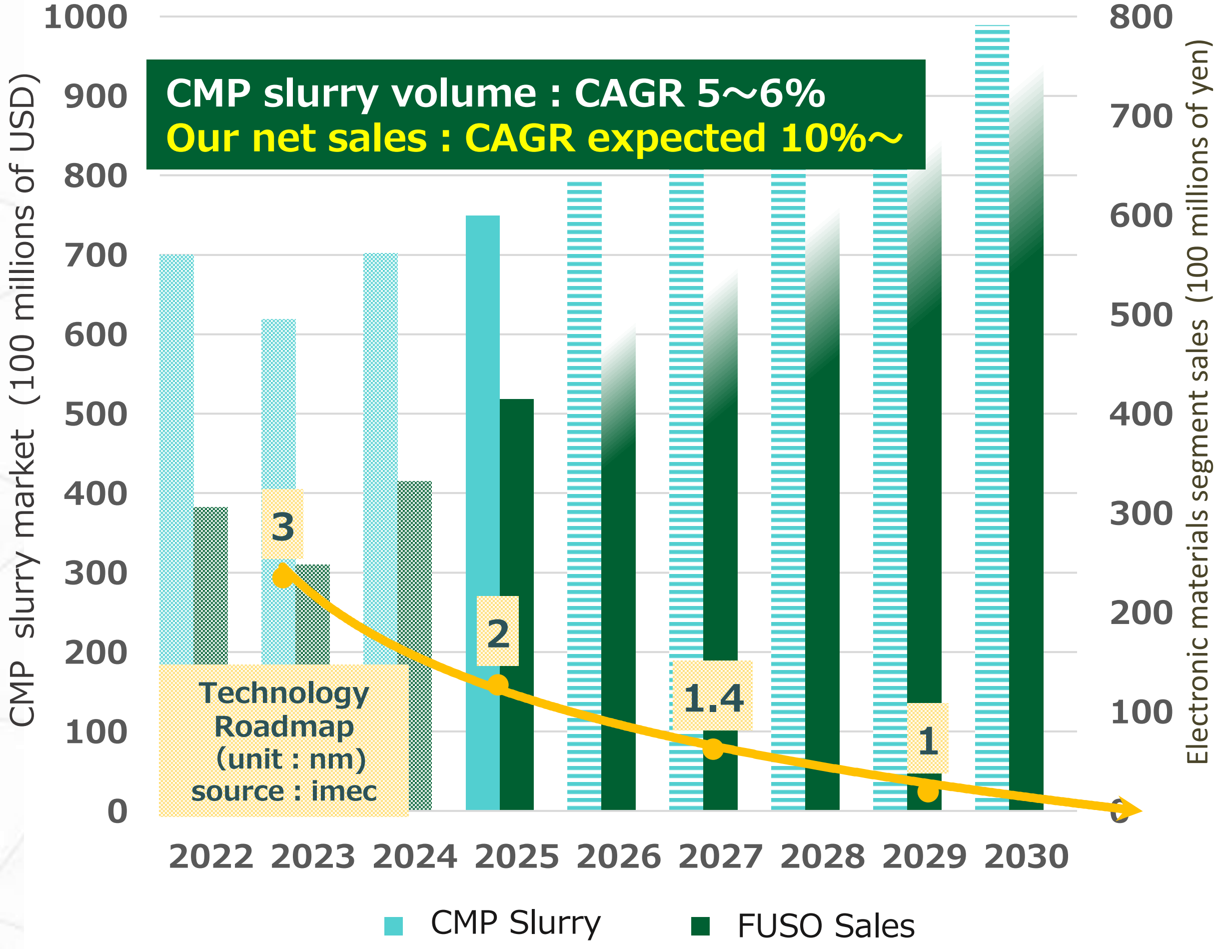
Ⅰ. Responding to the Rapidly Expanding Semiconductor Market

■ Semiconductor Market



【reference】WSTS 2025 Autum Forecast

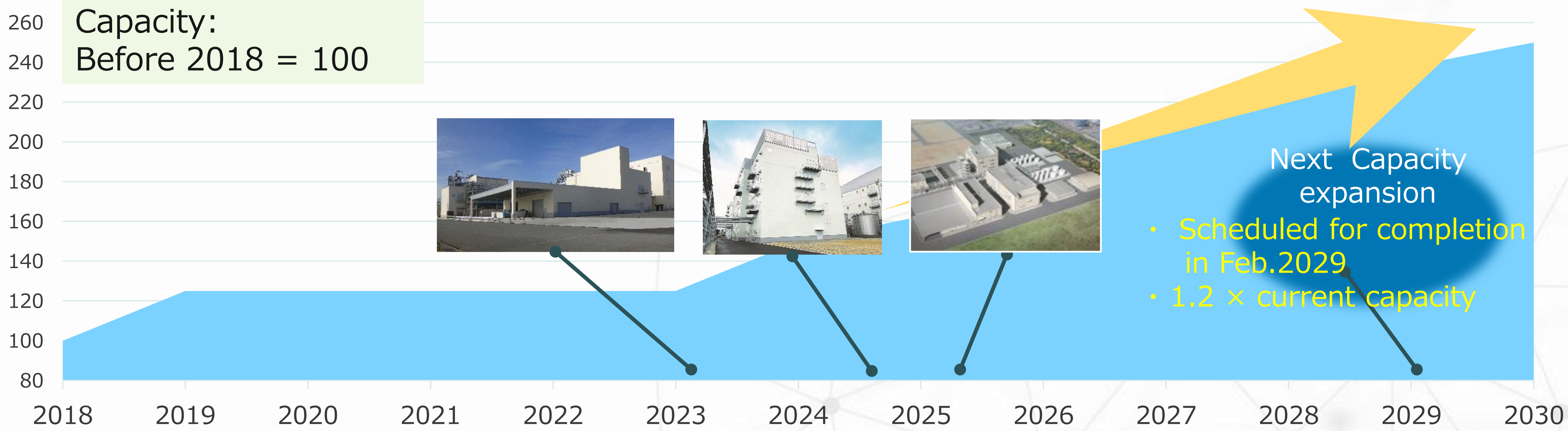
■ CMP slurry market/Sales target



CMP slurry volume : CAGR 5～6%
Our net sales : CAGR expected 10%～

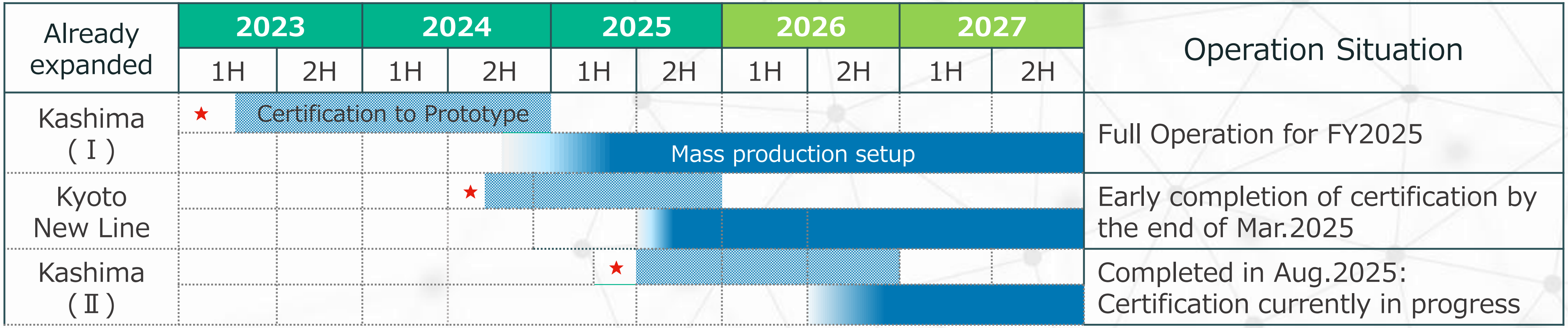
CMP slurry market forecast:
prepared by our company with reference to Fuji Chimera Research Institute and Fuji Keizai

Ⅰ. Responding to the Rapidly Expanding Semiconductor Market



Next Capacity expansion

- Scheduled for completion in Feb.2029
- 1.2 × current capacity



Already expanded	2023 1H	2023 2H	2024 1H	2024 2H	2025 1H	2025 2H	2026 1H	2026 2H	2027 1H	2027 2H	Operation Situation
Kashima (Ⅰ)	★										Full Operation for FY2025
Kyoto New Line				★							Early completion of certification by the end of Mar.2025
Kashima (Ⅱ)					★						Completed in Aug.2025: Certification currently in progress

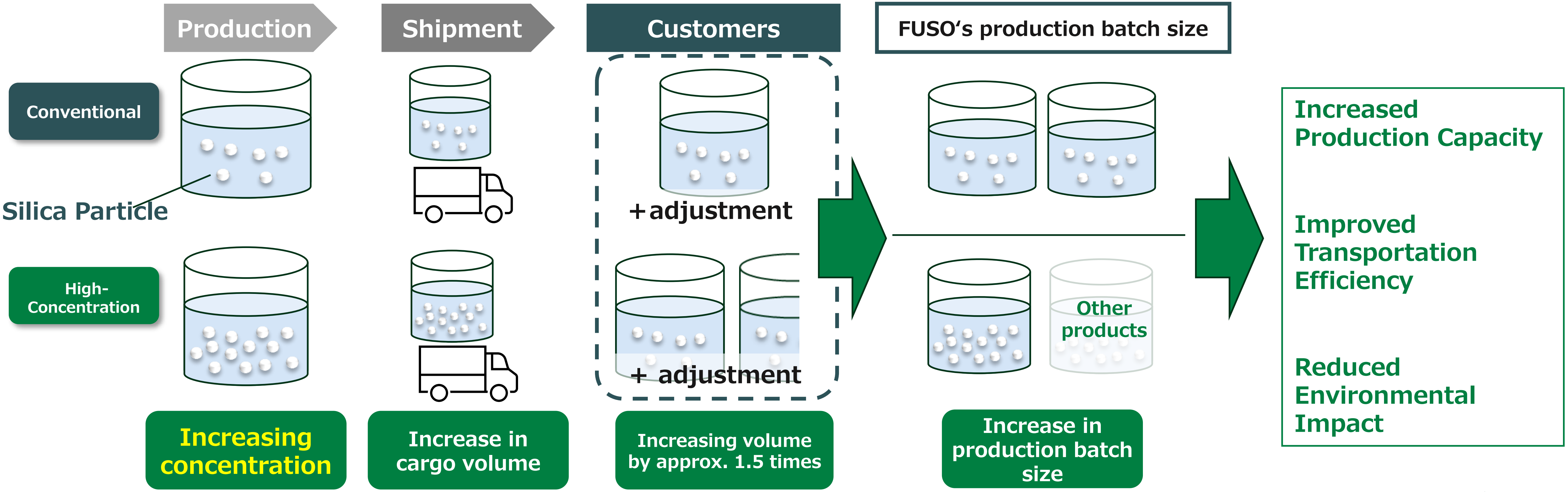
I －1. Expansion of High-Concentration and High-Productivity Products

① Enhancement of Production Capacity

- Increase the production rate of silica particles per unit time and raise the number of silica particles per unit volume (approximately 1.5 times compared with conventional levels).

Overview Diagram of the Production-to-Shipment Process

Effects of high-concentration products



Ⅰ－1. Expansion of High-Concentration and High-Productivity Product

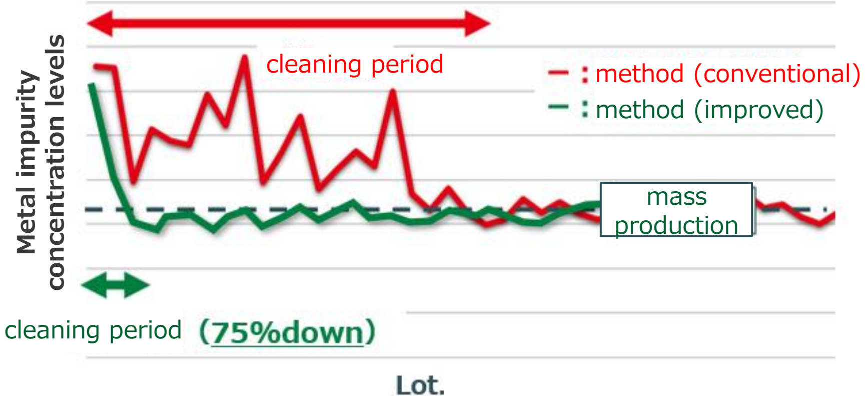
② Quick Start-Up and High Utilization

- Conventional Line Cleaning:

  Several months required after equipment completion
- Improved Cleaning Methods:

  ⇒ Establishment of a system enabling significantly shortened cleaning time through optimized cleaning approaches

  ⇒ Shortened customer qualification activities and earlier transition to mass production

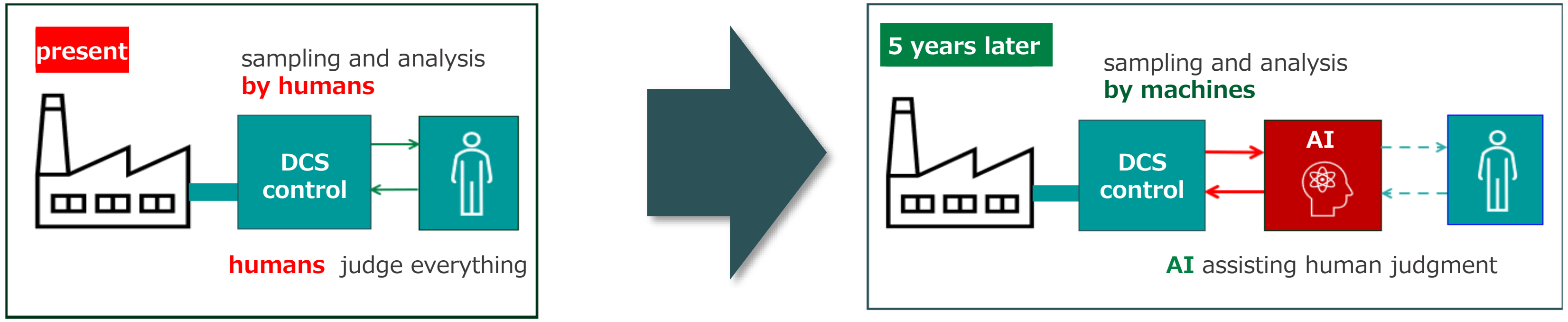


③ Automation for Future Labor Shortage Mitigation

- Five-Year Smart Factory Roadmap for Silica Facilities

  ⇒ Mechanization reduces manual workload and doubles equipment management capacity per operator

  ⇒ Implementation of the Three A's: Automated Analysis, Automated Sampling, and AI

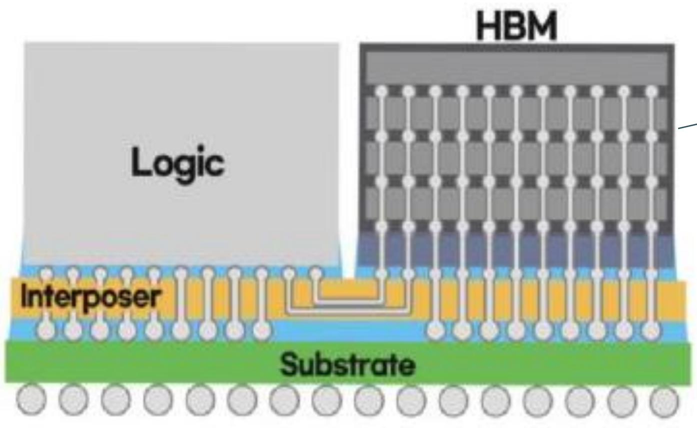


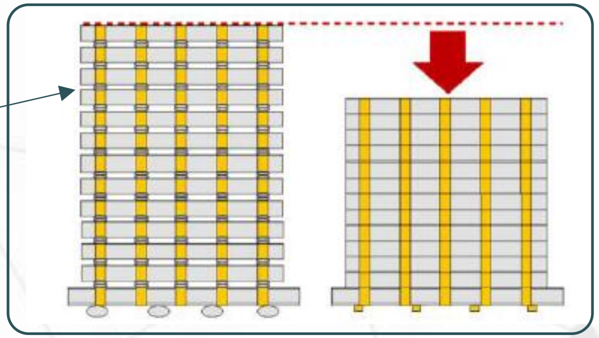
I －2. Initiatives Toward the Next Generation

Development of new products for advanced semiconductors

【Advanced Packaging】

A cutting-edge packaging technology in which multiple semiconductor chips are stacked in three dimensions, with shortened interconnects between chips to reduce signal delay

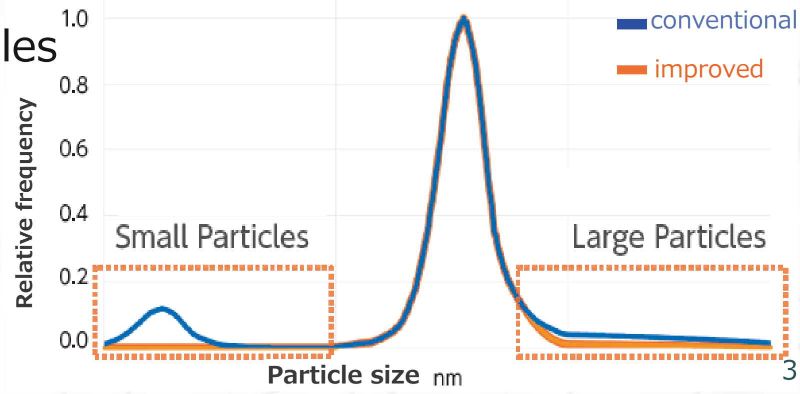




※ Shift in HBM architecture
Hybrid bonding enables direct chip bonding, allowing for faster signal

- Increasing Demands on CMP
  1． Thicker films to be polished, requiring higher removal rates
     ➡ Development of dense, ultra-high-purity colloidal silica
  2． Higher precision required for bonding surface planarization
     ➡ Expansion of product lineup with reduced large and fine particles

- Emerging Opportunities for CMP
  - Wafer backside polishing for silicon substrates
  - Cu metal layers and TSV (through-silicon via) structures
  - Polishing of next-generation conductors (e.g., Ru, Mo) and polymer layers



Ⅱ. Quick and flexible Response to changes in the external environment

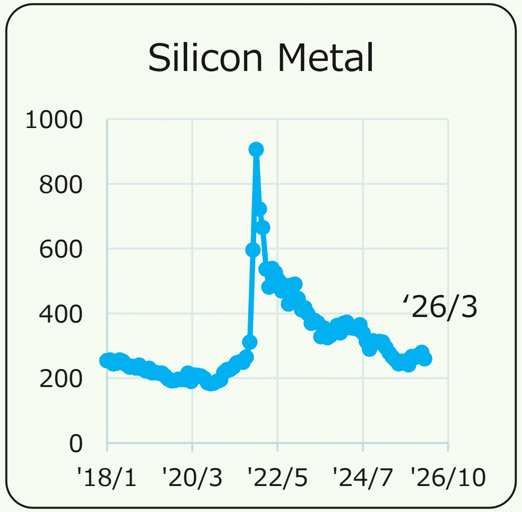
1 Price Pass-Through

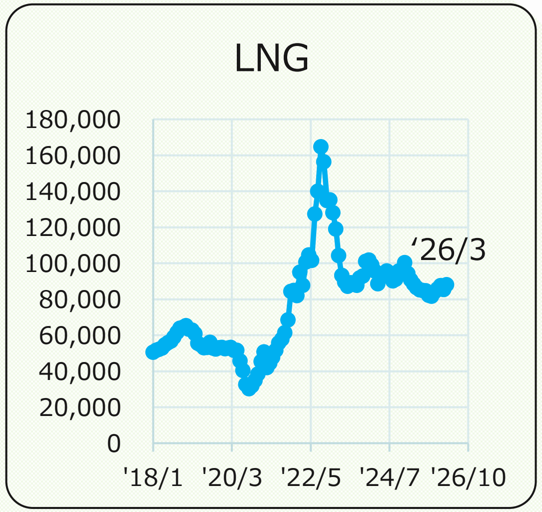
① Cost Sharing for Future Investments

- Mitigation of increased depreciation expenses: Requesting customers to bear a portion of upcoming capital expenditures
  - ＊ Implementation of a 5–10% price increase

② Continued price pass-through for cost increases

- Addressing rising costs:
  - ・ energy costs and raw material prices
  - ・ passing cost increases on to sales prices
- Improving negotiating power through higher production efficiency and increased purchase volumes





Prepared by FUSO Sources：Trade statistics by Ministry of Finance

2 Supply Chain Risk

- Diversification of metallic silicon procurement countries expanding the share of supply from Malaysia, Brazil, and other sources (Target: over 50% by 2030)
- Measures to mitigate the risk of rising raw material prices : multiple sourcing, reduction in raw material usage

3 Middle East Situation

- Addressing the surge in fuel, logistics, and other costs
- Reassessing supply chain risks
- Reducing the consumption of consumable materials and exploring recycling initiatives
- Information sharing and coordination with relevant government authorities

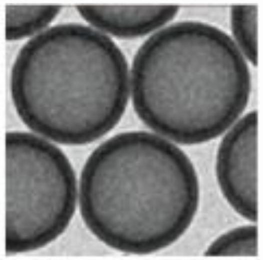
Ⅲ. Development of next-generation products

☐ **CMP**

➡・ continue sample work for A16/A14

・ certifying High-Concentration, high productivity product

☐ **Hollow Submicron Silica Miralica™**



➡ continue sample work for multiple companies, focusing on applications for low-dielectric materials

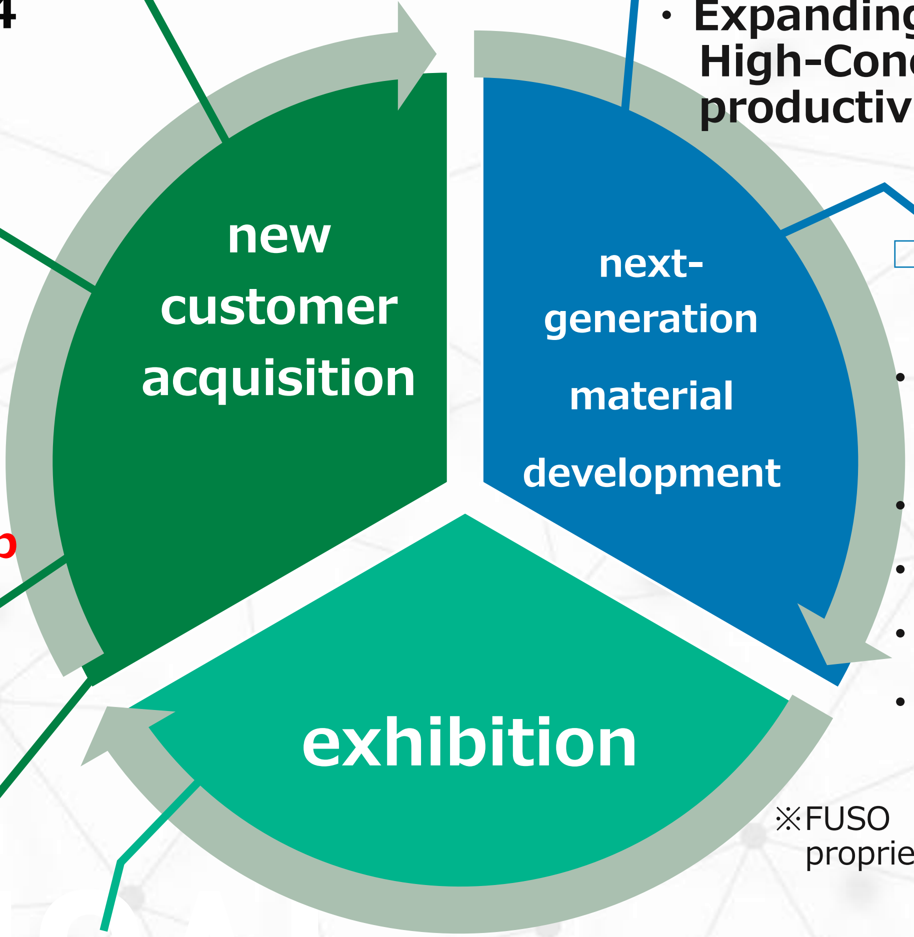
➡ finalizing production setup and preparing for the product launch in FY03/’27

☐ **Toner additives**

➡ FY03/’27~ sample work for several companies

☐ **for cosmetic applications**

➡ continue sample work



new customer acquisition

next-generation material development

exhibition

☐ **CMP**

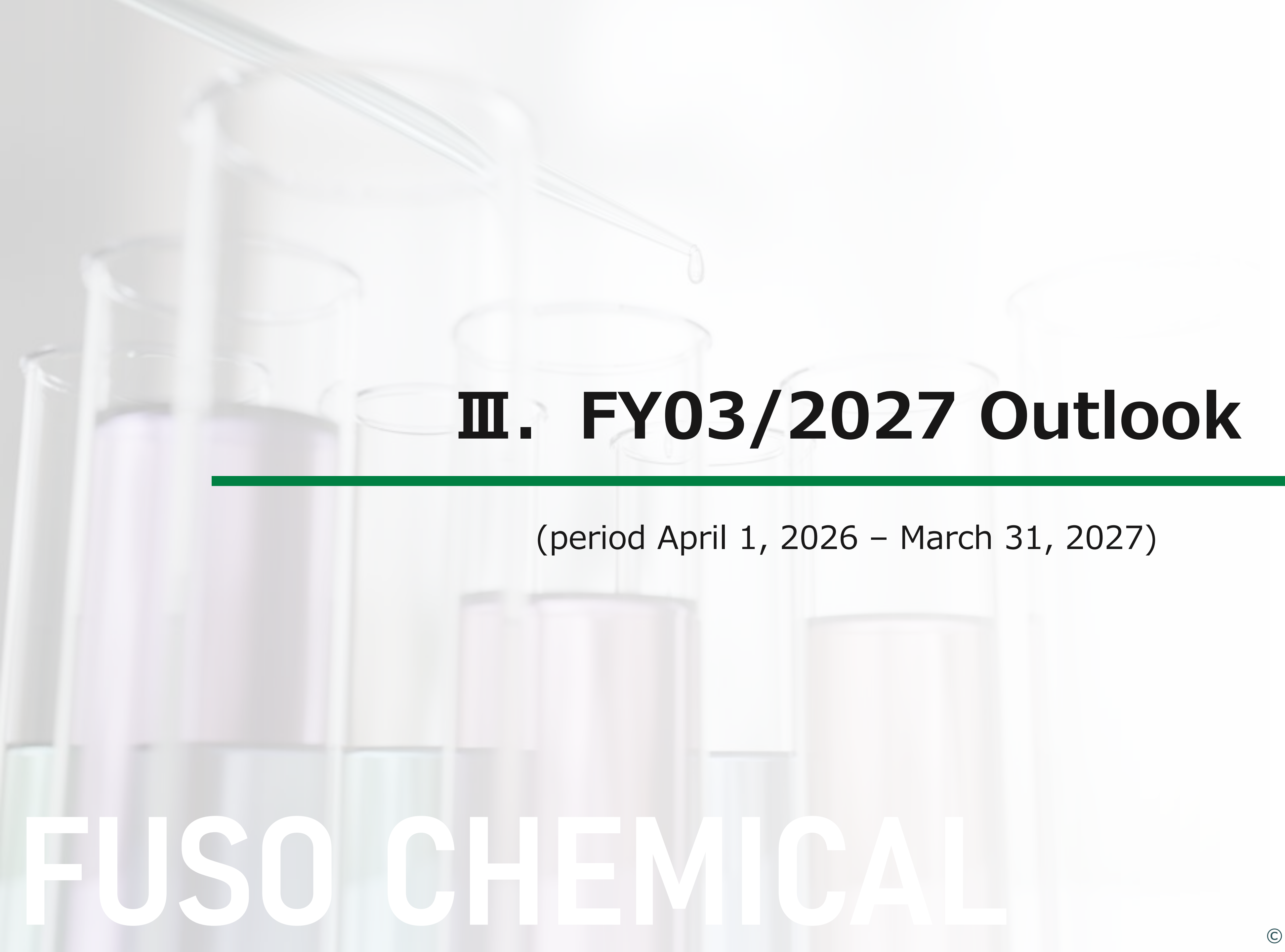
- Start development for the A10
- Expanding product lineup, High-Concentration, high productivity product

☐ **new material development**

- high purity organo silica sol
- porous silica
- silica nanosheets
- FDC ™※
- silica-coated material

※FUSO Dispersible Coat: proprietary particle coating technology

☐ **Chemical Materials Japan, nanotech 2026**



Ⅲ. FY03/2027 Outlook

(period April 1, 2026 – March 31, 2027)

Performance Forecast

(unit : 100 millions of yen)	FY03/27 Forecast	FY03/26 Result	YonY
Net Sales	**858**	769	+11.5%
Operating profit	**243**	188	+28.9%
Profit attributable to owners of parent	**166**	143	+16.0%
EBITDA	**370**	297	+24.2%

- Achieve increased sales and cost reduction through the full-scale operation of expanded facilities and improved efficiency
- Increase market share in overseas markets / Focus on selling high-margin products
- Excluding the situation in the Middle East

Assumptions

	FY03/27 Forecast	FY03/26 Result
Annual exchange rate	¥150	¥150
Price of benzene (※)	Same as FY03/26	745＄/t (Annual average)
Manufacturing costs	Increase in depreciation	Increase in depreciation
Others	Expansion of semiconductor market	Recovery of semiconductor market

exchange sensitivity	Net sales : 2.1 Operating profit : 0.9

※based on FY03/26 Result

(unit : 100 millions of yen)

Forecast for a Full-year of FY03/2027

(unit : 100 millions of yen)	1H forecast		1H FY03/26	Full year forecast		FY03/26
	FY03/27 1H	vs FY03/26 1H		FY03/27	vs FY03/26	
Net sales	**431.0**	**14.3%**↗	377.0	**858.0**	**11.5%**↗	769.2
🟦Life Science	184.0	3.5%↗	177.8	364.0	2.8%↗	354.1
🟩Electronic Materials	247.0	24.0%↗	199.2	494.0	19.0%↗	415.1
Operating profit	**116.0**	**19.0%**↗	97.4	**243.0**	**28.9%**↗	188.5
🟦Life Science	27.0	7.3%↗	25.1	55.0	3.6%↗	53.0
🟩Electronic Materials	104.0	23.4%↗	84.2	217.0	36.2%↗	159.2
(Adjustment)	△15.0		△ 11.9	△29.0		△23.8
Ordinary profit	**117.0**	**19.3%**↗	98.0	**245.0**	**25.2%**↗	195.7
Profit attributable to owners of parent	**78.5**	**14.1%**↗	68.7	**166.0**	**16.0%**↗	143.1
EBITDA	**178.0**	**24.2%**↗	143.2	**370.0**	**24.2%**↗	297.8
Earning per share (EPS)	**¥74.1**	**14.1%**↗	¥195.1	**¥156.9**	**16.0%**↗	¥135.3

※Earnings per share:calculated after the 3-for-1 stock split

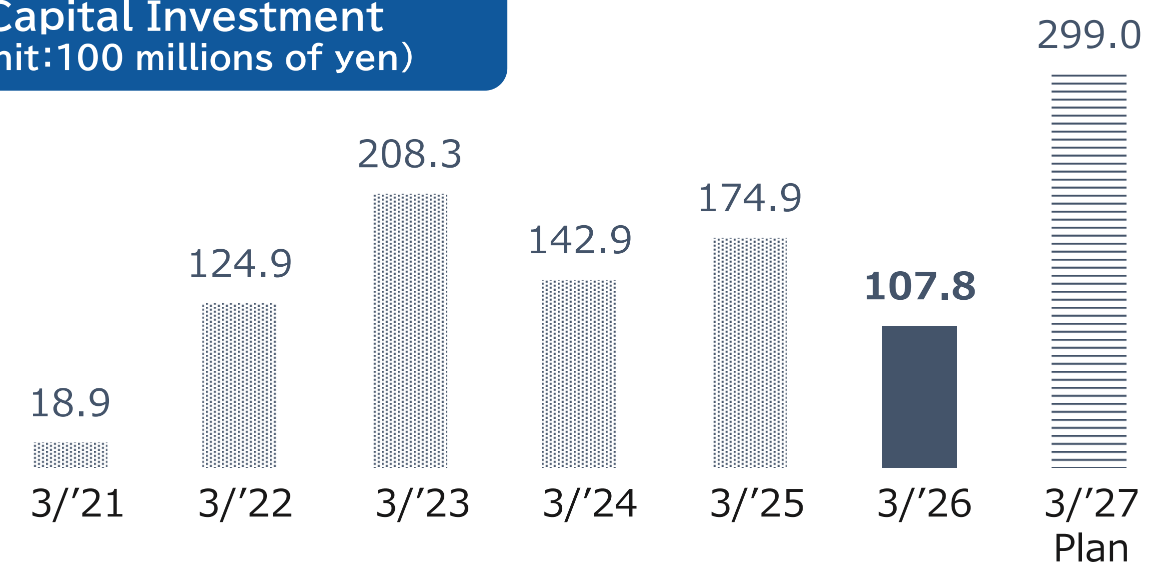
Forecast for Depreciation

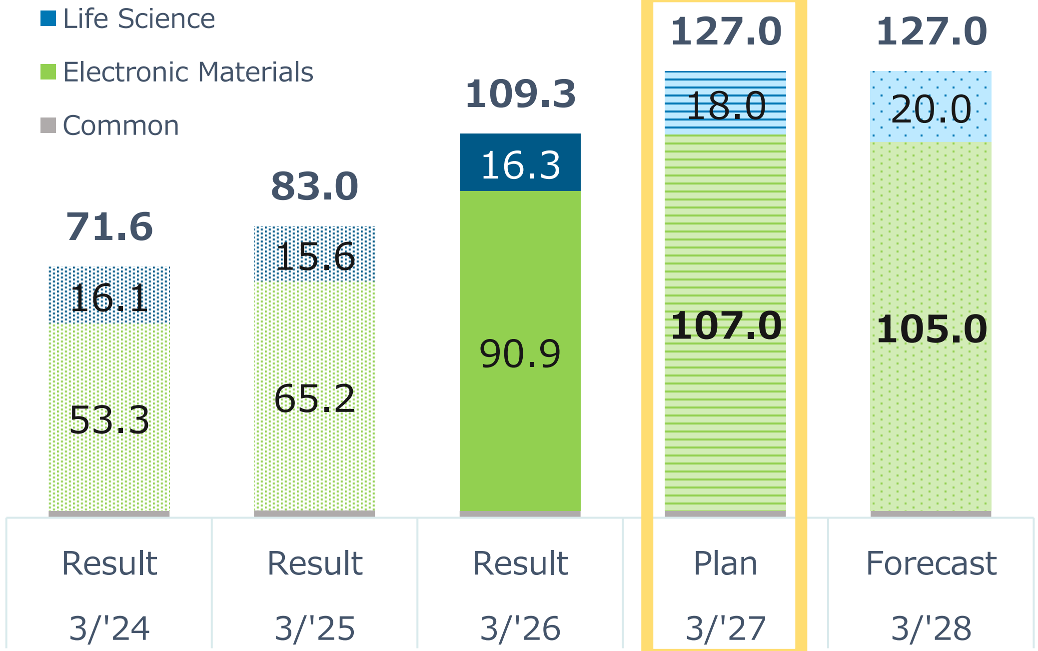
- FY03/2026～increase
  - Life Science : Seismic retrofitting of Osaka Factory
  - Electronic Materials : Starting operation of new facilities at Kashima plant (declining balance method from 12/25)
- FY03/2027～increase
  - Life Science : Office building in Osaka Factory
  - Common : Quality Control Building in Kashima plant (From 2H FY03/27)

Depreciation by segment

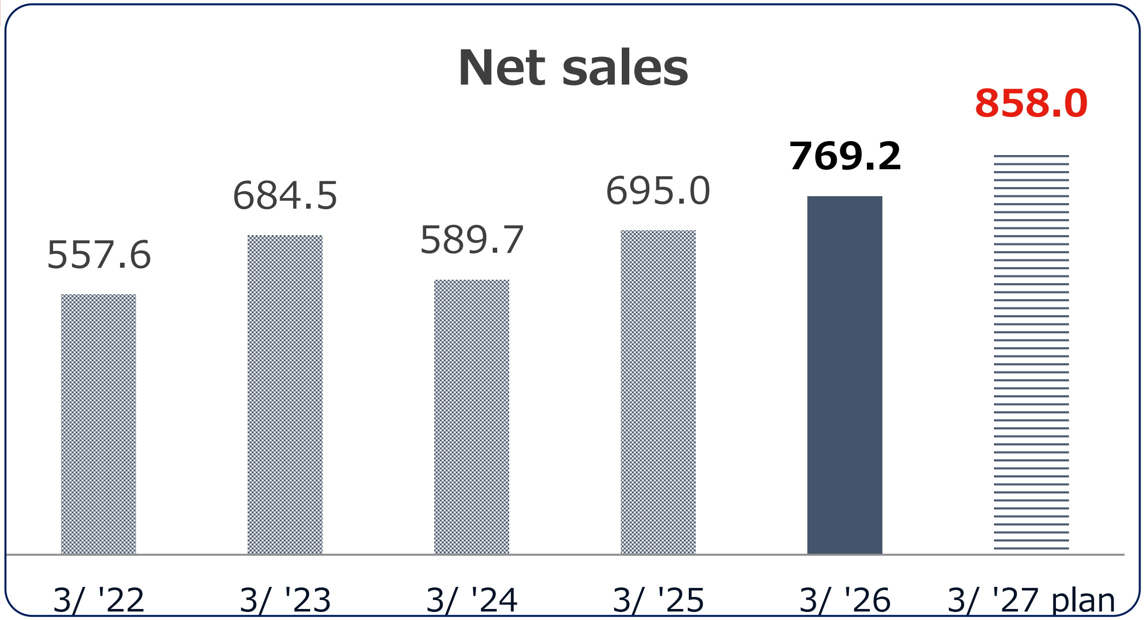
(unit: 100million of yen)	3/'24 Result	3/'25 Result	3/'26 Result	3/'27 Plan	3/'28 Forecast
Life Science	16.1	15.6	**16.3**	18.0	20.0
Electronic Materials	53.3	65.2	**90.9**	107.0	105.0
Common	2.0	2.1	**2.0**	2.0	2.0
Consolidated Total	71.6	83.0	**109.3**	127.0	127.0

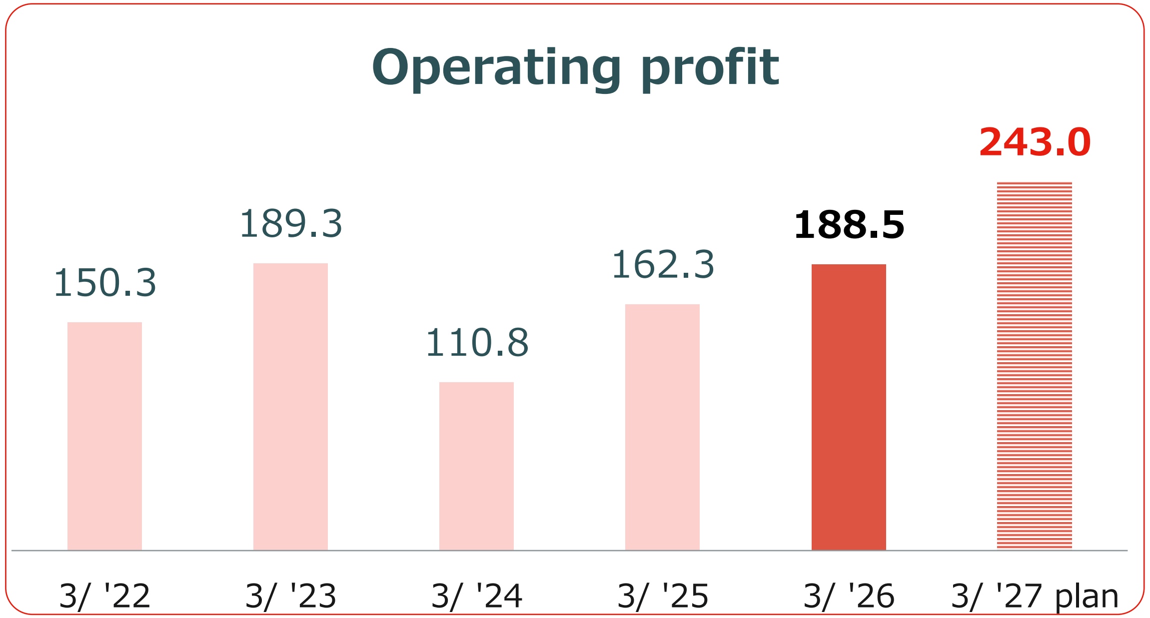
Capital Investment
(unit:100 millions of yen)

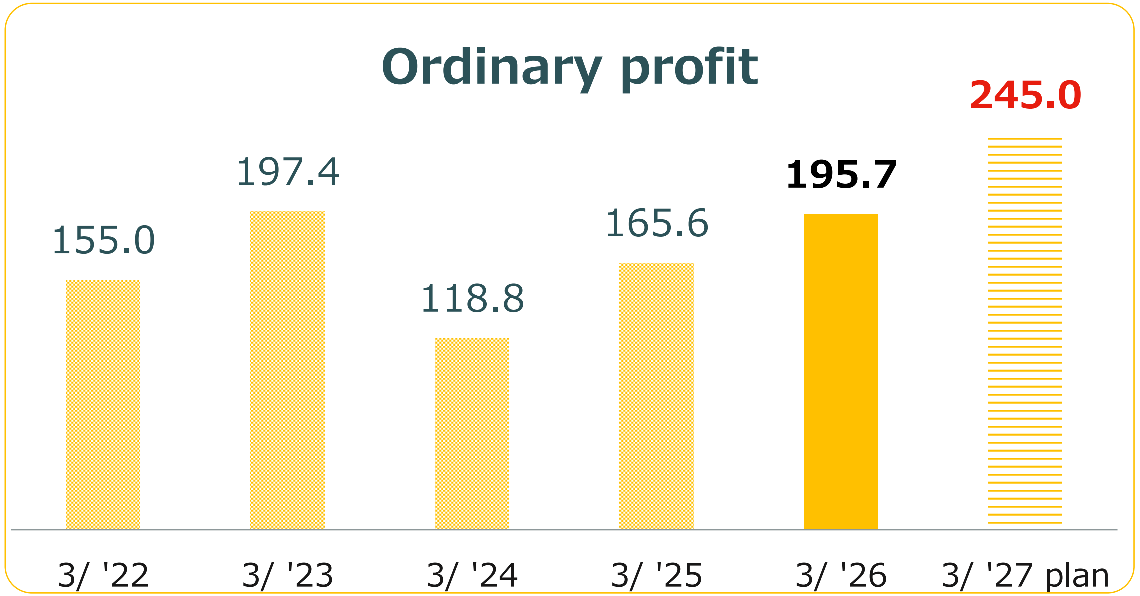


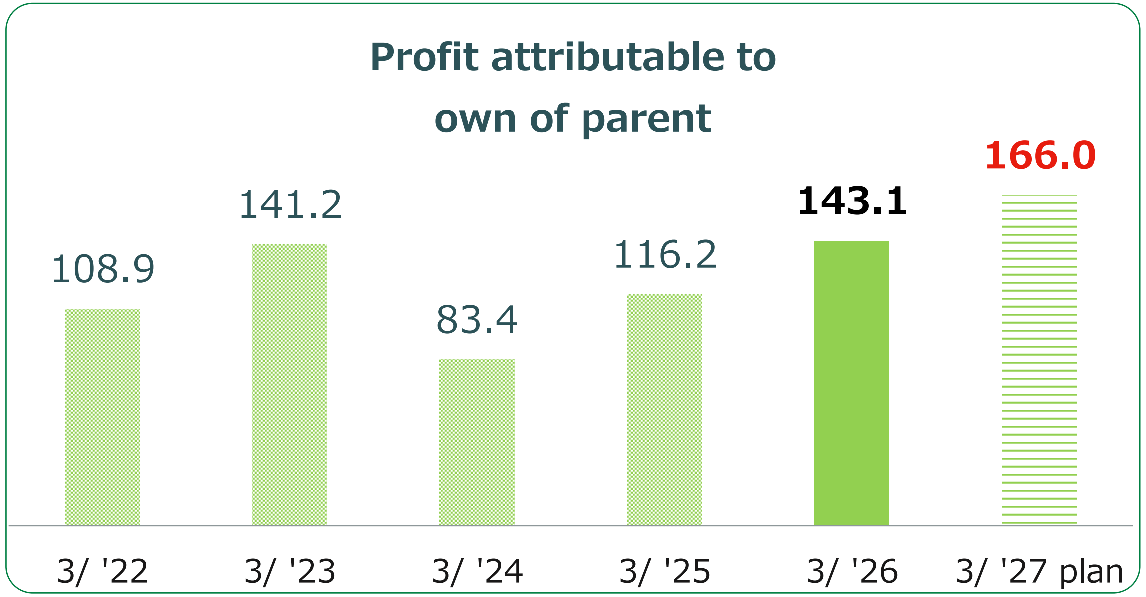


Business Performance and Plan


Net sales


Operating profit


Ordinary profit

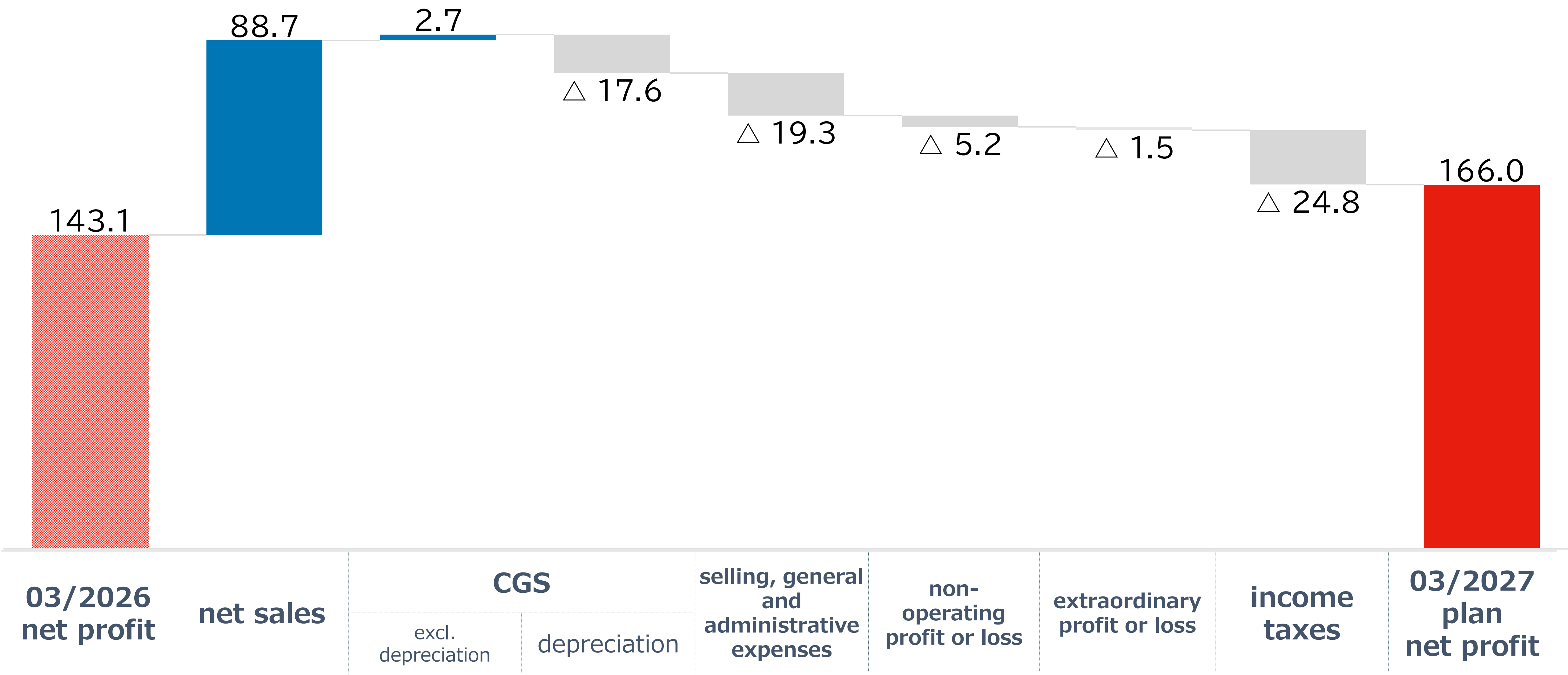

Profit attributable to own of parent

(unit : 100 millions of yen)

Net Profit Analysis

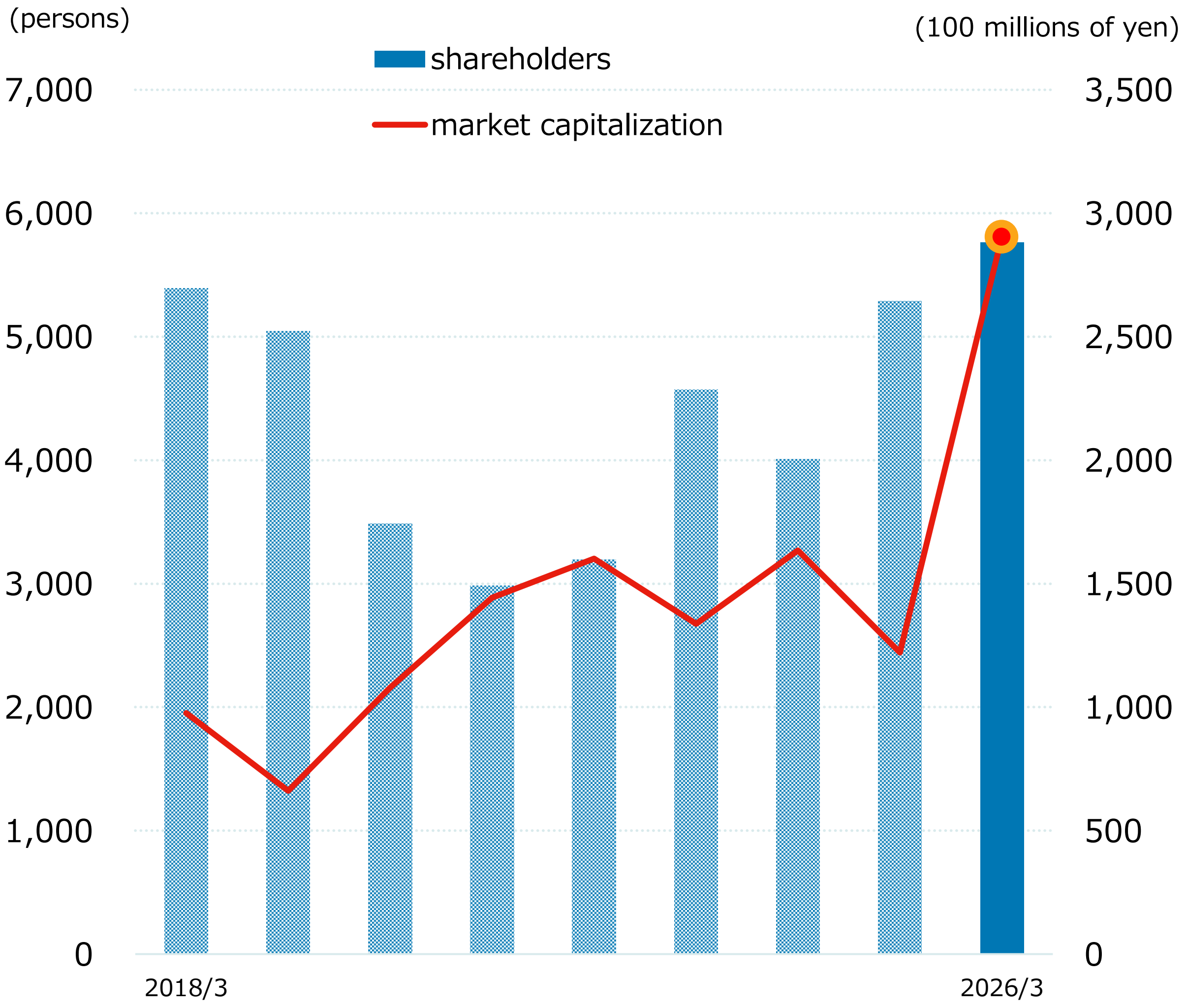
FY03/2026 versus FY03/2027 (Plan)

(unit : 100 millions of yen)

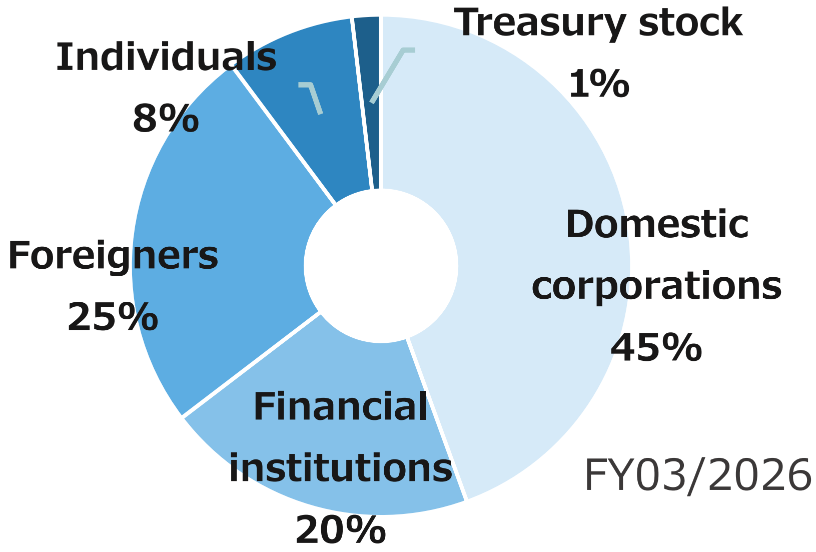


Stock information

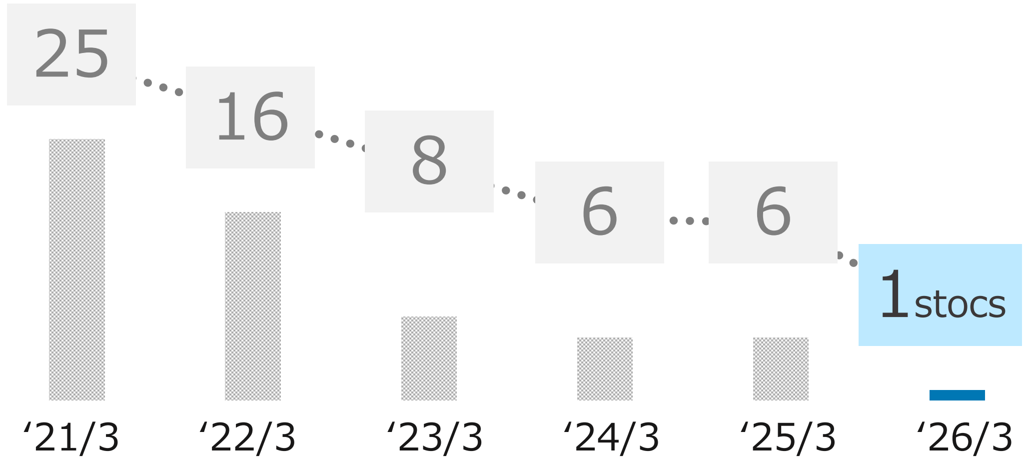
■ Market capitalization/Number of shareholders



■ Shareholders



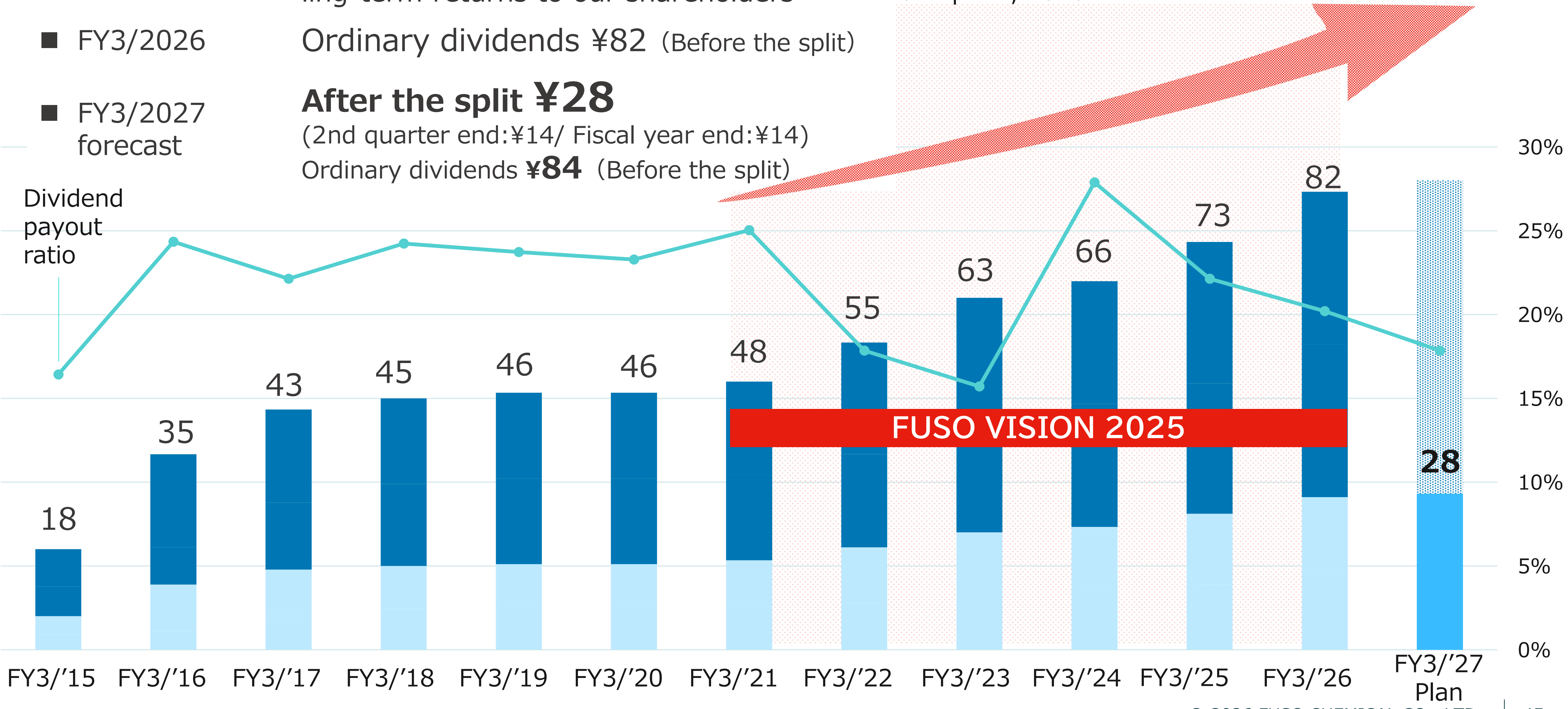
■ Status of Cross-shareholdings (Listed Stocks)



Shareholder Return

■ Policy	Progressive dividends to provide stable and ling-term returns to our shareholders
■ FY3/2026	Ordinary dividends ¥82 (Before the split)
■ FY3/2027 forecast	**After the split ¥28** (2nd quarter end:¥14/ Fiscal year end:¥14) Ordinary dividends **¥84** (Before the split)

※conducted a 3-for-1 share split of its common shares on April 1, 2026.



Ⅳ. Medium-Term Management Plan

“Next growth 2030”

（FY03/2027～FY03/2031）

Long-term Vision

Company Motto: “Limitless Progress and Creation”

Management Philosophy

-Value trust, and make it a principle to be reliable
-Contribute to the nation and society through technology
-Achieve employee fulfillment through prosperous business

Long-Term Vision

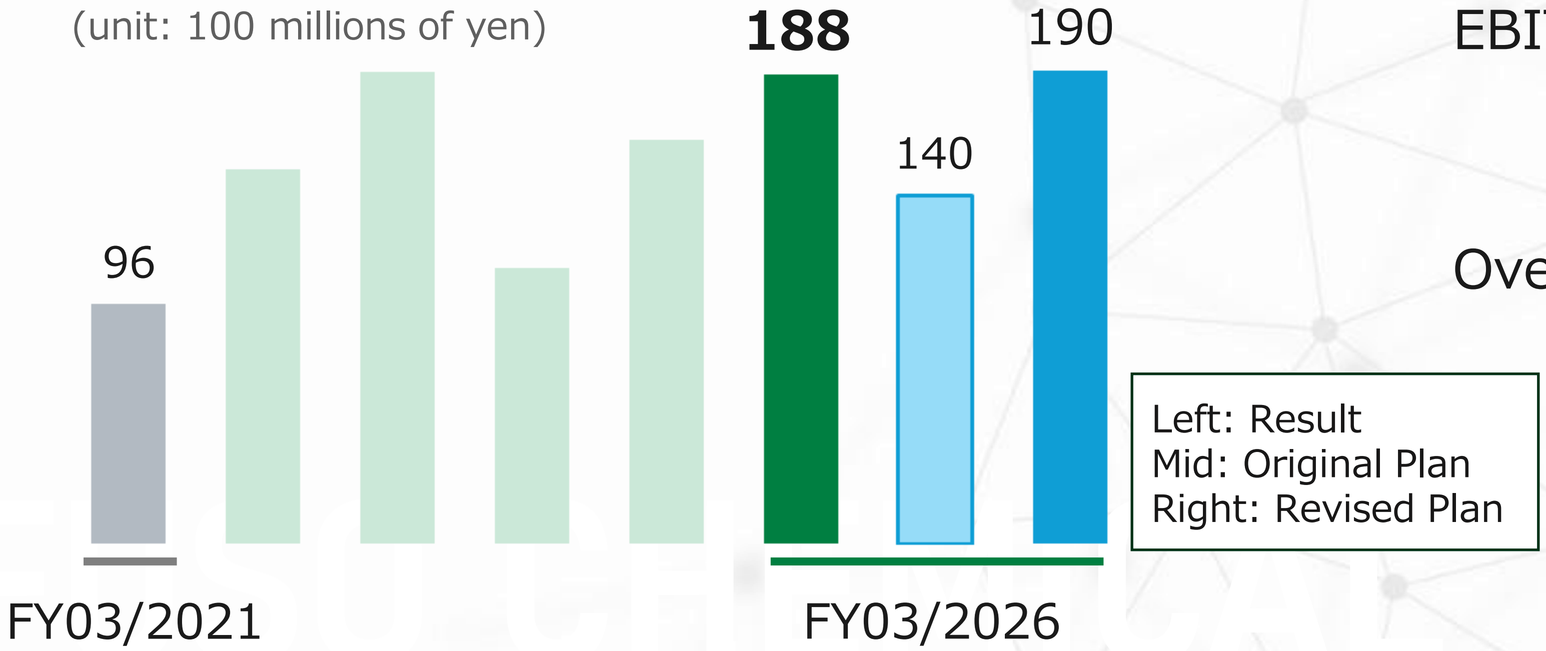
- **Evolve as the global niche leader**
- **Support the future with FUSO technology**
- **Challenge limits to create new businesses**
- **Ensure that FUSO business delivers customer satisfaction**

1. The previous Medium-Term Management Plan

Operating profit target largely achieved.

Summary of FY03/2026 results

Operating profit:
18.8 billion yen
(Plan: 19.0 billion yen)



Net sales: 76.9 billion yen
(Plan: 85.0 billion yen)

EBITDA: 29.7 billion yen
(Plan: 30.0 billion yen)

Overseas sales ratio: 55.1%
(Plan: 50%)

Outline of Medium-Term Management Plan

Life Science Business Strategy

- Strengthen global cooperation
- Maintain and enhance stable supply and quality assurance
- Enhance core competencies (develop new fields)
- Boost surveying and marketing initiatives

Electronic Materials Business Strategy

- Stabilize supply and quality
- Address cutting-edge requirements
- Develop new businesses harnessing core technologies
- Reinforce the business foundation

Production Division Production Framework

- Reinforce the framework for stable production
- Increase productivity
- Gain customer trust
- Enhance the value of human capital

New Medium-Term Management Plan

Next Growth 2030

(covering FY03/2027 to FY03/2031)

Higher market value

- Achieve high CAGR
- Engage in ROIC-driven management

Higher human capital value

- Implement human resources strategy in line with the new Management Plan
- Enhance employee engagement
- Other measures

Increased trust in FUSO

- Establish a committee on enhancing corporate value to promote and manage progress
- Design an executive compensation system linked to the new Management Plan

Increased sustainability

- Achieve harmony with the local community
- Engage in GHG reduction initiatives

2. New Medium-Term Management Plan

■FY03/2031 Consolidated Financial Targets (unit: 100 millions of yen)

Net sales

FY03/2026 result 769
FY03/2031 target 1,200
(CAGR: 9.3%)

Operating profit

FY03/2026 result 188
FY03/2031 target 360
(CAGR: 13.8%)

EBITDA

FY03/2026 result 297
FY03/2031 target 567
(CAGR: 13.7%)

*Assumed exchange rate for the Medium-Term Management Plan: USD/JPY = 150

- Expand revenue through execution of growth strategies (more than 1.5x over five years)
- Target an operating margin of 30% (nearly double operating profit over five years)
- Drive growth and profitability through stable supply and high quality

2. Financial / Non-Financial Targets and KGI/KPI

FY03/2031 KGI (unit: 100 millions of yen)

Net sales: 1,200 Operating profit: 360
EBITDA: 567

Market Value

- ■ Net sales CAGR 9%+
- ■ ROIC 13%+
- ■ Shareholder returns:
  Continue progressive dividends; total payout of ¥20 billion+

Human Capital Value

- ■ Engagement score:
  +10% vs. FY03/2026
- ■ Average annual salary:
  +30% vs. FY03/2026

Trust Value

Establish monitoring by the Corporate Value Enhancement Committee

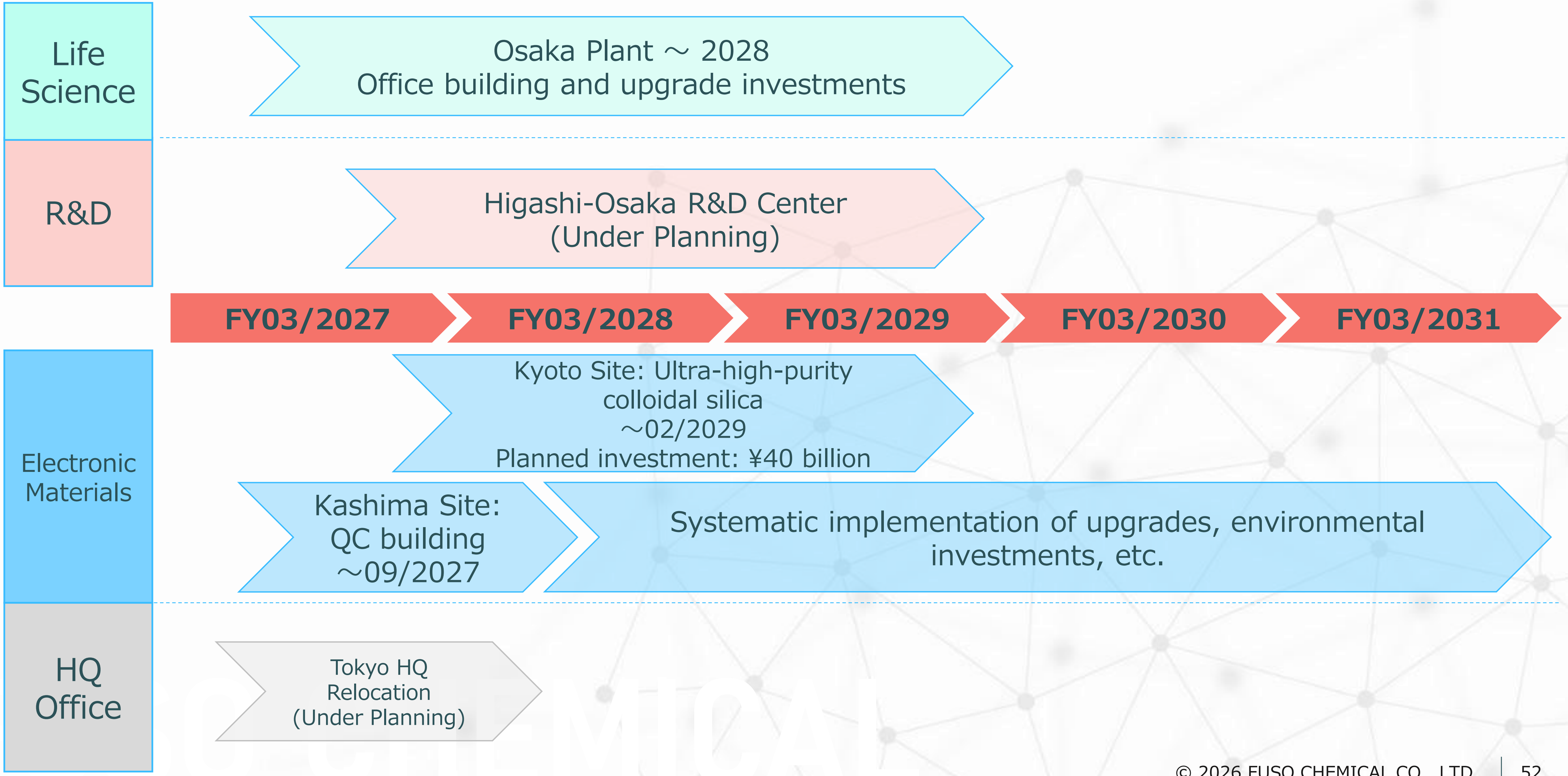
Sustainable Value

Set GHG reduction targets and achieve SBT certification (by 2028)

Realize The Long-term vision

Enhancement of Four Values

2. Key Capital Expenditure Plans under the New Medium-Term Management Plan



Life Science

Osaka Plant ～ 2028
Office building and upgrade investments

R&D

Higashi-Osaka R&D Center
(Under Planning)

FY03/2027 | **FY03/2028** | **FY03/2029** | **FY03/2030** | **FY03/2031**

Electronic Materials

Kyoto Site: Ultra-high-purity colloidal silica
～02/2029
Planned investment: ¥40 billion

Kashima Site:
QC building
～09/2027

Systematic implementation of upgrades, environmental investments, etc.

HQ Office

Tokyo HQ Relocation
(Under Planning)

3. Growth Strategy for the Life Science Business

- **Strengthen global cooperation**
  - Build the FUSO brand globally through integrated operations across Japan, China, the U.S., and Thailand
- **Boost surveying and marketing initiatives**
- **Enhance core competencies**
  - Expand sales of FFA products and roll out new food additive formulations globally
- **Maintain and enhance stable supply and quality assurance**

◆ Performance Targets (unit: 100 millions of yen)

Net sales

FY03/2026 result 354
FY03/2031 target 430
(CAGR: 4.0%)

Operating profit

FY03/2026 result 53
FY03/2031 target 75
(CAGR: 7.2%)

EBITDA

FY03/2026 result 69
FY03/2031 target 95
(CAGR: 6.5%)

4. Growth Strategy for the Electronic Materials Business

- **Stabilize supply and quality**
  - Accelerate ramp-up of expanded capacity and execution of the next round of investments
  - BCP readiness; strengthening critical processes and supply chain resilience
- **Address cutting-edge requirements**
- **Develop new businesses harnessing core technologies**
- **Reinforce the business foundation**

◆ Performance Targets (unit: 100 millions of yen)

Net sales

FY03/2026 result 415
FY03/2031 target 770
(CAGR: 13.2%)

Operating profit

FY03/2026 result 159
FY03/2031 target 320
(CAGR: 15.0%)

EBITDA

FY03/2026 result 250
FY03/2031 target 505
(CAGR: 15.1%)

5. Management Focused on Cost of Capital and Share Price

Current Status

■ Market valuation

PBR 2.5x

■ Capital efficiency

ROE exceeding the cost of equity

ROIC maintained at over 10%

■ Actions during the previous Medium-Term Management Plan

Reduction of strategically held shares

(Listed shares: 25 issues → 1 issue)

Share repurchases and split

Policy

■ **Focus on early ramp-up and monetization of completed investments**

Improve utilization of past investments

■ **Start building a framework to utilize ROIC in management decision-making**

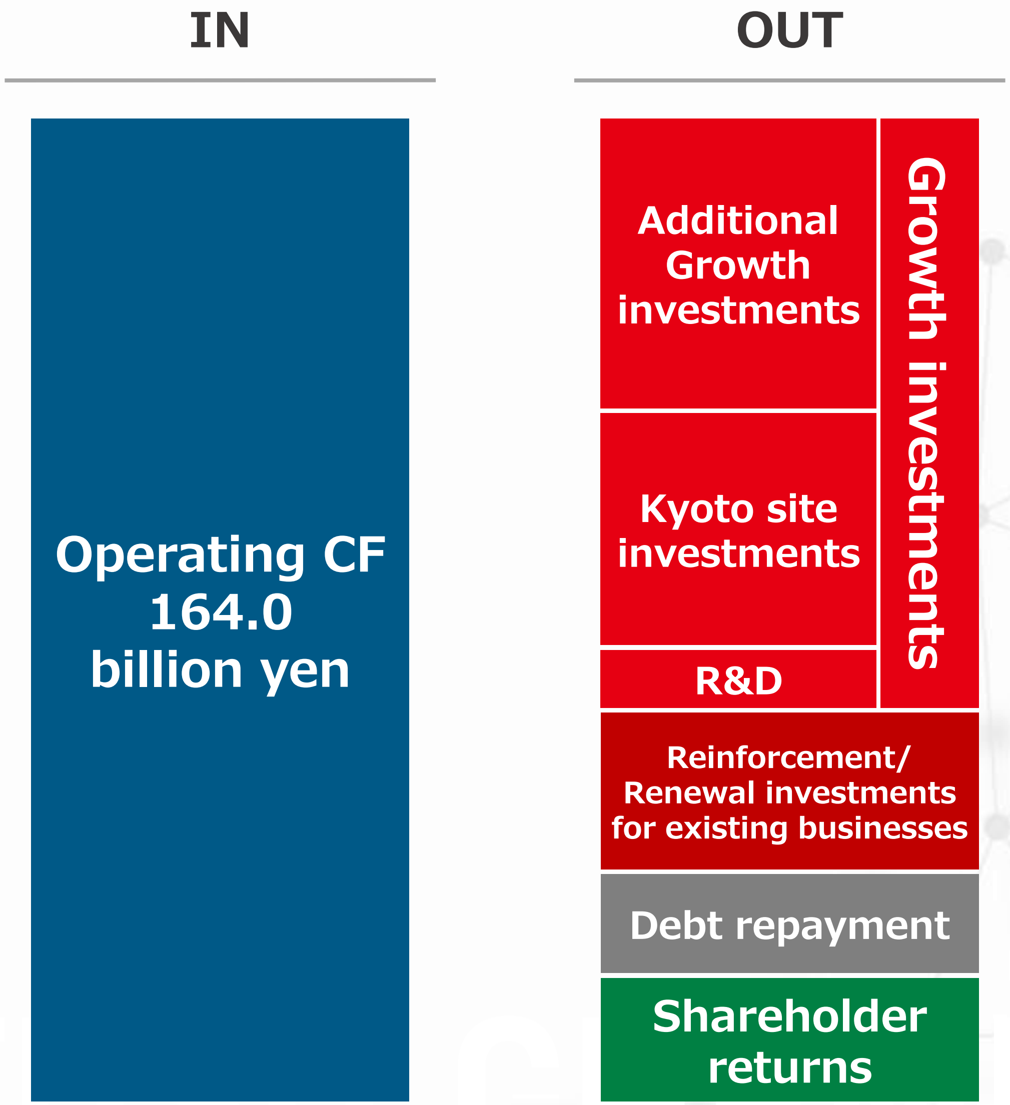
Embed capital efficiency into decision-making throughout the organization

■ **Continue pursuing both revenue growth and capital efficiency**

Management control with an emphasis on the balance between profitability and invested capital

Target ROIC: 13%

6. Cash Allocation and Shareholder Returns



■Priority: Growth Investment

Using approximately ¥164.0 billion of cash inflow, allocate a total of approx. ¥100.0 billion to growth investments as the highest priority, including:

Kyoto Site capital expenditure: 40.0 billion yen

New R&D base in Higashi-Osaka, etc.

■Shareholder Return Policy

Continue progressive dividends

Assume total returns of approx. ¥20.0 billion as a guideline for the Medium-Term Management Plan period

Consider additional returns flexibly as appropriate

Note: Borrowing of approx. 17.0 billion yen are scheduled to be repaid during the Medium-Term Management Plan period.

7. Human Resources Strategy to Support Execution of the Medium-Term Management Plan

Fostering well-being

Support for autonomous career development
Enhancing trust in evaluation, etc.

Enhancement of Human capital value

Securing the workforce required for next growth

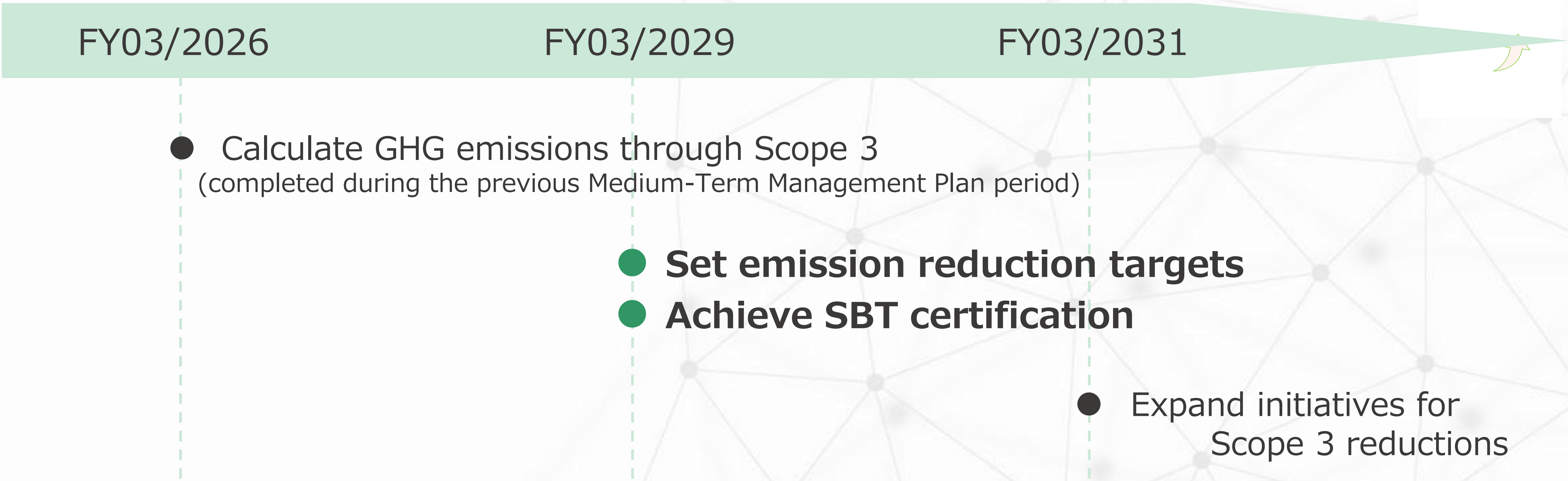
Strategic allocation to growth areas
Proactive investment in talent development, etc.

Developing talent to drive sustainable growth and innovation

Development of next-generation leaders
Highly specialized and global talent

■Aim to achieve SBT certification by FY03/2029

Roadmap



- Calculate GHG emissions through Scope 3
(completed during the previous Medium-Term Management Plan period)

- **Set emission reduction targets**
- **Achieve SBT certification**

- Expand initiatives for Scope 3 reductions

Note: Emission reductions will be implemented in phases, starting with our own emissions (Scope 1 and 2)

Important Notice Regarding the Outlook

The descriptions and figures stated in this material regarding the outlook are based on information obtained from our group companies as of the present time as well as certain assumptions deemed to be reasonable.
However, due to risks and other variables, we cannot guarantee the attainment of the targets stated herein. In addition, the actual performance may greatly vary in accordance with the economic climate surrounding the business, demand trends, exchange rate movements and other various factors.