FUJILLOY

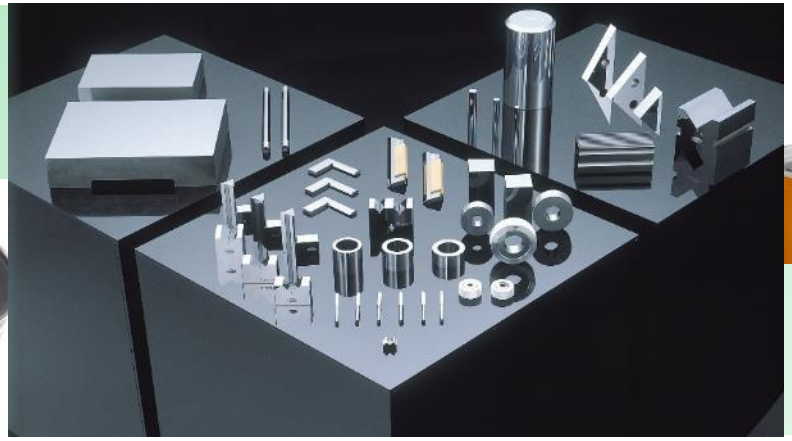
TSE Prime (6167)

Financial Results for the Six Months Ended September 30, 2023 - Supplementary Materials

Fuji Die Co., Ltd.

Contributing broadly to society through manufacturing





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01

Company Overview

FUJILLOY

Our Strengths

Top market share for carbide wear-resistant tools

Held the top share in the domestic carbide wear-resistant tool industry over a long period

Specialize mainly in sales of high value-added products in high-mix low-volume, with stable sales prices

Over 30% industry share

Development capability - production engineering capability - sales capability are the source of competitiveness

Direct sales system that can meet customers' individual needs in a customized manner

Solid and proven track record with many customers in a wide range of industries

Integrated production system from design to base powder preparation, sintering, machining, and product inspection

Approx. 3,000 customer companies

High-level R&D (technological) capability to support long-term growth

New materials development technology to meet market needs by leveraging powder metallurgy technology

Integration of manual technology with current technology through research on state-of-the-art equipment and optimization of manufacturing methods

Core Technologies
- Powder metallurgy technology
- Ultra-precision processing technology

Financial foundation: Continued profitable operations and high equity ratio

Net cash	7,483 million yen
Free cash flow	62 million yen

(Fiscal year ended March 31, 2023)

76.3% Equity ratio (As of September 30, 2023)

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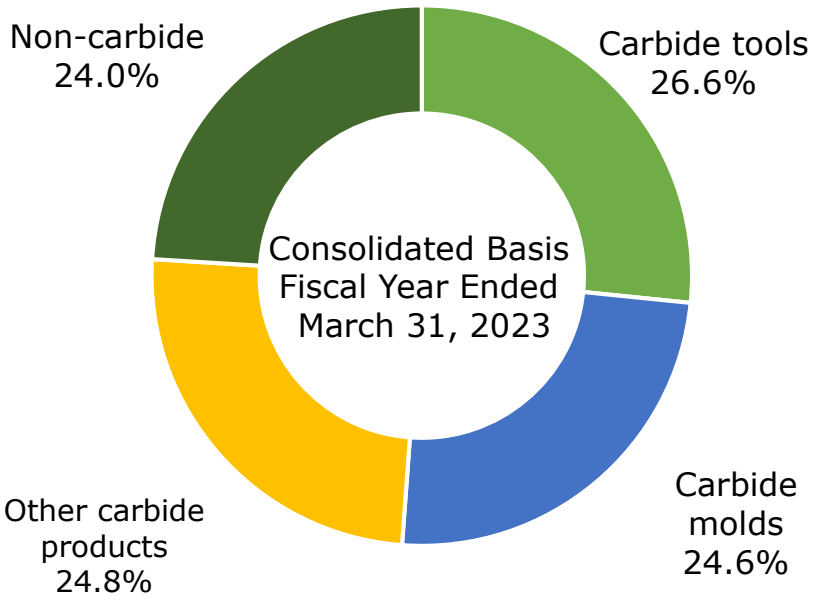
Business Activities

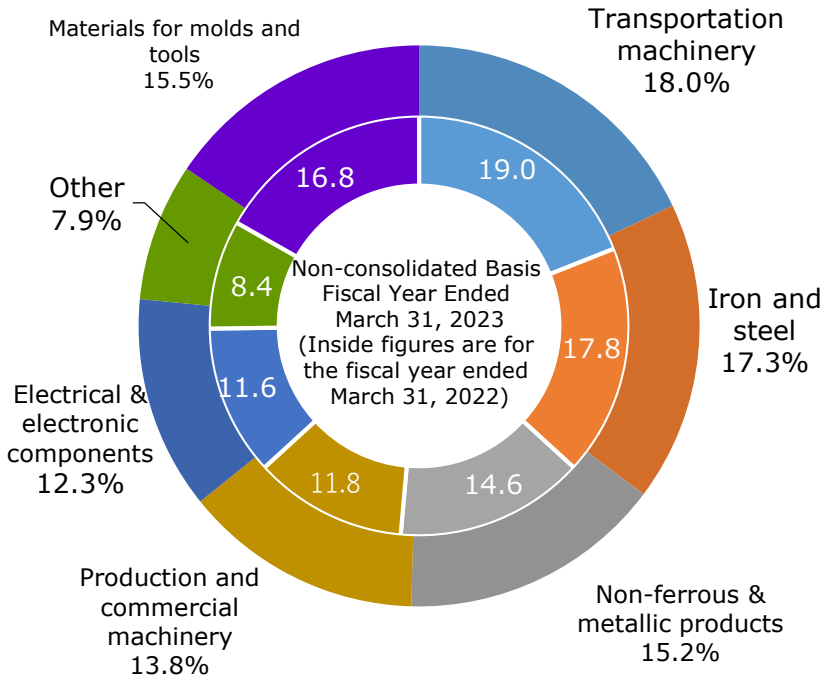
Manufacture of tools and molds (wear-resistant tools) mainly made of cemented carbide

Customers from across a wide range of industries

Share of sales by product category (%)

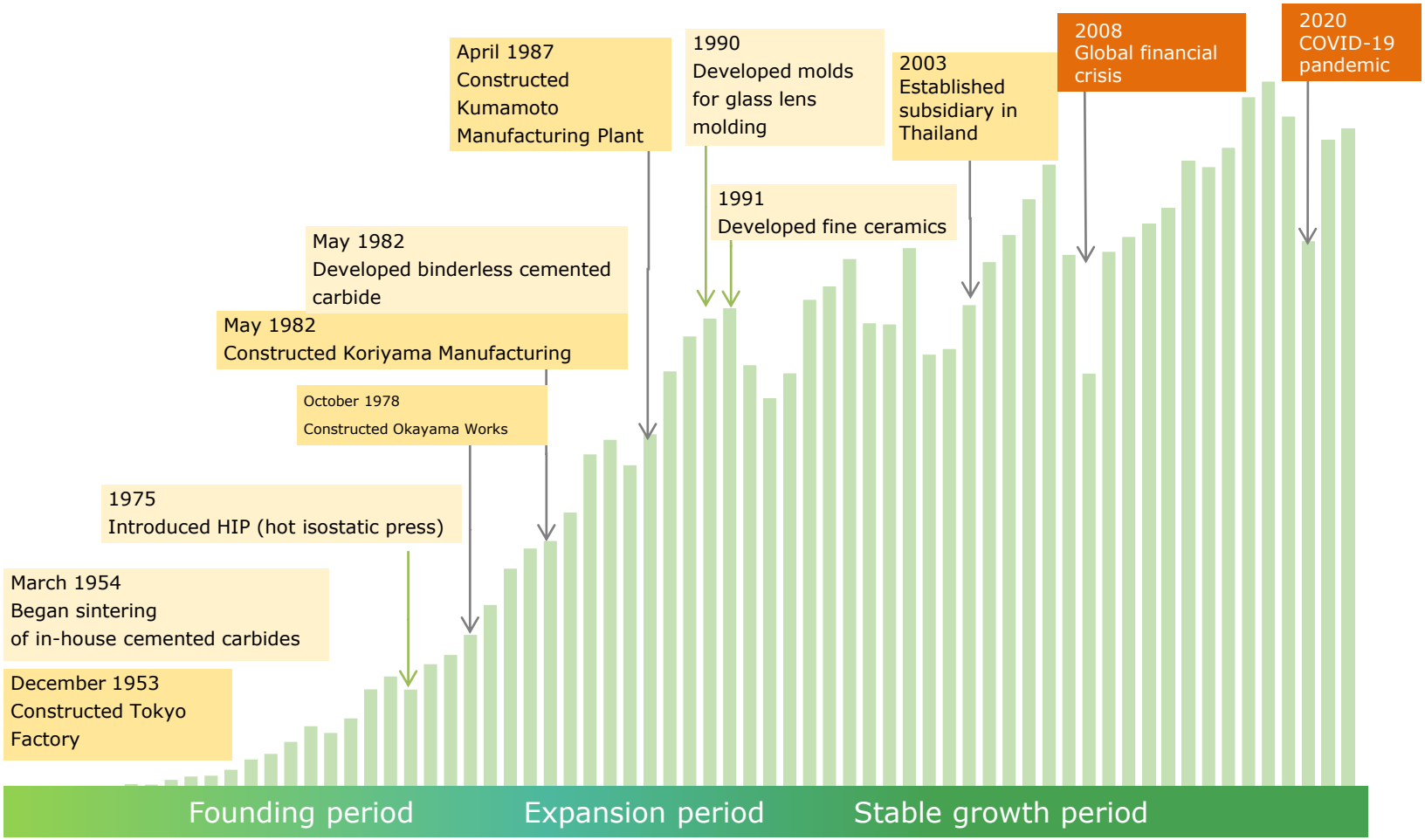


Share of Sales by Customer Industry Category (%)



Key Milestones and Net Sales Trends

Maintaining profitable operations since our founding

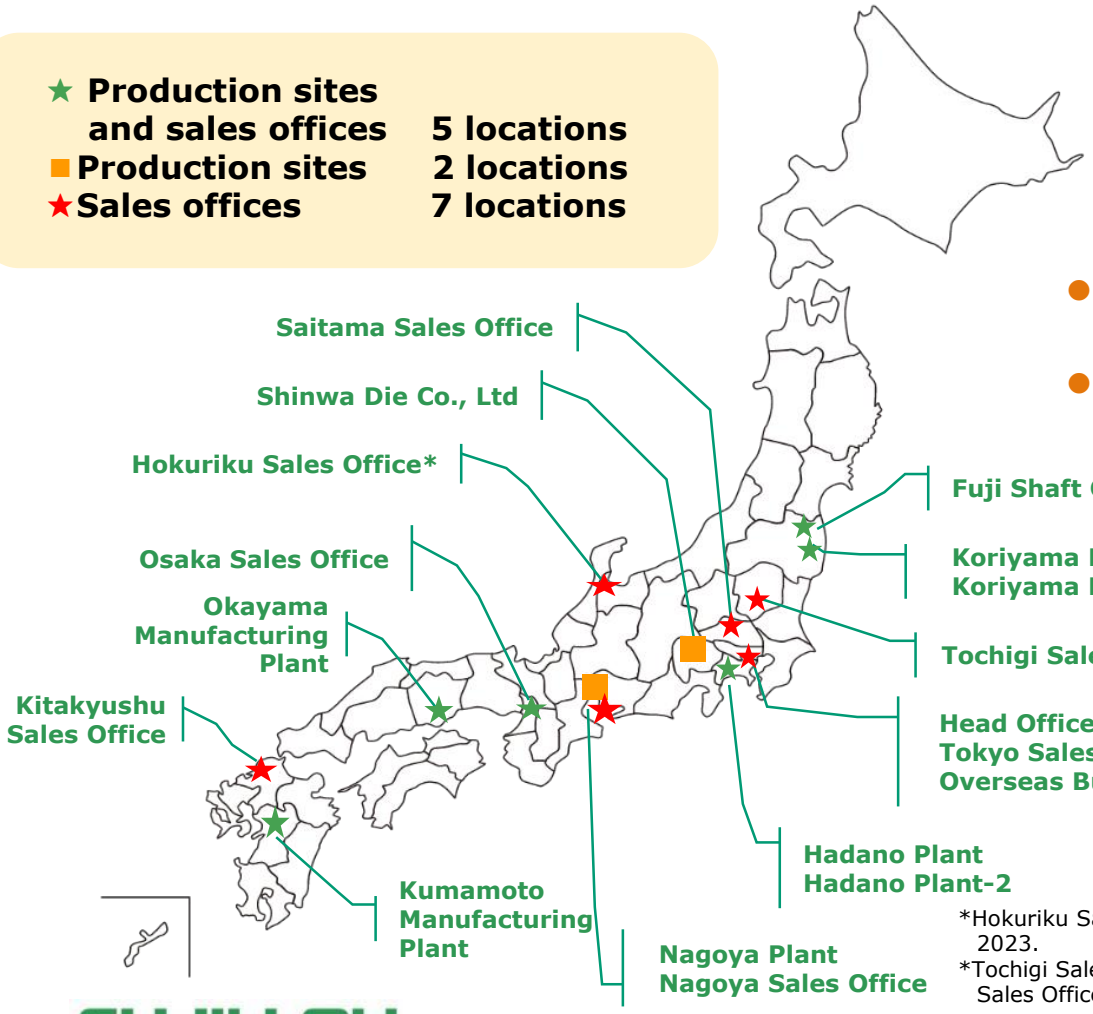


(Note) Net sales for FY2012 onward are consolidated net sales

Network of Offices (Japan) (as of September 30, 2023)

Established the industry's largest direct sales network
Maintenance work (repair and re-polishing) ensures high rate of repeat business

★ **Production sites and sales offices** **5 locations**
■ **Production sites** **2 locations**
★ **Sales offices** **7 locations**



Strong network with customers

- **Timely response to customer requests through enhanced relationships**
- **Able to make proposals that raise the production efficiency of customers**

*Hokuriku Sales Office was merged with Nagoya Office effective November 1, 2023.
*Tochigi Sales Office and Saitama Sales Office were merged into the Kitakanto Sales Office effective December 1, 2023.

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Network of Offices (Overseas) (as of September 30, 2023)

★**Production sites and sales offices**	**2 countries (Thailand and Indonesia)**
★**Sales offices**	**3 countries (China, Malaysia, and India)**

PT. FUJILLOY INDONESIA

FUJILLOY (THAILAND) CO., LTD.

20th anniversary of establishment in November 2023

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Latest TOPICS

Won "Grand Prize for Technical Achievement" and "Special Environment Award" at Japan Cutting & Wear-resistant Tool Association Awards

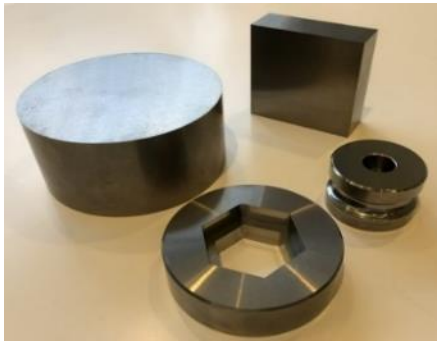
Grand Prize for Technical Achievement

Special Environment Award

- Our **Development of New Hard Material for High Thermal Expansion Glass Forming Molds won the Grand Prize for Technological Achievement** at the 2023 Japan Cutting & Wear-resistant Tool Association Awards hosted by the said Association.
- In addition, our recent **efforts to reduce waste and improve recycling rates were also recognized with a Special Environmental Award**

Won "Incentive Award" at the 2023 Cho Monodzukuri Grand Award for Parts

超モノづくり部品大賞



Award-winning product "ST60"

- **ST60,** a new material that reduces the use of rare metals by 90%, **won the Incentive Award in the 2023 Cho-Monodzukuri Parts Grand Prize sponsored by the Monodzukuri Nihon Conference and the Nikkan Kogyo Shimbun**

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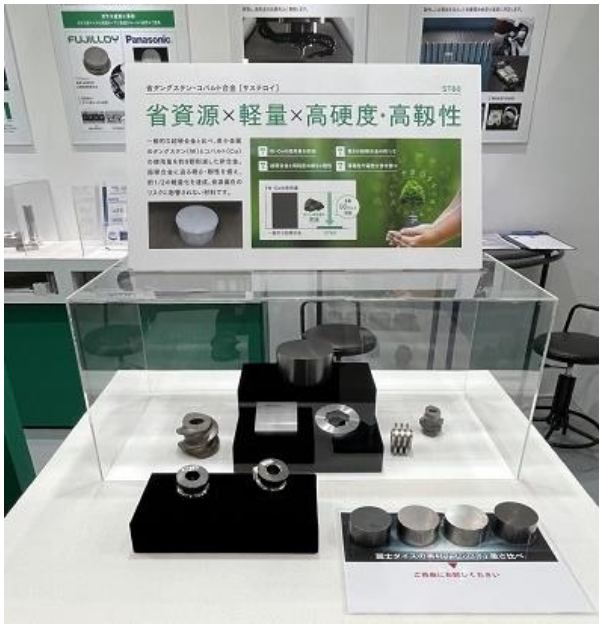
Exhibiting at Trade Shows

● **Highly-Functional Material Week 2023 / 3rd Sustainable Material Expo**
October 4 (Wed.) - 6 (Fri.), 2023
Makuhari Messe

● **6th [Nagoya] Automotive World -Advanced Automotive Technology Expo-**
October 25 (Wed.) - October 27 (Fri.), 2023
Port Messe Nagoya



02

Summary of Business Results for the Six Months Ended September 30, 2023

Overall Summary of Six Months Ended September 30, 2023

Consolidated net sales 8,210 million yen (down 1.9% year on year)

Consolidated operating profit 441 million yen (down 23.6% year on year)

- **Consolidated net sales decreased slightly year on year**
- **Profits dropped due to a decrease in consolidated net sales, soaring power and fuel prices, and a one-time increase in expenses associated with the construction of a metallurgical building at the Kumamoto Manufacturing Plant**

Net sales	Increase factors	■ Increased demand for grooved rolls for overseas markets ■ Increased demand for dies and plugs for steel pipes ■ Revised prices due to soaring costs of raw materials, power, fuel, etc.
	Decrease factors	■ Decreased demand due to economic slowdown in China ■ Decreased demand due to delay in recovery of molds for automotive parts ■ Decrease in demand for drawn steel pipes
Profits	Increase factors	■ Measures to improve productivity and operational efficiency yielded some results ■ Revised prices due to soaring costs of raw materials, power, fuel, etc.
	Decrease factors	■ Decreased profits due to decreased consolidated net sales ■ Temporary increase in expenses due to the construction of a metallurgical building at the Kumamoto Manufacturing Plant

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023

Net sales: Slight decrease due to economic slowdown in China and delayed recovery of demand for molds for automotive parts
Operating profit: Profits dropped due to a decrease in consolidated net sales, soaring power and fuel prices, and a one-time increase in expenses associated with the construction of a metallurgical building at the Kumamoto Manufacturing Plant
Ordinary profit: Decreased due to lower operating profit. Slight decrease compared to the Q2 forecast.
Profit*: Decreased due to lower ordinary profit. Increase of 2.7% compared to the Q2 forecast.

	FYE2023 Q2 results	FYE2024 Q2 results	Year-on-year change rate	FYE2024 Q2 forecast	Compared to Q2 forecast	FYE2024 results forecast	Results forecast progress rate
Net Sales	8,367	**8,210**	**(1.9)%**	8,600	**(4.5)%**	17,800	46.1%
Operating profit	578	**441**	**(23.6)%**	470	**(6.1)%**	1,170	37.7%
[Operating profit margin]	[6.9%]	[5.4%]	[(22.2)%]				
Ordinary profit	661	**501**	**(24.1)%**	510	**(1.6)%**	1,230	40.8%
[Ordinary profit margin]	[7.9%]	[6.1%]	[(22.7)%]				
Profit attributable to owners of parent	454	**380**	**(16.4)%**	370	**2.7%**	890	42.7%
[Profit margin]	[5.4%]	[4.6%]	[(14.8)%]				
Basic earnings per share	22.93 yen	**19.15 yen**	**(16.5)%**	18.65 yen	**2.7%**	44.87 yen	-
Equity ratio	77.7% (March 31, 2023)	**76.3%**	-				

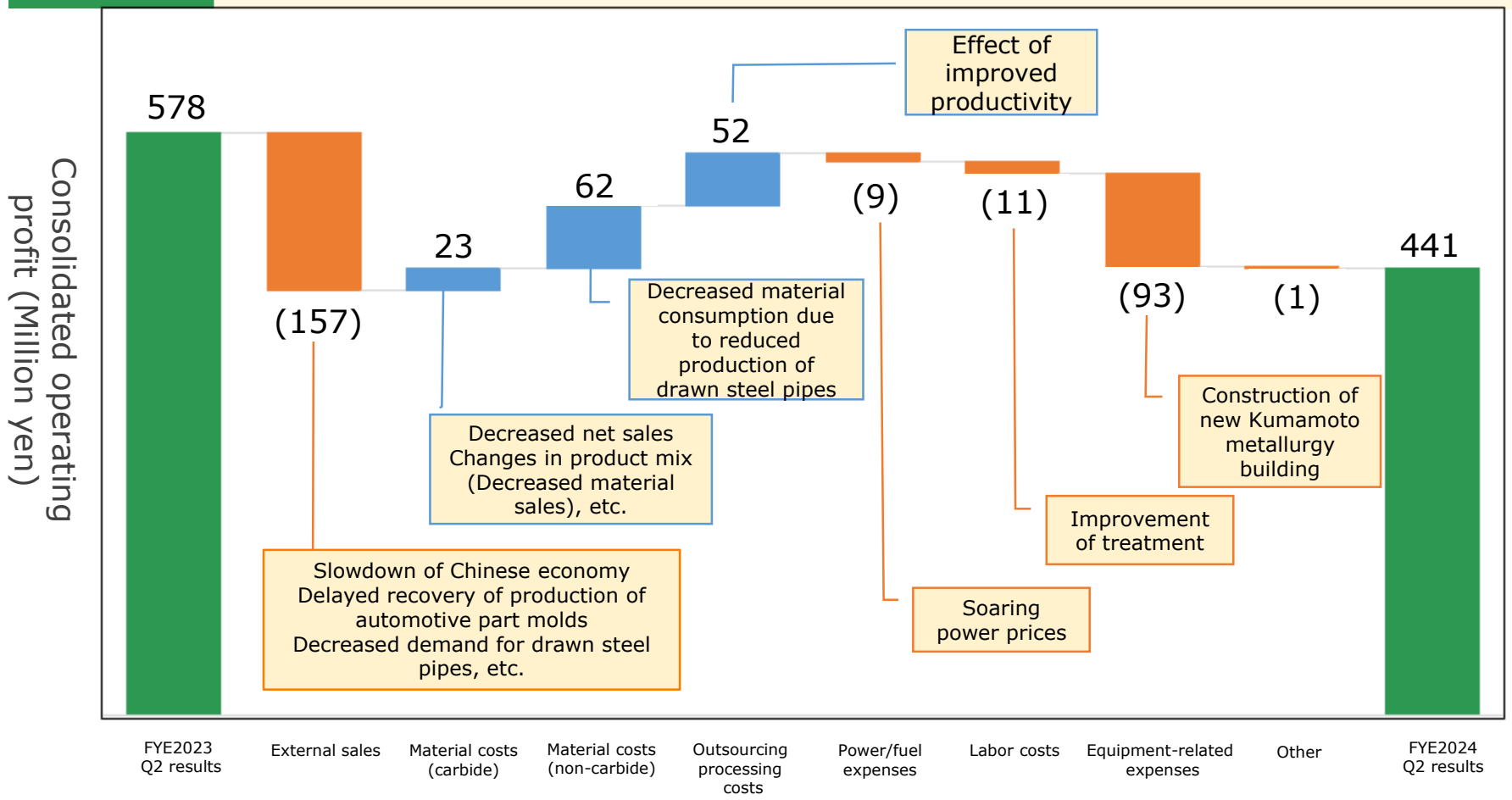
*Profit is "Profit attributable to owners of parent"

(Amounts rounded down to the nearest million yen)

Consolidated Operating Profit for the Six Months Ended September 30, 2023 - Factors of Increase/Decrease (Y-o-Y)

Operating profit

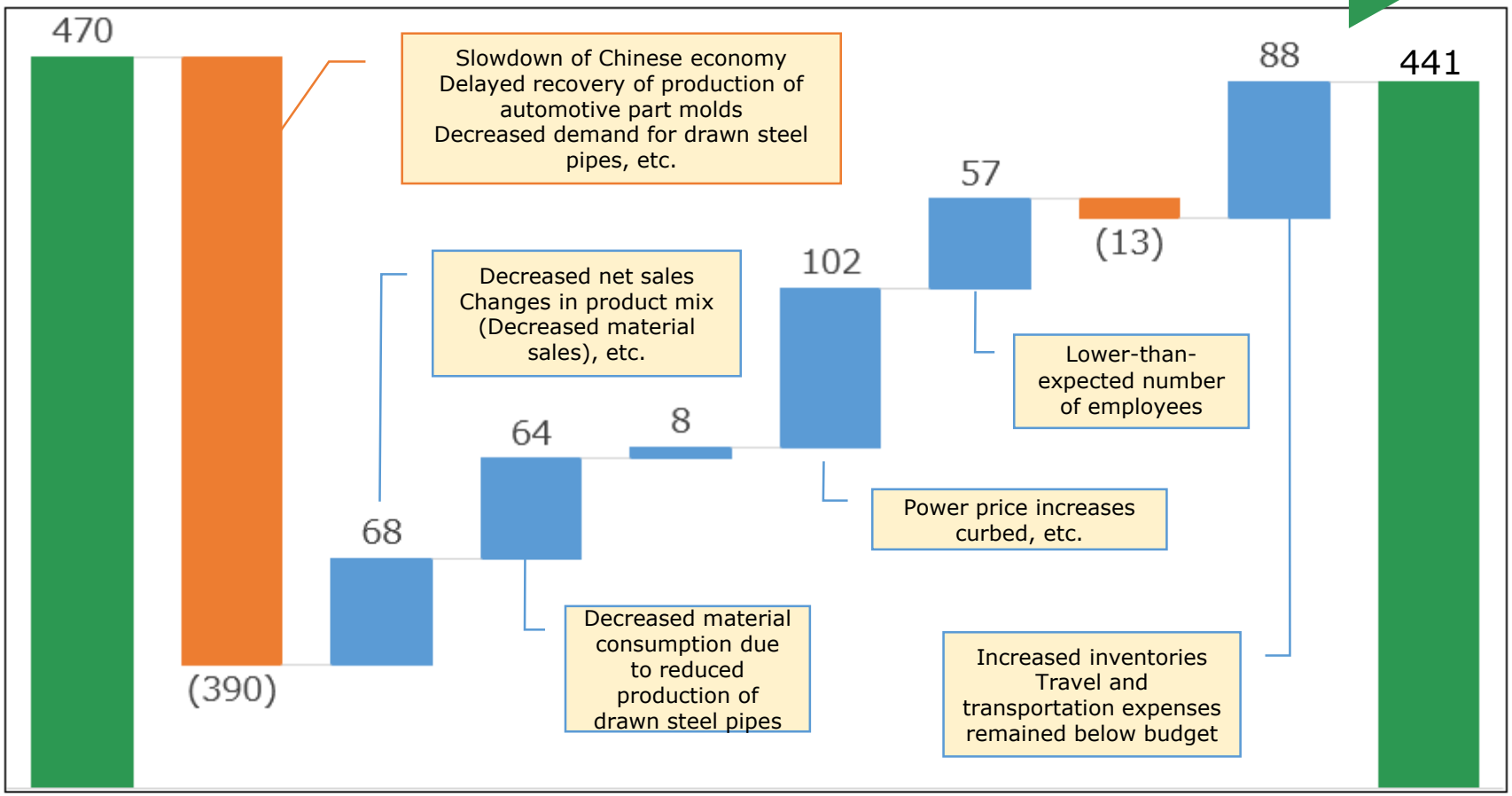
Despite the effects of measures to improve productivity and operational efficiency, profits decreased due to lower net sales, soaring raw material and energy prices, and a one-time increase in expenses associated with the construction of a metallurgical building at the Kumamoto Manufacturing Plant



(Million yen / Amounts are rounded down to the nearest million yen)

Consolidated Operating Profit for the Six Months Ended September 30, 2023 - Factors of Increase/Decrease (Versus forecast)

Operating Profit: (29) million yen versus forecast



Assumptions for profit forecast for the fiscal year ending March 31, 2024
(1) APT (ammonium paratungstate) Price: $335/10kg
(2) Exchange rate: 130 yen/U.S. dollar

(Million yen / Amounts are rounded down to the nearest million yen)

Financial Status at the End of Q2 of the Fiscal Year Ending March 31, 2024 - Consolidated Balance Sheets and Analysis of Changes

Current assets decreased 363 million yen due to a 386 million yen decrease in notes and accounts receivable-trade
Non-current assets increased 740 million yen due to a 1,373 million yen increase in buildings and structures

Financial Status

September 30, 2023 * [ ] is the difference from March 31, 2023

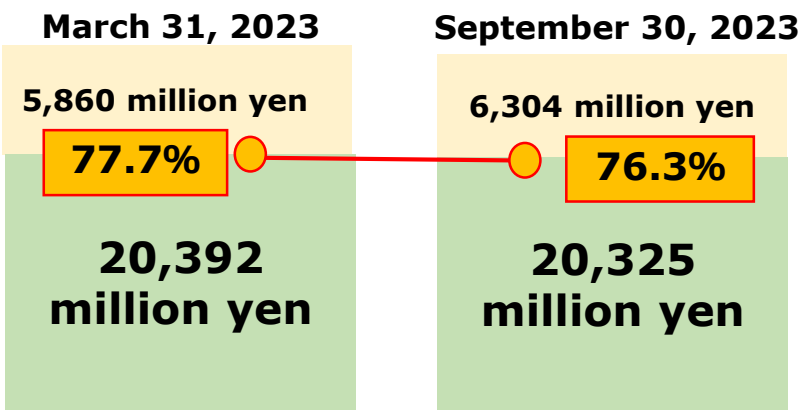
Assets 26,629 million yen [376 million yen]

Liabilities 6,304 million yen [444 million yen]

Net assets 20,325 million yen [(67) million yen]

Million yen	March 31, 2023	September 30, 2023
Current assets	15,724	15,361
Non-current assets	10,528	11,268
Total assets	26,253	26,629
Current liabilities	4,197	4,650
Non-current liabilities	1,662	1,653
Total liabilities	5,860	6,304
Total net assets	20,392	20,325

Liabilities, Net Assets and Equity Ratio



Cash and deposits	6,511 million yen
Raw materials and supplies	1,336 million yen
Buildings and structures, net	4,972 million yen
Construction in progress	89 million yen

Short-term borrowings	37 million yen
Long-term borrowings	- million yen
Retirement benefit liability	1,606 million yen

Retained earnings	19,566 million yen
Accumulated other comprehensive income	676 million yen

(Amounts are rounded down to the nearest million yen; equity ratio is rounded to the first decimal place.)

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Six Months Ended September 30, 2023 - Statements of Cash Flows

Operating CF : Profit before income taxes [542 million yen]
・Depreciation [451 million yen]
Investing CF : Purchase of property, plant and equipment [671 million yen]
Financing CF : Dividends paid [633 million yen]

(Million yen)	Results for the six months ended September 30, 2022	Results for the six months ended September 30, 2023	Increase/ decrease
CF from operating activities	**116**	**1,216**	1,100
CF from investing activities	**(1,010)**	**(724)**	285
Free CF	**(894)**	**491**	1,386
CF from financing activities	**(444)**	**(641)**	(197)

(Rounded down to the nearest million yen)

03

Financial Results Forecast for the Fiscal Year Ending March 31, 2024

Future Outlook and Financial Results Forecasts

Operating profit is expected to increase slightly by expanding sales and passing on higher costs to selling prices, offsetting soaring raw material prices, electricity and fuel expenses, and increased costs due to capital investment
[No change from the plan made at the beginning of the period]

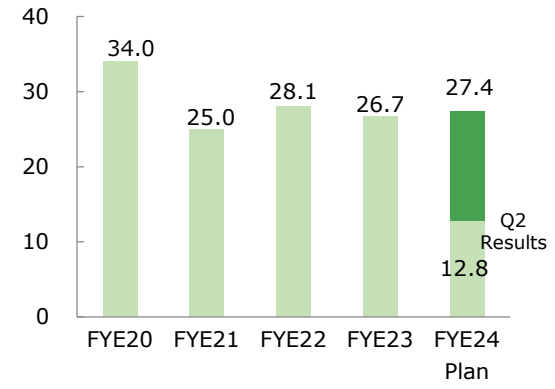
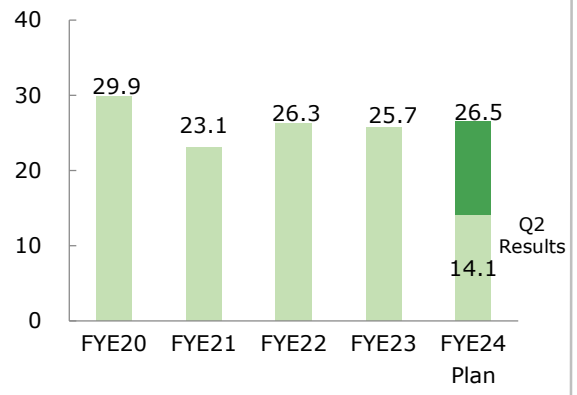
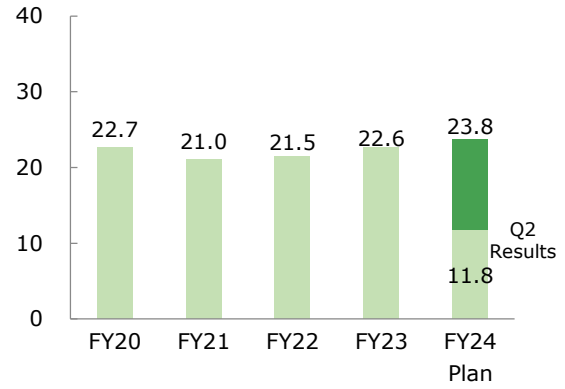
Operating profit
1.17 billion yen
(Up 1.7% year on year)

(Million yen)

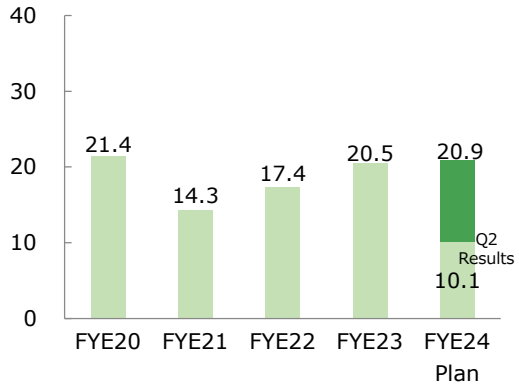
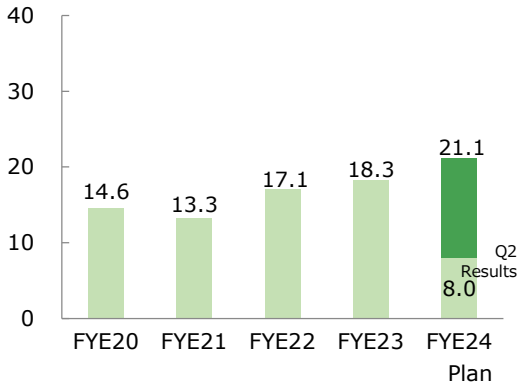
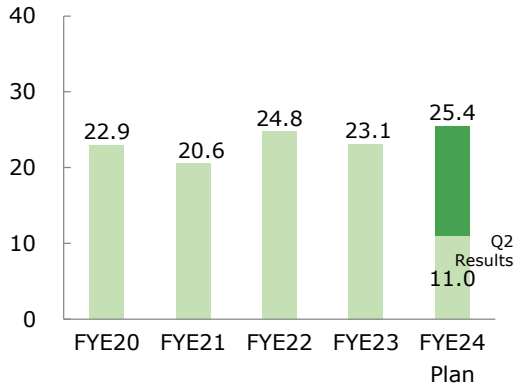
	FYE Mar. 31, 2023	FYE Mar. 31, 2024 (Plan)	% change year on year
Net sales	17,179	17,800	3.6%
Operating profit	1,150	1,170	1.7%
Ordinary profit	1,225	1,230	0.4%
Profit attributable to owners of parent	*1,292	890	(31.1)%
Depreciation	920	991	7.7%
Other facility-related expenses (repair expenses, etc.)	391	494	26.3%
Capital expenditure (total tangible and intangible assets)	1,637	1,830	11.7%

*Extraordinary income of 632 million yen was recorded as a result of the sale of non-current assets

Status by Major Industry Category (Non-consolidated Basis, Net Sales) - Financial Results Outlook (Fiscal Year Ending March 31, 2024)

	Transportation machinery	Iron and steel	Non-ferrous & metallic products
Net sales (Hundred million yen)			
Pictures of products	 Forging tools	 Rolling mill rolls	 Canning tools
Business overview	• Overall performance in Q2 of FYE Mar. 2024 was sluggish because of the lack of recovery in automotive parts production. • Although recovery was seen for overseas sites, a full recovery is not expected until Q3 or later.	• In Q2 of FYE Mar. 2024, demand for drawing dies and plugs for steel pipes remained strong as in Q1. • We expect about 3% year-on-year growth in the second half of the fiscal year and beyond largely due to recovery in automotive parts production and expanded sales of cutters for electromagnetic steel sheets	• In Q2 of FYE Mar. 2024, grooving rolls for overseas market remained strong as in Q1. • We expect about 5% year-on-year growth from Q3 onward, mainly due to increased sales of canning tools.

Status by Major Industry Category (Non-consolidated Basis, Net Sales) - Financial Results Outlook (Fiscal Year Ending March 31, 2024)

	Production and commercial machinery	Electrical & electronic components	Materials for mold parts and tools
Net sales (Hundred million yen)			
Pictures of products	 Molds parts for optical elements	 Mold parts for battery	 Materials for mold parts and tools
Business overview	• Sales for semiconductor manufacturing equipment and optical elements were strong in Q2 of FYE Mar. 2024. • Sales for semiconductor manufacturing equipment are expected to remain strong in Q3 and beyond, with an increase of about 2% year-on-year.	• In Q2 of FYE Mar. 2024, demand decreased following the change of the production site for products used in automotive batteries. • Demand for semiconductors for PCs and cell phones is expected to recover from Q3 onward.	• Demand declined in Q2 of FYE Mar. 2024, affected by the economic slowdown in China. • From Q3 onward, demand is expected to increase by about 10% year on year largely because of increased sales of carbide materials for motor core molds.

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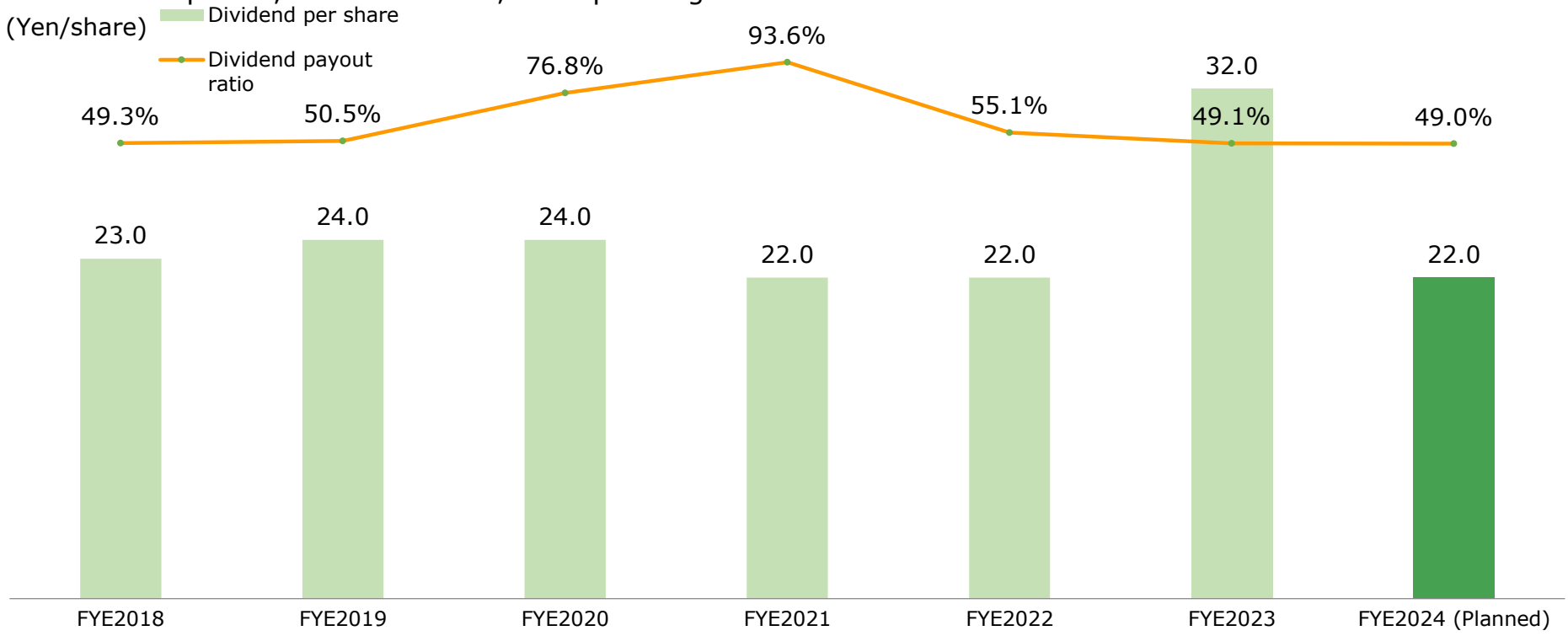
Shareholder Returns / Dividends

- **22 yen per share for the fiscal year ending March 31, 2024**

Annual dividend
22 yen

Policy on Profit Distribution
We consider the continuation of stable dividends to be a key management issue, and aim to achieve a dividend payout ratio of 50%, taking into account our profit situation, future business development, financial status, and operating results.

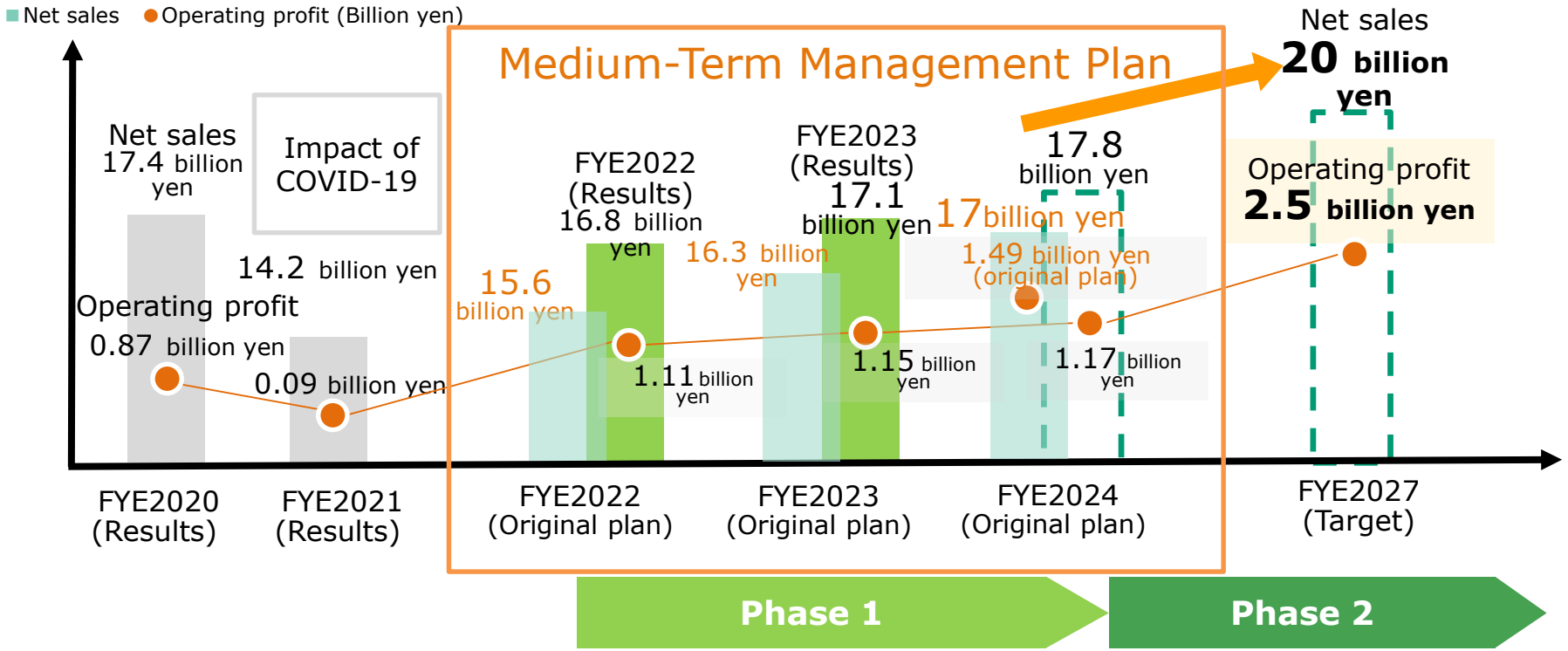


04

Progress of Priority Measures for Fiscal Year Ending March 31, 2024 and Initiatives for the Third Quarter Onward

Role of Medium-Term Management Plan (FYE Mar. 2022 – FYE Mar. 2024) 《Consolidated》

Phase 1 (FYE Mar. 2024): Consolidated net sales of 17.0 billion yen, operating profit of 1.49 billion yen
Phase 2 (FYE Mar. 2027): Consolidated net sales of 20.0 billion yen, operating profit of 2.50 billion yen



Phase 1

- Recovery from COVID-19 pandemic
- Converting to a robust corporate structure
- Cultivating and deepening new next-generation products and businesses
- Strengthening overseas business

Phase 2

- Expand net sales and increase profit (margin) further
- **Operating profit margin of 12.5% or more**

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Medium-Term Management Plan (FY2021-FY2023): Growth Strategies and Priority Measures

Basic Concept

Converting to a robust corporate structure and building a foundation for medium- to long-term growth

1 Productivity improvement/Business efficiency improvement

Aim for a robust corporate structure with a select few of highly-skilled employees able to generate profits by improving production processes and increasing operational efficiency through the use of IT

- Improve productivity through the use of outside consultants
- Introduce IT-based sales techniques
- IT infrastructure development such as core system and groupware innovation
- Studying reorganization of production sites through a review of sites
- Develop self-reliant human resources

2 Respond to next-generation vehicles/Sales expansion

Position ourselves as a key supplier to our customers by providing solutions in step with market trends

- Selection and concentration through marketing (special focus on motor- and battery-related products)
- Efforts through a triumvirate of sales/production/R&D divisions
- Proactive introduction of prototypes through material development and other activities

3 Creation of new growth engines

Developing high value-added products that anticipate market needs by offering solutions that create new value for customers

- Integration of marketing and product development departments
- Promote open innovation, such as joint development with universities, outside research institutions, and business partners' development divisions
- Review M&A and business alliances

4 Strengthening of overseas business

Expand overseas sales, particularly in Asia, and stabilize operations of overseas subsidiaries by strengthening management functions

- Develop local human resources, and online sales activities
- Enhance competitiveness in the ASEAN region by increasing productivity and improving technology and skills at overseas production sites (Thailand and Indonesia)
- Expansion of sales offices in China

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Progress of Priority Measures and Initiatives for the Third Quarter Onward (1) Productivity Improvement/Business Efficiency Improvement of Production Divisions

Renovation of Kumamoto Manufacturing Plant

- Renovation and full-scale operation of the metallurgical building at the Kumamoto Manufacturing Plant (Completion ceremony held in November 2023)

New CIP equipment installed at Okayama Manufacturing Plant

- Renewal (upsizing) of CIP equipment* at the Okayama Works and start of full-scale operations (from September 2023)

*When manufacturing cemented carbide tools, this equipment is used in powder metallurgy forming, which involves placing metal powder in a "mold" and compressing it to harden it.

Introduction of Automated Robots

- Automated robots introduced into metallurgical operations at the Koriyama Manufacturing Plant (from July 2023)
  A plan is being worked out for expanding the scope of specifications
- A plan is being worked out for introducing robots to automate the grinding process

Standardization of machining conditions, and layout optimization

- Improving work efficiency by optimizing and standardizing machining conditions
- Changing the layout of each plant to optimize the flow of work lines

Aim to make more products in less time while maintaining high quality

FYE Mar. 2024 target of 4.4% cost-rate reduction (compared to Q2 of FYE Mar. 2020)

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Progress of Priority Measures and Initiatives for the Third Quarter Onward (2) Respond to Next-generation Vehicles/Sales Expansion

Sales declined significantly, mainly because of a change in the production location of rechargeable batteries. We aim to bounce back by increasing sales of materials for motor core molds and by developing new projects for rechargeable battery molds.

Rechargeable batteries

- Significant decrease due to a change in the production location of batteries.
- Remaining domestic demand continues to be buoyant, and we will concentrate efforts on securing orders, including new projects.

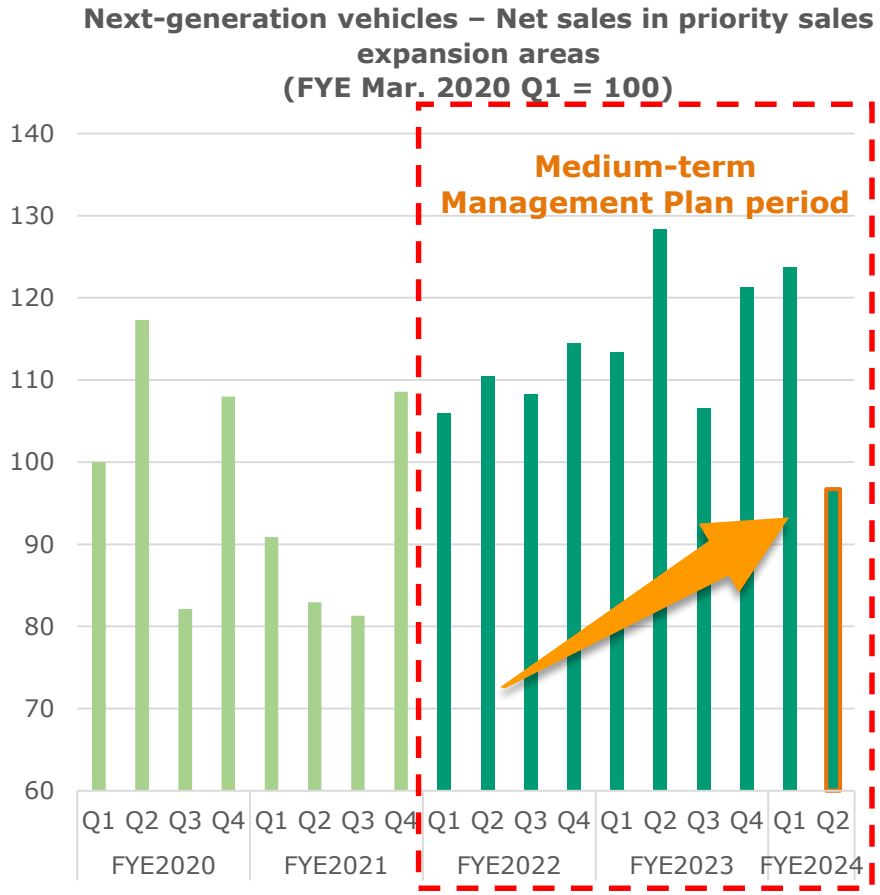
Motor cores

- In the field of electromagnetic steel sheet stamping dies, we developed and launched a new material (VG48) in response to customer requests. Market feedback has been favorable, and the number of customers using the material is increasing.
- By expanding our product lineup, we will provide customers with greater choice when selecting materials for motor core molds, thereby enhancing our competitive edge.
- Continued development of new materials to meet further needs.

Magnets

- Demand for rare earth magnets, especially for automotive use, is increasing, and demand for molds and mold materials remained strong both in Japan and overseas.

In addition to the above, we will aim to increase sales of molds for braking system products, such as regenerative brakes.



Progress of Priority Measures and Initiatives for the Third Quarter Onward (3) Development of New Products and Technologies

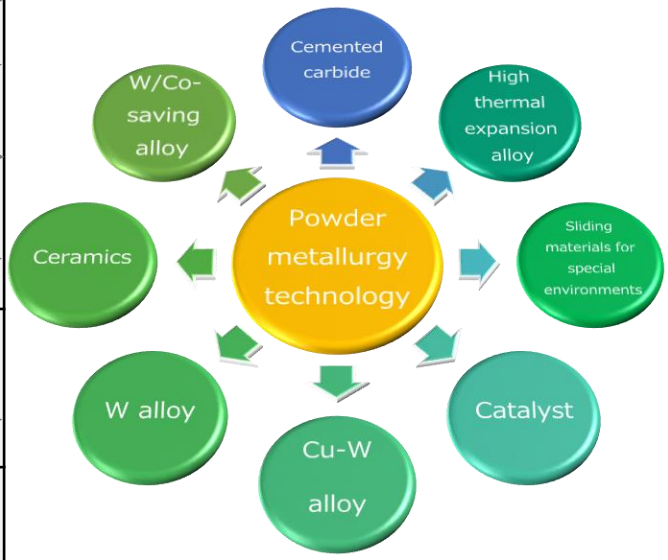
- **Promote development of processing technology for analytical device-forming molds, and development of tungsten- and cobalt-saving alloy**
- **We have shipped prototypes of ST60 in response to inquiries from various sectors, and customers are currently evaluating them**

Field	Overview	State of progress	Sales period (planned) 2022	2023	2024
Medical/ chemical	(1)(2) Molds for forming analytical devices	(1) Binderless alloy (2) High thermal expansion material (TR alloy)			
Environment/ energy	(3)(4) Tungsten- and cobalt-saving alloys (ST60) (5) CO_2 reduction catalyst (6) Hydrogen generation catalyst	(3) Completed material development (Patent filed) (4) Add to lineup (5) Co-develop with third party (Prototype under evaluation) (6) Prototype in preparation			
Optics	(7)(8) Molds for lenses with high thermal expansion (TR alloy)	(7) On sale (8) Available for large diameter products			
Other	(9) Establishment of additive manufacturing technology (3D molding technology applied to cemented carbide)	(9) Product sample prototyping (QCD trial calculation in progress)			

* See p. 43 for an explanation of each term and the background of its development.

* Underlined indicates that open innovation is in progress.

Developing a wide variety of structural and functional materials based on powder metallurgy technology in response to customer needs



Dotted arrows: Prototype/under development

Solid arrows: On sale

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Progress of Priority Measures and Initiatives for the Third Quarter Onward (3) Development of New products and Technologies

Medical/Chemical and Optics

High thermal expansion and lower specific gravity hard alloys (Fujilloy TR05, TR30)

Market launch phases

Start development → On sale

Innovative cermet alloy with high coefficient of thermal expansion and specularity (Patent No. 6049978)

2023 Japan Cutting & Wear-resistant Tool Association Grand Prize for Technological Achievement

(Development of new hard material for high thermal expansion glass molding dies)

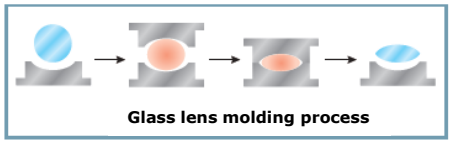
Feature 1 **High coefficient of thermal expansion, twice as high as that of conventional glass, preventing cracking of glass materials during press molding. Improves glass lens production efficiency by 20%**

Feature 2 **Lightweight, with a specific gravity of around half that of conventional cemented carbides**

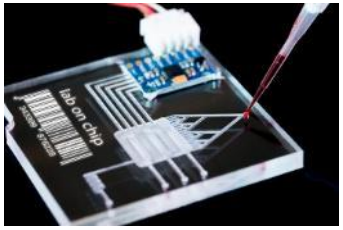
Feature 3 **Rare metals such as tungsten and cobalt are not used, enabling stable procurement**

Applications

Ideal for **molding infrared transmissive lenses with a high coefficient of thermal expansion** and **precision-processed glass products** for the medical field

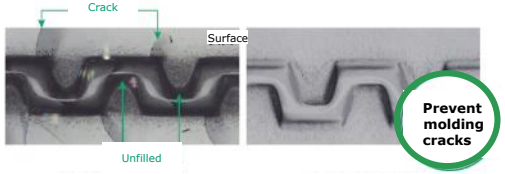


High-performance lenses



Medical devices
Microfluidic chips (glass)

Microchannel after molding



Cemented carbide mold **TTR30 mold**

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Progress of Priority Measures and Initiatives for the Third Quarter Onward (3) Development of New products and Technologies

Environment / Energy

Tungsten- and cobalt-saving alloy - ST60

Market launch phases

Start development → Prototype under evaluation

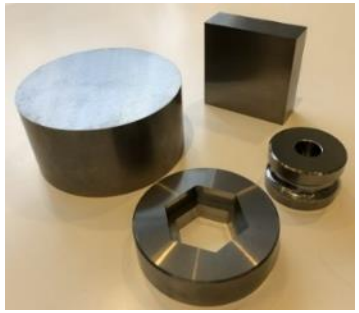
New cermet alloy material that reduces rare metal usage by 90% (Patent-pending)
2023 Cho Monodzukuri Grand Award for Parts - Incentive Award

Feature 1 **Reduces the use of rare metals (tungsten and cobalt) by 90%**

Feature 2 **Half the weight of cemented carbide**

Feature 3 **Lighter than steel, but with a hardness and toughness approaching that of cemented carbide**

Feature 4 **Combining conductive and magnetic properties, it enables EDM equivalent to that of general-purpose cemented carbides.**



Applications

Ideal for preventing wear of steel tools and chipping/cracking of ceramic tools
Expanding into the **field of rotary tools, for which the use of cemented carbide is considered difficult,** by taking advantage of its feature of **weighing only half as much as cemented carbide**

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Progress of Priority Measures and Initiatives for the Third Quarter Onward (3) Development of New Products and Technologies

Establishment of additive manufacturing technology

3D molded carbide

Market launch phases

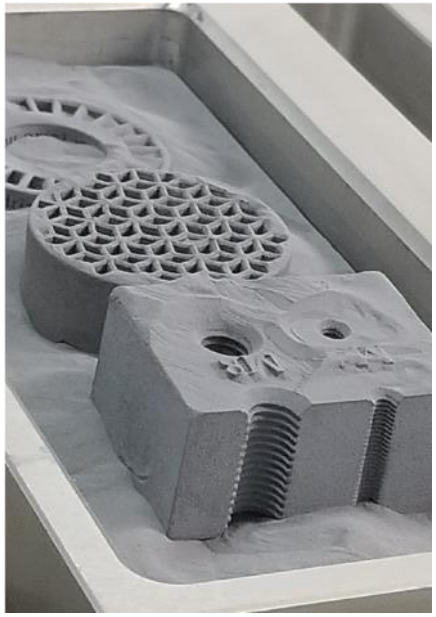
Start development

Prototype under construction

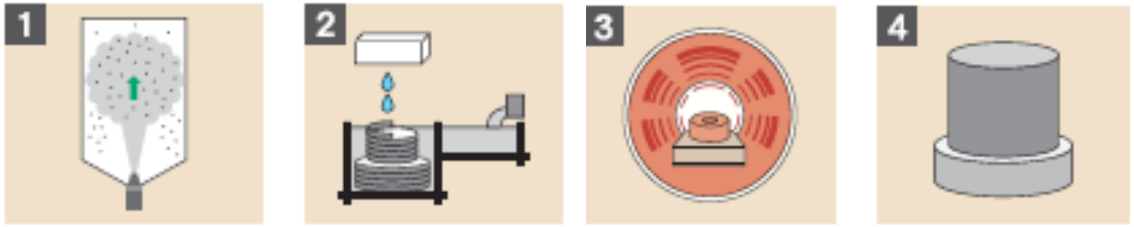
Binder jet laminated molding enables innovative 3D shapes

Feature 1 **Super hardening of molds and parts with previously unfeasible shapes improves wear resistance and lengthens service life**

Feature 2 **Improves powder efficiency and enables process reduction**



Binder jet laminated molding method



1 Preparation of raw powder Mixing, milling and granulation

2 Binder jet laminated molding

3 Vacuum sintering + HIP treatment (for indirect molding methods)

4 Sintered materials

Examples of laminated molding

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Progress of Priority Measures and Initiatives for the Third Quarter and Beyond (4) Overseas Business Development

Reorganized into the Overseas Business Division on July 1, 2023, to create a flexible structure for implementing measures

Aim to increase sales through both overseas subsidiaries and direct exports from Japan

India

Increasing orders mainly from automotive parts manufacturers

Response

●Market currently being re-examined to restart operations

China

Decrease in orders from major electronic semiconductor-related manufacturers mainly due to slowdown in economic growth

Response

● Establish a branch in Dongguan within the fiscal year to reinforce sales expansion in South China

● Expand sales to EV-related parts and materials manufacturers with potentially large demand

North America

Increased orders due to strong performance of certain customers

Response

● Strengthen new business activities to capture potential demand

●Currently conducting market research with a view to establishing a local subsidiary

Fuji Die Trading (Shanghai)

Fujilloy Thailand

Fujilloy Malaysia

Fujilloy Indonesia

Overseas Business Division

ASEAN

Orders from major automotive parts and semiconductor-related parts and materials manufacturers are on a slight downward trend because of production adjustments, and other factors

Response

● Explore and cultivate major automotive parts and semiconductor-related manufacturers

● Develop markets for EV-related parts and materials manufacturers and other unexplored sectors

● Enhance competitiveness and profitability by raising productivity at Thai and Indonesian plants

Target overseas sales ratio for FYE Mar. 2024: 20%

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ESG Initiatives

In accordance with our corporate philosophy of "contributing to society widely through our business and nurturing happy people," our Group conducts corporate governance and various activities to realize a sustainable society. This includes reducing our environmental impact and coexisting with local communities, in line with our newly formulated and disclosed Basic Sustainability Policy.

Environment

- Establishment of a Sustainability Committee
- Improved disclosure of information (responses to CDP, TCFD disclosure)
- Provision of environmentally conscious products (7 types of products certified as environmentally conscious by the Japan Cutting & Wear-resistant Tool Association)
- Switch to environmentally friendly products (FSC certified paper, vegetable inks, etc.)
- Switch to eco-cars for company vehicles (60% already switched as of March 2022)
- Maintain and continue compliance with environmental laws and regulations (wastewater, emissions, noise, waste, chemical substances, etc.)
- Fujilloy Thailand won CSR-DIW Award (for tree-planting, volunteer activities, and supporting employment of low-income individuals)
- Development of tungsten- and cobalt-saving alloys

Fujilloy Thailand winning CSR-DIW Award

Fujilloy Thailand's tree-planting activities

Fujilloy Thailand supporting employment of low-income individuals

ESG Initiatives

Social

- Coexistence with local communities (continuing blood donation activities, the Ota Open Factory event, educational presentations at elementary schools)
- Donations and consolation visits to welfare facilities
- Continuous improvement of customer satisfaction through quality management system certification (ISO9001 certification in November 2002 and continued registration)
- Improving environment for employment of persons with disabilities (growing vegetables through farms employing people with disabilities)

Governance

- Formulation and publicizing of corporate philosophy, cherished values, and long-term vision
- Compliance and risk management measures (holding meetings once every two months to discuss measures, such as those for COVID-19)
- Timely updating and disclosure of corporate governance reports
- Formulation and regular review of Business Continuity Plan (BCP)
- Establishment of a Nomination and Compensation Committee
- Appointing at least one-third of independent outside directors
- Introduction of restricted stock compensation plan (for internal directors)

Educational presentation at an elementary school

Certificate of Appreciation from the Governor of Okayama Prefecture for blood donation activities

Harvesting vegetables at a farm

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Growth Strategy of the Medium-term Management Plan

Promoting Priority Measures	Strengthening Management Foundation
Converting to a robust corporate structure Building a foundation for medium- to long-term growth **(1) Productivity improvement/ business efficiency improvement** **(2) Respond to next-generation vehicles/sales expansion** **(3) Creation of new growth engines** **(4) Strengthening of overseas business**	• **Improve capital efficiency based on a sound financial foundation** • **Promote corporate governance and activities in line with the Basic Sustainability Policy** • **Strengthen corporate governance**

Aim for sustainable improvement of ROE and PBR

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05

APPENDIX

FUJILLOY

Company Profile (As of March 2023)

Trade name	Fuji Die Co., Ltd.
Location	2-17-10, Shimomaruko, Ohta-ku, Tokyo
Capital	164 million yen
Representative	Tsuneyuki Kuboi, Representative Director and President
Founded	June 1949
Business Activities	Manufacture and sale of wear-resistant tools and molds made of cemented carbide
Consolidated subsidiaries	SHINWA DIE CO., LTD. FUJI SHAFT CO., LTD. FUJILLOY (THAILAND) CO., LTD. FUJI DIE TRADING (SHANGHAI) CO., LTD. PT. FUJILLOY INDONESIA FUJILLOY INDIA PRIVATE LIMITED FUJILLOY MALAYSIA SDN. BHD.
Number of Employees	1,118 (as of March 31, 2023; including employees of consolidated subsidiaries)

Fuji Die's Corporate Philosophy, Cherished Values, and Long-term Vision

Corporate Philosophy

- Contributing broadly to society and creating happiness for people
- Respect for people, and management that is human-centered

Basic Mindset (Our Cherished Values)

- Thankfulness
- Harmony
- Creation and innovation
- Integrity
- Simplicity and fortitude

Long-term Vision

1. To be the world's leading manufacturing company
2. To be a group of companies and business people with integrity

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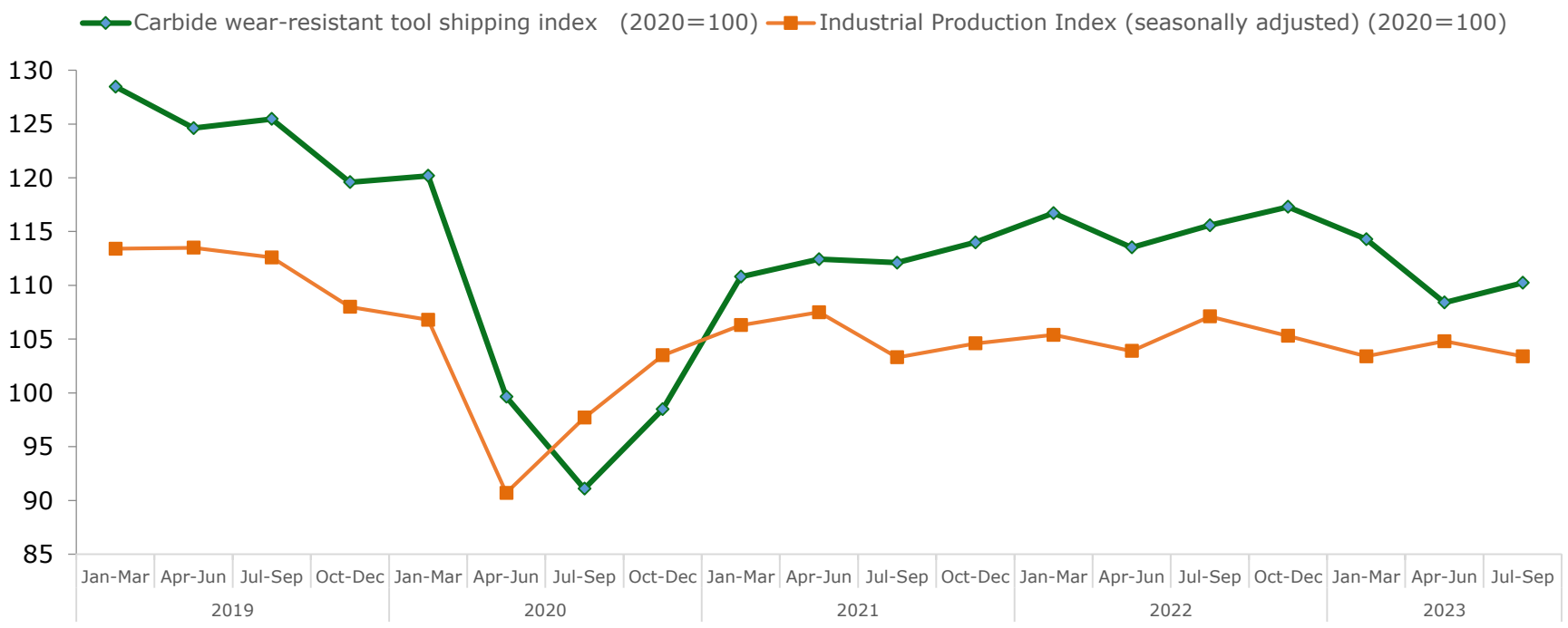
Industrial Production Index and Shipments of Carbide Wear-Resistant Tools

Although recovering as compared to FY2020, both indices have not yet returned to pre-COVID levels.

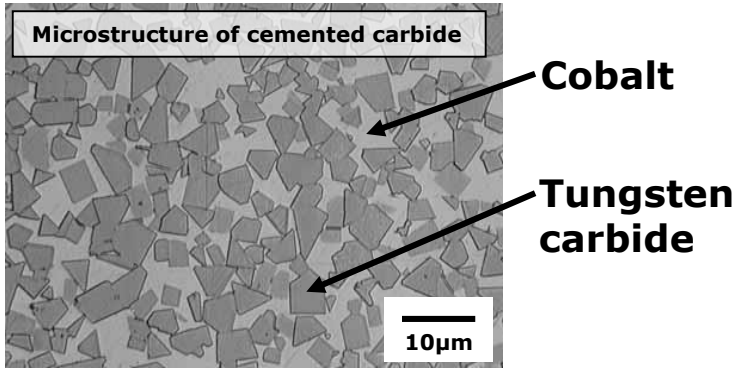
Industrial Production and Shipments of Carbide Wear-Resistant Tools - Index Trends

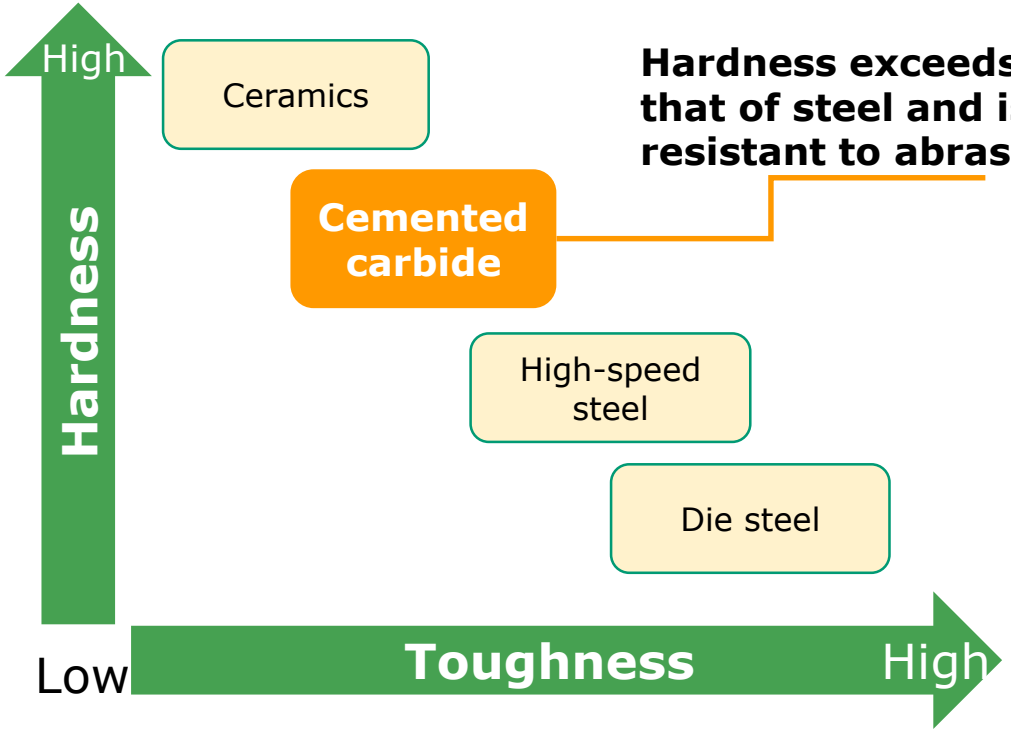


Source: "Carbide Tool Statistics," Japan Cutting & Wear-resistant Tool Association
"Indices of Industrial Production," Ministry of Economy, Trade and Industry

What is Cemented Carbide?

- **Metallic materials** combining **hard carbides** such as tungsten carbide and **metals** such as cobalt
- Boasts a **hardness** surpassing stainless steel and iron, and has excellent **compressive strength** and **abrasion resistance**
- **Resistant to deformation**, so suitable as a **material for molds and tools** requiring high precision
- Manufactured by the **powder metallurgy method**, whereby metal powder is placed in a mold to be compressed and formed, and then sintered for long hours at a temperature below melting point to solidify it





Examples of Typical Products

Tools for drawing, extruding, and rolling processes

Used in transportation machinery, construction materials, infrastructure-related facilities, etc.

Our products

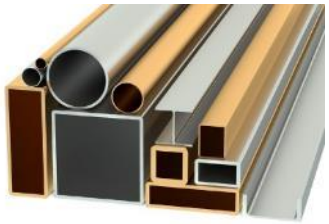
Dies and plugs

Rolls

Molding components

Pipes

Wires



Deformed pipes

End product examples

Tires, air conditioners, railroad overhead wires, etc.

Infrastructure facilities

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Examples of Typical Products

Tools and dies for manufacturing beverage and food cans

Dies for making beverage cans for alcoholic beverages, soft drinks, etc.

Molds for manufacturing optical elements

Molds to produce lenses for single-lens reflex, telecommunications, and surveillance cameras

Our products

Canning tools

End product examples

Beverage and food cans

Our products

Mold parts for optical elements

End product examples

Cell-phone lenses

Camera lenses

Surveillance cameras

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Examples of Typical Products

Forging tools and molds

Molds for making parts for motorcycles, automobiles, various manufacturing machines, etc.

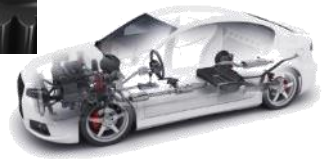
High-pressure tools

Tools used to manufacture artificial diamonds, develop new materials, and study the Earth's internal environment

Our products

Forging tools

End product examples



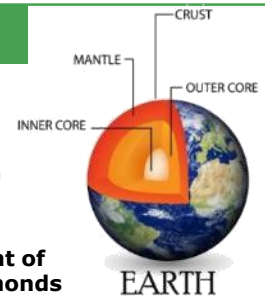
Parts for automobiles and various machines

Our products

High-pressure tools

End product examples

Development of artificial diamonds and new materials



Geophysical research

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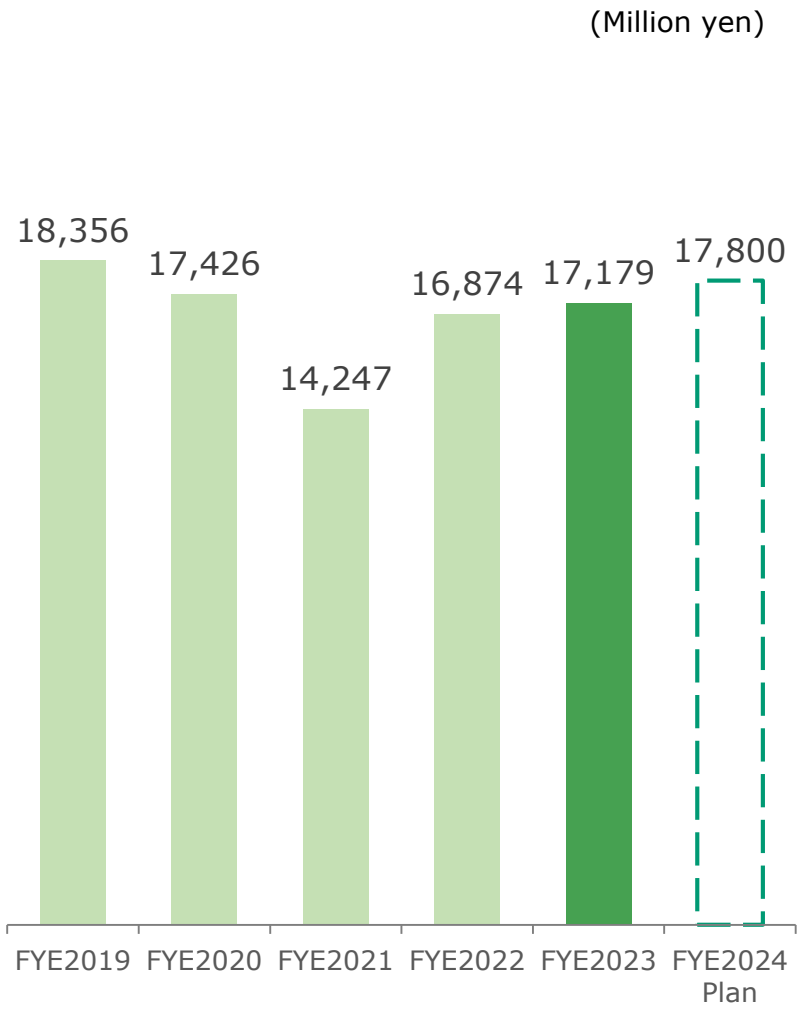
Explanation of Terminology Related to New Product Development and New Technology Development and Background of Development

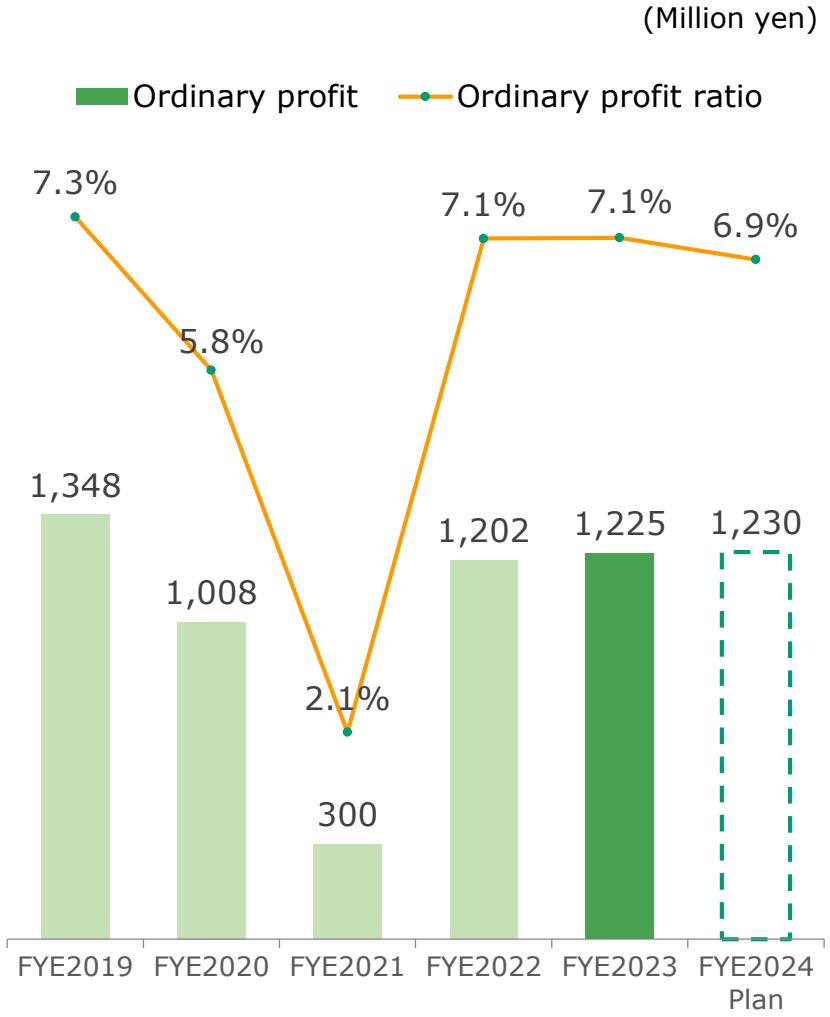
Field	Developed products and technologies	Explanation	Background of development
Medical/ chemicals	・What is an analytical device?	A chip-type functional component with microscopic channels formed on a substrate such as resin or glass. They can freely mix and divide liquids and other things, and are used for analysis and other purposes.	Steel molds are often used to form devices, but wear resistance is a challenge when producing chemical-resistant glass devices. We are conducting R&D to solve the above issues by utilizing ultra-precision machining technology and alloy materials with high wear resistance suitable for glass molding.
	・What is a mold for forming analytical devices?	A mold for forming analytical devices.	
Environment/ energy	・What is a catalyst for reducing CO_2 emissions?	A catalyst that activates a reaction to reduce carbon dioxide to raw materials for synthetic fuels and resins.	Since our core powder metallurgy technology can be applied to synthesize catalysts, we are also conducting R&D on this technology to realize a carbon-neutral society.
	・What is a hydrogen generating catalyst?	A catalyst that electrolyzes water and activates hydrogen generation. Currently, platinum and iridium are chiefly used, but there are concerns about their high cost and short supply.	
	・What is a tungsten- and cobalt-saving alloy?	Highly wear-resistant alloy with almost no tungsten or cobalt. Lighter than cemented carbide.	Given that tungsten and cobalt are scarce resources and unevenly distributed in some regions such as China, we developed this product to mitigate procurement risks and acquire new markets by taking advantage of its light weight.
Optics	・What is a TR alloy?	A highly wear-resistant alloy with a coefficient of thermal expansion adjusted for glass materials.	Developed to prevent damage to glass materials caused by differences in thermal expansion coefficients when molding glass materials.
Other	・What is additive manufacturing (3D printing)?	A method of creating various shapes by laminating layers.	Development is underway to greatly increase powder yield by eliminating the need for machining, and to raise efficiency through unmanned operations.

Financial Results 1/3

Net sales

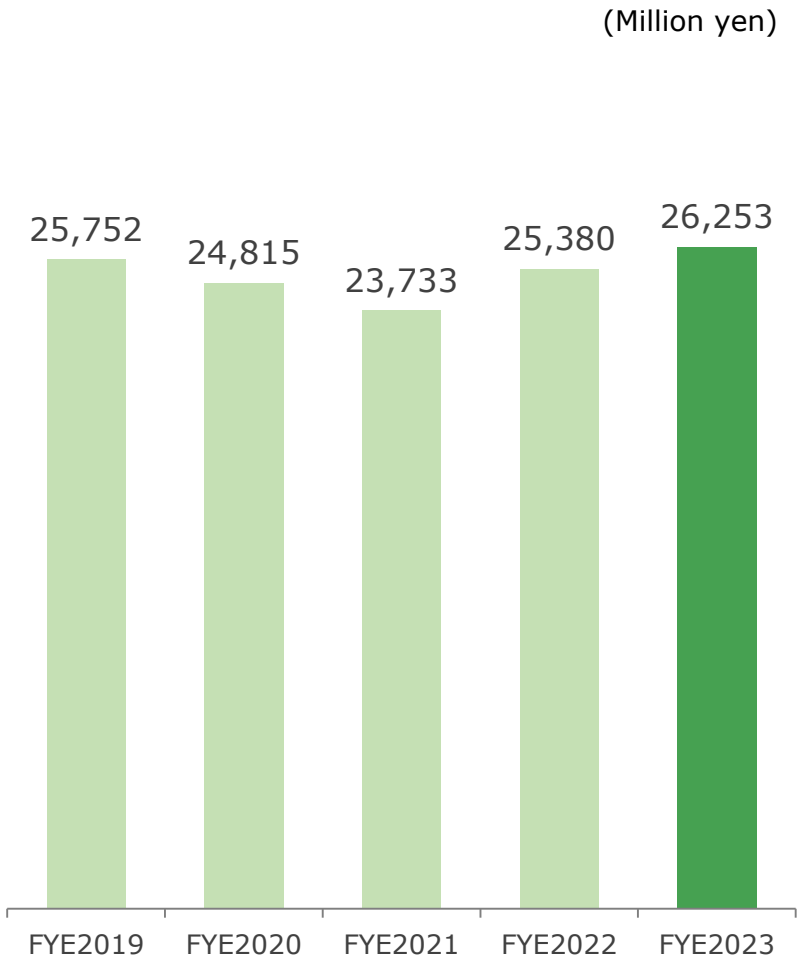


Ordinary profit

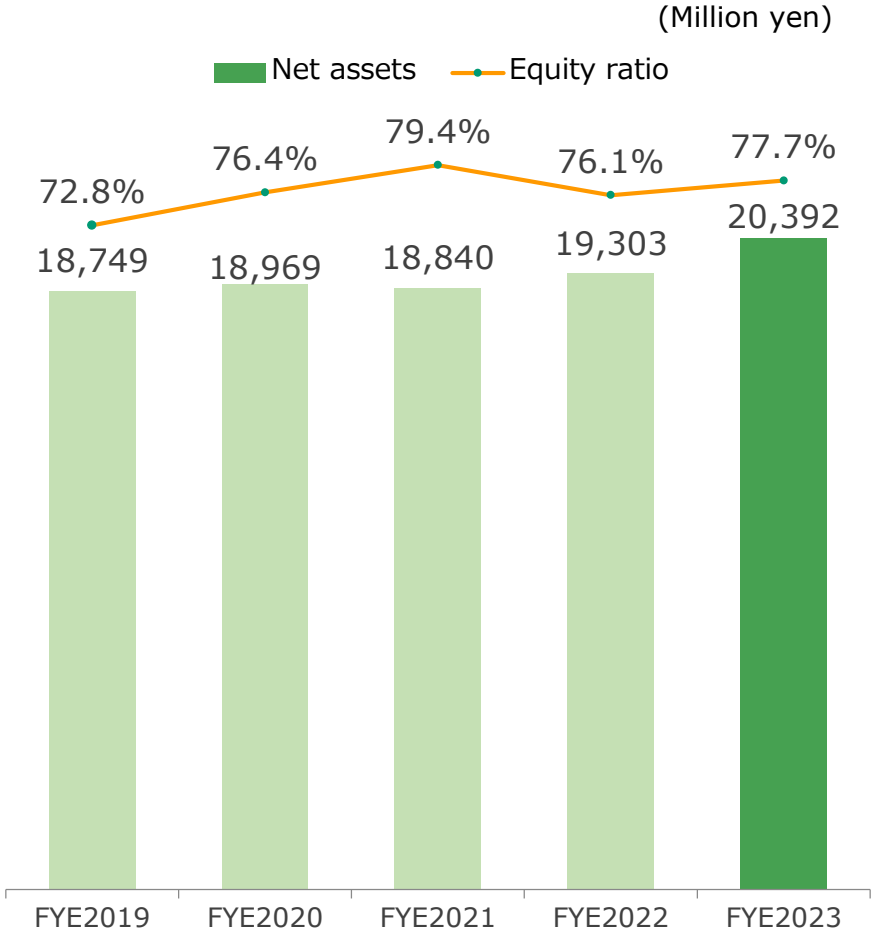


Financial Results 2/3

Total assets

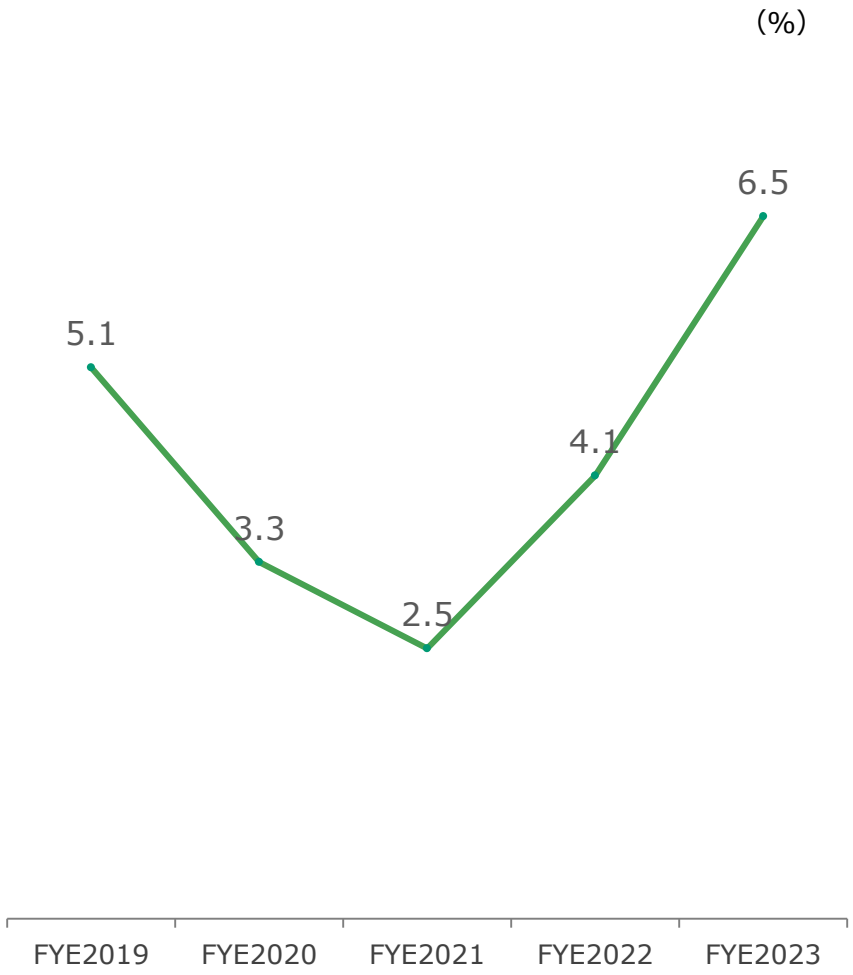


Net assets

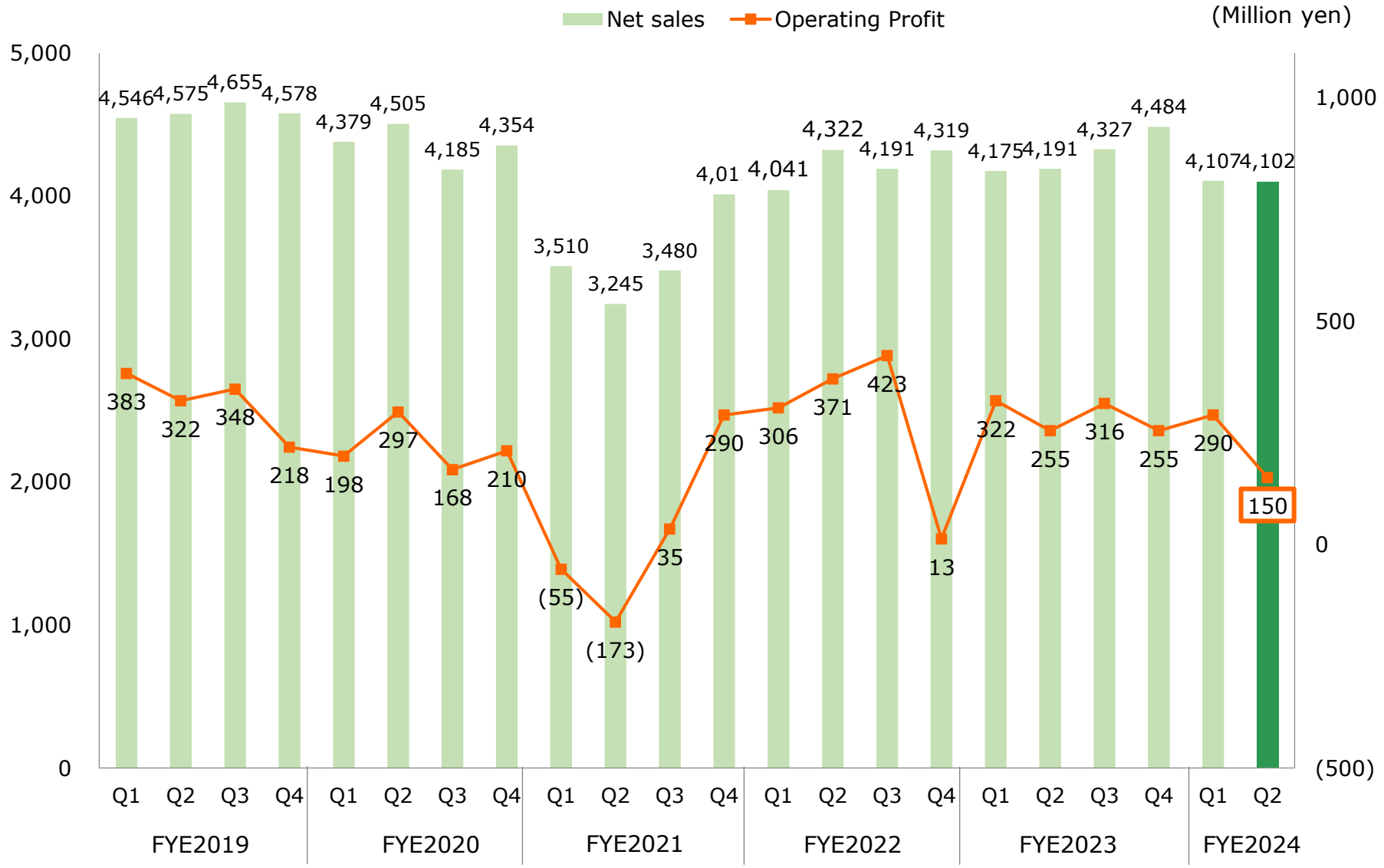


Financial Results 3/3

ROE



Consolidated Quarterly Financial Results



Disclaimer

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