

CFO MESSAGE

Aiming for Sustainable Enhancement of Corporate Value by Improving Profitability and Capital Efficiency

Junichi Kano

Board Member,
Executive Vice
President,
CFO & CHRO
General Manager,
Corporate Operations
Division



Overview of FY2026 results

Consolidated net sales rose 41.8% year on year to a record high of 180,642 million yen mainly due to a significant increase in equipment demand related to AI servers and semiconductors in Robotic Solutions.

Operating profit also reached a record high of 29,282 million yen while the operating profit ratio reached 16.2%, an improvement of 5.4 points year on year. These results reflected not only higher sales volume, but also greater absorption of fixed costs due to improved capacity utilization and an improvement in unit selling prices as the sales mix shifted toward the new NXTR.

Meanwhile, there was increased uncertainty over the earnings capacity originally anticipated at Fastord Technology Co., Ltd., which became a group company in August 2018, due to factors including significant fluctuations in the business environment and changes in the competitive environment. This led us to recognize an impairment loss* of 9,691 million yen on goodwill and other assets related to the company and record it as an extraordinary loss. As a result, profit attributable to owners of parent was 15,733 million yen, falling below the FY2026 target for the period.

* With respect to goodwill and intangible fixed assets arising from the acquisition of Fastord Technology Co., Ltd., we reviewed future cash flows in light of semiconductor market volatility and changes in the competitive environment. Based on a business plan using net sales and the marginal profit ratio as key assumptions, this review resulted in the recognition of an impairment loss of 9,691 million yen, comprising 7,135 million yen of goodwill and 2,556 million yen of intangible fixed assets arising from the acquisition.

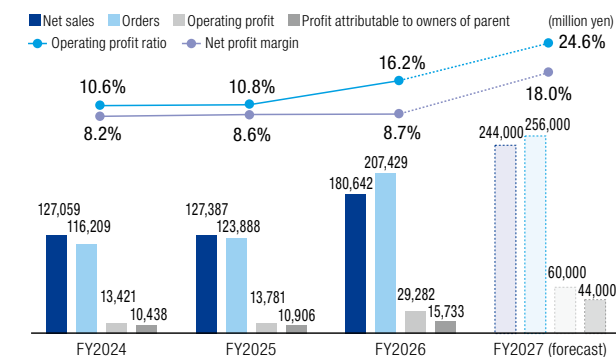
FY2027 earnings forecast

For FY2027, based on expectations that strong demand related to AI servers and semiconductors will continue from the previous fiscal year, we are targeting consolidated net sales of 244 billion yen, which would result in an increase of 63.357 billion yen year on year if achieved.

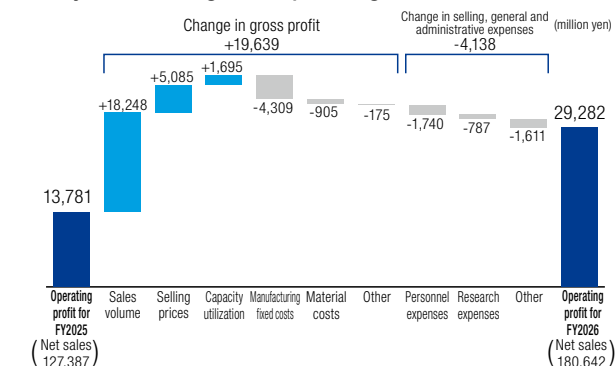
We also expect operating profit to reach 60 billion yen, an increase of 30.717 billion yen from the previous fiscal year. This outlook incorporates improved production efficiency from consolidating the previous parallel

production of the NXT III and NXTR into production of the NXTR alone from the current fiscal year, as well as improved profitability accompanying the recovery trend in the North American market. At the same time, we have factored in a certain level of cost increases, including higher raw material prices due to the impact of conditions in the Middle East and other factors. These performance targets would all represent unprecedented highs for Fuji. To achieve these targets, our engineering, manufacturing, and sales functions are working together as one, with the entire company united in its efforts.

Net Sales, Orders, Operating Profit, and Net Profit



Analysis of Changes in Operating Profit



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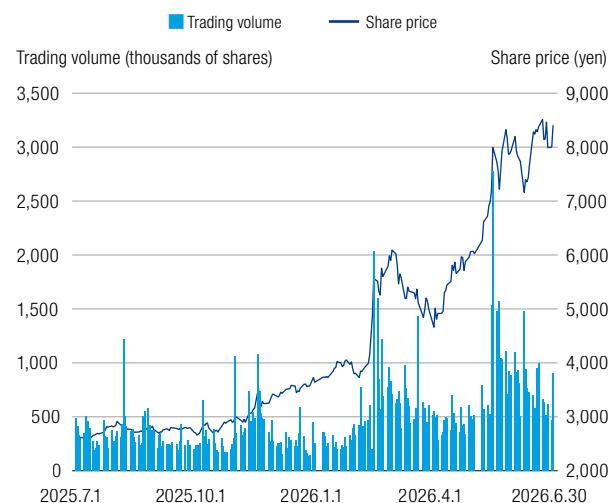
Recent share price performance

Fuji's share price remained weak at around 2,500 yen through the middle of 2025, but began to show signs of bottoming out in 2026 and, particularly since spring 2026, has shifted to a clear upward trend.

We believe this reflects growing recognition of Fuji as a company operating in growth fields such as semiconductor capital investment and AI-related markets, and the capital market's evaluation of our proactive efforts to strengthen our medium- to long-term growth foundation. These efforts include continued R&D investment and construction of new factories, as well as the results of management that has remained conscious of improving our share price and P/B ratio.

Going forward, maintaining the current share-price level and achieving further gains will require stronger overall management capabilities, including business growth, further improvements in capital efficiency, and continued constructive dialogue with the capital markets.

Share Price Performance over the Past Year



Cost of shareholders' equity

Fuji has long pursued management with an awareness of capital efficiency. At its core, we seek to reduce the cost of shareholders' equity and improve return on equity (ROE), with the aim of achieving ROE above the cost of shareholders' equity.

We estimate Fuji's cost of shareholders' equity for the current fiscal year at approximately 9% to 10%, based on the Capital Asset Pricing Model (CAPM). Recently, risk-free rates, as represented by Japanese government bond yields, have been trending upward, creating a certain degree of upward pressure on the cost of shareholders' equity as well. Given the high demand volatility characteristic of our core SMT pick and place machine business, we will work to restrain the beta (β), a component of the cost of shareholders' equity, by establishing a stable earnings base and strengthening our risk management framework.



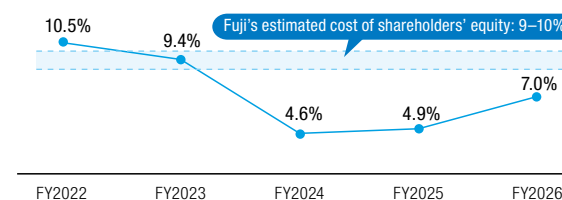
ROE

Fuji's ROE declined to 4.6% in FY2024. Under the Mid-term Business Plan 2026, we positioned improvement in profitability as our highest-priority issue and set a target of restoring ROE to 10% in FY2027, the final year of the Plan.

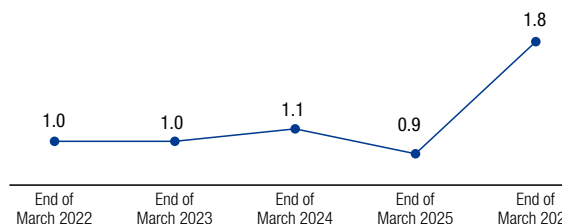
Progress has been steady: ROE recovered to 4.9% in FY2025, the first year of the Plan, and to 7% in FY2026. In FY2027, the final year of the Plan, we aim to achieve an ROE of 11%.

Further strengthening earnings capacity through our business activities is essential to improving ROE. At the same time, we recognize the importance of thoroughly emphasizing the "quality" of operations, including profitability and capital efficiency, rather than simply expanding scale. We will also review and reduce low-return assets and reallocate assets to fields expected to generate higher returns, thereby improving capital efficiency.

ROE



P/B Ratio



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Operating cash flow

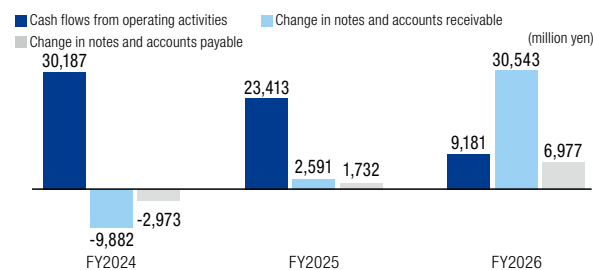
We recognize that the recent trend in operating cash flow is one area of concern from investors' perspective. Operating cash flow declined significantly from 30.1 billion yen in FY2024 to 23.4 billion yen in FY2025 and further to 9.1 billion yen in FY2026.

Our SMT business is characterized by a multi-step CCC (Cash Conversion Cycle): Parts procurement → Production → Order Receipt → Shipment → Customer acceptance → Payment collection. In addition, lead time from order receipt to shipment is a critical factor in whether orders are won, and the market strongly requires a structure capable of supplying products quickly.

Given these business characteristics, expanding market share and sales requires us to hold a certain level of finished-goods inventory and strengthen our ability to respond to sudden customer demand. In recent years expanding global semiconductor-related demand and heightened geopolitical risks have increasingly caused instability in the procurement of necessary parts and materials. Accordingly, we are securing parts and materials further in advance than before. In addition to the continuing increase in accounts payable accompanying expanded procurement, accounts receivable have increased due to sales growth in response to the rapid rise in demand, resulting in lower operating cash flow.

On the other hand, most accounts receivable are from customers with whom we have long-term business relationships, and collection is progressing steadily. We recognize that the recent decline in operating cash flow is mainly attributable

Operating Cash Flow and Changes in Accounts Receivable and Accounts Payable



to a temporary increase in working capital during a phase of business expansion and is not a structural issue.

Cash allocation

Total cash inflows over the three years from FY2025 through FY2027 are expected to be 125 billion yen, approximately 5 billion yen above the initial target of 120 billion yen. Although improvement in the CCC has remained gradual due to the increase in accounts receivable, this increase in cash inflows reflects higher operating cash flow resulting from the upward revision of our earnings forecast.

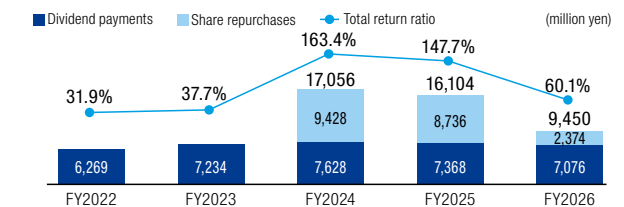
Furthermore, we are conducting a review of the cash outflows associated with our planned uses of funds. First, our basic shareholder return policy remains unchanged at a dividend payout ratio of at least 50% and an annual dividend of at least 80 yen per share. Dividend increases accompanying

stronger business performance are expected to raise total dividends during the Mid-term Business Plan period from the initially planned 24 billion yen to 27 billion yen.

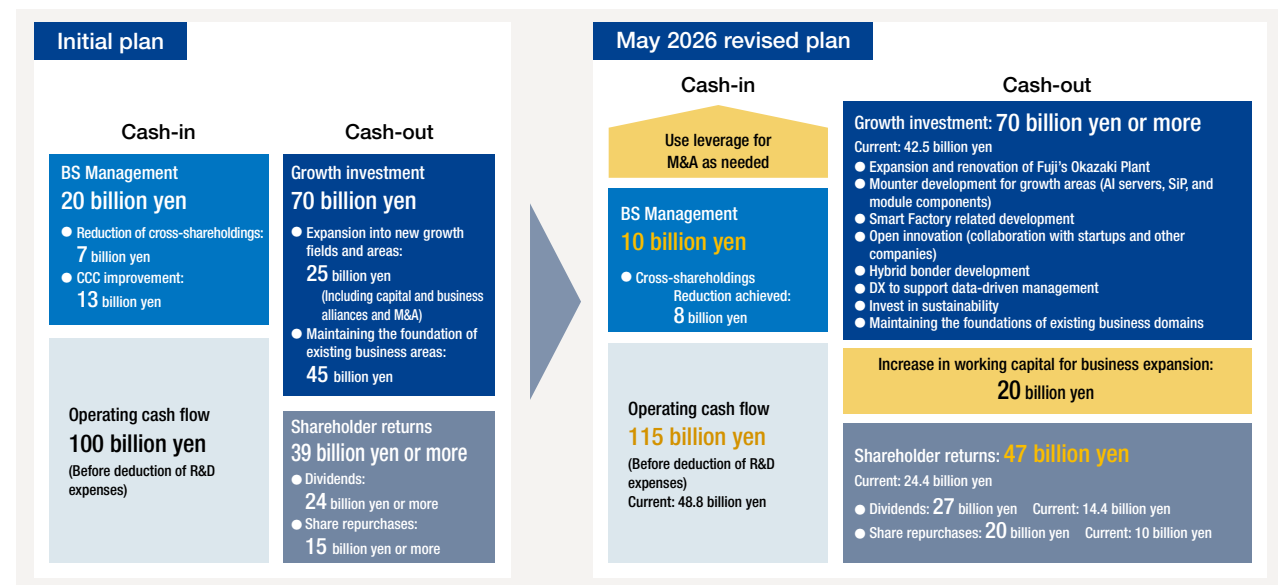
With regard to share repurchases, we had already repurchased 10 billion yen through FY2026 and intend to flexibly carry out repurchases of an equivalent scale during the remaining plan period. Together, these measures are expected to bring total shareholder returns to approximately 47 billion yen.

In regard to growth investment, we have already invested in the

Shareholder Returns



Cash Allocation



CFO Message

expansion and renovation of our main Okazaki Plant and in product development in existing business fields. Going forward, we will continue investing in areas that contribute to future growth, including construction of automated production lines at the plant, renewal of our core systems, and construction of new office buildings at overseas subsidiaries. In addition, in anticipation of expanding the scale of our business to respond to rapid market growth, we plan an increase of approximately 20 billion yen in working capital.

We continue to consider M&A opportunities, provided that they contribute to enhancing corporate value. When executing such transactions, in addition to



utilizing cash on hand, we intend to use flexible financing methods, including debt financing as necessary to appropriately employ financial leverage.

Cross-shareholdings

We regard the reduction of cross-shareholdings as one of Fuji's important management issues.

Since the start of the current Mid-term Business Plan, we have steadily reduced cross-shareholdings, with a reduction of approximately 4.8 billion yen on a market-value basis as of the end of March 2026, two years after the plan was launched. As a result, cross-shareholdings as a percentage of consolidated net assets have declined to 8.1%.

In FY2027, the final year of the Mid-term Business Plan, we will continue steadily working toward our final target of a 30% reduction from FY2024 levels, equivalent to a reduction of 7 billion yen on a market-value basis.

Capital policy

Because Fuji operates in an industry that is susceptible to economic fluctuations, we recognize that our balance sheet has been maintained at a relatively defensive level, and we have long worked to optimize capital in order to improve capital efficiency. As a result, our equity ratio, which exceeded 90% at the end of March 2024, declined in stages to 89.5% by the end of March 2025 and 83.5% by the end of March 2026. However, we recognize that there remains room for improvement from the perspective of capital efficiency.

Going forward, as described above, we will continue reviewing and reducing low-return assets while strengthening shareholder returns and taking other measures to optimize our balance sheet and further improve capital efficiency.

Status of Cross-shareholdings

		End of March 2022	End of March 2023	End of March 2024	End of March 2025	End of March 2026
Number of issues (stocks)	Listed	29	26	25	23	20
	Unlisted	6	6	6	6	6
	Total	35	32	31	29	26
Balance sheet amount (million yen)	Listed	18,458	17,784	23,588	17,878	18,762
	Unlisted	35	35	35	35	35
	Total	18,493	17,820	23,623	17,914	18,797
Net assets (million yen)		208,782	225,104	228,278	218,682	232,454
Ratio of cross-shareholdings to net assets		8.9%	7.9%	10.3%	8.2%	8.1%
Total amount of sale proceeds related to decreases in shareholdings (million yen)		3,290	2,079	446	3,130	4,930

DX Strategy

Driving Company-wide Optimization through DX

— Corporate Transformation and Talent Development through Digital Utilization —

Hiroshi Murakami

Senior Executive Officer
CDO
General Manager, DX Division



Fuji's Digital Transformation (DX) Strategy is an important foundation supporting the realization of our management strategy. We actively use digital technologies and data with the aim of strengthening business competitiveness and sustainably enhancing corporate value. What Fuji seeks is not mere digitalization, but an organization in which each employee views issues as their own, transcends the boundaries of departments and sites, and can make decisions and take action quickly from a company-wide perspective. By leveraging digital technologies, we are transforming Fuji into an agile company that can respond flexibly to change. Since FY2025, Fuji has been certified under the Digital Transformation Certification Program of the Ministry of Economy, Trade and Industry.



Basic policy for DX strategy

Based on Fuji's materialities, we are promoting DX from both the perspectives of business growth and strengthening our management foundation. Our four priority areas are the supply chain, global collaboration, human resource development, and security. By advancing initiatives in these areas not as isolated measures but in the form of an integrated effort across data utilization, business-process reform, and talent development, the company is strengthening customer value, improving profitability, and enhancing organizational resilience.

Strengthening the supply chain

We are digitally linking processes from orders and demand forecasting through procurement, production, inventory, and logistics while increasing visibility across the entire supply chain. By identifying demand fluctuations and supply risks at an early stage, we aim to improve production efficiency, delivery responsiveness, and profitability. We are also undertaking a complete renewal of our core systems and will fully accelerate DX aimed at optimizing the entire supply chain.

Strengthening global collaboration

We are advancing the use of Salesforce across overseas sites, distributors, and subsidiaries to build a globally consistent customer response framework. By integrating sales-related and service information into a common global data platform, we have created an environment that enables rapid progress from situational awareness to decision-making through visualization and analysis of sales and service activities. Compared with FY2025, the number of users at overseas sites, distributors, and subsidiaries increased by 8% in FY2026 while the volume of registered data increased approximately sixfold, demonstrating steady progress in utilization. In FY2026, we added eight AI functions and further strengthened mechanisms for continuously utilizing accumulated data. This is improving the accuracy and speed of proposals tailored to each customer's needs, enhancing customer value and strengthening the foundation for growth in our global business.

Strengthening digital talent development

To link DX to continuous enhancement of corporate value, it is essential to develop talent who can use digital technologies in the workplace and independently execute business transformation. Fuji has established Gyokakujyuku, a digital talent development program where employees can systematically learn robotic process automation (RPA), AI utilization, data utilization, Microsoft 365, and other skills, with the DX Department providing practical training. Gyokakujyuku enters its fourth year in FY2027. Centered on RPA, which accounts for approximately 80% of the improvement in work efficiency, the program added courses on AI utilization in FY2026.

We have also established a certification system based on digital skill levels and an incentive program that encourages employees to apply acquired technologies to actual work improvements, supporting their growth and willingness to take on challenges.

We track educational outcomes using three indicators: hours saved through operational improvements, number of certified digital talents, and number of employees completing training. In FY2026, the use of digital technologies produced 2,783 hours of annual work improvement, demonstrating that learning outcomes are being applied to actual operational improvements.

FY2026 Results

1) Annual work hours saved through the use of digital technologies		2,783 hours
2) Number of digital skill level certifications		108
Skill level	Definition	Number of certification holders
Master	Can educate beginners	10
Advanced	Can use effectively in work	12
Beginner	Possesses basic digital-related knowledge	86
3) Number of people who have completed digital education courses		
Skill		
Statistics		482
Python		179
RPA		76
Microsoft 365		42
Excel data utilization		351

DX Strategy

Strengthening of security

We are also continuing to strengthen our information security management framework as a foundation supporting DX. Under the supervision of the Board of Directors, we established the Cybersecurity Committee in 2024 and are promoting the standardization of security rules throughout Fuji Group. At the same time, we continue to implement multifaceted measures, including establishing security guidelines and providing education to all employees, evaluating risks using an external security rating service (A rating as of April 2026), building an incident response framework, and regularly checking compliance with rules using checklists. In August 2025, the DX Department also obtained ISO/IEC 27001:2022 certification for its information security management system from GCERTI.

DX framework

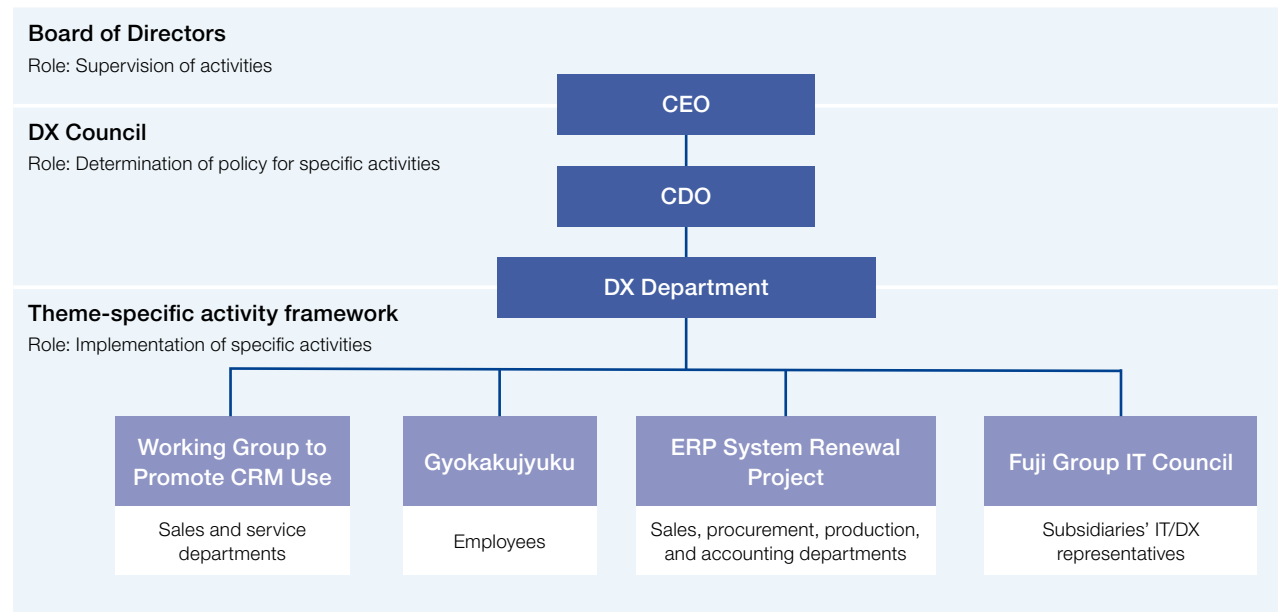
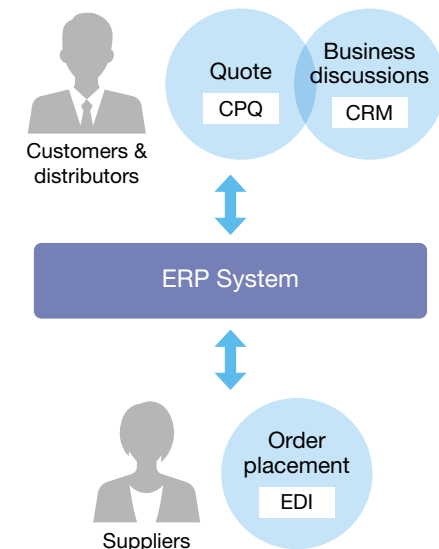
Under the supervision of the Board of Directors, the CDO, DX Department, and business divisions collaborate to promote DX activities by theme, each directly linked to management issues. Each theme is established based on management and business issues. The DX Department is responsible for company-wide standardization, progress management, and support for each business division, while the business divisions drive implementation in the workplace and creation of tangible benefits. We are currently working on digitalization in factories and digital utilization across the supply chain and engineering chain. We are also advancing a core system renewal project to further strengthen the supply chain.

Creation of an environment for DX

As a part of our IT investments related to strengthening our supply chain and group management, we are making the transition to cloud-based systems. We use the number of cloud services adopted as a metric for evaluating our progress toward this goal. To date, we have adopted and put into use 24 cloud services.

Linking our cloud-based CRM (Customer Relationship Management), EDI, and CPQ (for estimating complex product configurations) with our core systems, we accelerate information sharing and quotation work with customers, suppliers, distributors, and subsidiaries. Furthermore, by renewing our PLM (Product Lifecycle Management) system, we strengthened our information management platform that uses BOM (Bill of Materials) data. We are promoting DX across the engineering chain, reducing the work time required for BOM editing by approximately 15% and reducing missed parts arrangements by approximately 90%.

DX Framework



Core Technology Development and Intellectual Property Strategy

Core Technology Development and Intellectual Property Strategy

— Value Creation Strategy through Technology and Intellectual Property —

Masatoshi Fujita

Senior Executive Officer
General Manager,
Development Center



Value creation by integrating technology and intellectual property

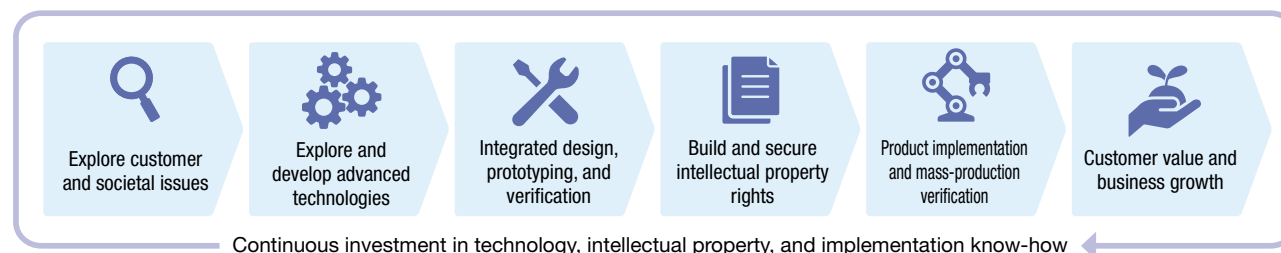
Fuji has established the Intellectual Property Department within the Development Center, creating a structure that integrates technology development and intellectual property strategy. As market and customer issues become more sophisticated and diverse, I believe the source of competitive advantage lies not merely in possessing technology, but in the ability to continuously convert it into customer value.

Through dialogue with customers and the collection and analysis of equipment operating data, we continuously identify new market issues and future needs. In response to these issues, we pursue an integrated process from exploration of fundamental technologies and R&D through integrated design, acquisition of intellectual property, and implementation in products.

The Development Center leads the development of fundamental technologies, deepening core technologies that are the source of product

competitiveness, including high speed and high precision. We also actively incorporate the latest global technology trends while working to utilize AI and digital technologies. In recent years, we have also been promoting the use of the IP landscape to apply intellectual property data, including patent information, to decision-making in technology development. By combining our core technologies with intellectual property information, we are improving the accuracy of decisions on development themes and problem solving while also generating cases in which development speed has been increased. The intellectual property department participates from the initial stages of fundamental technology development and integrated design, assessing technological advantages, utilizing intellectual property information, and building our intellectual property portfolio.

Through this integrated management of technology development and intellectual property activities, Fuji is increasing the certainty of commercializing R&D results and building a mechanism for linking technologies to the value provided to customers.



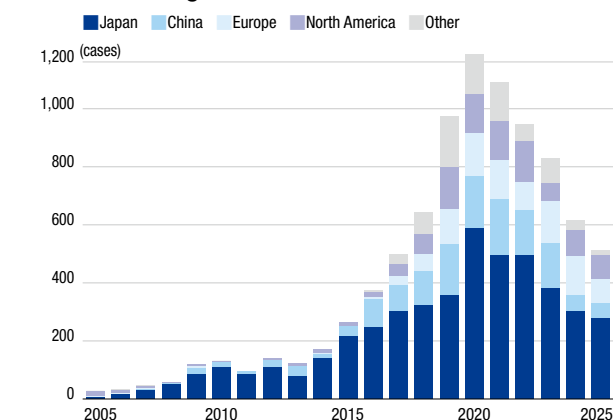
Market implementation of technological value and intellectual property strategy

Fuji places importance on intellectual property activities that support the implementation of R&D results in products and connect them to business value. As a foundation supporting these initiatives, we continuously analyze our patent utilization rate and the quality of our intellectual property portfolio and work to improve the returns on investment.

In recent years, rather than pursuing only an increase in the absolute number of patents held, we have promoted intellectual property activities that emphasize alignment with business strategy and technological advantages. By having the development and intellectual property departments collaborate from the initial stages of technology development, we concentrate management resources on technology fields that will contribute to future business growth and promote selection and concentration of rights. As a result, our patent utilization rate has remained high at approximately 40% over the past five years, and we are building an efficient, high-quality intellectual property portfolio.

We will continue optimizing our intellectual property portfolio to maintain and strengthen our competitive advantage and achieve sustainable growth.

New Patent Registrations



Core Technology Development and Intellectual Property Strategy

Intellectual property portfolio supporting technological value

Fuji continuously analyzes the product value derived from customers' issues and the competitive advantages of the intellectual property supporting that value.

For the SMT pick and place machine NXTR, we have built an intellectual property portfolio combining multiple technologies to realize value in automation, scalability, maintainability, and energy saving. Through

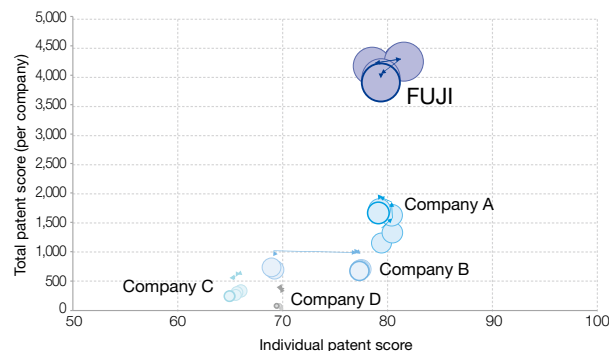
comparative analysis with competitors, we identify our strengths and challenges, thereby driving our R&D and IP investment forward in priority areas.

The figure below compares technology coverage with four major competitors and visualizes the overall strength of Fuji's patent score. It shows that Fuji has higher intellectual property competitiveness than other companies in all four areas: automation, scalability, maintainability, and energy saving.

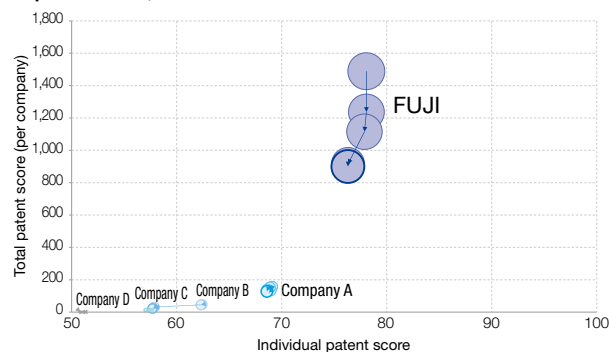


Patent Competitiveness Analysis Note: Provided by Biz Cruncher

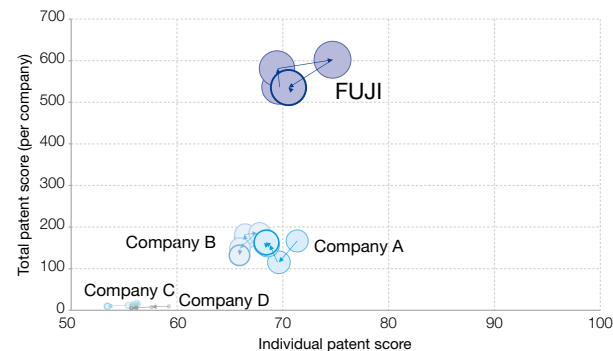
Automation: Technologies such as automatic feeder replacement using loaders



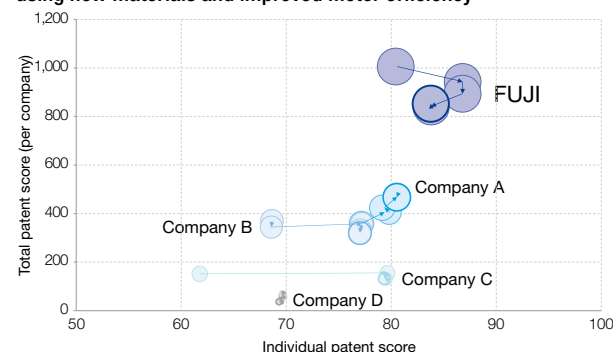
Scalability: Technologies related to head and nozzle replacement, etc.



Maintainability: Technologies supporting maintenance work such as nozzle cleaning



Energy saving: Technologies such as structural weight reduction using new materials and improved motor efficiency



Next-generation value creation through intellectual property intelligence

Using the IP landscape, we conduct integrated analysis of patent information, technology information, and market information. By visualizing the competitive environment and technology trends, we are strengthening the competitiveness of existing business areas while advancing new business exploration and the sophistication of R&D themes.

Through these activities, we create a cycle among technology development, intellectual property, and business development, leading to the creation of new market opportunities.

Example of an IP Landscape (Island Map)

An island map visualizes the breadth of technology fields and the competitive landscape based on patent information. Fuji uses this analysis to identify promising technology fields and to select R&D themes and formulate intellectual property strategies.

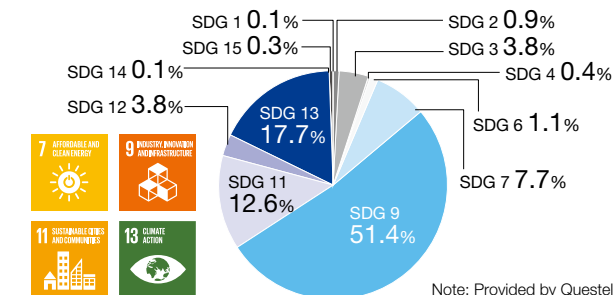
Note: Provided by Orbit Intelligence



Contribution to a sustainable society

We promote technology development that contributes to solving environmental and societal issues. The number of patents related to the Sustainable Development Goals (SDGs) continues to increase, and our technologies contribute not only to productivity improvements but also to the creation of social value through energy saving, resource saving, and labor-saving solutions. The number of SDG-related patents increased steadily from 1,386 in FY2025 to 1,460 in FY2026. We will continue aiming to enhance corporate value over the medium to long term through technology development that achieves both customer value and social value.

Fuji Group's SDG-related Patents, by Goal (FY2026)



Note: Provided by Questel

Company-wide Strategy Summary

Further Growth with SMT Pick and Place Machines and Semiconductor Manufacturing Equipment as Growth Drivers

Fuji continues to grow with its Robotic Solutions business, centered on SMT pick and place machines, as its core business. Through automation, smart technologies, and labor saving, we will contribute to solving challenges faced by the manufacturing industry and work to create new value.

Lifestyle support

Mobility support robot

Huq



Smart locker system

Quist



Products and services that support people's lifestyles in a wide range of fields, including caregiving and logistics.

Semiconductor equipment

DB series

FASFORD TECHNOLOGY



Equipment for attaching dies cut from wafers to substrates for packaging in the back-end process of semiconductor manufacturing.

Machine tools

Front facing twin spindle lathe

CS SERIES



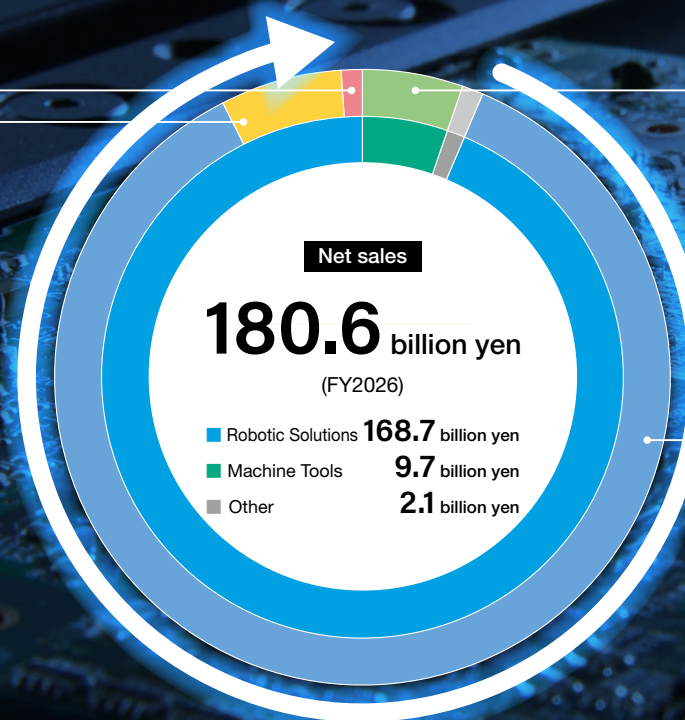
Machines that cut and process metal materials to produce high-precision parts used mainly for automobiles and industrial machinery.

SMT mounters

NXTR



Robots that place semiconductors and electronic components at high speed and with high accuracy onto PCB boards used in smartphones, home appliances, automobiles, and other products.



Company-wide Strategy Summary

Business and product portfolio

Fuji Group addresses societal issues under the keywords of automation, smart technologies, and labor saving. The business environment surrounding Fuji is changing significantly, including expanding demand for AI and data centers, growth in the semiconductor market, worsening labor shortages, and accelerating investment in automation in the manufacturing sector. At the same time, because our business structure is susceptible to global economic fluctuations and capital investment cycles, management that balances growth potential, profitability, and capital efficiency is important. Based on this recognition, we are continuously reviewing our business and product portfolios.

We position our core SMT mounters and semiconductor equipment businesses as growth engines and actively invest in R&D and business expansion while strengthening the earnings base of the machine tools business. In lifestyle support, we are also working to create future growth opportunities by solving societal issues.

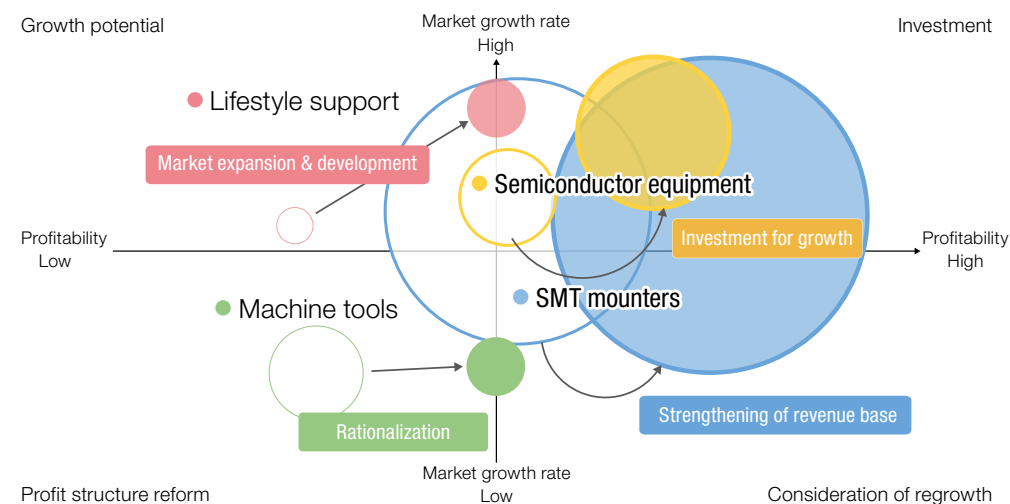
Going forward, we will optimally allocate management resources while taking into account the characteristics of each business and its market environment with the aim of sustainably enhancing corporate value.

Management Indicators (consolidated)

Targets by segment (million yen)		FY2027 targets As of May 2025
Robotic Solutions	Net sales	156,000
	Operating profit	33,600
Semiconductor	Net sales	14,000
	Operating profit	2,000
Machine Tools & Others	Net sales	10,000
	Operating profit	700
Total	Net sales	180,000
	Operating profit	33,000

Note: The sum of the operating profit of each business does not add up to the total as corporate expenses are not listed.

Business Portfolio Concept



Business Strategy 01

Robotic Solutions

Aiming for No. 1 Share Across All Products through Trust and Market Penetration

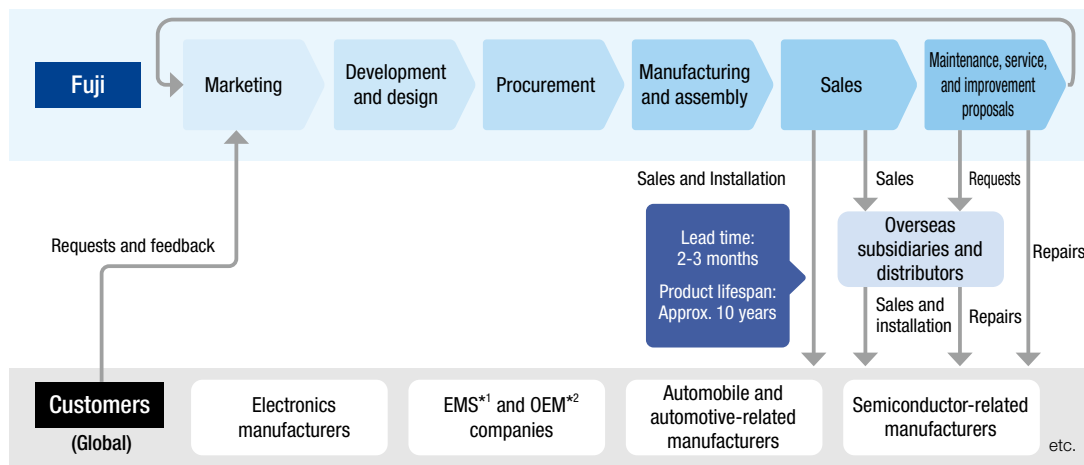
Takeshi Sato

Board Member,
Managing Executive Officer
General Manager,
Robotic Solutions Division



Business Characteristics

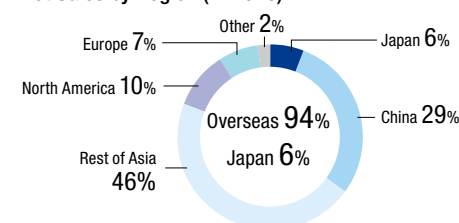
- Provides SMT pick and place machines to electronics manufacturers and electronics manufacturing services (EMS)*¹ companies around the world
- Proposes maintenance, software updates, and production line improvements in addition to equipment sales
- Supports efficiency improvements, labor saving, and quality stability across customers' entire production lines
- Meets the expanding customer demand for automation at production sites against the backdrop of decentralized manufacturing sites and labor shortages
- Supports minimizing production line downtime through a global service structure



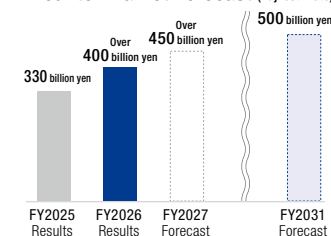
Business Information

Main markets	Electronics, automotive equipment, communications and network equipment, servers, semiconductor-related products, medical equipment, and industrial equipment
Main products	SMT pick and place machines (mounters), printers, insertion machines, automation and labor-saving solutions, and software (integrated production systems)
Main product brands/series	NXTR, AIMEXR, GPX-C, etc.
Industry share and major achievements	World-class share in SMT pick and place machines market Used at electronic board manufacturing sites in more than 70 countries worldwide
Key strengths	High-speed, high-accuracy placement; modular concept; fully automated SMT line proposals; global service framework
Main production sites	Okazaki Plant Kunshan Fuji Machine Mfg. Co., Ltd. (printers)
Main competitors	Japan: Panasonic Connect Co., Ltd.; Yamaha Motor Co., Ltd.; JUKI CORPORATION Overseas: ASMPT (Singapore)

Net Sales by Region (FY2026)



Mounter Market Forecast (Fuji estimate)



*1 EMS (Electronics Manufacturing Service): Service specializing in electronics that undertake an integrated range of activities for other companies' products, from parts procurement through manufacturing, inspection, and shipment

*2 OEM (Original Equipment Manufacturer): A manufacturer that undertakes only the manufacturing of another company's products

Robotic Solutions

Creating Value with an Eye to the Future — Fuji's Multidimensional Marketing Strategy —



Domingos M. Tomyama
Board Member, Executive Officer
Robotic Solutions Division
Deputy General Manager
Representative for Sales,
Marketing and Service

As the electronics industry navigates a rapidly changing market, traditional, isolated process improvements are no longer enough to tackle modern challenges like labor shortages, shifting production hubs, higher product complexity, stricter quality demands, and the push for sustainable manufacturing. At Fuji, we do more than solve today's problems—we anticipate future shifts, identify emerging needs, and engineer the solutions our customers will rely on tomorrow.

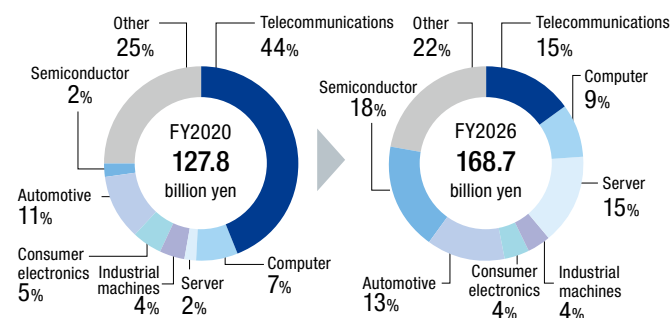
By looking beyond individual markets or products, we view the future of manufacturing through multiple lenses: customers, technologies, markets, regions, and services. Our multidimensional marketing strategy unites these elements to deliver innovative solutions to our customers' needs. We see market evolution not as a hurdle, but as an opportunity. By staying proactive and continuously creating value for our customers and society, we drive sustainable growth and long-term corporate value for Fuji.

Product portfolio responsive to market changes

For current issues, we collect customer feedback through VoC (Voice of Customer) activities and rapidly reflect it in product development. The CLT-FG compact placement machine, scheduled for market launch at the end of 2026, is a new platform born from these initiatives. To provide Fuji's high speed, high-accuracy placement technologies to a broader range of customers, we pursued the optimal balance between cost and functionality.

With a lineup comprising our flagship NXTR, the AIMEXR for high-mix, low-volume production, and the compact CLT-FG, we will build a framework capable of proposing optimal placement solutions tailored to customers' production scale, applications, and investment needs.

Net Sales by Industry: Shifting toward a More Balanced Mix



Compact general-purpose
placement machine CLT-FG

Turning market changes into growth opportunities

Due to its evolution, AI is becoming social infrastructure rather than merely a technology, accelerating greater functionality and autonomy across all types of electronic products. To make this possible, placement technologies must support even higher density, greater precision, and further miniaturization than ever before. The boundary between SMT technology and semiconductor packaging is also overlapping. Fuji views this change as the arrival of the "hybrid SMT" era.

The fields in which AI is used are expanding from data centers to wearable devices and edge devices, further increasing the value of placement technologies that support ultra-compact and ultra-lightweight devices. At the same time, as AI server-related equipment becomes increasingly sophisticated, our machines are also required to accommodate larger and heavier components. Fuji views these changes as growth opportunities. In January 2026, we established placement technologies for the 016008M, one of the world's smallest capacitors, and in July 2026, we established placement technology for large, heavy components measuring 200 x 200 mm and weighing 2.0 kg. In this way, we are expanding the range of components we can support for placement, from ultra-small to large and heavy, as we advance initiatives with an eye to the future.

Automobiles are also evolving from means of transportation into office and entertainment spaces, with greater electrification and functionality progressing regardless of differences in powertrains. Although growth markets shift among AI, semiconductors, automotive applications, and other fields, the areas in which Fuji's SMT technologies can contribute continue to expand.



Size of the 016008M
compared with standard
components



Placement of a large,
heavy component for
an AI server

Sales and service structure supporting global markets

Fuji currently ships products to more than 70 countries, and its overseas sales ratio has reached approximately 90%. Taking into account economic fluctuations and regional characteristics in each market, we have built a global business foundation capable of flexibly providing customers with the most suitable solutions.

In addition, we are focusing on software development that brings new value to customers' production. In addition to our service network cultivated worldwide, we will further evolve remote support and predictive maintenance to contribute to realizing "production lines that never stop."

Anticipating the market and advancing to the next stage of growth

Fuji's multidimensional marketing strategy is not a strategy for chasing markets. By anticipating market changes, even as growth regions and industries and the products demanded shift, Fuji will continue supporting customers' manufacturing and creating new value with placement technologies at its core. As a leading company in the placement industry, we will continue to grow together with the evolution of manufacturing worldwide.

Robotic Solutions

The Okazaki Plant is Earning Customer Trust with a Production Structure Resilient to Change



Katsuya Nishino
Executive Officer
Robotic Solutions Division
Plant Manager, Okazaki Plant

Flexible supply capacity and high-quality manufacturing to meet growing demand

Since NXTR production began at the Okazaki Plant's new factory building in October 2024, we have strengthened production capacity to respond to expanding demand, including AI server-related demand, and customers' needs for shorter delivery times. Along with improving NXTR production efficiency, we have expanded assembly lines. By the end of FY2026, we had established production capacity of approximately 1,000 units per month, enabling us to respond flexibly to market changes.

A strength of Okazaki Plant is its production system, which can respond flexibly to fluctuations in production plans while maintaining high quality. The NXTR assembly line adopts a layout that allows the number of processes to be flexibly increased or decreased in line with production plan fluctuations. A production scheduler linked to the Manufacturing Execution System (MES) automatically optimizes the number of processes and takt time for each process based on required delivery dates and quantities. As a result, even in a highly volatile market environment, our production sites achieve both stable quality and high productivity.

A key feature of the NXTR is its modular concept, which allows equipment to be configured by combining SMT placement heads, component supply units, and other options in units to match each customer's specifications. Following this same concept in the production process, various units, including the NXTR main unit, XY robots, and transfer conveyors, are assembled and inspected by unit, then assembled together on the main assembly line to complete the machine. This production method improves production efficiency and quality while enabling flexible response to a wide range of specifications. Furthermore, through unit-based production process design, management of manufacturing quality records, centralized management of production plans and results using the Manufacturing Execution System (MES), industrial engineering (IE) training for operators, and 5S activities, we have built a high level of traceability and a robust quality assurance framework, delivering reliable quality together with our products.

Next-generation production structure evolving through coordination between people and robots

As a new initiative for FY2027, we launched the Okazaki Factory Automation Project. Under the basic policy of "Coordination: Optimum division of labor between people and robots," the project is based on the concept that people handle work requiring high-precision assembly while robots handle simple and repetitive tasks. While promoting



Factory-floor improvement activity



Project meeting



Automation of the production process
(automatic machine for NXTR bed underside roller assemblies)



generational transition among skilled workers and human resource development, we are also advancing automation and labor saving to improve production efficiency and further stabilize manufacturing quality.

The project also focuses on visualization to ensure that the benefits of automation and labor-saving initiatives translate directly into improved production efficiency. By visualizing the progress of various automation and labor-saving initiatives and creating a mechanism that enables the operators who proposed them to see their own contribution to production, we are improving workplace motivation and fostering a culture where people keep thinking on the plant floor.

In addition, we use our own NXT III, sFAB, and SmartWing products to automate production processes, contributing not only to further improvements in production efficiency but also to more stable manufacturing quality.

Through these initiatives, we will further advance the sophistication of our production engineering capabilities. Okazaki Plant will continue to pursue manufacturing that earns customers' trust through a production system resilient to change and continuous improvement activities.

Robotic Solutions

FUJI Smart Factory and NXTR A: Pursuing Full Automation of SMT Processes



Takehito Okada
Executive Officer
Robotic Solutions Division
General Manager, Engineering
Planning Department
Representative for Engineering

Fuji has established its position as a front runner in automation with the NXTR pick and place machine. Furthermore, Fuji is promoting the FUJI Smart Factory concept, which seeks to automate the entire SMT floor, including upstream and downstream processes. By optimizing not only individual machines but the entire production line, we contribute to improving customers' productivity and strengthening their competitiveness.

Automation is a growth area supporting Fuji's competitive advantage

Demand for electronic products is expanding against a backdrop that includes the spread of AI servers and the electrification and greater functionality of automobiles. While production volumes are increasing, production plants are being expanded into multiple sites as production moves closer to demand locations. As a result, SMT factories face increasingly serious management issues in securing operators, process engineers, and maintenance personnel, and in transferring skills. Mounter manufacturers are expected not only to improve the performance of individual machines, but also to automate entire production lines and achieve high productivity with fewer personnel.

Fuji positions automation technology as a priority area supporting future growth. Against the backdrop of labor shortages and increasingly sophisticated production, we expect demand for automation across the entire SMT floor to continue expanding. As a management target, we aim for automation-related products and services to account for 20% of Robotic Solutions net sales by 2030.



TAKAYA CORPORATION



Automated factory at
TAKAYA CORPORATION

Achieving automation including pre-setup operations

By combining the Auto Kitting Station (AKS), autonomous mobile robots (AMRs), NXTR A, and Nexim, we have automated upstream preparation processes that traditionally depended on people, including materials preparation, kitting, and transport.

The AKS is a system that automates the tape-reel loading process. This was the process on the SMT production floor that was the most difficult to automate and for which customer expectations were particularly high. With its completion, we made it possible to automate the entire sequence from the warehouse through production to empty-reel collection. The Integrated Production System Nexim acquires equipment data in real time and manages everything from progress monitoring to instructions for the next action, enabling operations based on production plans.

Automation is not only about reducing the number of workers involved but also about increasing the effectiveness of capital investment

- **Labor saving:** Workers previously assigned to setup, transport, and kitting can be reassigned to higher-value-added work.
- **Improved overall equipment effectiveness:** By reducing line downtime during breaks, shift changes, nighttime hours, and other periods and increasing equipment utilization, we maximize the production capacity of existing equipment and improve customers' returns on capital investment.
- **Improved quality:** Reducing human intervention suppresses human errors such as incorrect kitting and changeover mistakes, as well as brief equipment downtime.
- **Consistent production:** Stable quality and productivity can be maintained even when production sites or operators change, reducing the training burden.

Aiming to create “factories that never stop operations” through predictive forecasting and automatic control

Going forward, we will combine AI and data utilization with the platform built through automation, evolving toward autonomous operation in which equipment data is monitored and analyzed in real time and the entire process from detecting signs of errors through response and recovery is completed without human intervention. We will evolve this into a one-of-a-kind platform capable of looking ahead to fully unmanned SMT floors, thereby contributing to improved customer productivity.

Examples of Customer Benefits from Implementation (based on interviews with companies using our products for automation)

	Case study 1: TAKAYA CORPORATION	Case study 2: Module component production plant of a major Japanese electronics manufacturer
Before introduction	NXT I	Other companies' equipment
After introduction	NXTR + Automation equipment	NXTR + Automation equipment
Effects	Time per changeover 30 min. → 8 min. Number of changeovers per day 20 → 50 Improved capability for high-mix, low-volume production	Work ratio 44% reduction in man-hour ratio Time required for operators to become proficient 6 months → 2-3 weeks Improved productivity through stable operation

FUJI × ENGINEERS



Yasuaki Masuda
General Manager, Marketing
Department
Robotic Solutions Division

Daisuke Kato
General Manager, Smart Factory
Development Department
Robotic Solutions Division

Ryohei Kamio
General Manager, Software
Engineering Department
Robotic Solutions Division

Yusuke Yamakage
General Manager, NXTR
Development Department
Robotic Solutions Division

Engineering Roundtable

Behind the Development of the NXTR and Passing on Our DNA

Fuji's Technological Capabilities That Create an Overwhelming Technological Advantage

Engineering Roundtable

Sources of our world-class technologies

Masuda (Moderator): My name is Yasuaki Masuda and I serve as General Manager of the Marketing Department. Today, we have brought together three people who have been at the forefront of developing Fuji's flagship mounter NXTR to discuss our technological capabilities, including candid stories from the development front line.

Yamakage: My name is Yusuke Yamakage, General Manager of the NXTR Development Department. In developing the NXTR, I oversaw the mechanical and hardware design of the NXTR main unit.

Kato: My name is Daisuke Kato and I am the General Manager of the Smart Factory Development Department. I have been involved in developing smart factory solutions to realize production automation for the NXTR.

Kamio: My name is Ryohei Kamio and I serve as General Manager of the Software Engineering Department. I am responsible for system development and the control platform, and I led the development of optimization software for maximizing production efficiency by simulating robot movements on the NXTR.

The technological breakthrough behind the NXTR

Masuda: Compared with the previous flagship model, the NXT III, the NXTR achieved not only higher performance but also full automation. Tell us about the process that led to completion of the NXTR and what provided the breakthrough.

Yamakage: From the standpoint of the breakthrough toward full automation, the Smart Loader was indispensable. It differentiates us from competitors by enabling automatic exchange of feeders, units that supply electronic components, while the mounter is operating. Another distinctive feature is that the Smart Loader is suspended above the floor. Competitors transport components using autonomous mobile robots (AMRs), but the problem is that factory floors are not necessarily level. Differences in height

relative to the equipment can therefore make precise component exchange difficult. We addressed this issue from the initial concept stage and adopted a structure that suspends the Smart Loader from the mounter itself, keeping it off of uneven floors.

We also incorporated results from fundamental technology development cultivated at our Development Center into the mechanism that moves the Smart Loader while suspended. This contributes to supplying components automatically without stopping the line in operation.

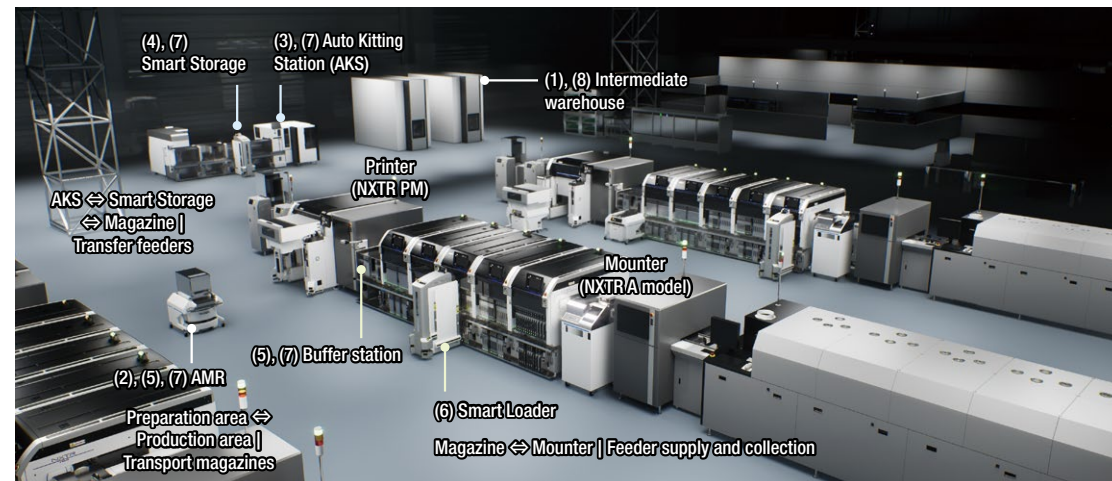
Kamio: On the software side, a key achievement was applying the NXT III's refined control platform to the Smart Loader and enhancing it further. Because the Smart Loader operates through highly coordinated interaction among multiple mechanisms, a software platform with high reliability and scalability is essential. Fuji's strength lies in its ability to build such control platforms in-house and continuously evolve and reuse them across products. I believe this has led to the technological advantage that supports full automation.

Kato: From a business perspective, the breakthrough was drawing a clear vision of the goal of automation and giving it concrete form together with customers. The Smart Loader was groundbreaking hardware, but at first we also heard concerns such as whether only part of the process was being automated, or if it would really deliver a return on investment (ROI). We therefore held intensive discussions with one customer about what automation should look like across the entire factory and built a lab where that concept could actually be seen and experienced. We then accumulated a track record through large-scale investments by customers in China and Taiwan, which subsequently led to expansion of the NXTR's market share.

From selling products to selling solutions

Masuda: I assume there were challenges in ensuring that the new product

Customer Factory Featuring Full Automation Envisioned by Fuji



(1) Retrieve tape reels* from the intermediate warehouse. (2) Transport the tape reels by autonomous mobile robot (AMR) to the Auto Kitting Station (AKS). (3) Load the tape reels into feeders at the AKS. (4) Store and sort feeders in Smart Storage, and transfer prepared feeders to magazines. (5) Transport the magazines by AMR to the buffer station. (6) Supply the prepared feeders to the moulder using the Smart Loader and place electronic components on PCBs. (7) Collect used feeders and reuse them at the Smart Storage and the AKS. (8) Return used tape reels to the intermediate warehouse.

* Tape reel: A packaging format in which electronic components are stored in tape wound onto a reel

Engineering Roundtable

and the value it offers gained acceptance in the market. How did you overcome those challenges?

Kamio: The NXTR uses a more complex placement head structure than previous models. I was responsible for optimizing its movement, which was a challenge because in the early development stages it was difficult to achieve the performance that was expected. We therefore held exhaustive discussions with stakeholders across departmental boundaries and considered and implemented every conceivable improvement measure. By doing so, we were able to achieve the desired movement.

Fuji has a culture that accepts failure and uses it as nourishment for the future. The knowledge and technologies gained through this process are being applied not only to mounter control but also to production planning for customers' entire factories and equipment optimization algorithms, continuing to live on as Fuji know-how.

Kato: For me, the challenge was how to improve ROI. Initially, we proposed automation mainly as a labor-saving measure in terms of how much labor could be reduced, but the cost of introducing automation equipment was high relative to labor costs, so the return on investment was insufficient. We therefore shifted to an approach that emphasized the business value of dramatically improving factory productivity through automation and generating sales and profit every day. After verifying customer data, we achieved the result of cutting total production time in half. Later, a customer



Fuji's flagship NXTR A model (automation model)

that introduced the NXTR contacted us delightedly to express how the results far exceeded their expectations. This experience made me realize that Fuji is evolving from simply "selling products" to "selling value and experiences" that support customers' business growth.

Yamakage: The challenge I saw was, because the NXT III was already so highly refined, it took time for the potential of the NXTR to be understood. Since I had also been a designer of the NXT III, my past success became a barrier. What broke through that wall was the track record we built by introducing the NXTR to a wide range of customers. Almost every day, more than 20 people, including department-manager-level personnel, came together to share issues arising at customer sites and address them as one team across departmental boundaries. This hands-on capability and commitment to customers form the foundation of Fuji.

Future vision

Masuda: As technologies such as AI and smart factories change at an accelerating pace, what kind of vision do each of you have for the future?

Kato: Automation to date has essentially replaced front-line workers with machines. The next step is to build autonomous production lines, with the ultimate goal of fully unmanned production floors and manufacturing without human intervention. Customers sometimes tell us that Fuji is five years ahead of competitors. Going forward, I want us to lead with a one-of-a-kind



solution, which is unmanned production.

Yamakage: Advances in AI are changing the world at a speed beyond what we can imagine. Just as the spread of smartphones transformed the market, I believe unexpected changes will continue to occur. I want us to identify the earliest signs of those changes and continually launch innovative products that stay one step ahead of the market, thereby firmly establishing our position as market leader.

Kamio: I believe mounters will evolve into platforms that generate valuable data. By continuously accumulating and utilizing operating data, learning from it, and repeatedly optimizing themselves, they will increase in value the more they are used through the power of software and data. That is the kind of mounter we aim to realize.

Deepening core technologies and strategically integrating external knowledge

Masuda: Fuji develops many of its core technologies in-house. Tell us how development staff think about and approach the deepening of core technologies and collaboration with external partners.

Yamakage: Our strength is thorough in-house development of core

Engineering Roundtable

technologies. We develop all of the key units that support the NXTR's specifications in-house. The advantage of in-house development is that when trouble occurs at a customer's site, we can investigate the cause and respond ourselves without depending on external vendors. That speed leads to customer trust.

Kamio: The technologies that push our mounters to move at extraordinary speed and accuracy are a source of our competitiveness. At the same time, further strengthening and advancing these core technologies requires external collaboration, including industry-academia partnerships with universities and co-creation with partner companies. We believe that bringing in cutting-edge knowledge from research institutions and ultimately internalizing it as technology that contributes to our own competitiveness is an extremely effective approach to strengthening our technological advantage.

Kato: We believe it is important to pursue open innovation and closed innovation in parallel when solving issues on the factory floor.

One example is our collaboration with a startup in the Middle East. We developed our system to incorporate the startup's advanced image inspection technology, which can instantly determine whether electronic components are counterfeit or defective. Rather than insisting on developing everything in-house, the flexibility to incorporate innovative external knowledge will be essential to future growth.



Engineering DNA and an insatiable spirit of inquiry

Masuda: Fuji has engineering DNA that has been passed down through generations. What have each of you inherited, and what do you want to pass on to the next generation?

Kamio: Fuji has a culture that encourages people to take on challenges without fearing failure and a corporate culture that keeps us close with our customers. We ask younger engineers to think deeply about why we are manufacturing a product rather than only thinking about what we make.

By making the customer the subject and thoroughly focusing on the question of why we are manufacturing a given product, engineers can recognize problems that customers themselves have not yet articulated and make proposals one step ahead. The ability to put one's own identity into manufacturing is precisely what gives Fuji engineers pride and is an essential quality. Also, we want them to like what they create.

Kato: I was once deeply impressed when the chairman of another company told me, "Engineers should be the initial salespeople. The people behind making a product should want to sell it more than anyone else, so why leave that to others?" We also ask young engineers not to be satisfied merely with making a product, but to communicate its value directly to customers with their own passionate feelings for it.

The appeal of working at Fuji lies in the fact that you can feel, every



Industry-first Auto Kitting Station for automating the tape reel loading process



single day, that your work is genuinely contributing to society. We also actively send young employees to overseas sites. The experience of solving difficult issues independently on the global front line changes engineers' outlook and gives them firm confidence.

Yamakage: My seniors passed down to me the deep pride of being a mother machine manufacturer. When I created my first design drawing, my supervisor reprimanded me, saying, "A company that makes machine tools (mother machines) should never produce such an embarrassing drawing." I believe it is precisely because of this uncompromising attitude that we have been able to design mounter placement heads to be as small and lightweight as possible.

When I look at the products and technologies left by generations of senior engineers, I am astonished and think, "It's amazing that they were already considering this ten years ago." The pressure to surpass our predecessors and a strong sense of urgency that never allows us to be satisfied with the status quo are among Fuji's greatest strengths.

Masuda: Thank you for participating in this meaningful discussion. We have reached the point where customers say, "When you think of mounters, you think Fuji," and we want to further strengthen their trust in us going forward. I expect the strength of our people that supports Fuji's competitive advantage and the DNA that continually generates innovation to lead to further enhancement of corporate value. Thank you very much for joining us today.

Business Strategy 02

Semiconductor Manufacturing Equipment
(Fasford Technology)Advanced Packaging Technologies
Supporting the Semiconductor Market

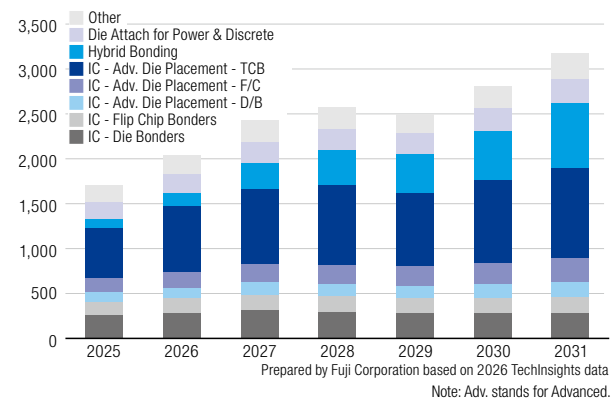
Hiroyuki Ao

Fasford Technology Co., Ltd.
President and CEO

Market environment

The semiconductor market is currently in a phase of structural growth. In particular, the market for back-end semiconductor equipment (die bonder-related) reached approximately USD 1.7 billion in 2025 and is expected to grow at a high annual rate of 11% going forward (forecast for 2025–2031). The spread of AI and advanced packaging is rapidly

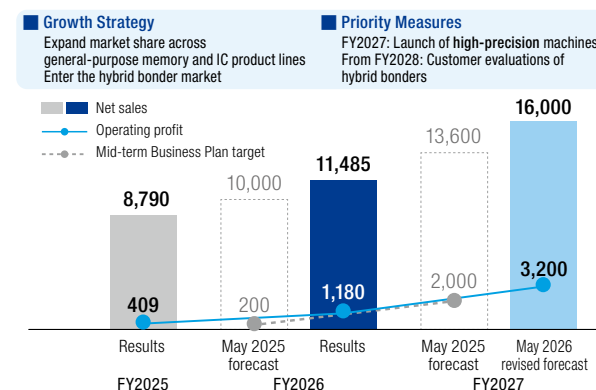
Die Bonder Market Size Forecast (million USD)



increasing the importance of back-end equipment, providing a strong tailwind of expanding demand for Fasford Technology, or FFT. The overall semiconductor market is also expected to continue stable growth at an annual rate of 12%, while the memory segment in particular is forecast to grow at more than 22% annually, supported by expanding AI applications.

Against this market backdrop, FFT operates in the packaging process, the area with the highest growth rate, and we believe there is substantial room for medium- to long-term growth.

Net Sales and Operating Profit (million yen)



Product strategy — addressing AI and advanced packaging

Against the backdrop of the spread of generative AI, demand for HBM (High Bandwidth Memory) and advanced packaging is expanding rapidly together with investment in data centers. Semiconductor back-end processes now require even higher precision and added value than before, further increasing the importance of the packaging process. FFT views this structural change as an important growth opportunity and is working to advance high-precision die bonder technologies and develop new products.

In FY2027, FFT will launch the advanced packaging platform XERDIA and conduct joint evaluations with customers targeting next-generation NAND flash memory and dynamic random-access memory (DRAM) packages. To respond to the evolution of HBM, we are also developing hybrid bonding technologies and plan to begin customer evaluations of hybrid bonders for HBM from FY2028 onward.

Through these initiatives, we are shifting our business from its traditional focus on general-purpose memory toward higher-value-added, higher-growth advanced packaging fields. Although advanced fields require a high level of equipment technology, they also offer opportunities for improved profitability and will become an important pillar supporting sustainable growth.

Semiconductor Manufacturing Equipment (Fasford Technology)

FFT also has the strength of a vertically integrated model covering development, design, manufacturing, sales, and after-sales service. This structure enables us to respond quickly to customer needs while providing high-quality equipment and services, helping us build long-term relationships with global semiconductor manufacturers.

Going forward, we will continue evolving in both technology development and value provision while accurately capturing market expansion centered on AI semiconductors and HBM.

Fasford Technology's aspirational vision

FFT has maintained a high market share in die bonders for memory semiconductors and has built a stable business foundation through technologies that support production of NAND flash memory and DRAM.

The semiconductor market is currently undergoing major structural change against the backdrop of advances in generative AI and expanding data center demand. Advanced packaging, including HBM, is evolving into a field requiring even higher precision and productivity than before, dramatically increasing the importance of back-end processes. We view this change as a new growth opportunity and are expanding into high-value-added fields such as AI semiconductors and logic devices based on technologies cultivated in the memory field.

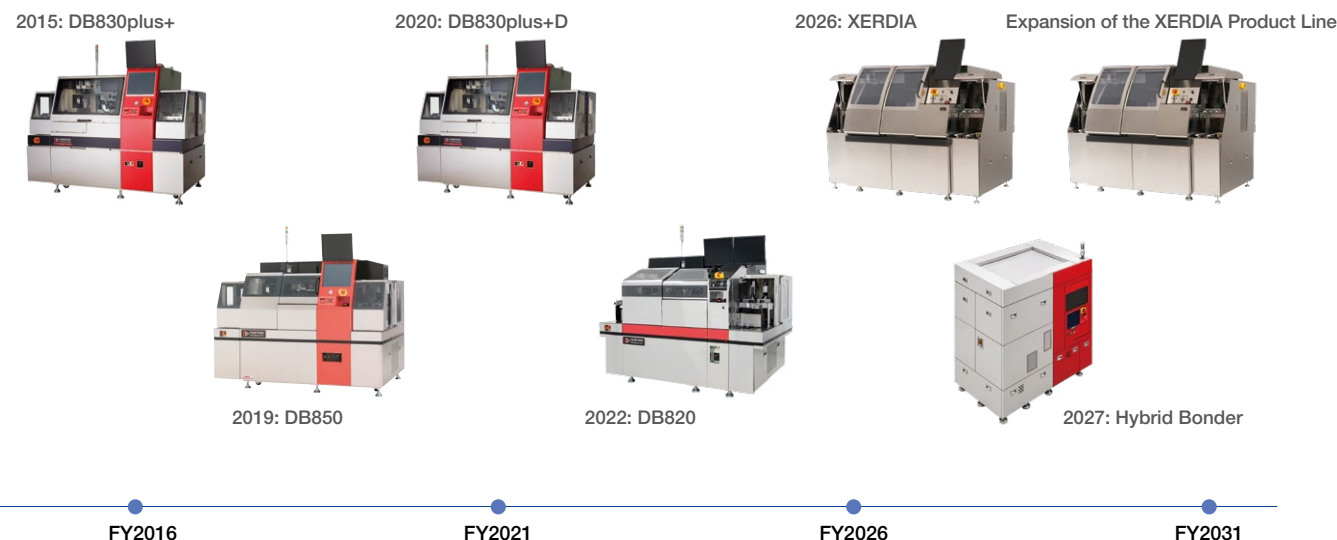
Our strengths lie in high-precision technology that enables die positioning at the micron level and technology for stably handling ultra-thin wafers with low stress. By combining these core strengths with technologies such as defect detection through image processing, equipment clean techniques, automation, and line integration, we have contributed to improved quality and production efficiency for semiconductor manufacturers. This accumulation of technologies supports our long-term

relationships of trust with customers.

Going forward, we will advance our business portfolio by launching high-precision die bonders for advanced packaging, expanding products for non-memory applications, and developing hybrid bonders for HBM. We will also strengthen our R&D structure and enhance our ability to respond quickly to market needs through joint evaluations with customers, delivering value through an integrated approach from development to mass production.

Semiconductors are a foundational technology supporting progress in fields such as AI, mobility, and social infrastructure. Among these, the packaging process is a field that holds the key to creating new value. Through advances in bonding technology, we will support this transformation and contribute to medium- and long-term enhancement of corporate value as a member of Fuji Group, while achieving both sustainable growth and value creation for society.

Product Roadmap



Super cleanroom



R&D building

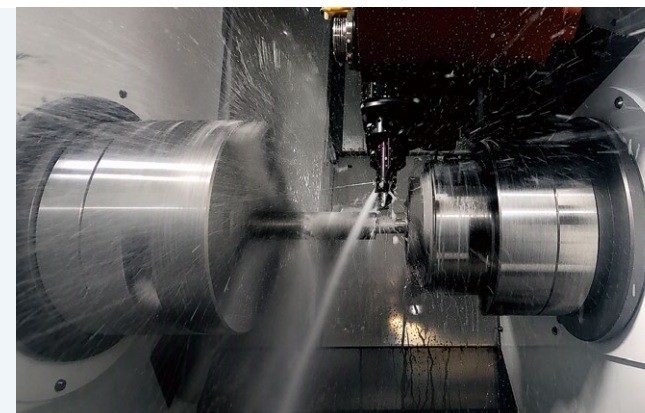
Business Strategy 03

Machine Tools

Leveraging Our Strength in Turnkey Solutions to Establish a Stable Earnings Base

Kazuyoshi Nagato

Executive Officer
General Manager, Machine Tools Division



Strengths of the turnkey business

The business model in which Fuji's Machine Tools Division business excels most is turnkey solutions that optimize customers' entire machining processes rather than simply supplying standalone machine tools. Even a high-performance machine tool cannot fully demonstrate its true value unless its performance is maximized through the right combination of machining conditions and peripheral equipment. We position our added value not simply as selling machine tools, but as providing them to customers with machine performance maximized.

Starting from customer requirements such as machining accuracy and cycle time, we provide an integrated process from proposing machining methods and conducting machining verification through start-up after equipment delivery. We also address workplace issues caused by chips and coolant by integrating chucking, tooling, and automation technologies accumulated since our founding, enabling "vertical ramp-up" in which stable operation is achieved immediately after equipment delivery.

For the machine itself, we pursue high rigidity and high precision through analytical technologies and rigorous evaluation testing. Our long track record of adoption, particularly in the automotive industry, forms the

foundation of customer trust. The technologies and knowledge we have cultivated were also carried forward and put into the Multi Task CNC Lathe ACUFLEX 400S, which integrates multiple processes.

Our ability to provide these turnkey solutions helps reduce customers' investment risk and improve productivity while building long-term relationships of trust.



Turnkey solutions (CSD-300II & CSS-300II)

Machine Tools

Strategy for returning to profitability

Although Machine Tools returned to profitability in FY2025, the business environment became difficult again in FY2026, making it challenging to secure profits.

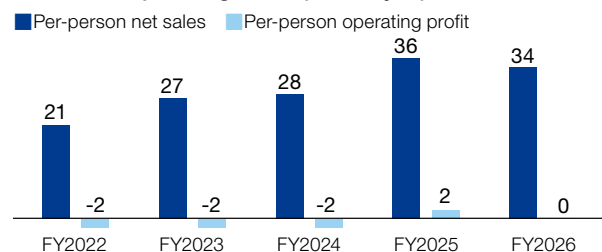
The main factor was that orders in our core automotive parts machining field fell far below our initial assumptions due to uncertainty surrounding future investment in the automotive industry, against the backdrop of U.S. tariff policy and a slowdown in the shift to electric vehicles (EVs). This brought into sharp relief our longstanding issue of heavy dependence on the automotive industry.

In FY2027, we expect the market environment to improve, with Japanese manufacturers resuming capital investment centered on hybrid vehicles and concrete investment plans anticipated in the North American market, where the direction of a return toward internal combustion engines (ICEs) has become clearer.

At the same time, we recognize that the most important task for this business is to establish a business foundation capable of generating stable profits regardless of the market environment. Accordingly, we are focusing on three measures: diversifying demand, strengthening our earnings structure, and improving earnings power.

While capturing the current market recovery, we position transforming to an earnings structure that does not depend on the external environment as our highest-priority issue. Based on the issues that became evident in FY2026, we will diversify our business portfolio and build a flexible organizational structure in order to transform the business into one capable of consistently generating profits.

Machine Tools Division Per-person Consolidated Net Sales and Operating Profit (million yen)



Improving Logistics Efficiency

Diversification of Demand (Reducing Dependence on the Automotive Industry)

- Start in-house machining of mounter parts using the ACUFLEX multitasking lathe
- Expanding test-cutting opportunities in industries beyond automotive
- Strengthen sales to growth fields, including components for AI server cooling equipment

Strengthening the Earnings Structure (Cost Structure Reform)

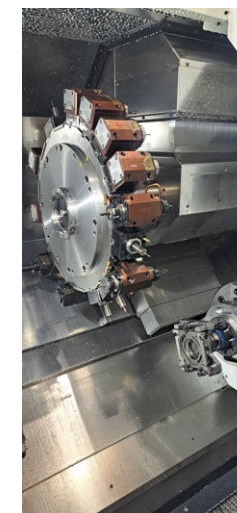
- Conducting a cross-departmental review of operations and rebuilding optimal staffing
- Improve logistics efficiency by locating the parts warehouse adjacent to the production area
- Begin building a production structure with the minimum necessary staffing

Improving Earnings Power (Structural Transformation)

- Lowering the break-even point by building a flexible organization capable of securing profits even under order fluctuations
- Strengthen highly profitable after-sales businesses (maintenance parts, service, and modification)



Multi Task CNC Lathe ACUFLEX 400S



Business Strategy 04

New Business

Creating Next-generation Businesses Starting from Societal Issues

Koji Kawaguchi

General Manager,
New Business Department
Robotic Solutions Division



At Fuji, we are planning new businesses in the three areas defined by our materialities—Manufacturing, Lifestyle, and the Future—to address societal issues while driving the creation and commercialization of next-generation businesses.

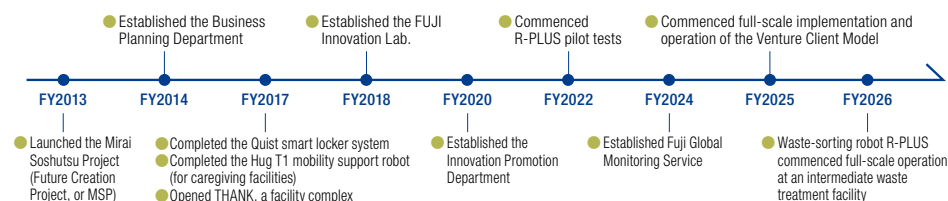
This initiative has focused on identifying societal issues from a market-in perspective based on market needs, devising solutions to address them, and placing importance on adopting a small-scale initial approach to quickly test ideas.

By repeatedly experiencing failure and learning early on, and steadily applying that experience to subsequent challenges, we have established a cycle that increases the success rate of new business ventures. This process encourages each employee's acceptance of challenges and growth which also leads to the strategic development of human capital.

Fuji also captures front-line issues and latent needs through dialogue with customers and works to improve the convenience of its solutions. By reflecting customer feedback in improvements to products and services, we aim to achieve both the resolution of societal issues and business growth.

We are also actively communicating these initiatives and new value through social media and various other media to make more customers aware of our products and services. We use the reactions and feedback generated through this communication to improve products and services and consider new proposals.

History of Fuji's New Business Creation



By sincerely engaging with new perspectives and needs expressed by customers as a result of our products and new initiatives, a variety of “chemical reactions” emerge. As a result, we are expanding into adjacent applications and creating new market opportunities, further broadening and deepening our business domains.

Moving forward, we will continue to deliver products and services that excite and inspire our customers, guided by the innovative spirit that resides in the hearts of Fuji employees. We will also grow new business opportunities into the next pillar of earnings, achieving both the resolution of societal issues and enhancement of corporate value.

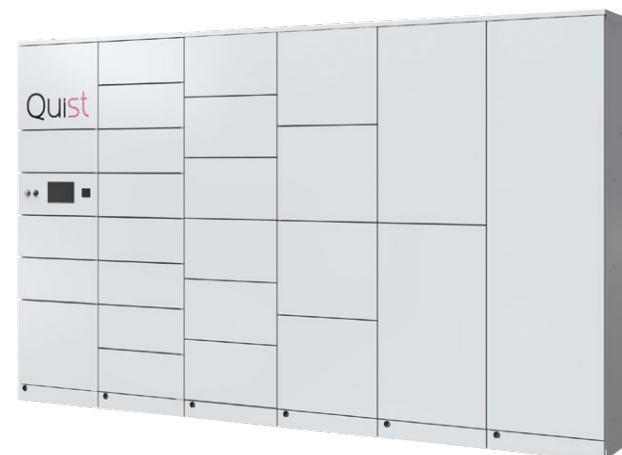
Smart locker system Quist

Quist

Quist is a next-generation smart locker system that links the locker itself, the cloud, and the user's end device. Quist is currently in use at leading companies in industries including convenience stores, supermarkets, pharmacies, home improvement stores, furniture stores, and second-hand goods stores.

Quist's strengths lie in its high connectivity, which enables integration with a wide range of systems, and its ability to propose solutions tailored to customer issues. Since Quist can be easily linked with customers' existing systems and various services, it can address diverse needs across different industries and business formats. Drawing on the knowledge accumulated through extensive implementation experience, we support the creation of new value by proposing optimal operating models and services for each customer.

As a labor-saving and unmanned tool that bridges the time lag between those who want to hand over goods and those who want to receive goods, we will continue planning and developing solutions that respond to new customer needs arising every day, while working to further expand the business.



Lockers for sending and receiving parcels at convenience stores



Tool management within factories

New Business



For home care

For hospitals and care facilities

For bathing assistance

Hug

Mobility support robot Hug

From bed to wheelchair, or wheelchair to toilet seat, at caregiving and medical facilities, this support robot assists when needing to transfer to a sitting position or in situations where standing for a period of time is required, such as when getting dressed or undressed. By combining Fuji's superior motion-control technologies with simple, easy-to-use operation and a compact design, we have shipped approximately 6,000 units of the series since sales began in 2016.

Hug is available in three models, for home care, for hospitals and care facilities, and for bathing assistance, addressing a wide range of needs in caregiving and medical settings. By offering products optimized for different use scenarios, we are expanding the range of transfer-assistance applications while contributing to alleviating labor shortages and caregiving burdens in caregiving and medical settings.

Going forward, based on technologies and know-how cultivated through the development and deployment of Hug, we will expand beyond caregiving into the medical field, including rehabilitation. As a leading company in the mobility support robot field, we believe our mission is to plan and develop products that solve emerging issues.

Waste-sorting robot R-PLUS

R-PLUS

R-PLUS is equipment that uses AI and robotics to automate sorting work that has traditionally been performed manually in the recycling process for industrial waste such as construction waste. It detects foreign materials such as wood and metal in waste concrete, asphalt fragments, and other materials using AI and automatically removes them with a picking hand, contributing to improved quality of recycled materials.

R-PLUS has achieved automation of sorting work at intermediate industrial-waste treatment facilities, where there had previously been few examples of robot utilization. Even after its market launch, we have continued improving AI learning and recognition technologies and system performance, allowing R-PLUS to evolve into equipment that operates with greater precision and stability. As a result, in addition to improving the quality of recycled products, it contributes to addressing labor shortages and improving the safety of work performed in dusty and noisy environments.

In the recycling field, where the effective use of the Earth's finite resources is essential, R-PLUS will continue evolving and contributing to the realization of a circular society and a sustainable future.



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