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

August 6, 2026

To whom it may concern

Company Name	Stella Chemifa Corporation
Representative	Aki Hashimoto, Representative Director, President and Chief Executive Officer (Code No.: 4109 Tokyo Stock Exchange Prime Market)
Inquiries	Yasuhiko Nakashima, Director, Executive Officer, (Finance and IR) (TEL. +81-6-4707-1512)

Action to Implement Management that is Conscious of Cost of Capital and Stock Price（Update）

STELLA CHEMIFA CORPORATION (the “Company”) hereby announces that it has resolved, at today’s meeting of the Board of Directors, to update the disclosure of "Action to Implement Management that is Conscious of Cost of Capital and Stock Price" based on our analysis and evaluation of the current situation and the progress of our initiatives.

For details, please refer to the attached document, "Action to Implement Management that is Conscious of Cost of Capital and Stock Price（Update）".

Action to Implement Management that is Conscious of Cost of Capital and Stock Price(Update)

August 6, 2026

Stella Chemifa Corporation

(Securities code:4109)

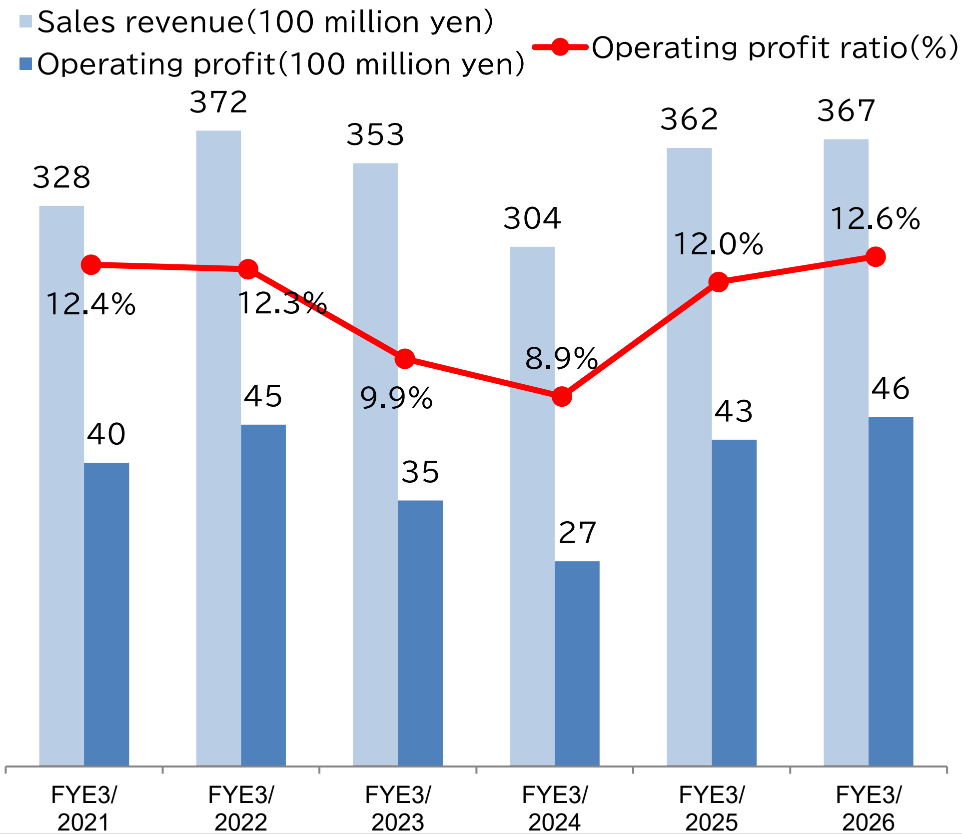
1. Analysis of Current Situation

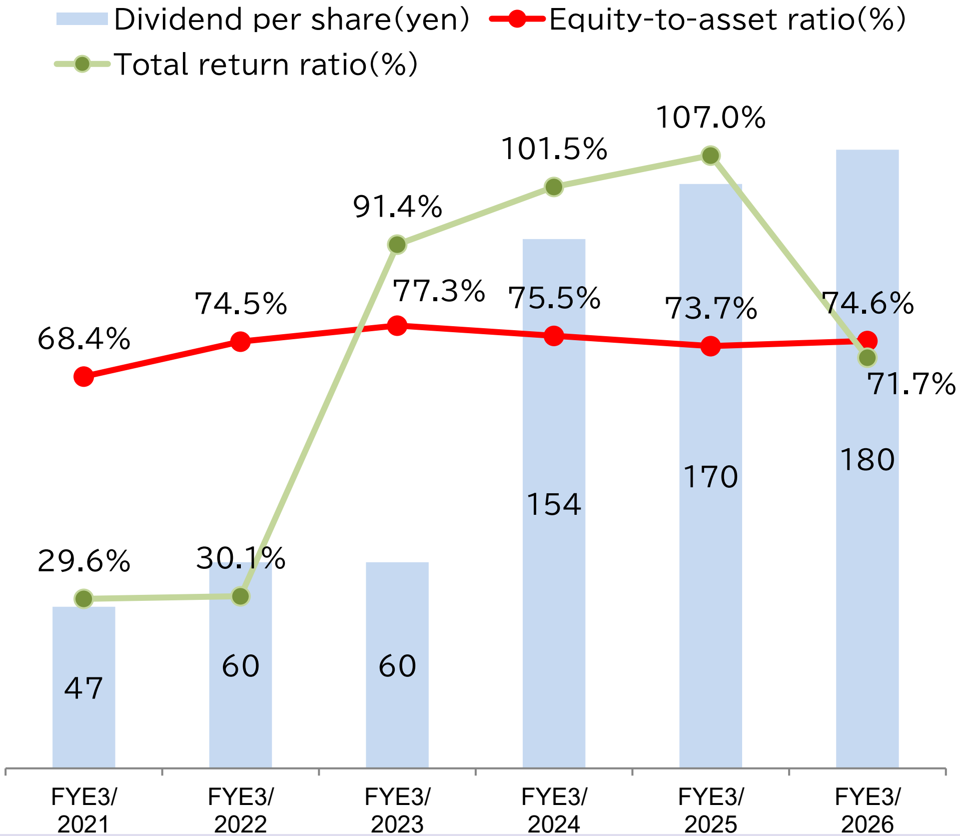
- **Sales revenue・Operating profit・Operating profit ratio**

  Both the profit level and profit ratio improved in FYE3/2026 due to sales revenue increases in the Semiconductors, Electronic Materials and Transportation Business.
  Challenges are to grow the top line and further improve the profit ratio.

- **Dividends・Equity-to-asset ratio・Total return ratio**

  The equity-to-asset ratio shifted to a downward trend by having lifted the total return ratio target to 100% from FYE3/2024.
  On the other hand, in FYE3/2026, the equity-to-asset ratio increased due to the disposal of treasury shares through the Third-Party allotment, despite an increase in dividend including a commemorative dividend.





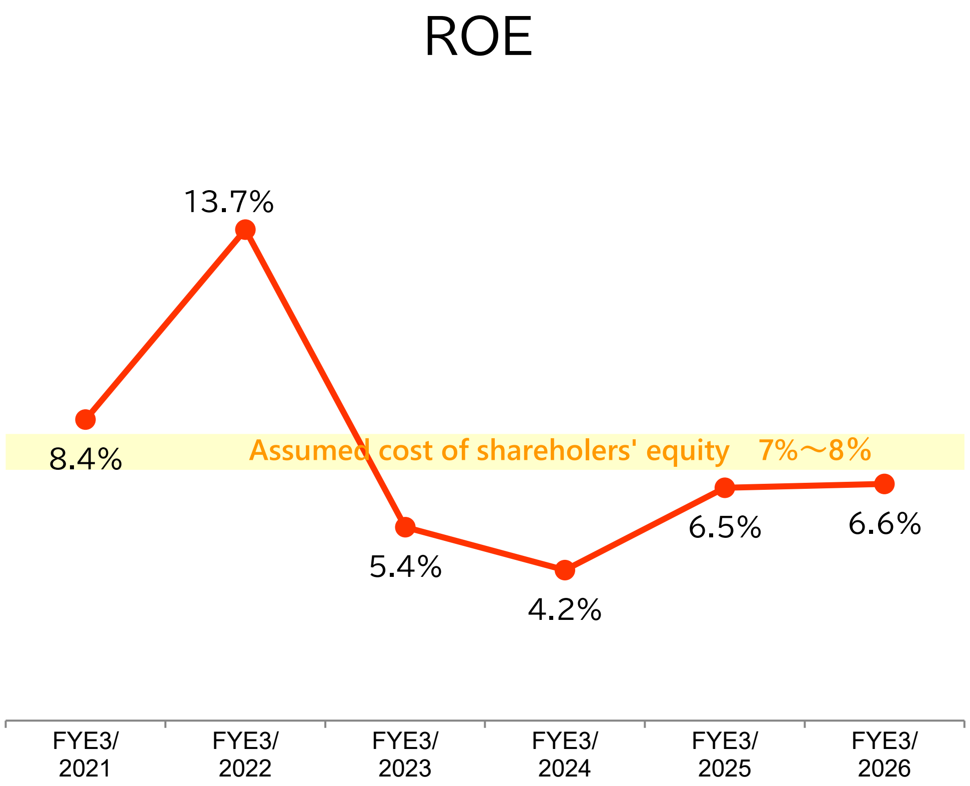
1. Analysis of Current Situation

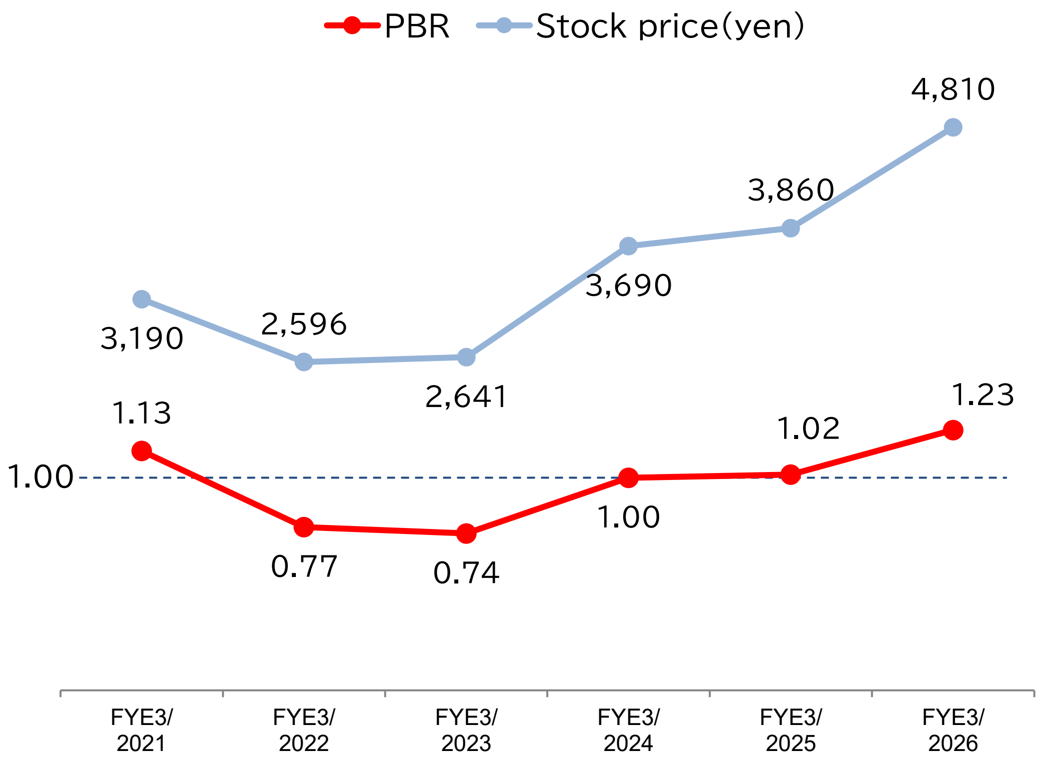
- **ROE・Cost of capital**

  Although ROE improved slightly due to higher profits in FYE3/2026, it remains stuck in the state of being below the assumed cost of shareholders' equity.
  We aim to achieve an ROE of 8.0% or more during the Fourth Medium-Term Management Plan.

- **PBR ・ Stock price**

  The stock price rose due to factors such as the implementation of shareholder returns with a total return ratio of 100% or more (cumulative total for the three years of the Fourth Medium-Term Management Plan) and expectations for business expansion, particularly in the Semiconductors; as a result, PBR rose to around 1.2 times.





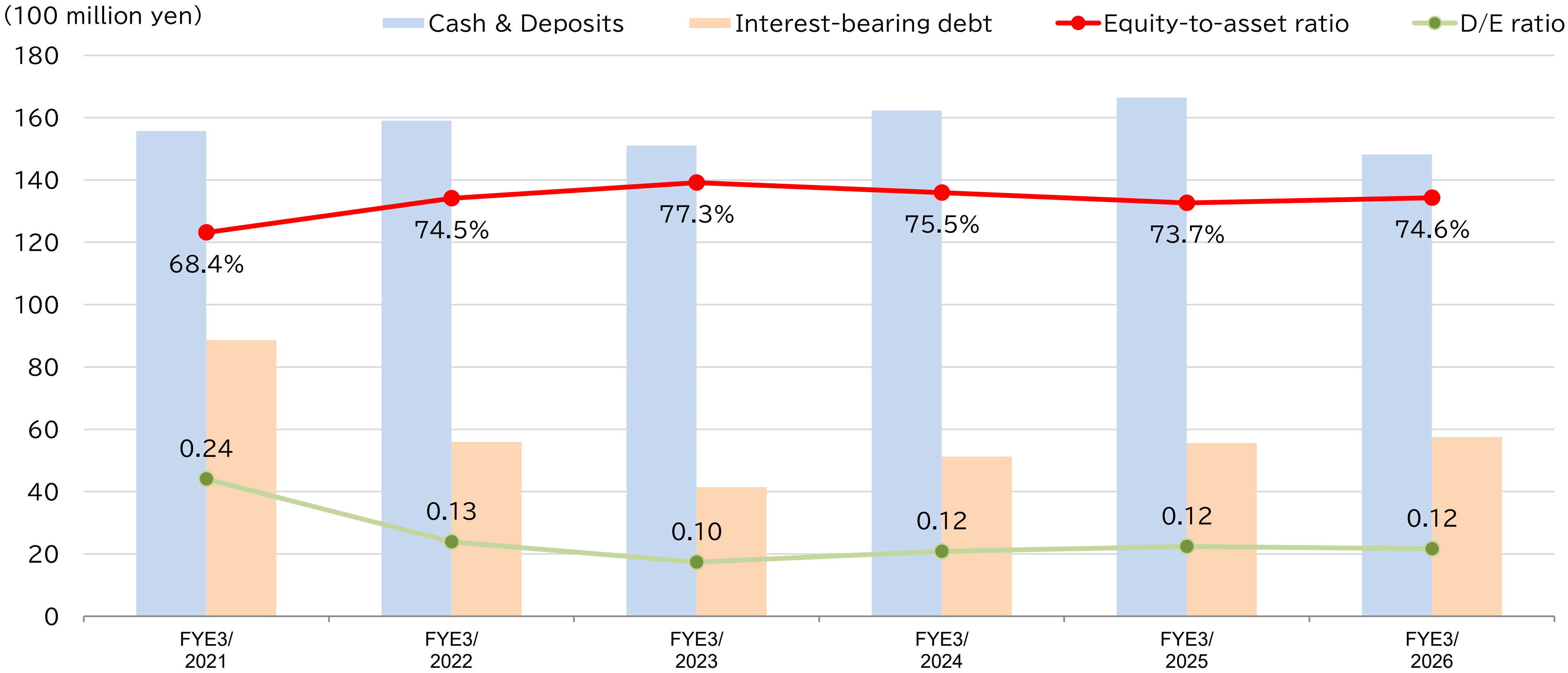
1. Analysis of Current Situation

- **Cash & Deposits**

Although Cash & Deposits began to decline in FYE3/2026, our recognition is that there is still room for further reduction through effective use of group funds.
We aim to decrease their balance by steadily implementing cash allocation stated in the Fourth Medium-Term Management Plan.

- **Interest-bearing debt・D/E ratio**

Interest-bearing debt increased slightly, the D/E ratio remained flat due to an increase in equity.
We strive to further utilize interest-bearing debt to improve capital efficiency in the Fourth Medium-Term Management Plan.



2. Policy on Initiatives to Enhance Corporate Value

- As ROE is still below the assumed cost of shareholders' equity, we recognize that improving return on capital is our priority.
- To increase top-line revenue and profit margins, we will reinforce sales capabilities mainly in the Semiconductors and aim to improve the gross profit margin.
- In our capital strategy, we will strive to restrain increases in equity capital and bring it closer to the target capital structure over the medium term.
- As part of our growth strategy, we have begun exploring new investment opportunities in light of the rapid expansion of the semiconductor market.

Enhance PBR (>>1.0)

End of March 2025：1.02
End of March 2026：1.23

Enhance ROE

FYE3/2025：6.5%
FYE3/2026：6.6%

Increase top-line revenue and profit margins

- Reinforce selling power for overseas markets mainly in the Semiconductors
- Improve gross profit margin

Financial and capital strategies

- Improve capital efficiency through enhanced BS management
- Continue proactive shareholder returns

Enhance PER

End of March 2025：16.0
End of March 2026：18.6

Growth strategy

- Expansion of growth investments in the Semiconductors

Reduce the cost of shareholders' equity

- Step up IR and SR activities
- Strengthen corporate governance

3. Increase top-line revenue and profit margins： Changes in the Business Environment in the Semiconductors

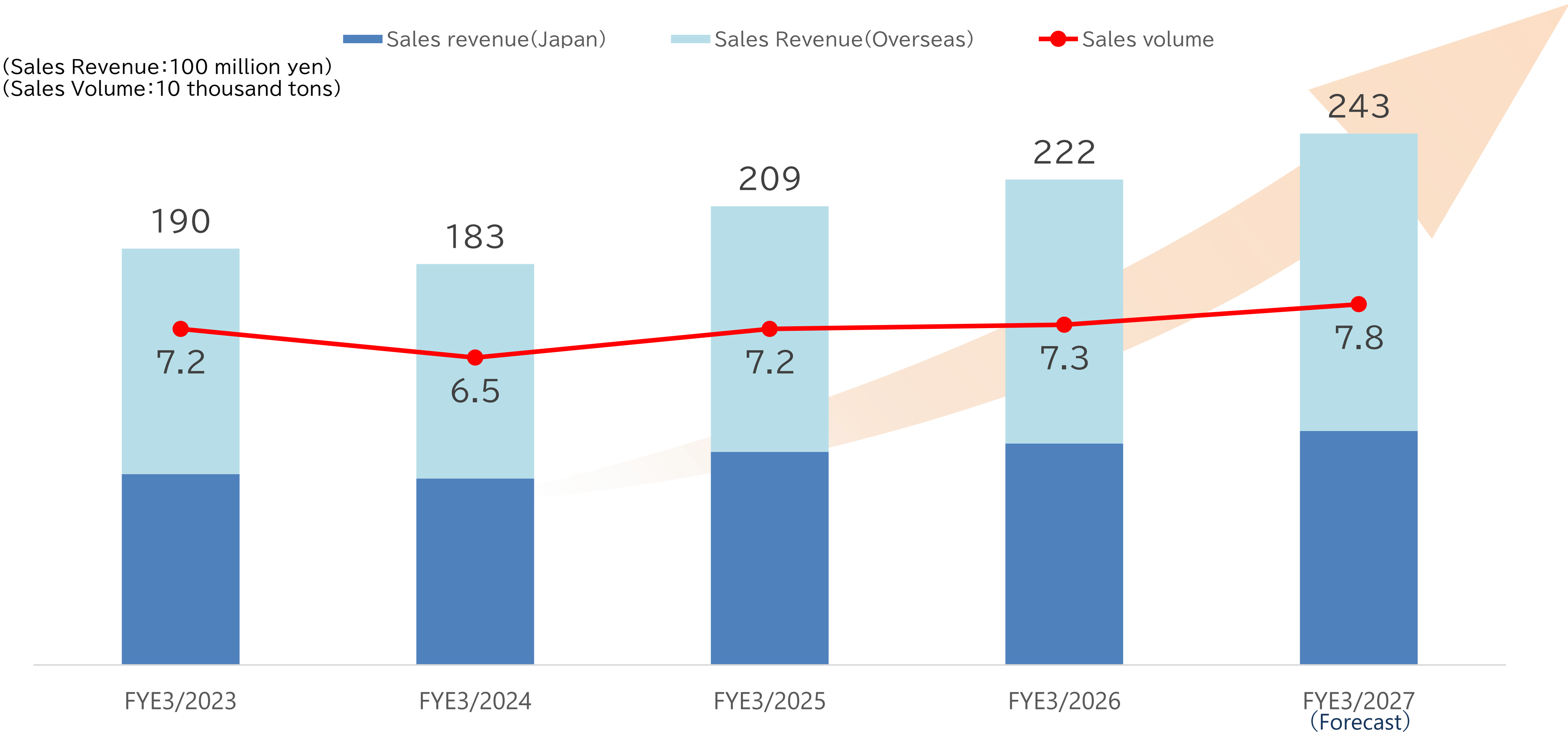
- **Against the backdrop of rapidly growing demand for AI and other factors, semiconductor manufacturers are currently implementing significantly revised upward investment plans starting around the second half of 2025, reflecting major changes in the business environment since the Medium-Term Management plan was formulated.**
- **A full-scale expansion in demand is expected in the second half of fiscal year 2027 and beyond, and demand for our products is expected to increase over the medium term.**

Manufacturer	Main Products	Base	Plan
Micron Technology	DRAM	Idaho State (USA)	Production is scheduled to begin at Plant No. 1 in mid-2027 and at Plant No. 2 in the second half of 2028.
	DRAM	New York State (USA)	Plans to build up to four plants.
	DRAM	Hiroshima	Construction of a new cleanroom has begun; installation of manufacturing equipment is scheduled to start in the second half of 2028.
	DRAM	Taiwan	Acquired PSMC's factory; plans to produce memory for AI
	3D-NAND	Singapore	A new factory is under construction, with production scheduled to begin in the second half of 2028.
Kioxia	3D-NAND	Yokkaichi･Kitakami	Plans to invest an average of approximately 470 billion yen per year from fiscal years 2026 to 2028.
TSMC	Logic	Kumamoto (Plant No. 2)	Equipment installation and the start of mass production are scheduled for 2028.
Rapidus	Logic	Hokkaido	Mass production of 2-nanometer-class semiconductors is scheduled to begin in the second half of fiscal year 2027.

(Source) Compiled by the Company based on various publicly available materials

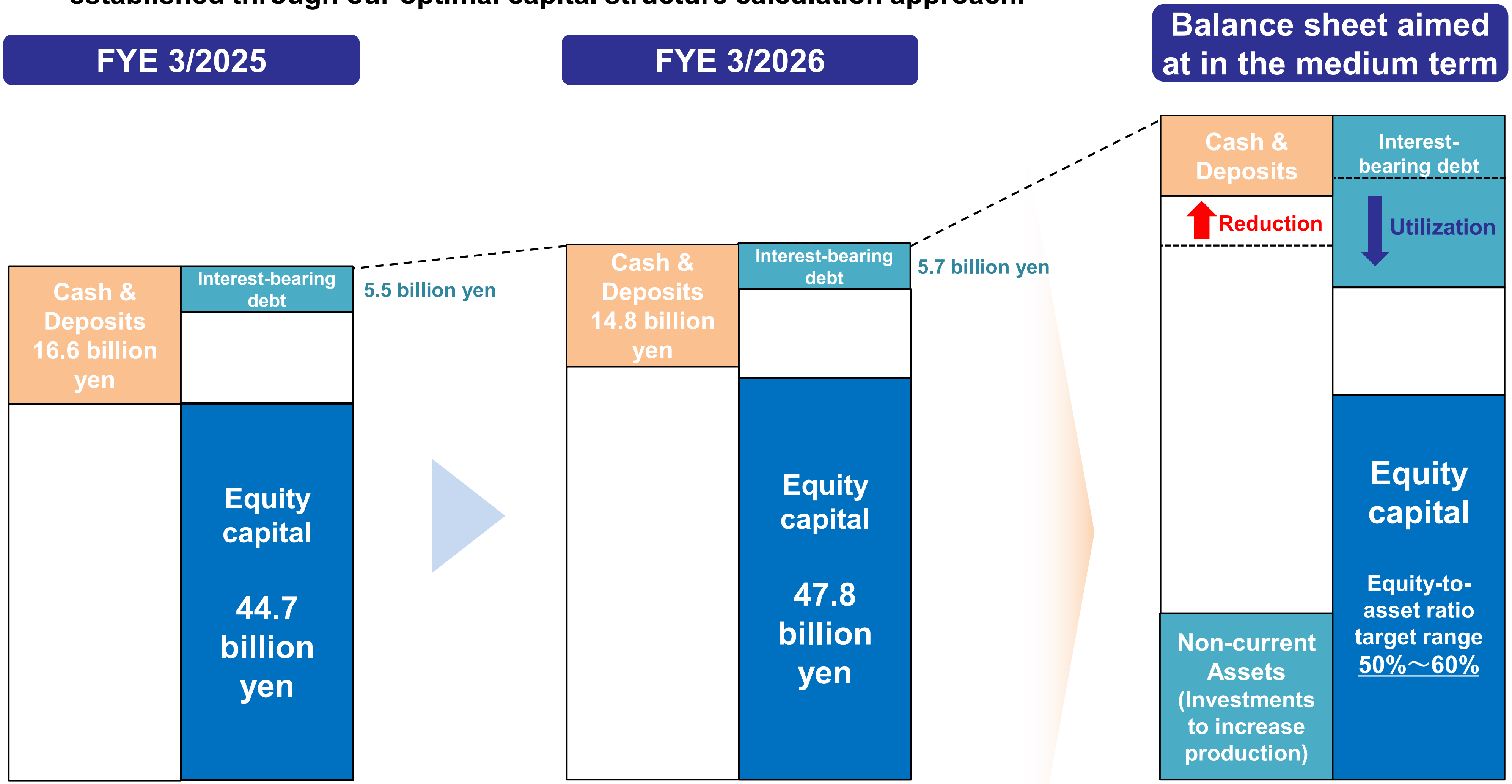
3. Increase top-line revenue and profit margins：
Sales increase in the Semiconductors

- **Sales in the Semiconductors are on an upward trend due to increased demand and the effects of price pass-through.**
- **Sales revenue is expected to increase in FYE3/2028 and beyond due to an increase in shipments especially to overseas memory manufacturers.**
- **Progress has also been made in evaluating functional chemicals with high-selectivity etching properties. We are strengthening our sales capabilities through a portfolio of differentiated products.**



4. Financial and Capital Strategies: Balance Sheet Management

- Equity capital increased in FYE 3/2026 due to the disposal of treasury shares associated with the capital and business alliance and the total return ratio that reached only about 70%.
- Assuming the implementation of capital investments to increase semiconductor-related production capacity—which was identified as an issue for consideration in the Fourth Medium-Term Management Plan—we will continue to work toward achieving the target range (50%–60%) for the equity-to-asset ratio established through our optimal capital structure calculation approach.



4. Financial and Capital Strategies： Cash Allocation (Results for FYE 3/2026）

In addition to capital investment focused mainly on the semiconductor sector, we implemented shareholder returns through dividends and strategic investments related to capital and business alliances.

Cash in

- Procure interest-bearing debt: 1.7 billion yen
- Disposal of treasury shares: 2.0 billion yen
- Operating CF: 6.0 billion yen
- Cash on hand

Cash out

Cash out	
Strategic investments 3.6 billion yen	Acquisition of shares in connection with the capital and business alliance with Soulbrain in Korea and indirect investment in Sun Fluoro System
Invest in growth and maintenance 4.3 billion yen	Renew equipment Establish a product supply system based on customer needs Expand and strengthen existing businesses
Shareholder return 2.1 billion yen	Total return ratio (Note 1) of 100% or more (Note 2) for the three-year total Paid an annual dividend of ¥180 per share
Repayment of interest-bearing debt 1.5 billion yen	

(Note 1) Total shareholder return for the period from FYE 3/2026 to FYE 3/2028 divided by total profit attributable to owners of parent for the same period.
(Note 2) However, in the case of a fiscal year in which profit attributable to owners of parent fluctuates significantly due to special factors such as extraordinary gains or losses, the amount of shareholder return shall be determined in consideration of the impact of such factors.

5. IR Activity Reinforcement
– Information Disclosure and Constructive Dialogue

Strive to eliminate information asymmetries by strengthening the disclosure of quantitative and qualitative information and expanding opportunities for dialogue with shareholders and investors

● Status of dialogue with shareholders and investors

Interviews conducted (FYE 3/2026)

- ✓ Financial results briefings: Twice (year-end and interim)
- ✓ Individual meetings（IR･SR） 83 times

Main correspondents

- ✓ Representative Director, President and Chief Executive Officer
- ✓ Director in charge of Research and Development
- ✓ Director in charge of Accounting
- ✓ Executive Officer in charge of General Affairs
- ✓ IR Manager

Main themes and interest of dialogue

- ✓ Semiconductor market outlook
- ✓ Regarding growth strategy in the Fourth Medium-Term Management Plan
- ✓ Measures for enhancing ROE
- ✓ Shareholder returns
- ✓ Optimal equity-to-asset ratio and D/E ratio
- ✓ R&D
- ✓ Cash ratio
- ✓ Operation of Voluntary Committees Composed Primarily of Outside Directors

Initiatives

Opinions and requests from shareholders and investors are fed back to the Board of Directors and shared with related departments to improve management and IR / SR activities.

Responses based on dialogue, etc.

（Details of implementation）
- ✓ Target total return ratio of 100% or more over the three years period accumulatively （FYE 3/2026 – FYE 3/2028)
- ✓ Disclosed materiality and responses to climate change
- ✓ Appointment of an Independent Outside Director with expertise in capital markets and the chemical industry
- ✓ Appointment of an Independent Outside Director as chairman of the Nomination Advisory Committee and Compensation Advisory Committee

<Disclaimer>

The forward-looking statements in this document are based on information available as of the date of the release of this document and are not guarantees of future performance. Actual performance may differ from forecast figures due to various factors in the future.

Please note in advance that the information in this document is subject to change without prior notice. Moreover, we assume no responsibility for any damage resulting from errors in the information included in this document.

This document has been prepared for the purpose of promoting understanding of our business.

Investment decisions are the sole responsibility of the investor.