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# **Financial Briefings for the Second Quarter of the Fiscal Year Ending March 2026 (April to September 2025)**

**November 11, 2025**

**KOKUSAI ELECTRIC CORPORATION**

# Disclaimers

**This document and the information presented in this document were created for the purpose of disclosing corporate information, etc., and do not constitute a solicitation of an offer to subscribe for shares or other securities of the Company, either domestically or internationally.**

## ■ Forward-Looking Statements

The Group's business plans and forecasts stated in this document are prepared by the Group based on information available at the time of preparation and do not guarantee future results or performance. Actual business results and performance may differ significantly from the plans and forecasts due to changes in various internal and external factors. The Company does not undertake any obligation to update or revise any information contained in this document based on future events, except as required by applicable laws or stock exchange rules. The key risks that may significantly affect the Group's business results, financial position and cash flows are stated in the annual securities report of the Company.

## ■ Currency Risk

The Group has a high proportion of overseas revenue. In addition, the valuation of the Group's assets and liabilities denominated in foreign currencies is affected by fluctuations in exchange rates. Most export sales of group products are denominated in yen, but some are denominated as foreign-currency sales or expenses and so may be affected by fluctuations in foreign exchange rates.

## ■ Key Performance Indicators

To understand the trends in business results to improve corporate value, the Group uses Adjusted Operating Profit and Adjusted (quarterly) Net Income as key performance indicators. The calculation methods are stated in the earnings report. Adjusted operating profit and adjusted quarterly net income may differ from management indicators of other companies that use the same or similar names and so may not be comparable.

## ■ Accounting Standard

The Company prepares its consolidated financial reports based in accordance with International Financial Reporting Standards (IFRS) since FY2021/3.

## ■ Rounding Convention

Except in certain cases, amounts presented in this document have been rounded to the nearest hundredth million, and accordingly the sum of the amounts may not be equal to the total of the individual items.



# 2Q FY26/3 Consolidated Financial Summary

## Summary of Consolidated Results for 2Q FY26/3

- The semiconductor device market saw high levels of generation shift and capacity up investment, mainly in high-performance Logic and DRAM for generative AI applications. Investments for NAND are mainly focused on generation shift. The recovery in demand for consumer electronics, automobiles, and industrial equipment is moderate.
- Our 2Q revenue and profit increased due to increases in sales of equipment for NAND and upgrade modifications. Both revenue and profit exceeded our previous forecast for 1H, as some sales were moved forward from 2H.

## Consolidated Earnings and Dividend Forecast for FY26/3 and Outlook for the future

- Although some semiconductor device manufacturers were in a transitional period for capital investment, capital investment is expected to continue for the generation shift in high-performance devices, particularly for AI-related applications, as well as expansions in production scale.
- Although Non-China DRAM revenue has been stronger than expected, including upgrade modifications (services), we have revised revenue and profit forecasts, based on our view that some equipment sales expected in 2H will slip into FY27/3. The dividend forecast is unchanged.

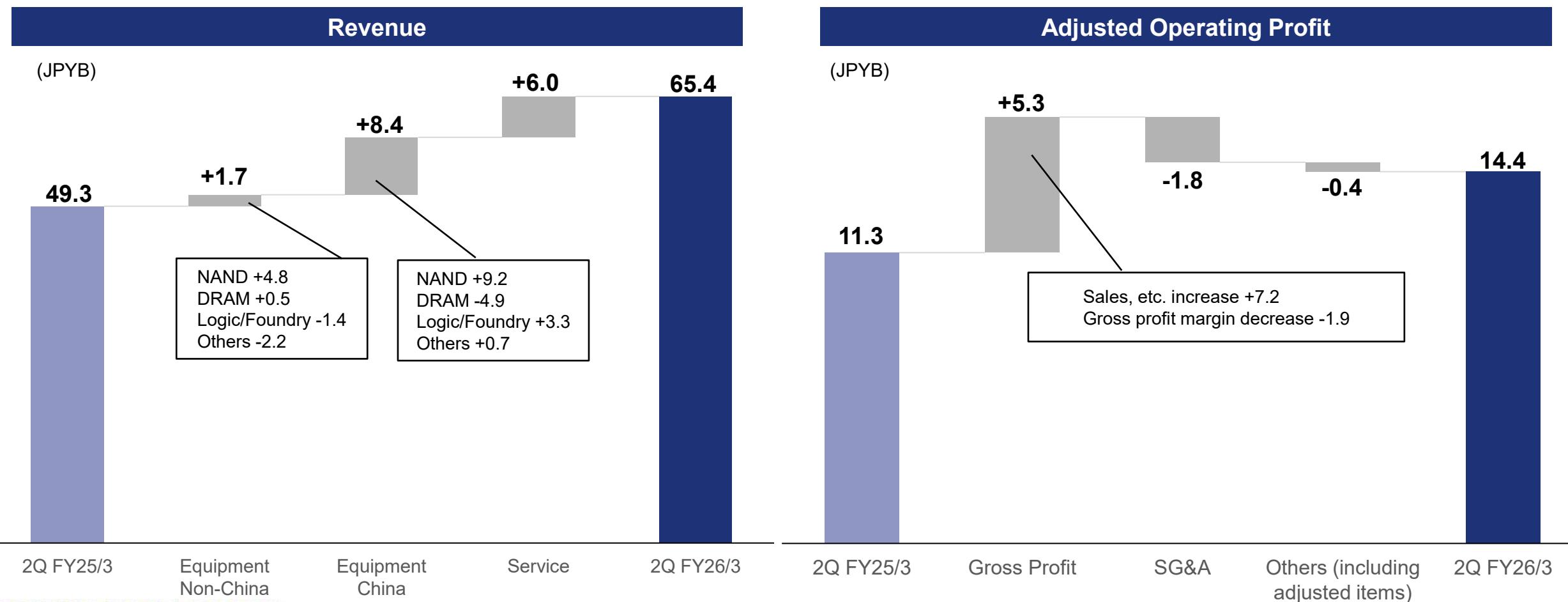
# Consolidated Results Summary

Revenue and profits for 2Q increased YoY and QoQ. Although revenue increased YoY in 1H, each level of profit decreased YoY owing to the impact of changes in product composition and upfront investments for the future. Revenue and profit both exceeded the previous forecasts as some equipment sales expected in 2H were moved forward.

(JPYB)	FY25/3				FY26/3						Compared with previous forecast	1H previous forecast
	1Q	2Q	1H	1Q	2Q	YoY	QoQ	1H	YoY			
<b>Revenue</b>	<b>65.2</b>	<b>49.3</b>	<b>114.5</b>	<b>51.8</b>	<b>65.4</b>	+32.6%	+26.3%	<b>117.2</b>	+2.3%	+12.7%		<b>104.0</b>
<b>Gross profit</b>	<b>29.4</b>	<b>22.0</b>	<b>51.4</b>	<b>22.2</b>	<b>27.3</b>	+23.9%	+22.8%	<b>49.5</b>	-3.6%	+12.2%		<b>44.1</b>
<i>Gross profit margin</i>	45.0%	44.6%	44.8%	42.9%	41.7%	-2.9pts	-1.2pts	42.2%	-2.6pts	-0.1pts		42.3%
<b>Adjusted operating profit</b>	<b>19.4</b>	<b>11.3</b>	<b>30.7</b>	<b>10.9</b>	<b>14.4</b>	+27.8%	+32.4%	<b>25.3</b>	-17.4%	+26.7%		<b>20.0</b>
<i>Adjusted operating profit margin</i>	29.7%	22.9%	26.8%	21.1%	22.1%	-0.8pts	+1.0pts	21.6%	-5.2pts	+2.4pts		19.2%
<b>Adjusted net income</b>	<b>14.3</b>	<b>7.3</b>	<b>21.6</b>	<b>7.6</b>	<b>9.8</b>	+34.7%	+28.8%	<b>17.4</b>	-19.5%	+24.2%		<b>14.0</b>
<i>Adjusted net income margin</i>	22.0%	14.7%	18.9%	14.7%	15.0%	+0.3pts	+0.3pts	14.8%	-4.1pts	+1.3pts		13.5%
<b>Operating profit</b>	<b>17.9</b>	<b>9.6</b>	<b>27.4</b>	<b>9.7</b>	<b>13.0</b>	+35.9%	+33.7%	<b>22.7</b>	-17.2%	+33.6%		<b>17.0</b>
<i>Operating profit margin</i>	27.4%	19.4%	24.0%	18.8%	19.9%	+0.5pts	+1.1pts	19.4%	-4.6pts	+3.1pts		16.3%
<b>Income before income tax</b>	<b>17.7</b>	<b>10.2</b>	<b>27.9</b>	<b>9.3</b>	<b>12.8</b>	+25.9%	+37.7%	<b>22.2</b>	-20.7%	+34.3%		<b>16.5</b>
<i>Income before income tax margin</i>	27.2%	20.7%	24.4%	18.0%	19.6%	-1.1pts	+1.6pts	18.9%	-5.5pts	+3.1pts		15.9%
<b>Net income</b>	<b>13.3</b>	<b>4.8</b>	<b>18.1</b>	<b>6.8</b>	<b>8.8</b>	+84.8%	+29.6%	<b>15.6</b>	-13.8%	+30.7%		<b>11.9</b>
<i>Net income margin</i>	20.4%	9.6%	15.8%	13.1%	13.4%	+3.8pts	+0.3pts	13.3%	-2.5pts	+1.8pts		11.4%
<b>R&amp;D expenses</b>	<b>3.3</b>	<b>3.9</b>	<b>7.3</b>	<b>3.9</b>	<b>4.8</b>	+23.0%	+25.2%	<b>8.7</b>	+19.3%	-		-
<b>Capital expenditures</b>	<b>11.2</b>	<b>3.0</b>	<b>14.2</b>	<b>2.3</b>	<b>5.2</b>	+72.7%	+126.2%	<b>7.5</b>	-47.2%	-		-
<b>Depreciation &amp; amortization</b>	<b>2.9</b>	<b>3.0</b>	<b>5.9</b>	<b>3.4</b>	<b>3.5</b>	+15.6%	+2.4%	<b>6.9</b>	+16.4%	-		-
<b>Dividend per share(JPY)</b>	-	<b>18</b>	<b>18</b>	-	<b>18</b>	-	-	<b>18</b>	0%	<b>18</b>		<b>18</b>

# 2Q FY26/3 Results: Factors for Changes

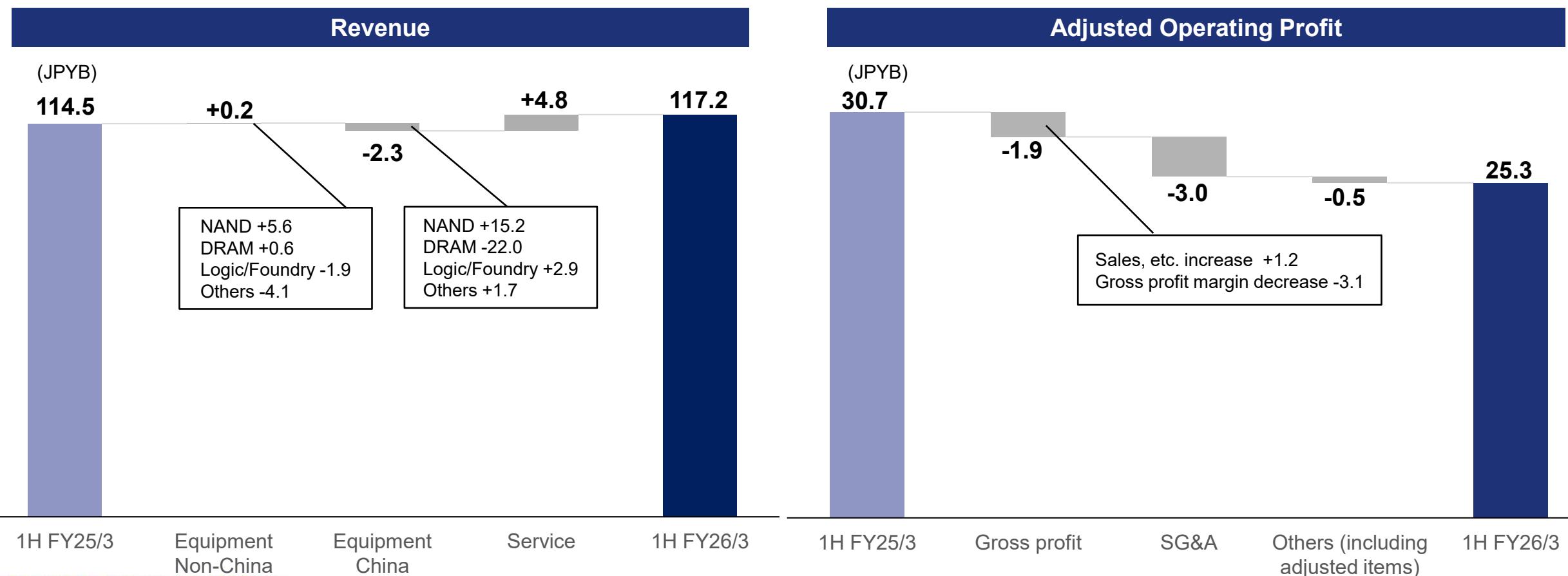
In 2Q, overall revenue increased 33% YoY, attributable to growth in revenue from equipment sales in China and service revenue. Adjusted operating profit increased 28% YoY as the increased gross profit due to higher sales volume, etc., absorbed the impact of a lower gross profit margin caused by changes in product composition and higher SG&A expenses.



# 1H FY26/3 Results: Factors for Changes

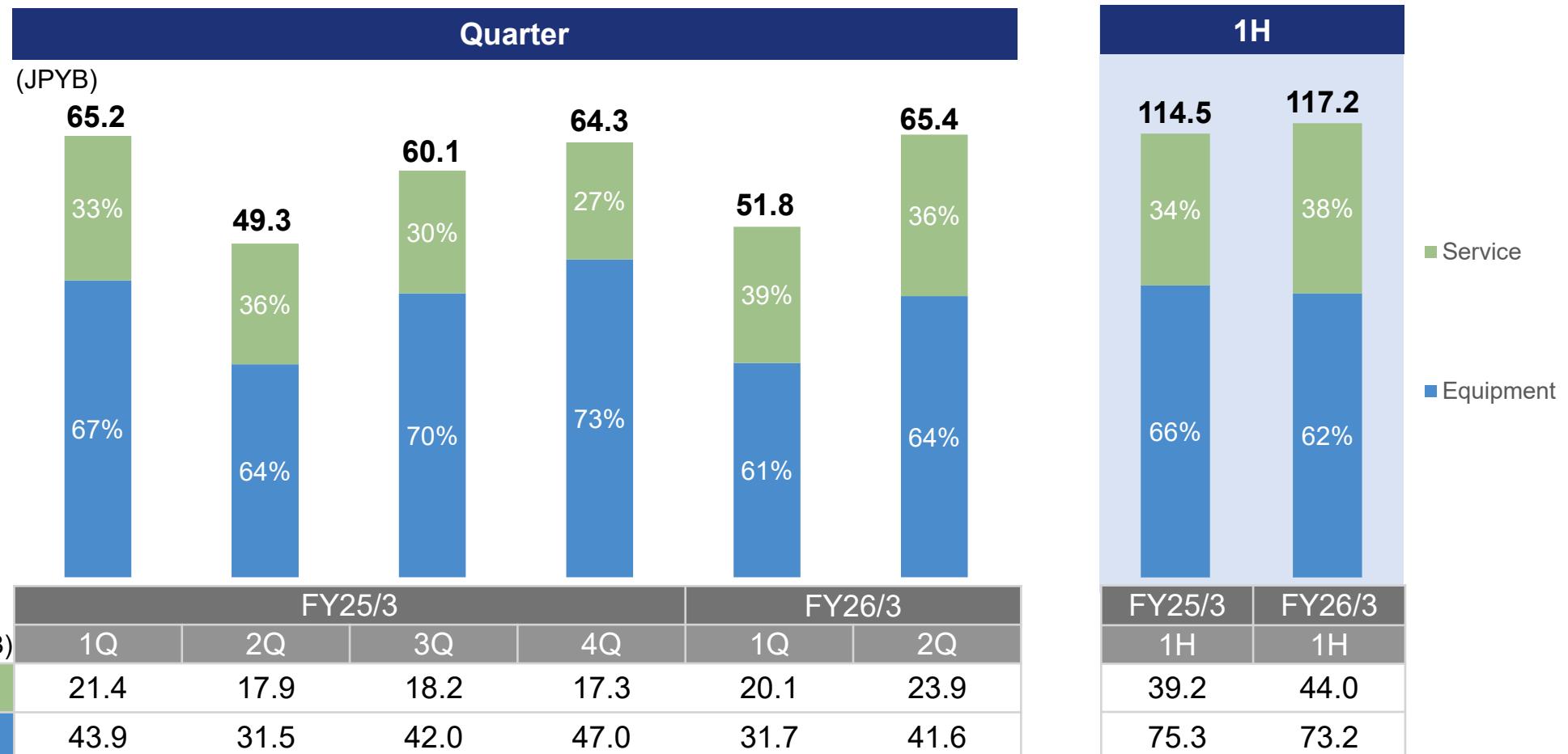
In 1H, although revenue from sales of equipment in China decreased as shipments which had been concentrated in the same period of the previous year settled down, overall revenue increased 2% YoY, as upgrade modifications(services) of previously sold equipment grew.

Adjusted operating profit decreased 17% YoY owing to a lower gross profit margin caused by changes in product composition and an increase in SG&A expenses.



# Quarterly Revenues by Business

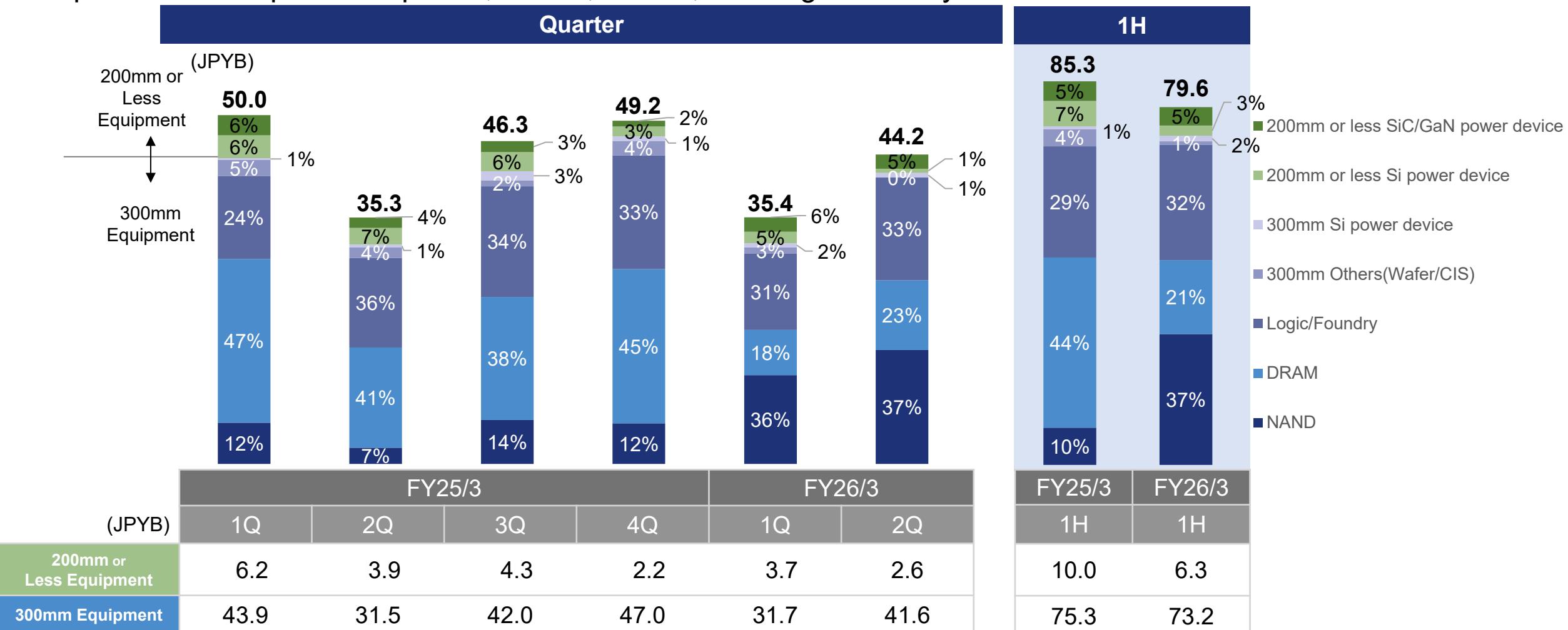
In 2Q, equipment and service revenue increased 32% and 34% YoY, respectively. Compared with the previous quarter, equipment and service revenue increased 31% and 19%, respectively. In 1H, equipment revenue decreased 3% YoY and service revenue increased 12% due to an increase in upgrade modifications (services) in place of new equipment sales.



# Quarterly Revenues by Application (300mm Equipment + 200mm or Less Equipment)

In 2Q and throughout 1H, NAND and Logic/Foundry revenue increased YoY. DRAM revenue decreased, as some sales were replaced by upgrade modifications (services).

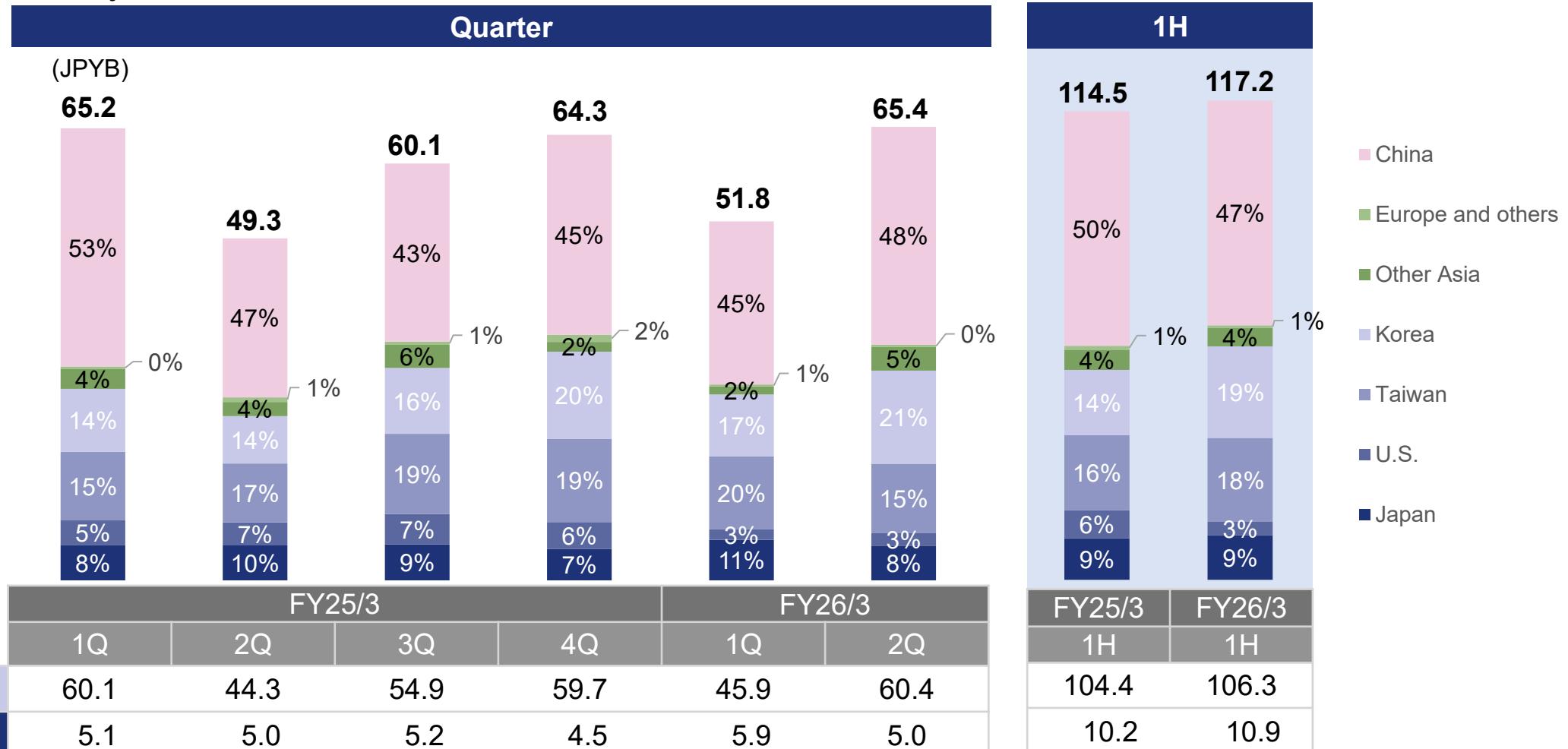
Compared with the previous quarter, NAND, DRAM, and Logic/Foundry revenue all increased.



# Quarterly Revenues by Destination

In 2Q, revenue from Korea and China increased, while revenue from U.S. decreased YoY.

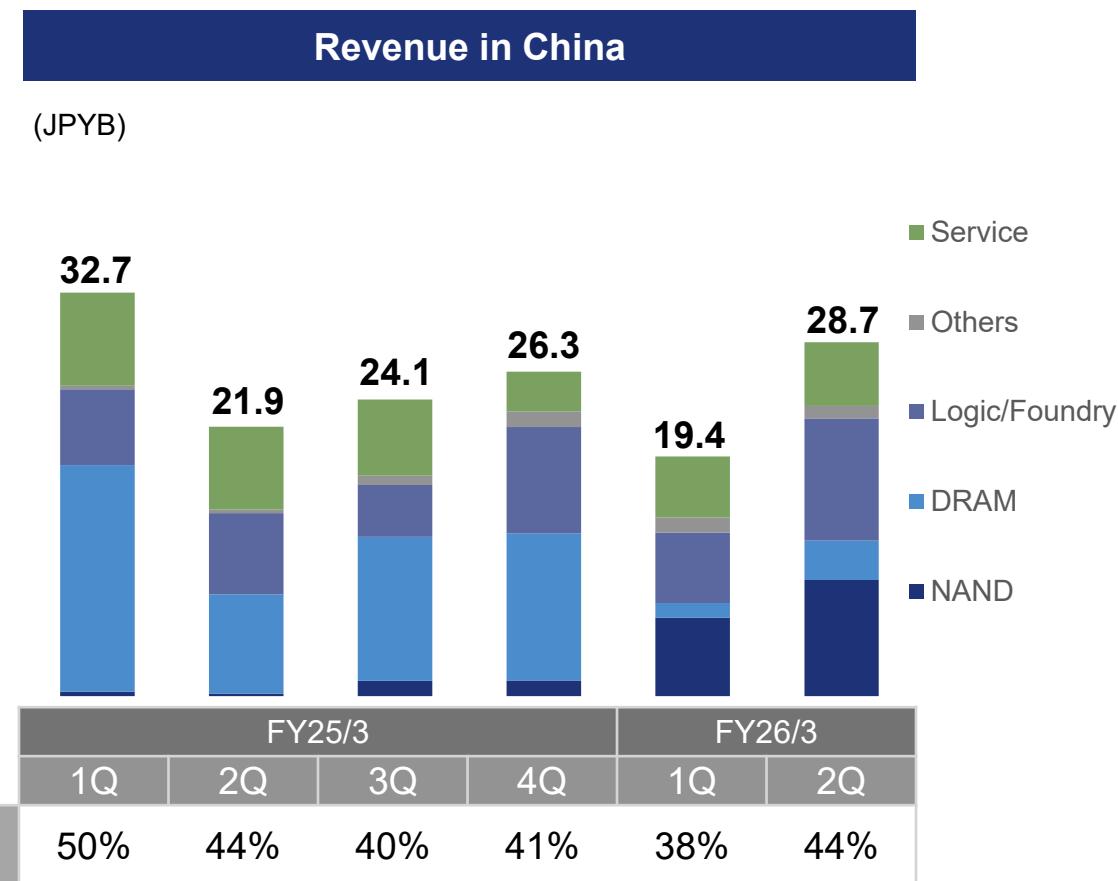
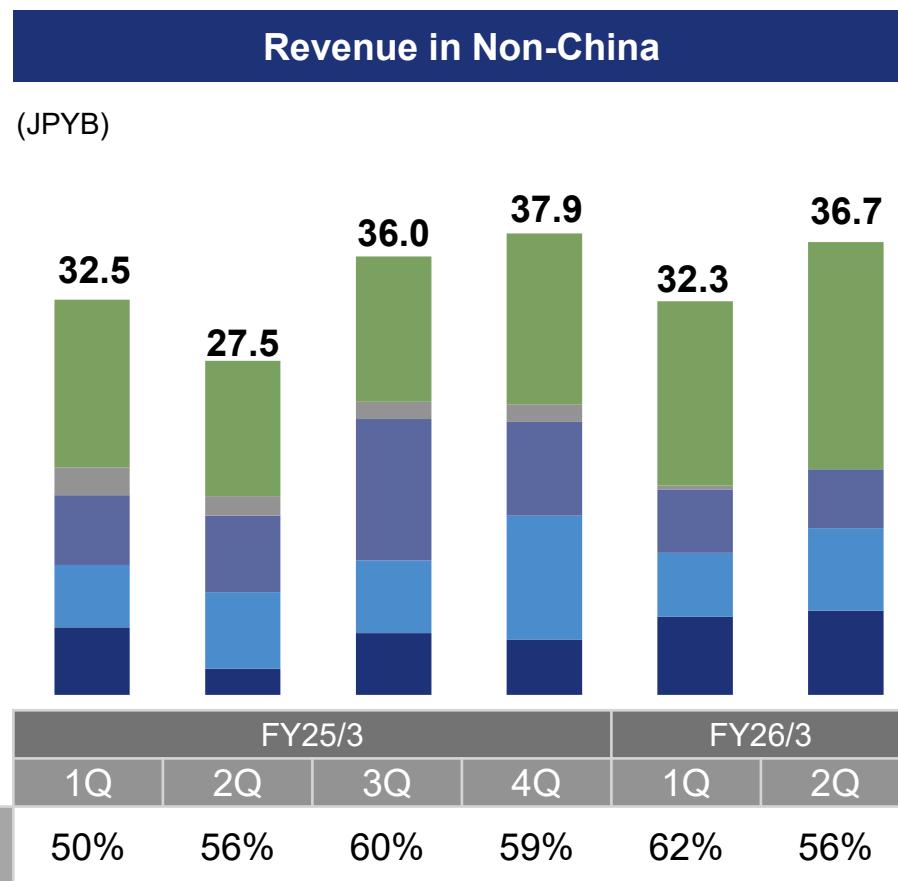
In 1H, revenue from Korea and Taiwan increased. The ratio of revenue from the U.S. and China fell to 3% and 47%, respectively.



# Quarterly Revenues by Account\*<sup>1</sup>

2Q revenue from Non-China for NAND, DRAM, and upgrade modifications (services) increased QoQ due to aggressive investments by device manufacturers.

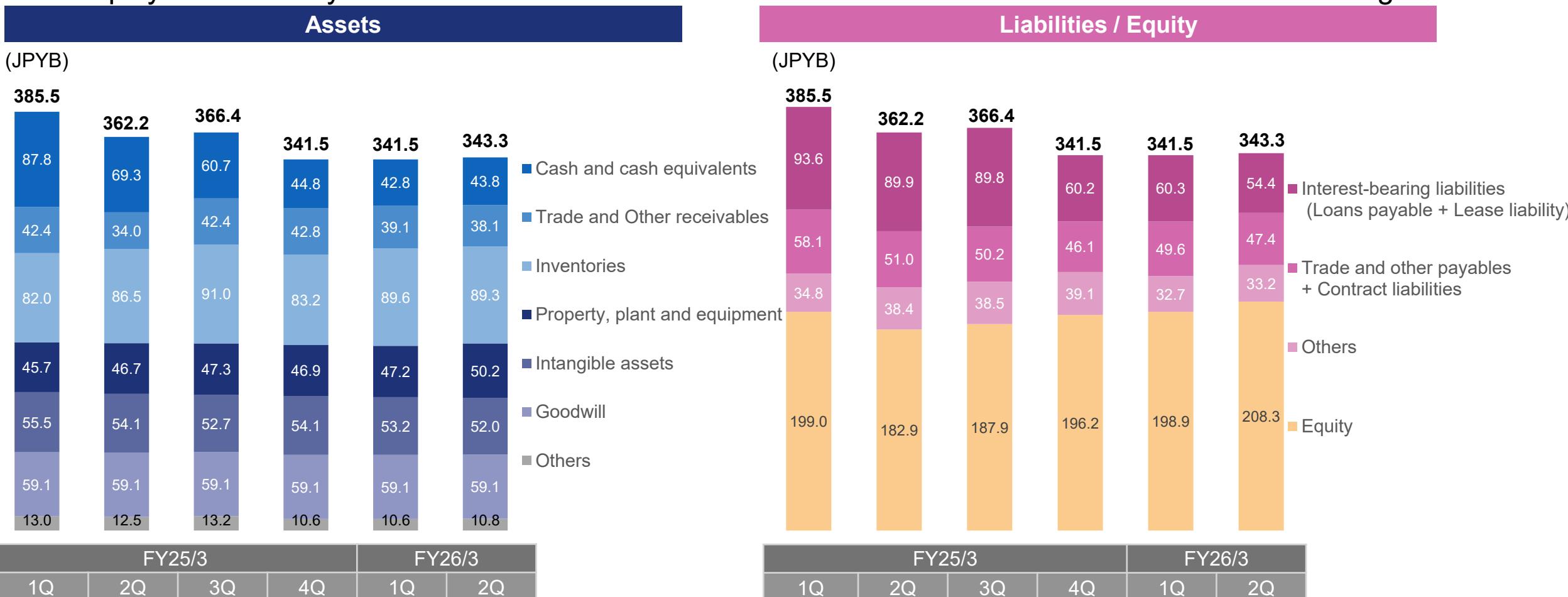
2Q revenue from China increased QoQ for NAND and Logic/Foundry, and revenue for DRAM began to increase following a transitional period. The ratio of revenue from China increased temporarily to 44%.



# Quarterly Balance Sheet

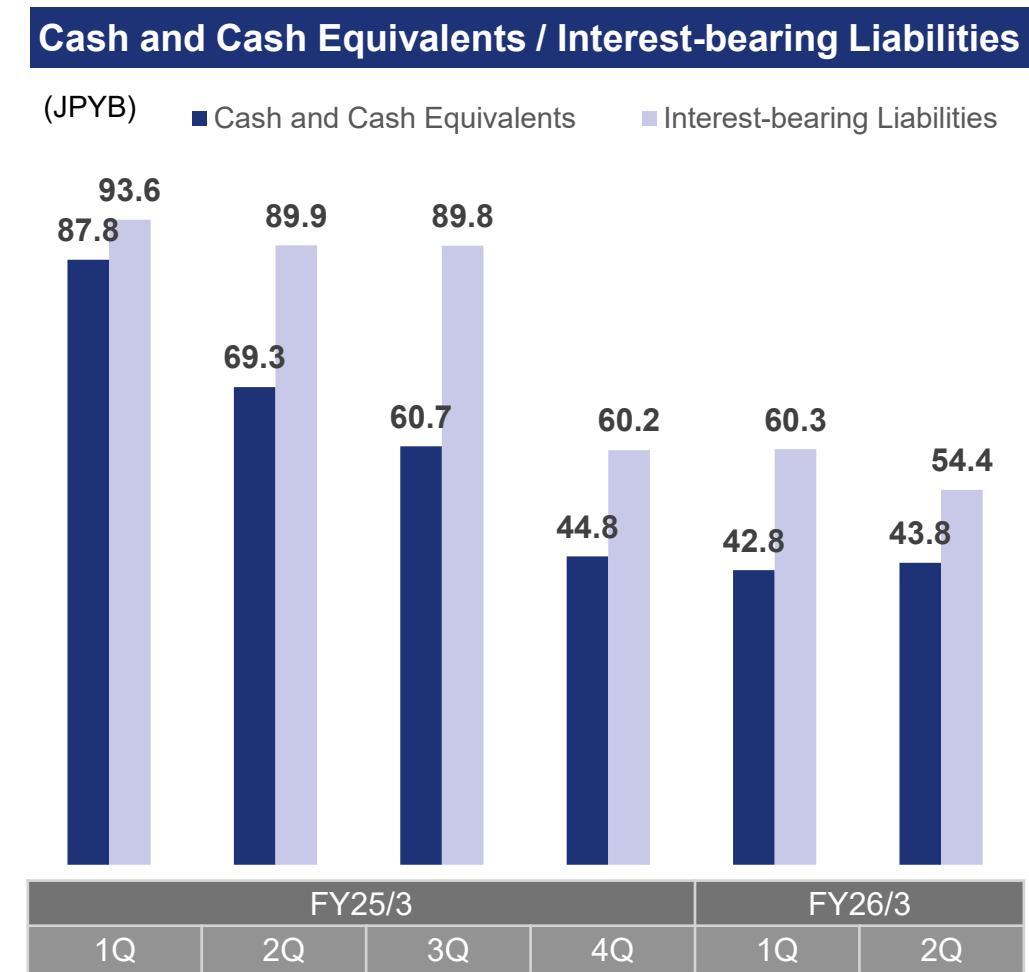
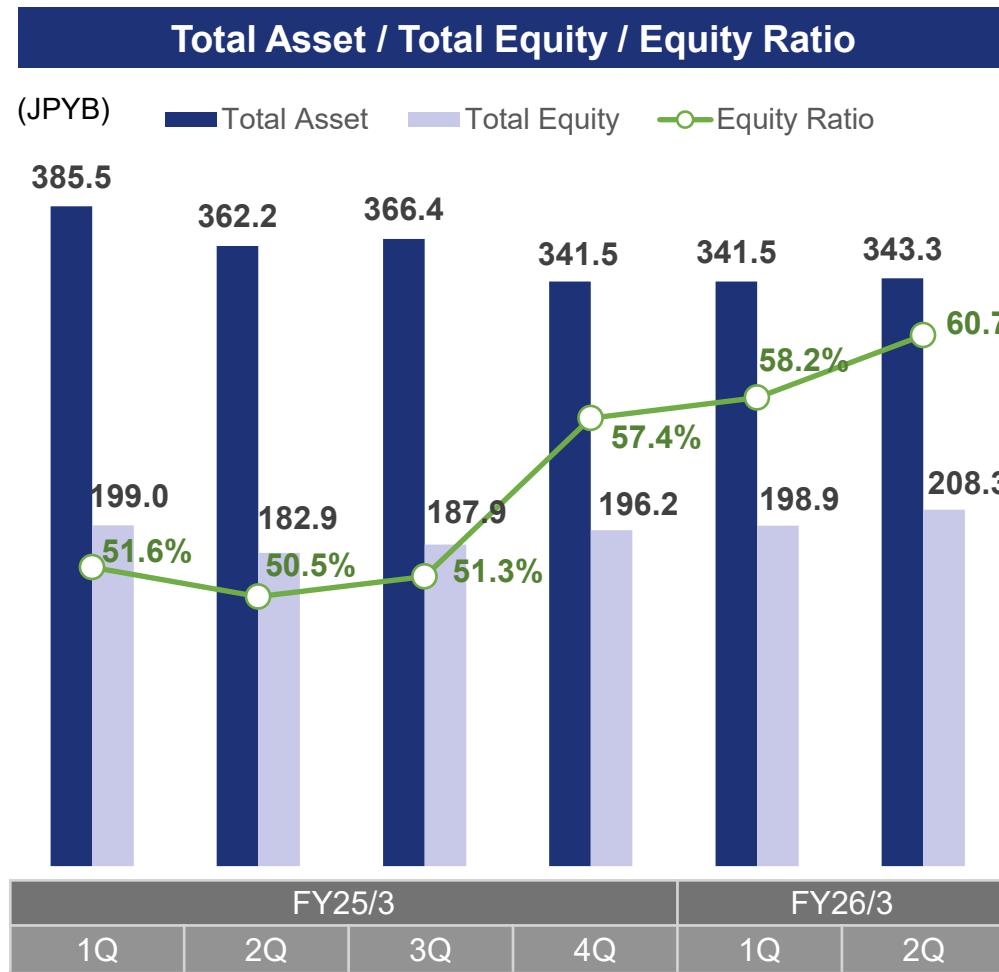
Total assets at the end of 2Q increased by JPY 1.8 bn from the end of the FY25/3 due to an increase in inventories and an increase in property, plant and equipment, partly because of investment associated with the establishment of a demo center in the U.S., despite a decrease in trade and other receivables, etc.

Total equity increased by JPY 12.1 bn from the end of the FY25/3 due to an increase in retained earnings.



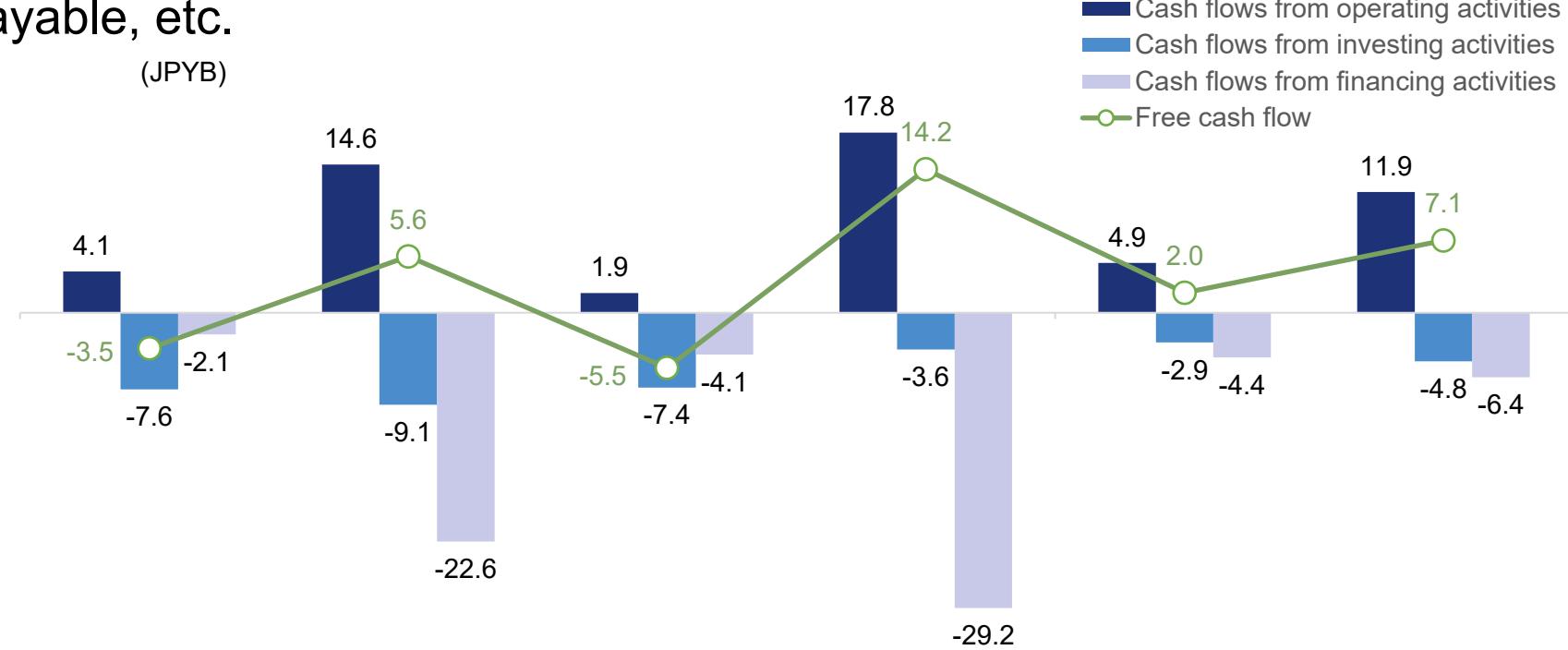
# Quarterly Equity Ratio / Cash and Cash Equivalents / Interest-bearing Liabilities

The equity ratio at the end of 2Q was 60.7%, up 2.5 percentage points from the end of the previous fiscal year. Net debt at the end of 2Q was JPY 10.6 bn, in line as planned.



# Quarterly Cash Flows

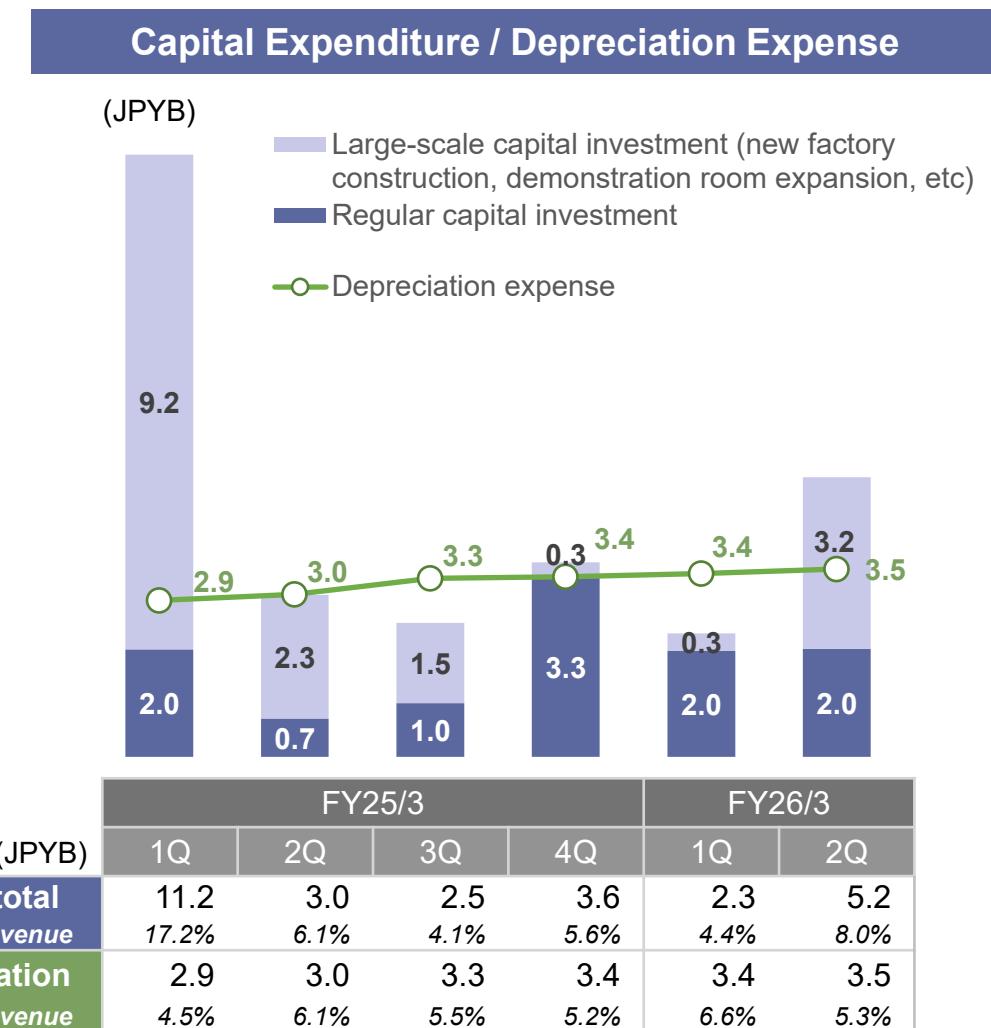
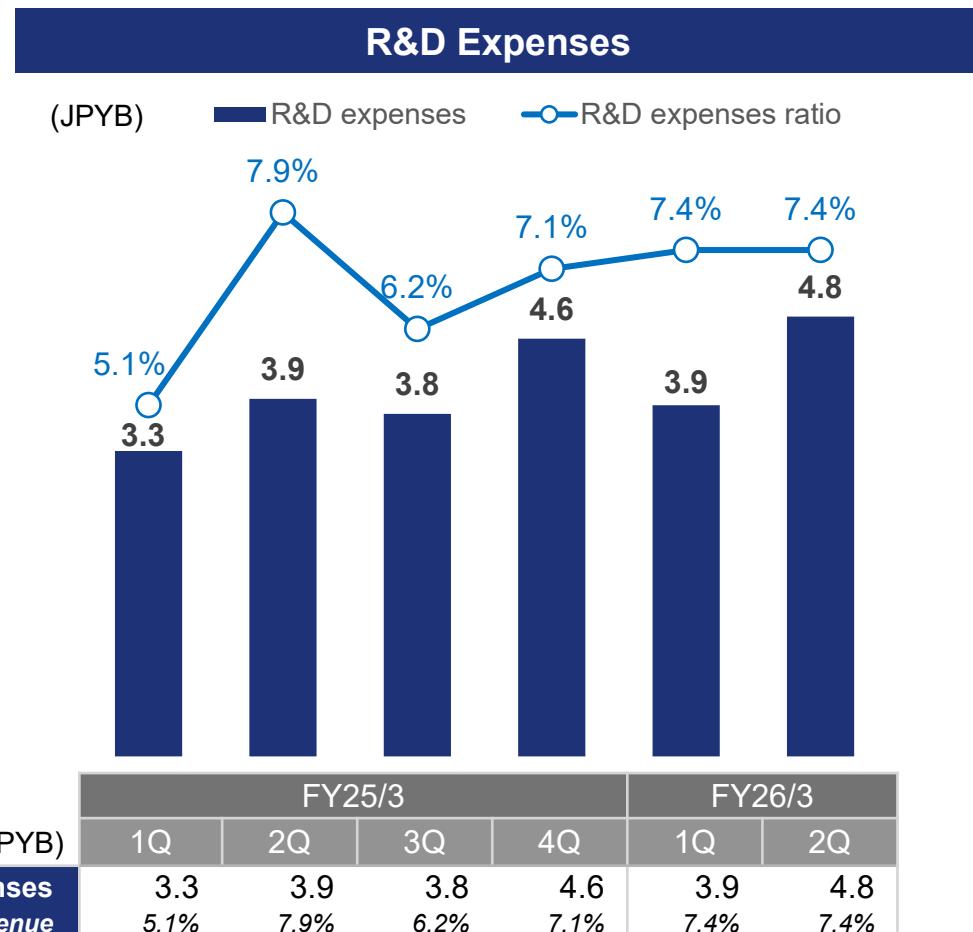
In 2Q, cash flows from operating activities exceeded cash flows from investing activities, resulting in free cash flow of JPY 7.1 bn. Cash outflow in financing activities amounted to JPY 6.4 bn due to repayment of loans payable, etc.



(JPYB)	FY25/3				FY26/3	
	1Q	2Q	3Q	4Q	1Q	2Q
CF from operating activities	4.1	14.6	1.9	17.8	4.9	11.9
CF from investing activities	-7.6	-9.1	-7.4	-3.6	-2.9	-4.8
CF from financing activities	-2.1	-22.6	-4.1	-29.2	-4.4	-6.4
Free CF	-3.5	5.6	-5.5	14.2	2.0	7.1
Cash and cash equivalents	87.8	69.3	60.7	44.8	42.8	43.8

# Quarterly R&D Expenses / Capital Expenditure / Depreciation Expense

2Q R&D expenses were as planned, the R&D expenses ratio was 7.4%.





## Consolidated Earnings and Dividend Forecast for FY26/3

## Summary of Consolidated Results for 2Q FY26/3

- The semiconductor device market saw high levels of generation shift and capacity up investment, mainly in high-performance Logic and DRAM for generative AI applications. Investments for NAND are mainly focused on generation shift. The recovery in demand for consumer electronics, automobiles, and industrial equipment is moderate.
- Our 2Q revenue and profit increased due to increases in sales of equipment for NAND and upgrade modifications. Both revenue and profit exceeded our previous forecast for 1H, as some sales were moved forward from 2H.

## Consolidated Earnings and Dividend Forecast for FY26/3 and Outlook for the future

- Although some semiconductor device manufacturers were in a transitional period for capital investment, capital investment is expected to continue for the generation shift in high-performance devices, particularly for AI-related applications, as well as expansions in production scale.
- Although Non-China DRAM revenue has been stronger than expected, including upgrade modifications (services), we have revised revenue and profit forecasts, based on our view that some equipment sales expected in 2H will slip into FY27/3. The dividend forecast is unchanged.

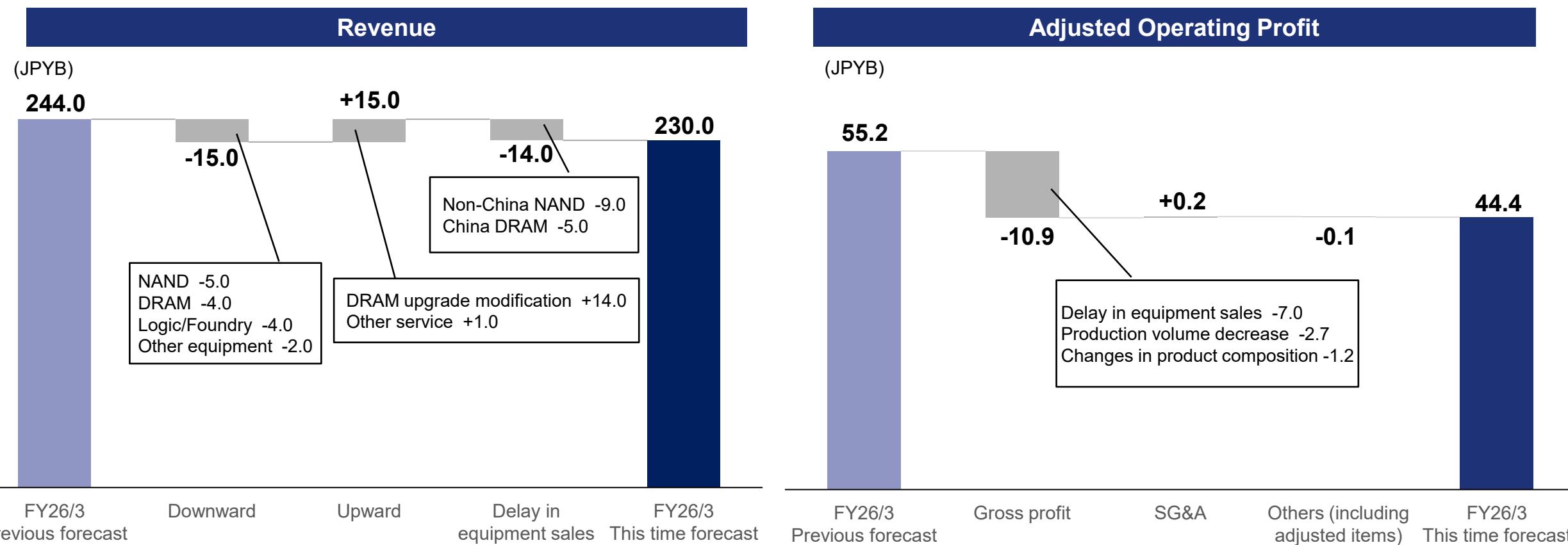
# FY26/3 Earnings Forecast / Dividend Forecast (With Changes)

We lowered our revenue and adjusted operating profit forecasts by 6% and 20%, respectively, from the previous forecast, based on our view that some equipment sales expected in 2H will slip into FY27/3. These revisions are mainly based on a temporary decline in revenue, so we have maintained our full-year dividend forecast.

(JPYB)	FY25/3			FY26/3					
	1H	2H	Full-year	1H	2H Forecast	Full-year This time forecast	YoY	Compared with previous forecast	Full-year previous forecast
<b>Revenue</b>	<b>114.5</b>	<b>124.4</b>	<b>238.9</b>	<b>117.2</b>	<b>112.8</b>	<b>230.0</b>	-3.7%	-5.7%	<b>244.0</b>
<b>Gross profit</b>	<b>51.4</b>	<b>50.4</b>	<b>101.7</b>	<b>49.5</b>	<b>44.0</b>	<b>93.5</b>	-8.1%	-10.5%	<b>104.4</b>
<i>Gross profit margin</i>	44.8%	40.5%	42.6%	42.2%	39.0%	40.7%	-1.9pts	-2.1pts	42.8%
<b>Adjusted operating profit</b>	<b>30.7</b>	<b>27.1</b>	<b>57.8</b>	<b>25.3</b>	<b>19.1</b>	<b>44.4</b>	-23.1%	-19.6%	<b>55.2</b>
<i>Adjusted operating profit margin</i>	26.8%	21.8%	24.2%	21.6%	17.0%	19.3%	-4.8pts	-3.3pts	22.6%
<b>Adjusted net income</b>	<b>21.6</b>	<b>20.7</b>	<b>42.3</b>	<b>17.4</b>	<b>14.4</b>	<b>31.8</b>	-24.8%	-20.7%	<b>40.1</b>
<i>Adjusted net income margin</i>	18.9%	16.6%	17.7%	14.8%	12.8%	13.8%	-3.9pts	-2.6pts	16.4%
<b>Operating profit</b>	<b>27.4</b>	<b>23.9</b>	<b>51.3</b>	<b>22.7</b>	<b>16.1</b>	<b>38.8</b>	-24.4%	-21.1%	<b>49.2</b>
<i>Operating profit margin</i>	24.0%	19.2%	21.5%	19.4%	14.3%	16.9%	-4.6pts	-3.3pts	20.2%
<b>Income before income tax</b>	<b>27.9</b>	<b>22.8</b>	<b>50.8</b>	<b>22.2</b>	<b>15.4</b>	<b>37.6</b>	-26.0%	-22.3%	<b>48.4</b>
<i>Income before income tax margin</i>	24.4%	18.4%	21.3%	18.9%	13.7%	16.3%	-5.0pts	-3.5pts	19.8%
<b>Net income</b>	<b>18.1</b>	<b>18.0</b>	<b>36.0</b>	<b>15.6</b>	<b>12.3</b>	<b>27.9</b>	-22.5%	-22.5%	<b>36.0</b>
<i>Net income margin</i>	15.8%	14.4%	15.1%	13.3%	10.9%	12.1%	-3.0pts	-2.6pts	14.7%
<b>Dividend per share (JPY)</b>	<b>18</b>	<b>19</b>	<b>37</b>	<b>18</b>	<b>18</b>	<b>36</b>	-1	0	<b>36</b>
<i>Dividends payout ratio</i>	—	—	20.4%	—	—	26.4%	+6.0pts	+5.5pts	20.9%

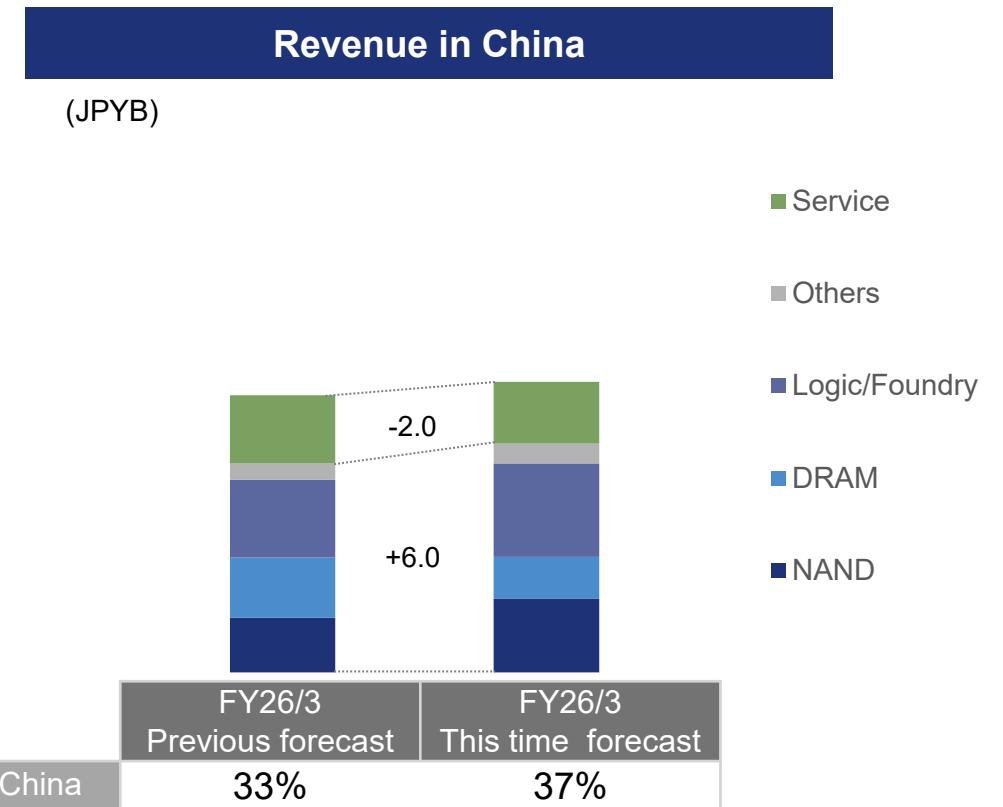
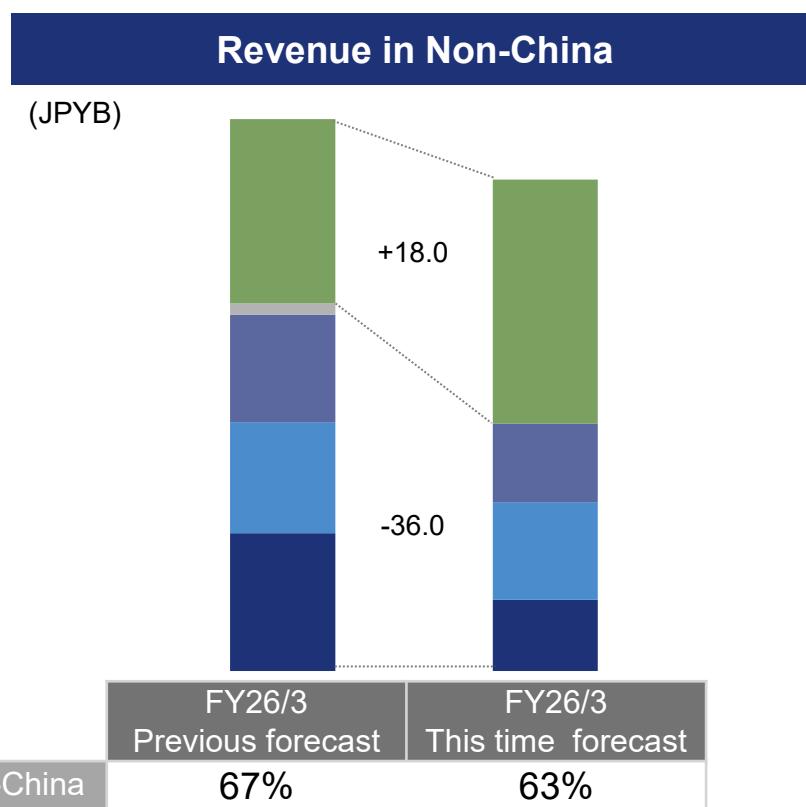
# FY26/3 Earnings Forecast: Factors for Change (With Changes)

- The sales revenue forecast has been revised downward due to the delay to FY27/3 in equipment sales for Non-China NAND and China DRAM.
- The downward revisions for NAND and Logic/Foundry were absorbed by an upward revision for DRAM upgrade modifications.
- The adjusted operating profit forecast has been revised downward due to decreases in sales volume, production volume, and changes in product composition, which led to a decrease in gross profit.



# FY26/3 Earnings Forecast: Revenues by Account<sup>\*1</sup> (With Changes)

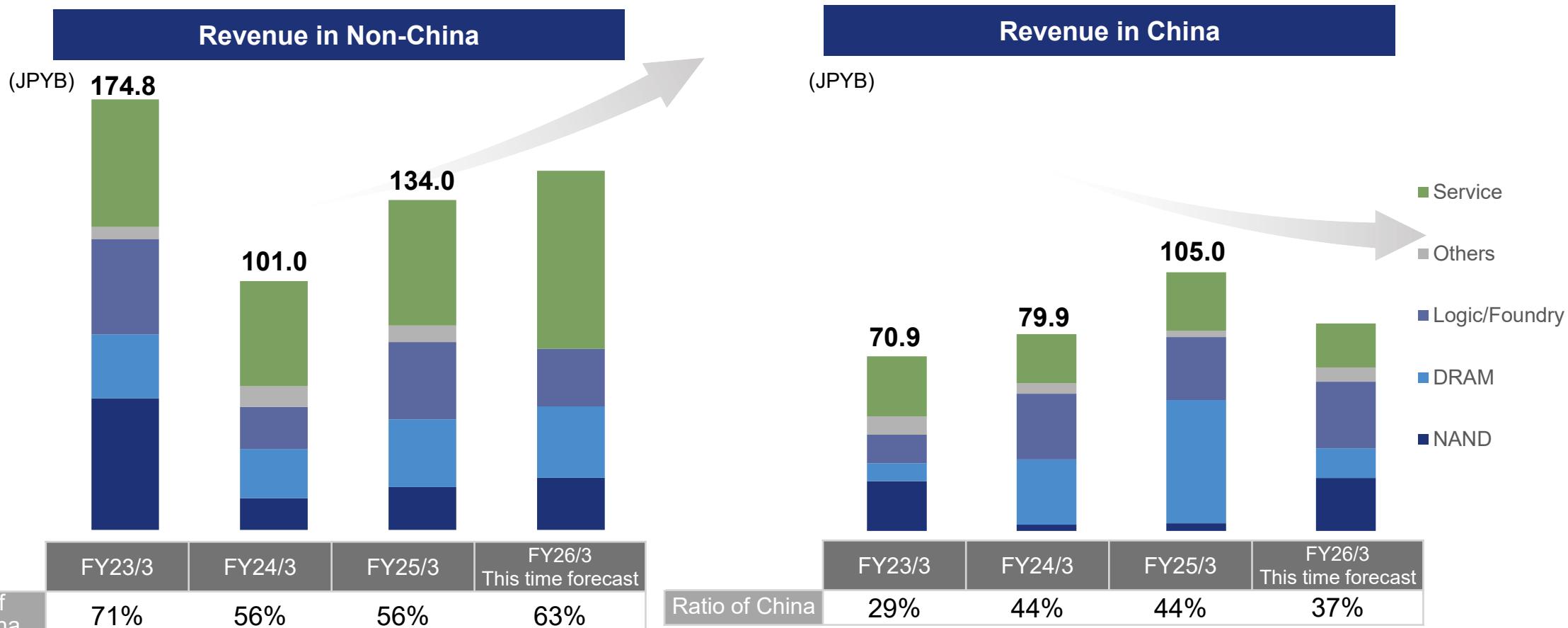
- Revenue in Non-China is down by JPY 18 bn compared to the previous forecast. Sales for NAND and Logic/Foundry have been revised downward. For DRAM, although there is a downward revision, services have been enhanced, focusing on upgrade modifications.
- Revenue in China is up by JPY 4 bn compared to the previous forecast. Sales for NAND and Logic/Foundry have been revised upward. For DRAM, sales have been revised downward due to delays in sales. The ratio of revenue in China is expected to be 37%.



\*1 Classification for non-China device manufacturers (manufacturers headquartered outside China) and China device manufacturers

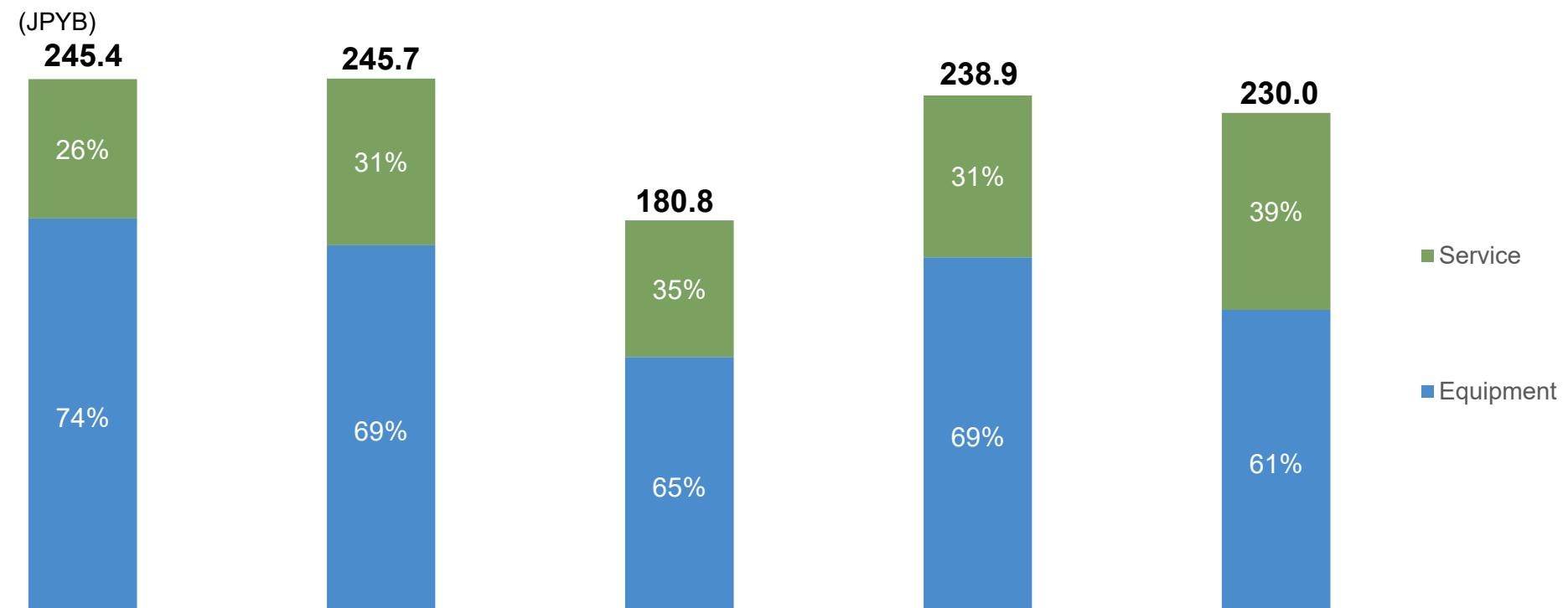
# FY26/3 Earnings Forecast: Revenues by Account<sup>\*1</sup> (With Changes)

- Revenue in Non-China is expected to increase 9% YoY, because of increases in NAND and DRAM sales and service growth. Logic/Foundry revenue is expected to grow for GAA, despite weakness in mature nodes.
- Revenue in China is expected to decrease 20% YoY, owing to a fall in DRAM sales, which are in a transitional period for investment. NAND and Logic/Foundry sales are expected to grow.



# FY26/3 Earnings Forecast: Revenue Forecast by Business (With Changes)

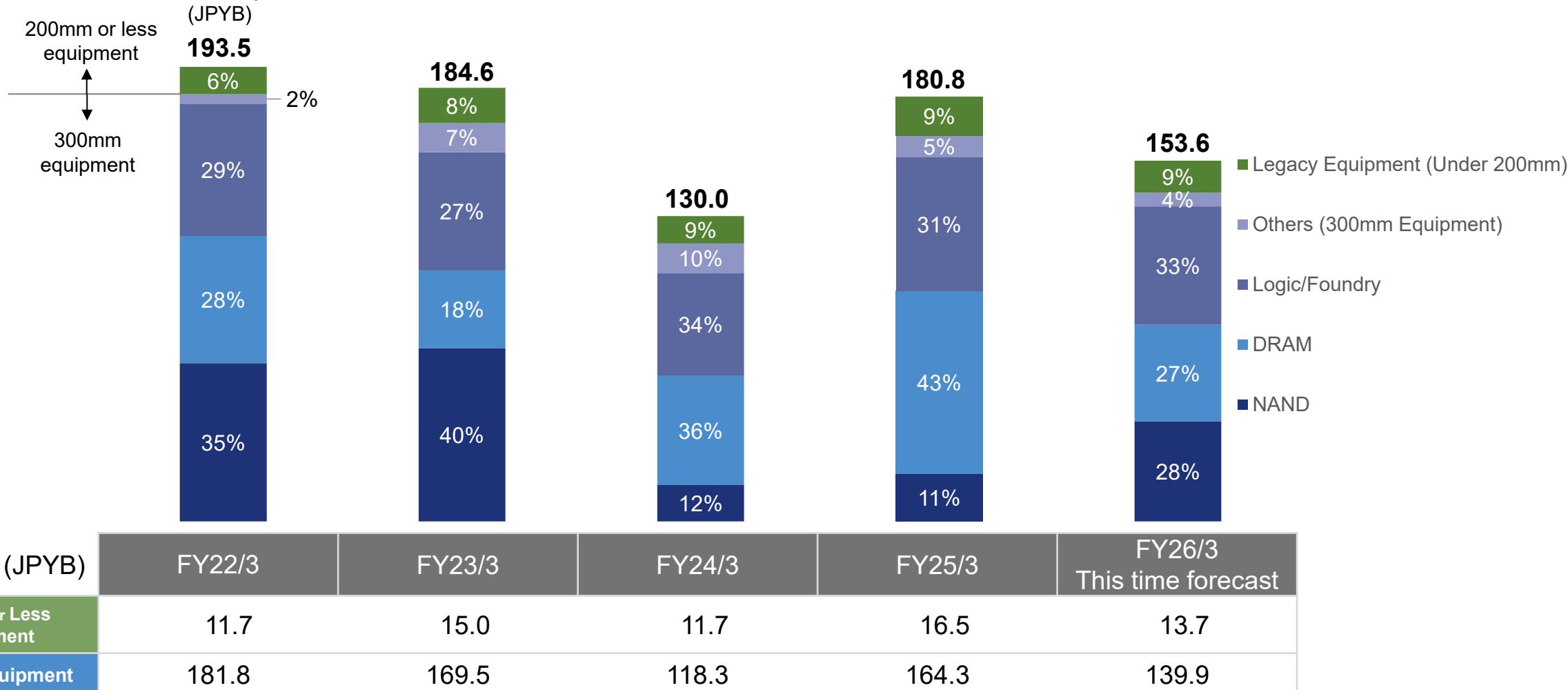
Equipment revenue is expected to decrease 15% YoY and service revenue is expected to increase 20%, due to an increase in upgrade modifications (services) in place of new equipment sales. Equipment revenue is expected to decrease to 61% of total revenue.



(JPYB)	FY22/3	FY23/3	FY24/3	FY25/3	FY26/3 This time forecast
Service	63.6	76.2	62.5	74.6	90.1
Equipment	181.8	169.5	118.3	164.3	139.9

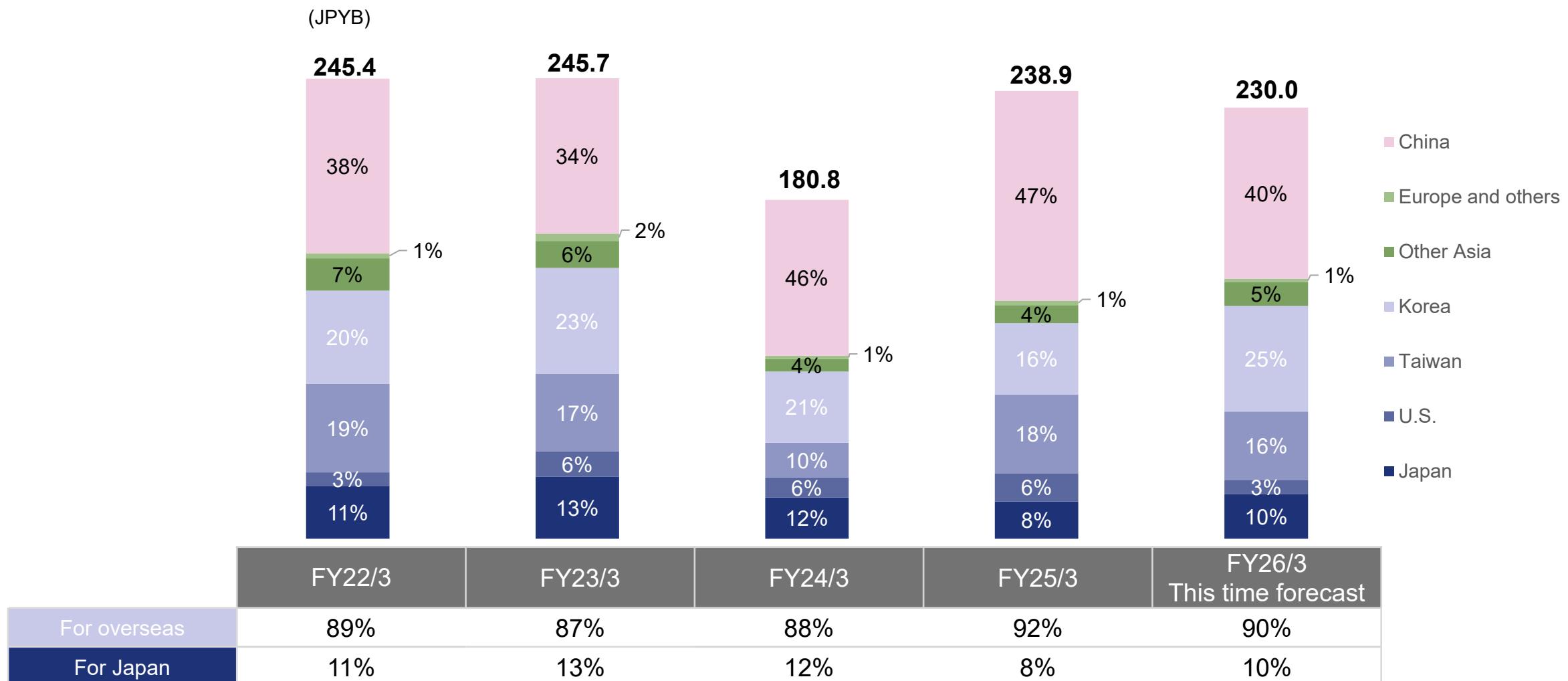
# FY26/3 Earnings Forecast: Revenues by Application<sup>\*1</sup> (With Changes)

Revenue for NAND is expected to double YoY; DRAM is expected to decrease 47% (not including upgrade modifications), and Logic/Foundry is expected to decrease 11%. SiC/GaN power devices are expected to be at the same level as the previous year.



# FY26/3 Earnings Forecast: Revenues by Destination (With Changes)

The ratio of revenue in Japan, Korea and other Asian markets is expected to increase YoY, while in China, the U.S., and Taiwan is expected to decrease. The ratio of revenue in the U.S. is expected to remain at 3%.



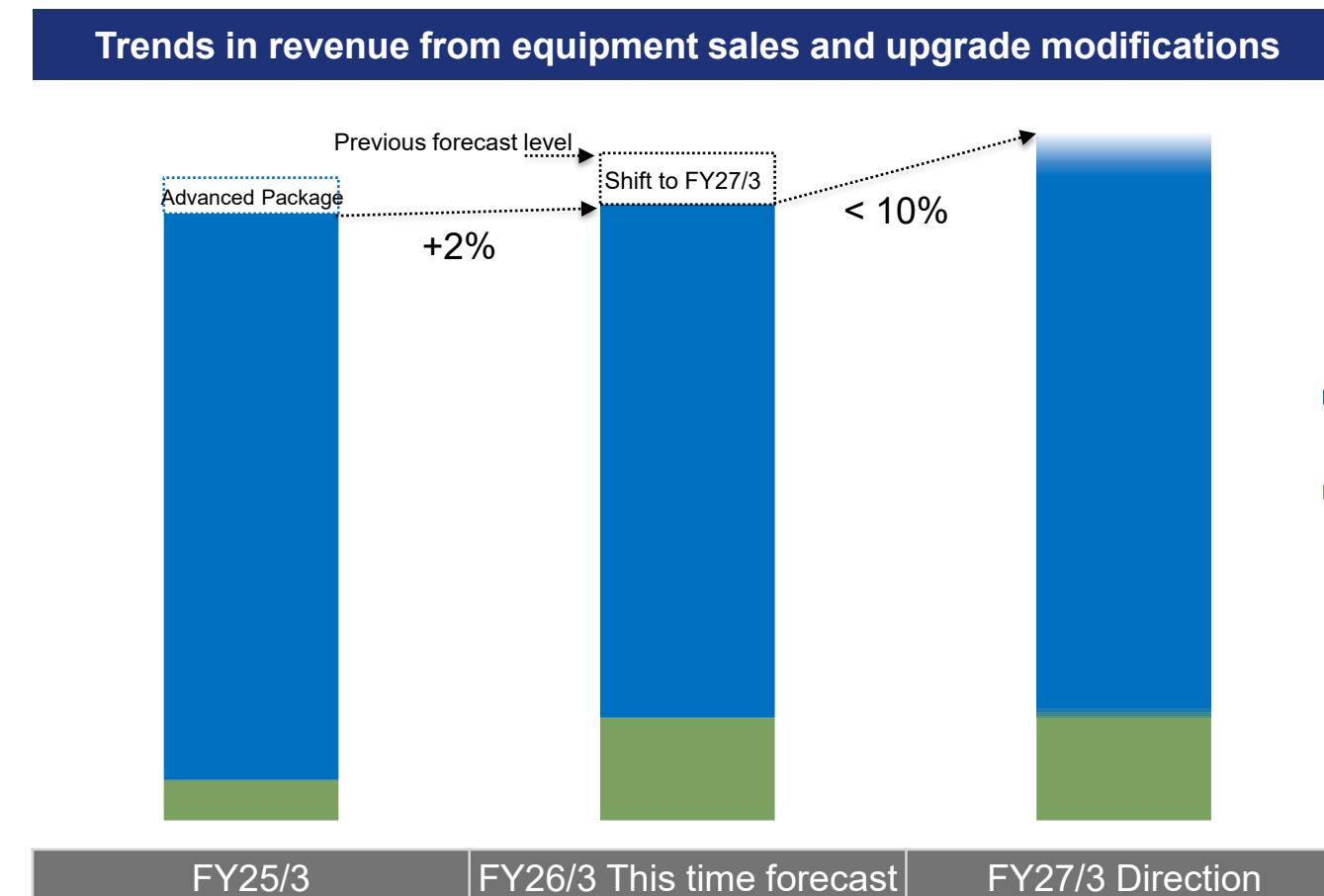


## Future Outlook

# Direction for the FY27/3

WFE is expected to increase slightly YoY in CY25 and grow around 5% YoY in CY26.

We aim to increase revenue by at least 10% YoY, based on equipment + upgrade modification revenue in FY27/3, including sales that slip into FY27/3 from FY26/3.



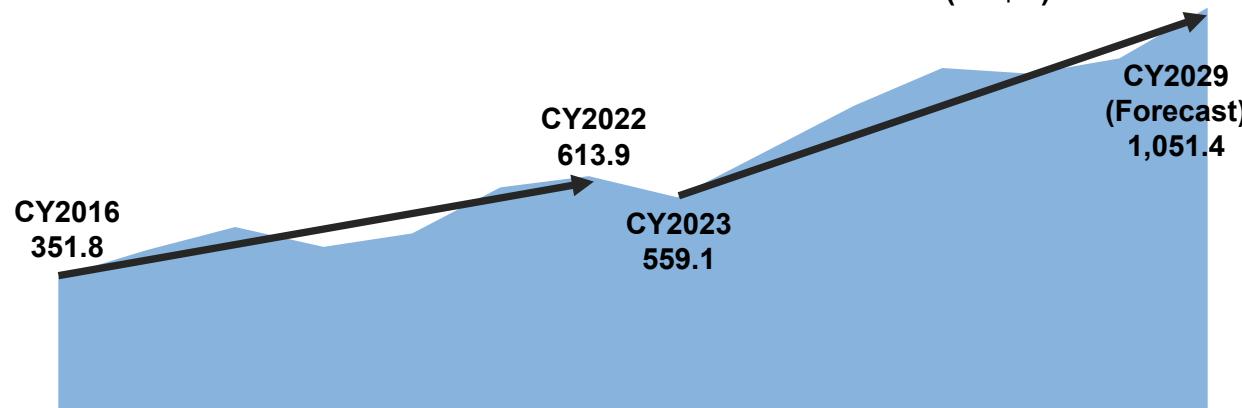
# Business Environment

Demand related to generative AI is expected to continue to drive capital investment by device manufacturers. No change in the outlook for significant growth over the long term.

## Outlook for Semiconductor Device Market

- In the semiconductor device market, demand related to generative AI continues to drive capital investment by device manufacturers. There are signs of further growth in memory demand.
- Capital investments for mature nodes will continue at a considerable scale in China, but investment restrictions will persist in Europe, the U.S. and others.
- In the medium to long term, significant growth is expected due to increasing demand for electronic equipment, expansion of data centers, and investment in green transformation, etc.

Global Market Size for Semiconductor Devices (US\$B)

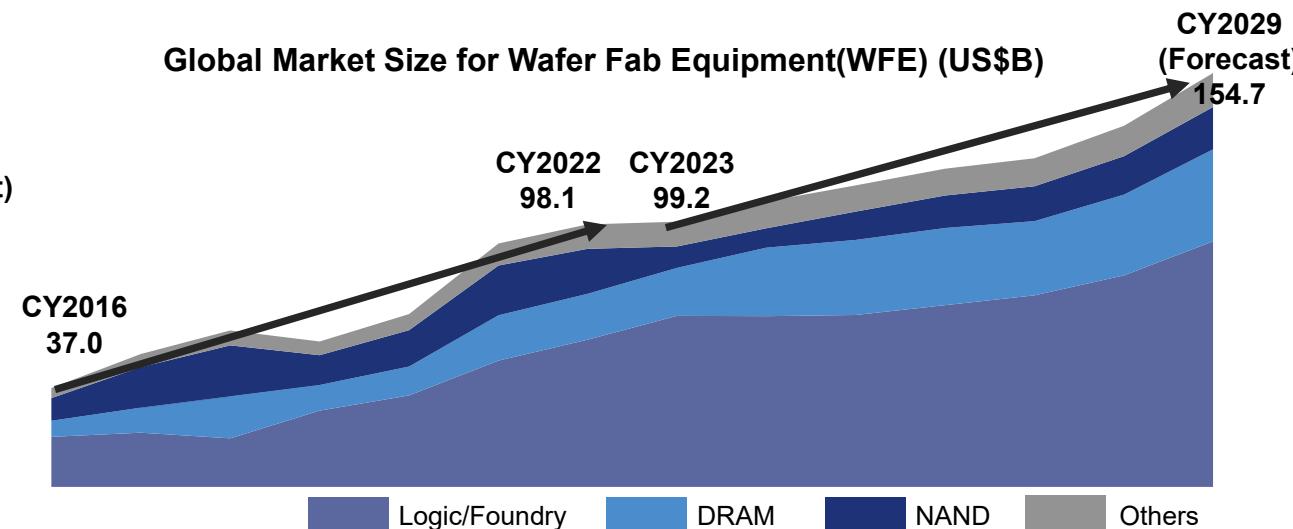


Source : Techinsights Inc. "Long-Term Semiconductor, Silicon, and Equipment Forecast" (Oct-2025)  
Techinsights Inc-WAFER FAB EQUIPMENT BY CUSTOMER TYPE (2019 - 2030)\_Sep-25

## Wafer Fab Equipment (WFE) Market

- Demand for equipment for High-performance devices continues to increase. Equipment for Mature Nodes Demand maintains a certain scale in China but is stagnant in Europe, the U.S. and others.
- WFE scale in CY25 is expected to increase slightly YoY. It is expected to grow around +5% YoY in CY26.
- WFE is expected to grow significantly in the medium to long term, and we do not change our assumption that the market will grow to around US\$120B in the next few years.

Global Market Size for Wafer Fab Equipment(WFE) (US\$B)



# Business environment by application and our status

High-performance DRAM and Logic/Foundry demand is expected to remain strong based on AI-related demand, while some NAND equipment demand is expected to shift into FY27/3, despite a recovery from generation shift investments. The recovery in mature node Logic/Foundry is expected to be moderate.

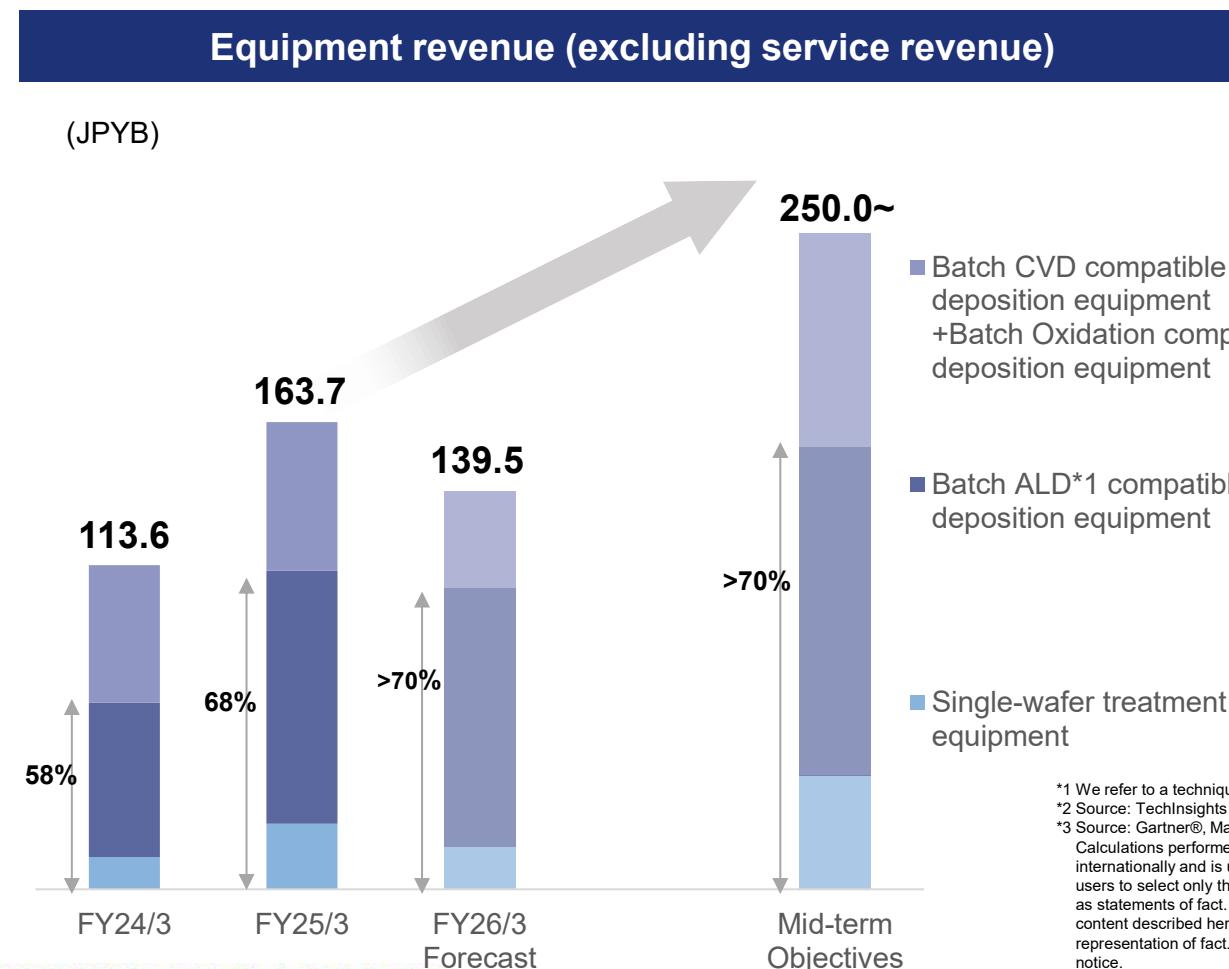
The underlines indicate the main changes since the announcement of the first quarter financial results.

	Business Environment	Our Initiatives
NAND	<ul style="list-style-type: none"><li>- Non-China equipment <u>demand is expected to increase in line with a shift in device generation. There are signs of an increase in demand for AI-related applications.</u></li><li>- Demand for equipment in China is also increasing <u>for the first time in three years.</u></li></ul>	<ul style="list-style-type: none"><li>- Non-China <u>equipment sales are expected to increase in line with device generation shift investments. Some demand will be shifted into the next fiscal year.</u></li><li>- Equipment sales in China <u>are increasing faster than expected</u>, due to investments to address generation shifts and expand production scale.</li></ul>
DRAM	<ul style="list-style-type: none"><li>- Equipment demand is expected to increase to address a shift in high-performance device generation and an expansion of production scale, associated with the spread and expansion of AI-related applications.</li><li>- <u>Demand temporarily declined in 1H of FY26/3</u>, when major Chinese device manufacturers were in a transitional period for investment. Although a recovery is expected from the 2H onward, <u>we are focusing on the indirect impact of trade friction between the U.S. and China.</u></li></ul>	<ul style="list-style-type: none"><li>- Equipment demand and upgrade modifications are expected to <u>increase</u> to address a shift in device generation, an expansion of production scale, etc. <u>The new POR has led to an increase in revenue.</u> We aim to further expand POR in the next generation.</li><li>- Revenue in China is expected to recover from 2H onward. <u>Some equipment sales will be shifted into the next fiscal year.</u></li></ul>
Logic/Foundry	<ul style="list-style-type: none"><li>- Aggressive investments by major device manufacturers drive <u>demand for advanced node equipment.</u></li><li>- <u>Demand for mature node equipment in China</u> will remain at a reasonable level, while <u>demand for Europe, the U.S. and others</u> will remain restrained for a certain period.</li></ul>	<ul style="list-style-type: none"><li>- Equipment sales for the first-generation GAA is <u>increasing. We expect new investment in the U.S. Interposer revenue is moving into a transitional phase.</u></li><li>- We prepare for demand recovery by continuing efforts to increase market share for mature nodes in Europe, the U.S. and others.</li></ul>
SiC/GaN Power Devices (Service Business)	<ul style="list-style-type: none"><li>- Non-China demand is stagnating, and demand in <u>China also appears to be slowing down.</u></li><li>- Demand is expected to expand as wafer size shifts from 150mm to 200mm.)</li></ul>	<ul style="list-style-type: none"><li>- Aiming for growth by capturing the demand shift toward new <u>Sales of existing products are steady</u> products such as high-temperature activation annealing equipment brought by the transition to 200mm and trench gate technologies.</li><li>- We are also focusing on developing new solutions related to ALD<sup>*1</sup>.</li></ul>

\*1 We refer to a technique for thin-film deposition at an atomic layer level involving a process of cyclical supply of multiple gases as "ALD".

# Current Status and Outlook for Product Composition (With Changes)

Along with the generation shift of devices, the composition ratio of High value-added equipment is rising. In particular, an expansion in sales of high value-added mini batch equipment is expected to offset the impact of the revenue ratio decline in China.



\*1 We refer to a technique for thin-film deposition at an atomic layer level involving a process of cyclical supply of multiple gases as "ALD".

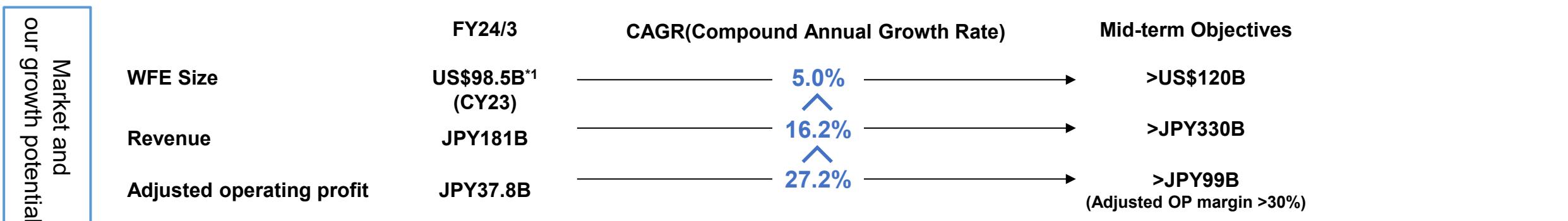
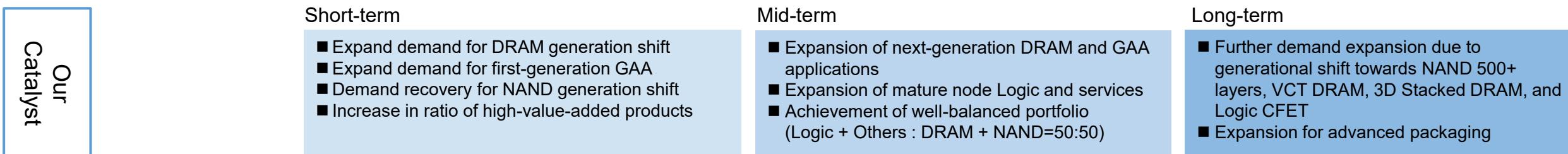
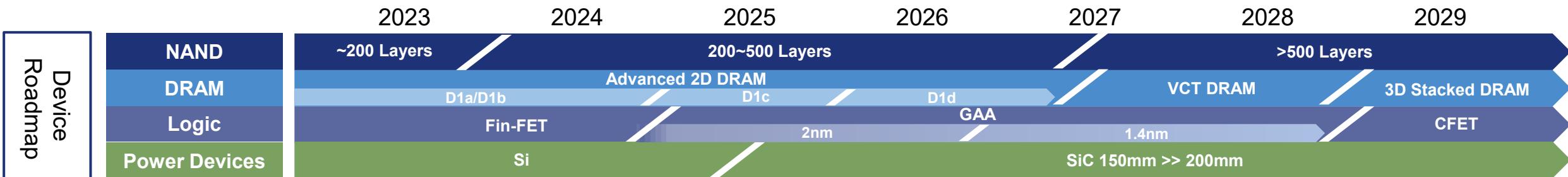
\*2 Source: TechInsights Inc.. "TI\_ALD Tools\_YEARLY" (April 2025)

\*3 Source: Gartner<sup>®</sup>, Market Share: Semiconductor Wafer Fab Equipment, Worldwide, 2024, Bob Johnson et al. Published 21 April 2025. Graph created by Kokusai Electric based on Gartner Research. Calculations performed by Kokusai Electric. Treatment: RTP and Oxidation/Diffusion. GARTNER is a registered trademark and service mark of Gartner, Inc. and/or its affiliates in the U.S. and internationally and is used herein with permission. All rights reserved. Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose. The Gartner content described herein (the "Gartner Content") represents research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. ("Gartner"), and is not a representation of fact. Gartner Content speaks as of its original publication date (and not as of the date of this report), and the opinions expressed in the Gartner Content are subject to change without notice.

# Summary (Announced on May 13)

The opportunities for application of high-value-added products will expand as semiconductor device structures become more complex and three-dimensional.

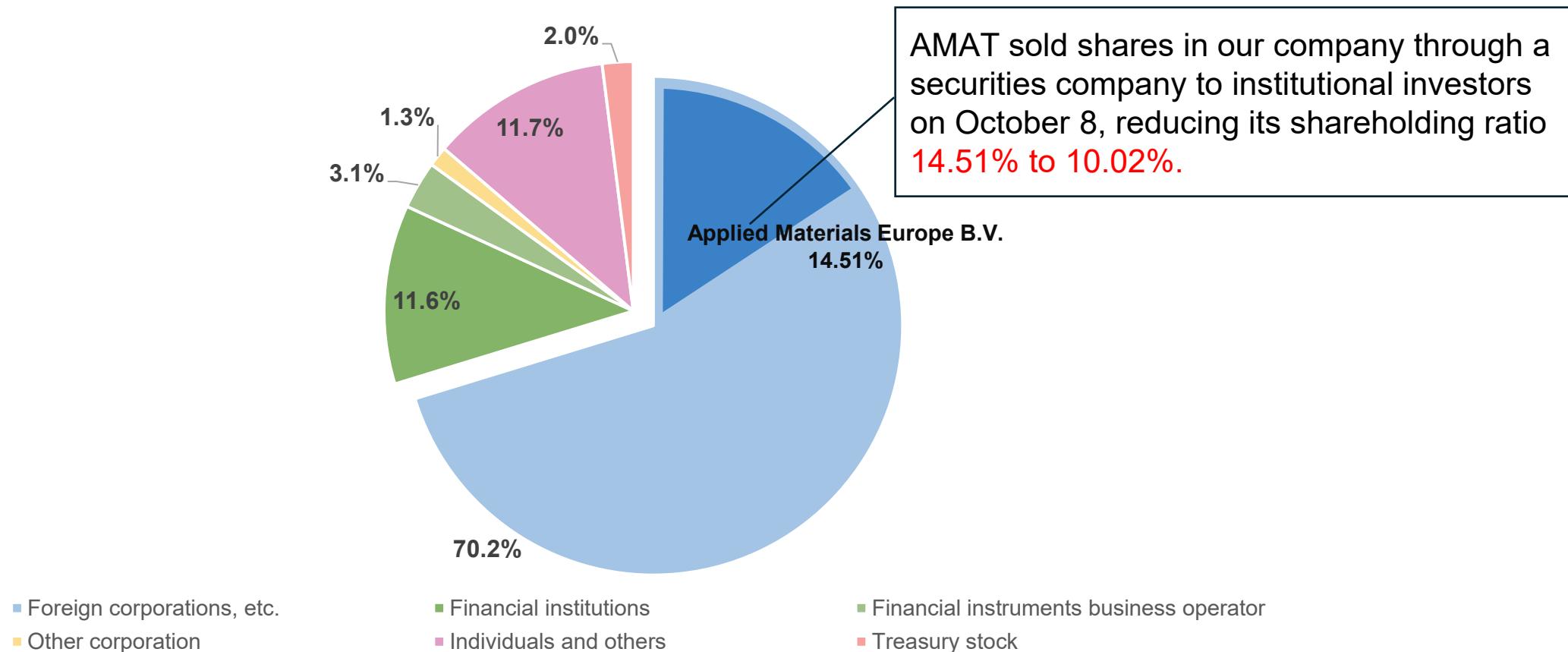
We aim to expand our business at a rate that exceeds market growth by leveraging our technological advantages.



# Sold of a Portion of Shares Held by AMAT

AMAT sold a portion of its shares in our company to institutional investors, reducing AMAT's shareholding ratio to 10%.

## Distribution of Ownership among Shareholders (as of September 30, 2025)



# Key Activities for 2Q FY26/3 Management and Business Activities

## Management and Business Activities

- Signed a Joint Development Agreement with ASMPT for Semiconductor Packaging Technology. (Sep. 2025)
- Received Excellent Supplier Award 2025 from ROHM. (Sep. 2025)
- Exhibit at SEMICON® TAIWAN 2025. (Sep. 2025)
- Oral Presentation by our employee at SSDM2025. (Sep. 2025)
- In joint research with Yokohama National University, we demonstrated a new film and its bonding process that will contribute to energy conservation in next-generation 3D semiconductor devices. (Jun. 2025)
- Exhibit at SEMICON® Southeast Asia 2025. (May 2025)
- Participating in “MEMS Engineer FORUM 2025”. (Apr. 2025)



Exhibited at SEMICON® TAIWAN



「We ranked in the top 10 in both the “FAB EQUIPMENT” and “WFE TO SPECIALTY CHIP MAKERS” categories.

# Key Activities for 2Q FY26/3 Business Activities ESG Initiatives

## ESG Initiatives

- Sponsorship for "Owara Kaze-no-Bon" Festival in Yatsuo, Toyama. (Sep. 2025)
- Awarded Highest Rating in CDP's Supplier Engagement Assessment 2024. (Jul. 2025)
- Selected as a constituent stock of the major ESG investment index "FTSE Blossom Japan Sector Relative Index". (Jun. 2025)
- Awarded "Top 10 Customer Service" for 28 consecutive years in the TechInsights Semiconductor Supplier Awards. (May 2025)
- Outdoor Environmental Classes Held at Preschools. (May 2025)
- Participating in Global Initiative "RE100" toward using 100% renewable electricity. (Apr. 2025)
- The Toyama Technology & Manufacturing Center Increases the Ratio of Electricity Usage from "Toyama Mizu-no-Sato Denki" to 35% of the Total Usage. (Apr. 2025)
- Sponsorship of "2025 Tonami Tulip Fair" in Tonami City, Toyama Prefecture. (Apr. 2025)
- Gold Partner Sponsorship for the Toyama Marathon 2025. (Apr. 2025)

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Sponsorship for  
"Owara Kaze-no-Bon" Festival



Awarded Highest Rating in CDP's  
Supplier Engagement Assessment 2024.

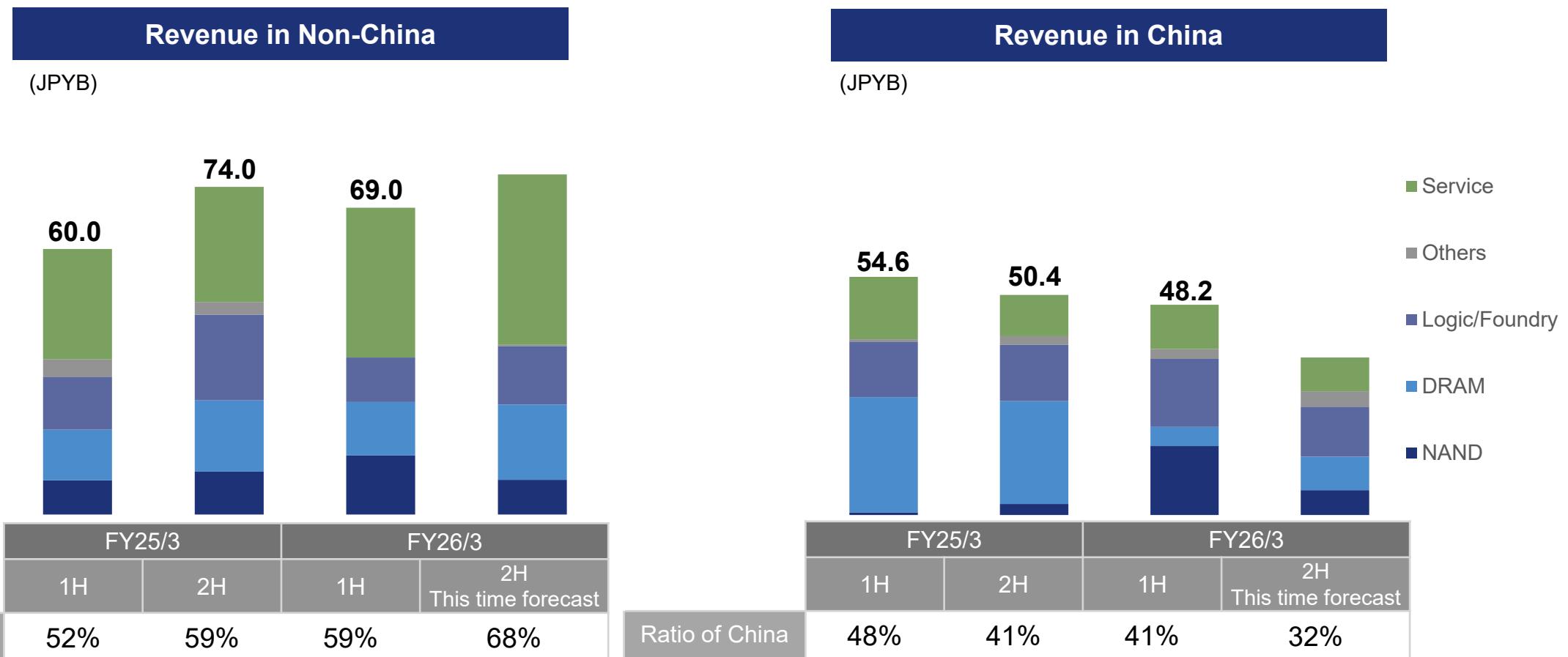


## Appendix

# FY26/3 Earnings Forecast: 1H and 2H Revenue by Account<sup>\*1</sup> (With Changes)

Non-China revenue is expected to continue trending upward, despite some equipment sales slipping from 2H into FY27/3.

Revenue from China is expected to bottom out in FY26/3, despite revenue trending downward owing to the impact of some equipment sales slipping from 2H to FY27/3, and some moving from 2H to 1H.



<sup>\*1</sup> Classification for non-China device manufacturers (manufacturers headquartered outside China) and China device manufacturers

# Income Statement, R&D Expenses, Capex and D&A expenses

(JPYM)	FY25/3						FY26/3		
	1Q	2Q	1H	3Q	4Q	Full-year	1Q	2Q	1H
<b>Revenue</b>	<b>65,224</b>	<b>49,324</b>	<b>114,548</b>	<b>60,117</b>	<b>64,268</b>	<b>238,933</b>	<b>51,789</b>	<b>65,416</b>	<b>117,205</b>
<b>Gross profit</b>	<b>29,354</b>	<b>22,012</b>	<b>51,366</b>	<b>24,865</b>	<b>25,512</b>	<b>101,743</b>	<b>22,220</b>	<b>27,277</b>	<b>49,497</b>
<i>Gross profit margin</i>	45.0%	44.6%	44.8%	41.4%	39.7%	42.6%	42.9%	41.7%	42.2%
<b>Adjusted operating profit</b>	<b>19,382</b>	<b>11,299</b>	<b>30,681</b>	<b>13,876</b>	<b>13,196</b>	<b>57,753</b>	<b>10,902</b>	<b>14,439</b>	<b>25,341</b>
<i>Adjusted operating profit margin</i>	29.7%	22.9%	26.8%	23.1%	20.5%	24.2%	21.1%	22.1%	21.6%
<b>Adjusted net income</b>	<b>14,345</b>	<b>7,262</b>	<b>21,607</b>	<b>9,646</b>	<b>11,050</b>	<b>42,303</b>	<b>7,598</b>	<b>9,785</b>	<b>17,383</b>
<i>Adjusted net income margin</i>	22.0%	14.7%	18.9%	16.0%	17.2%	17.7%	14.7%	15.0%	14.8%
<b>Operating profit</b>	<b>17,878</b>	<b>9,562</b>	<b>27,440</b>	<b>12,274</b>	<b>11,606</b>	<b>51,320</b>	<b>9,717</b>	<b>12,993</b>	<b>22,710</b>
<i>Operating profit margin</i>	27.4%	19.4%	24.0%	20.4%	18.1%	21.5%	18.8%	19.9%	19.4%
<b>Income before income tax</b>	<b>17,747</b>	<b>10,195</b>	<b>27,942</b>	<b>11,241</b>	<b>11,606</b>	<b>50,789</b>	<b>9,322</b>	<b>12,840</b>	<b>22,162</b>
<i>Income before income tax margin</i>	27.2%	20.7%	24.4%	18.7%	18.1%	21.3%	18.0%	19.6%	18.9%
<b>Net income</b>	<b>13,302</b>	<b>4,751</b>	<b>18,053</b>	<b>8,004</b>	<b>9,947</b>	<b>36,004</b>	<b>6,776</b>	<b>8,782</b>	<b>15,558</b>
<i>Net income margin</i>	20.4%	9.6%	15.8%	13.3%	15.5%	15.1%	13.1%	13.4%	13.3%
<b>R&amp;D expenses</b>	<b>3,348</b>	<b>3,920</b>	<b>7,268</b>	<b>3,755</b>	<b>4,581</b>	<b>15,604</b>	<b>3,851</b>	<b>4,821</b>	<b>8,672</b>
<b>Capital expenditures</b>	<b>11,215</b>	<b>3,015</b>	<b>14,230</b>	<b>2,494</b>	<b>3,624</b>	<b>20,348</b>	<b>2,302</b>	<b>5,208</b>	<b>7,510</b>
<b>Depreciation and amortization</b>	<b>2,914</b>	<b>3,027</b>	<b>5,941</b>	<b>3,328</b>	<b>3,357</b>	<b>12,625</b>	<b>3,417</b>	<b>3,498</b>	<b>6,915</b>

# Reconciliation of Adjusted Items

(JPYM)	FY25/3						FY26/3		
	1Q	2Q	1H	3Q	4Q	Full-year	1Q	2Q	1H
<b>Operating profit</b>	<b>17,878</b>	<b>9,562</b>	<b>27,440</b>	<b>12,274</b>	<b>11,606</b>	<b>51,320</b>	<b>9,717</b>	<b>12,993</b>	<b>22,710</b>
Other income	-92	-187	-279	-28	-41	-348	-304	-83	-387
Other expenses	27	78	105	79	69	253	18	53	71
(Adjustments)									
Purchase price allocation amortization	1,479	1,477	2,956	1,475	1,476	5,907	1,476	1,476	2,952
Stand-alone related expenses	12	298	310	3	4	317	-	-	-
Stock-based compensation (except for performance-linked stock compensation)	78	71	149	73	82	304	-5	-	-5
Total adjustments	1,569	1,846	3,415	1,551	1,562	6,528	1,471	1,476	2,947
<b>Adjusted Operating Profit</b>	<b>19,382</b>	<b>11,299</b>	<b>30,681</b>	<b>13,876</b>	<b>13,196</b>	<b>57,753</b>	<b>10,902</b>	<b>14,439</b>	<b>25,341</b>
<b>Net income</b>	<b>13,302</b>	<b>4,751</b>	<b>18,053</b>	<b>8,004</b>	<b>9,947</b>	<b>36,004</b>	<b>6,776</b>	<b>8,782</b>	<b>15,558</b>
Other income	-92	-187	-279	-28	-41	-348	-304	-83	-387
Other expenses	27	78	105	79	69	253	18	53	71
(Adjustments)									
Purchase price allocation amortization	1,479	1,477	2,956	1,475	1,476	5,907	1,476	1,476	2,952
Stand-alone related expenses	12	298	310	3	4	317	-	-	-
Stock-based compensation (except for performance-linked stock compensation)	78	71	149	73	82	304	-5	-	-5
Tax adjustment to total adjustments	-461	-531	-992	-491	-487	-1,970	-363	-443	-806
One-time tax expense adjustment	-	1,305	1,305	531	-	1,836	-	-	-
<b>Adjusted Net Income</b>	<b>14,345</b>	<b>7,262</b>	<b>21,607</b>	<b>9,646</b>	<b>11,050</b>	<b>42,303</b>	<b>7,598</b>	<b>9,785</b>	<b>17,383</b>

# Balance Sheet and Key Financial Indicators

		FY25/3						FY26/3									
		(JPY)		End of 1Q	End of 2Q	End of 3Q	End of 4Q	(JPY)		End of 1Q	End of 2Q	End of 3Q	End of 4Q	(JPY)		End of 1Q	End of 2Q
Assets	Current Assets	Cash and cash equivalents	87,775	69,333	60,722	44,755	42,766	43,806	Liabilities	Current	Loans payable + Lease liability	8,055	8,843	8,843	11,928	11,956	12,044
		Trade and other receivables	42,444	33,979	42,369	42,835	39,087	38,066		Liabilities	Trade and other payables	38,657	31,275	30,328	23,606	24,574	25,658
		Inventories	82,028	86,542	91,019	83,200	89,626	89,326			Contract liabilities	19,394	19,734	19,822	22,455	25,069	21,704
		Other currents assets	2,787	1,923	1,923	2,062	2,038	2,065			Others	19,554	22,510	23,180	24,682	17,991	18,687
		Total Current assets	215,034	191,777	196,033	172,852	173,517	173,263			Total current liabilities	85,660	82,362	82,173	82,671	79,590	78,093
	Non-current Assets	Property, plant and equipment	45,696	46,714	47,341	46,904	47,220	50,214	Non-current Liabilities	Loans payable + Lease liability	85,555	81,059	80,982	48,256	48,339	42,365	
		Goodwill	59,065	59,065	59,065	59,065	59,065	59,065		Others	15,199	15,900	15,344	14,417	14,663	14,553	
		Intangible assets	55,480	54,073	52,652	54,139	53,182	52,013		Total non-current liabilities	100,754	96,959	96,326	62,673	63,002	56,918	
		Other non-currents assets	10,179	10,609	11,309	8,552	8,524	8,765		Total Liabilities	186,414	179,321	178,499	145,344	142,592	135,011	
		Total non-current assets	170,420	170,461	170,367	168,660	167,991	170,057		Total Equity	199,040	182,917	187,901	196,168	198,916	208,309	
Total Assets			385,454	362,238	366,400	341,512	341,508	343,320	Total Liabilities and Equity		385,454	362,238	366,400	341,512	341,508	343,320	
										FY25/3				FY26/3			
										End of 1Q	End of 2Q	End of 3Q	End of 4Q	End of 1Q	End of 2Q		
										Equity ratio	51.6%	50.5%	51.3%	57.4%	58.2%	60.7%	
										Debt equity ratio	0.5	0.5	0.5	0.3	0.3	0.3	
										Net cash (JPY)	-5,835	-20,569	-29,103	-15,429	-17,529	-10,603	

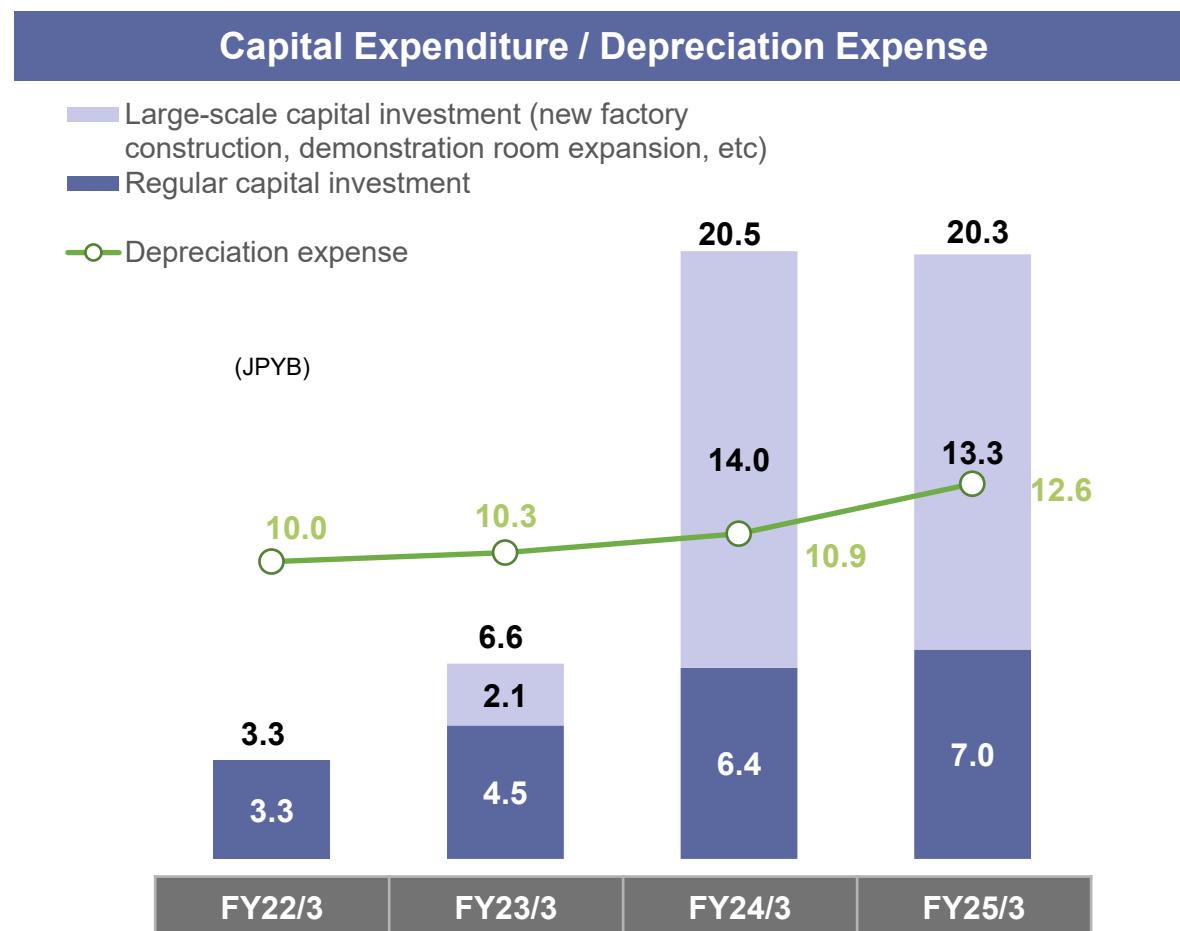
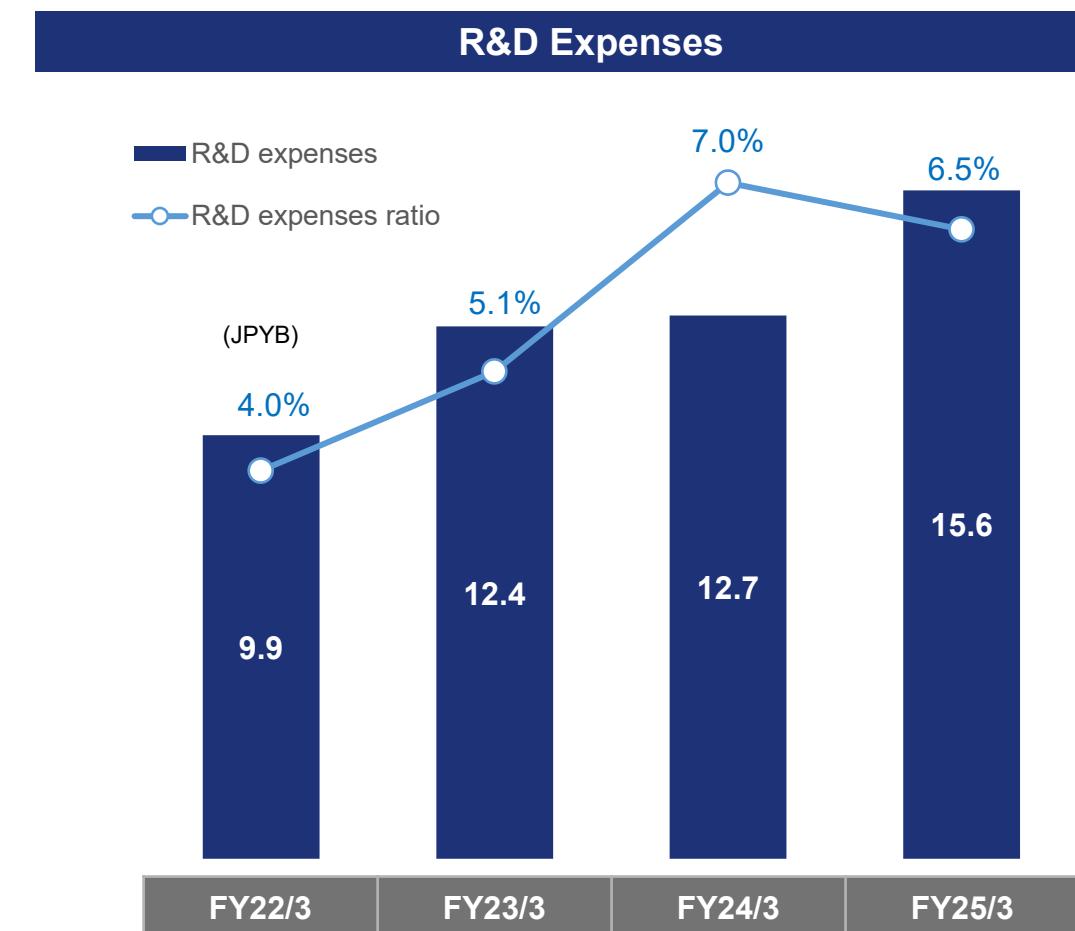
# Cash Flow Statement

(JPYM)	FY25/3						FY26/3		
	1Q	2Q	1H	3Q	4Q	Full-year	1Q	2Q	1H
<b>CF from operating activities</b>	4,073	14,649	18,722	1,936	17,819	38,477	4,923	11,936	16,859
<b>CF from investing activities</b>	-7,582	-9,090	-16,672	-7,393	-3,641	-27,706	-2,942	-4,789	-7,731
<b>Free CF</b>	-3,509	5,559	2,050	-5,457	14,178	10,771	1,981	7,147	9,128
<b>CF from financing activities</b>	-2,143	-22,628	-24,771	-4,128	-29,207	-8,106	-4,423	-6,373	-10,796
<b>Cash and cash equivalents at beginning balance</b>	92,619	87,775	92,619	69,333	60,722	92,619	44,755	42,766	44,755
<b>Cash and cash equivalents at end of the quarter</b>	87,775	69,333	69,333	60,722	44,755	44,755	42,766	43,806	43,806

# R&D Expenses / Capital Expenditure / Depreciation Expense (Announced on May 13)

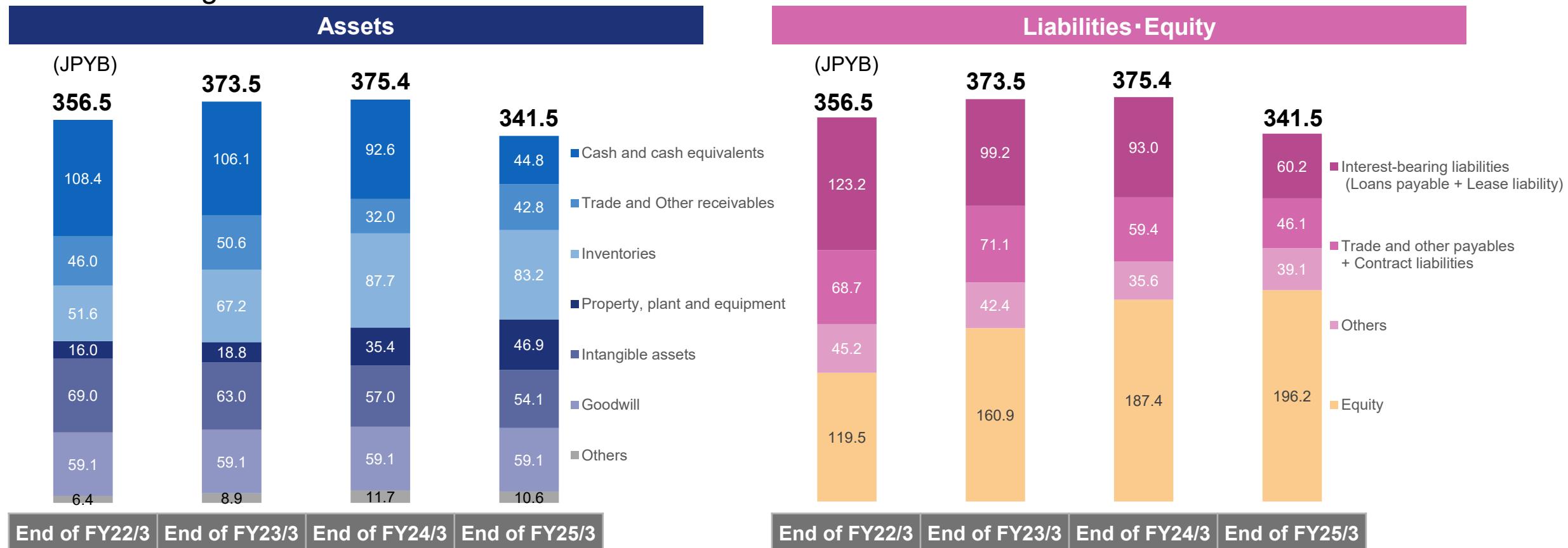
Continue to invest in R&D and capital equipment in line with our medium-term plan in anticipation of medium to long term demand expansion.

R&D expenses increased by 20% YoY. Large-scale capital investments that had continued for two years have been completed, and depreciation expenses increased by 20% YoY.



# Balance Sheet (Announced on May 13)

Total assets decreased by JPY33.9B from the end of the previous fiscal year due to a decrease in cash and cash equivalents resulting from early repayment of borrowings and acquisition of treasury stock. Total liabilities fell by JPY42.7B from the end of the previous fiscal year due to repayment of loans and decrease in trade and other payables. Total equity grew by JPY8.8B from the end of the previous fiscal year due mainly to an increase in retained earnings.

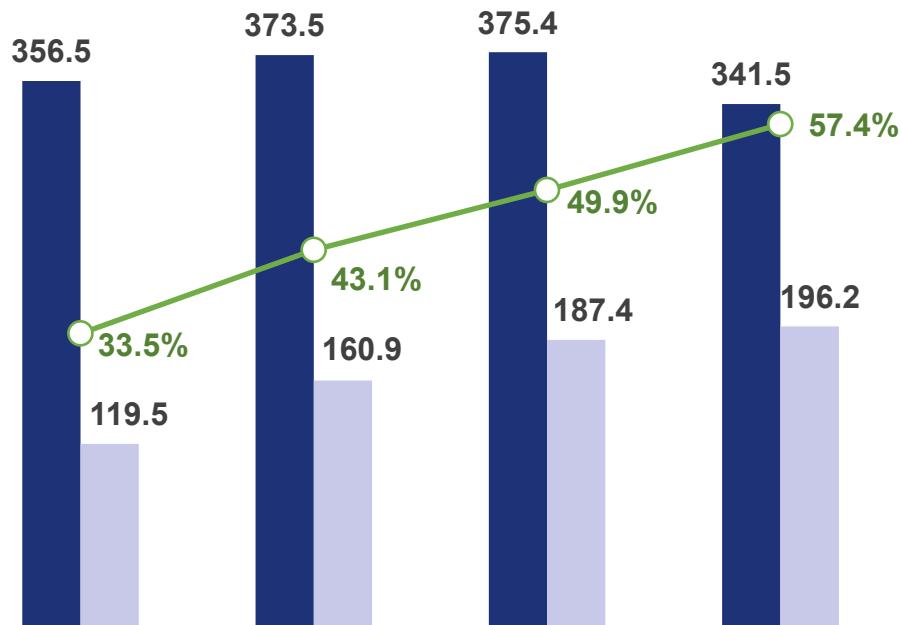


## Equity Ratio / Cash and Cash Equivalents / Interest-bearing Liabilities (Announced on May 13)

The equity ratio rose to 57% at the end of FY25/3. Net debt at the end of FY25/3 increased to JPY15.4B due to cash payment for the acquisition of treasury stock, etc., but loans payable decreased by JPY33.3B due to early repayment.

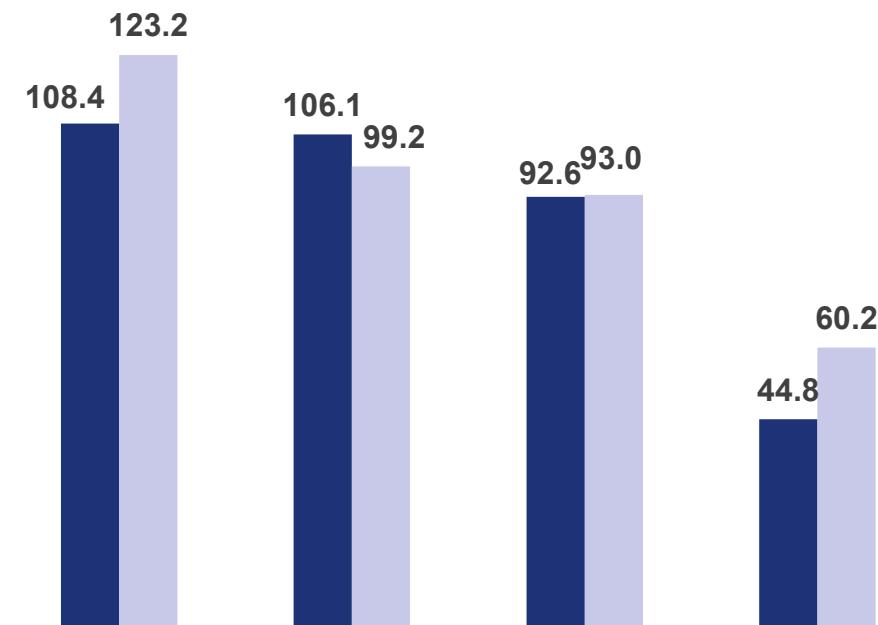
### Total Asset / Total Equity / Equity Ratio

(JPYB) Total Asset Total Equity Equity Ratio



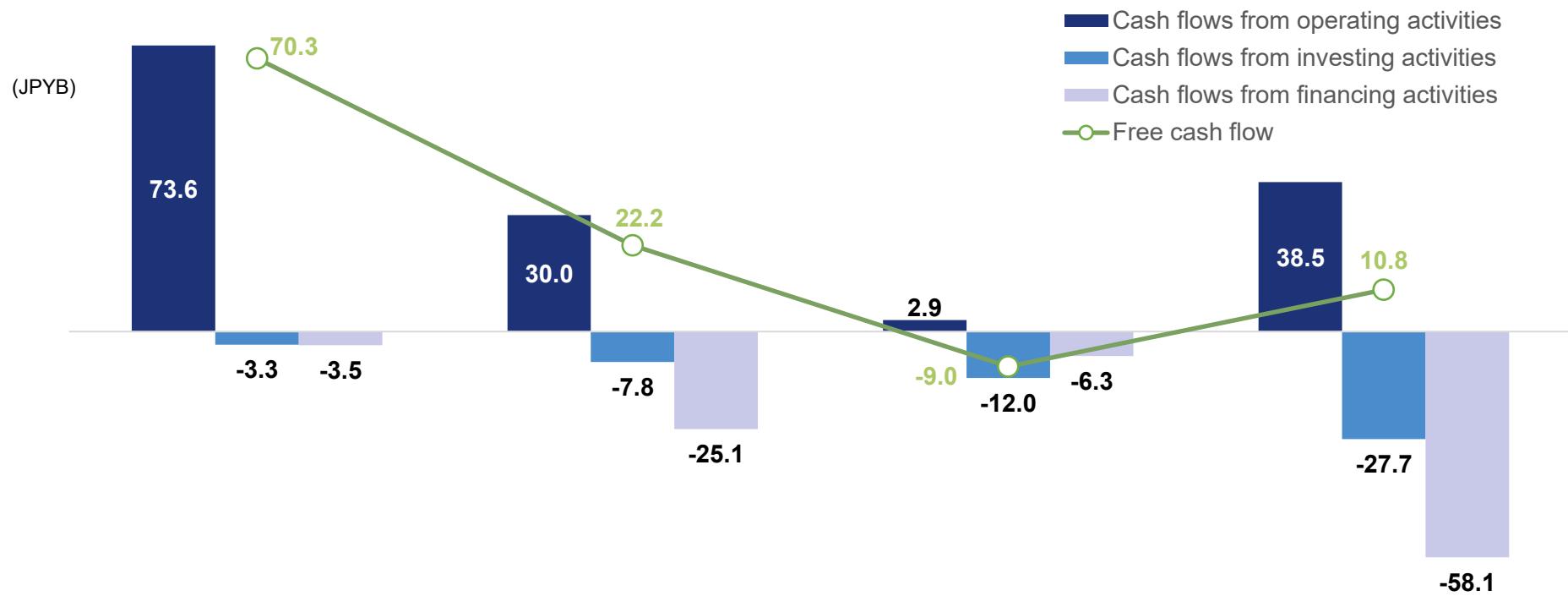
### Cash and Cash Equivalents / Interest-bearing Liabilities

(JPYB) Cash and Cash Equivalents Interest-bearing Liabilities



# Cash Flows (Announced on May 13)

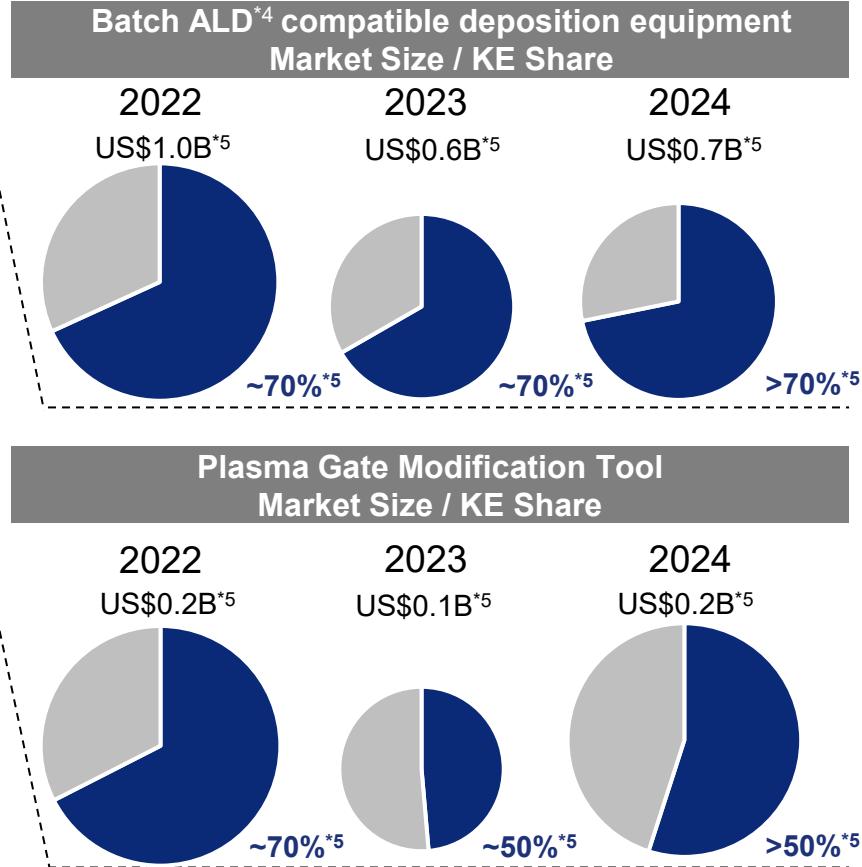
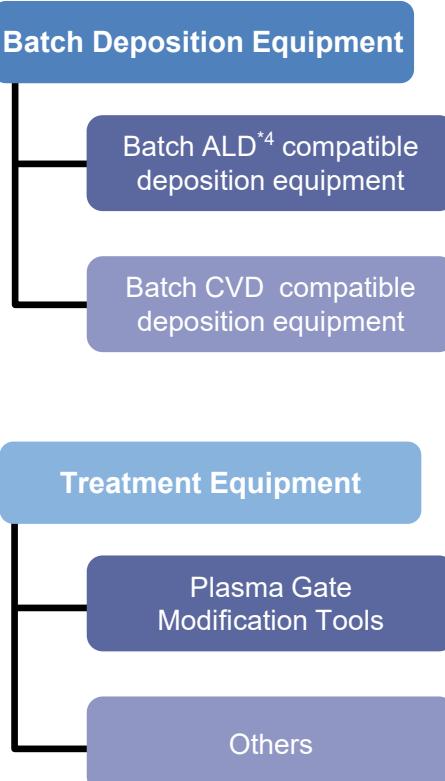
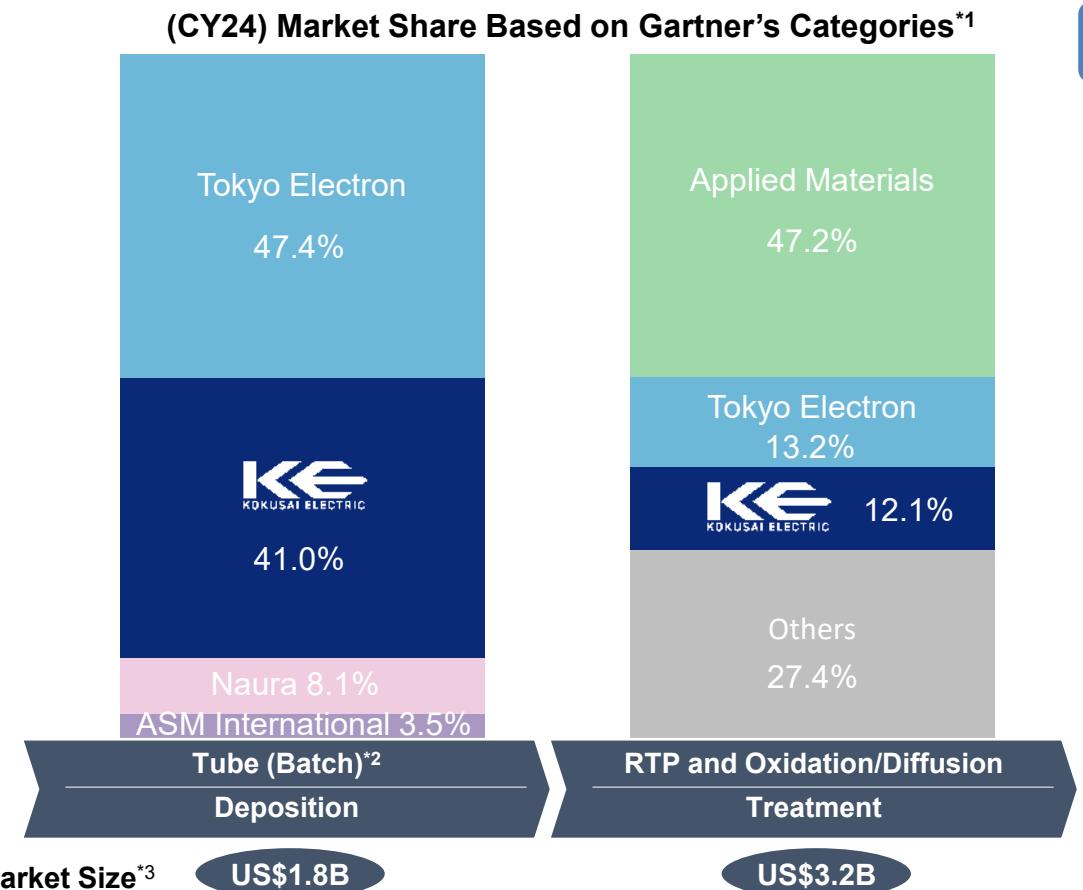
Free cash flow amounted to JPY10.8B, as cash inflow from operating activities due to increased revenue exceeded cash outflow from investing activities such as acquisition of Property, plant and equipment. Cash outflow in financing activities amounted to JPY58.1B, due to early repayment of borrowings and acquisition of treasury stock.



(JPYB)	FY22/3	FY23/3	FY24/3	FY25/3
CF from operating activities	73.6	30.0	2.9	38.5
CF from investing activities	-3.3	-7.8	-12.0	-27.7
CF from financing activities	-3.5	-25.1	-6.3	-58.1
Free CF	70.3	22.2	-9.0	10.8
Cash and cash equivalents	108.4	106.1	92.6	44.8

# Market Share Trends (Announced on May 13)

Market share recovered in CY24 compared with CY23 in both batch deposition equipment and single-wafer treatment equipment. Market share for deposition equipment compatible with batch ALD<sup>\*4</sup> reached a record high of over 70% and rose to over 50% for single-wafer treatment equipment.



<sup>\*1</sup> Source: Gartner®. Market Share: Semiconductor Wafer Fab Equipment, Worldwide, 2024, Bob Johnson et al. Published 21 April 2025. Graph created by Kokusai Electric based on Gartner Research. Calculations performed by Kokusai Electric. Treatment: RTP and Oxidation/Diffusion. GARTNER is a registered trademark and service mark of Gartner, Inc. and/or its affiliates in the U.S. and internationally and is used herein with permission. All rights reserved. Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose. The Gartner content described herein (the "Gartner Content") represents research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. ("Gartner"), and is not a representation of fact. Gartner Content speaks as of its original publication date (and not as of the date of this report), and the opinions expressed in the Gartner Content are subject to change without notice. <sup>\*2</sup> We define "Tube CVD" in Gartner's WFE segmentation as "Tube (Batch)" in this chart (Calculations performed by KOKUSAI ELECTRIC CORPORATION) <sup>\*3</sup> Total market in each of Gartner's category <sup>\*4</sup> We refer to a technique for thin-film deposition at an atomic layer level involving a process of cyclical supply of multiple gases as "ALD" <sup>\*5</sup> Kokusai estimate based on public information and internal sales data

# Glossary

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- Batch processing equipment: Equipment for processing multiple wafers at once.
- Single-wafer Treatment Equipment :Equipment that improves the quality of films after deposition by single wafer processing, which processes wafers by a single wafer unit.
- ALD:Atomic Layer Deposition

We refer to a technique for thin-film deposition at an atomic layer level involving a process of cyclical supply of multiple gases as “ALD”.
- CVD:Chemical Vapor Deposition
- CFET:Complimentary Field Effect Transistor
- FinFET:Fin Field Effect Transistor
- GAA:Gate All Around
- HBM:High Bandwidth Memory
- POR :An abbreviation for Process of Record, which refers to the qualification of manufacturing equipment in a customer's semiconductor manufacturing process.
- TAM:Total Addressable Market
- VCT:Vertical Channel Transistor
- WFE: Wafer Fab Equipment

