KOKUSAI ELECTRIC

Financial Briefings for the Fiscal Year Ended March 2026 (April 2025 to March 2026)

May 13, 2026

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.

Consolidated Financial Summary for FY26/3

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Highlight

Consolidated Financial Summary for FY26/3

- **The semiconductor device market saw high levels of generation shift and capacity expansion 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.**
- **In FY26/3, both revenue and profit decreased YoY due to a normalization in sales of equipment for China DRAM which had been concentrated in the previous year. Both revenue and profit exceeded the revised forecasts announced at the 2Q earnings.**

Consolidated Earnings Forecast for FY27/3 and Outlook for the future

- **Semiconductor device manufacturers are expected to further accelerate capital investment to address generation shift and expand production capacity, especially for high-performance devices.**
- **Our FY27/3, we expect revenue and profit to increase YoY due to aggressive capital investment by device manufacturers. Utilizing our technological superiority in equipment for advanced devices, we aim for growth exceeding WFE growth.**

Consolidated Results Summary

In 4Q and for the full year, both revenue and each profit line decreased YoY. However, both revenue and profit exceeded the full-year forecast revised at the 2Q results. The year-end dividend will be increased by 1 yen to 19 yen due to higher-than-expected profits.

	FY25/3					FY26/3							
(JPYB)	1Q	2Q	3Q	4Q	Full-year	1Q	2Q	3Q	4Q	YoY	Full-year	YoY	Previous forecast
Revenue	**65.2**	**49.3**	**60.1**	**64.3**	**238.9**	**51.8**	**65.4**	**55.9**	**62.0**	-3.5%	**235.1**	-1.6%	**230.0**
Gross profit	**29.4**	**22.0**	**24.9**	**25.5**	**101.7**	**22.2**	**27.3**	**22.9**	**24.4**	-4.2%	**96.8**	-4.8%	**93.5**
Gross profit margin	*45.0%*	*44.6%*	*41.4%*	*39.7%*	*42.6%*	*42.9%*	*41.7%*	*41.0%*	*39.4%*	-0.3pts	*41.2%*	-1.4pts	*40.7%*
Adjusted operating profit	**19.4**	**11.3**	**13.9**	**13.2**	**57.8**	**10.9**	**14.4**	**11.3**	**11.0**	-16.9%	**47.6**	-17.6%	**44.4**
Adjusted operating profit margin	*29.7%*	*22.9%*	*23.1%*	*20.5%*	*24.2%*	*21.1%*	*22.1%*	*20.2%*	*17.7%*	-2.9pts	*20.2%*	-4.0pts	*19.3%*
Adjusted net income	**14.3**	**7.3**	**9.6**	**11.1**	**42.3**	**7.6**	**9.8**	**8.3**	**8.4**	-23.8%	**34.1**	-19.4%	**31.8**
Adjusted net income margin	*22.0%*	*14.7%*	*16.0%*	*17.2%*	*17.7%*	*14.7%*	*15.0%*	*14.8%*	*13.6%*	-3.6pts	*14.5%*	-3.2pts	*13.8%*
Operating profit	**17.9**	**9.6**	**12.3**	**11.6**	**51.3**	**9.7**	**13.0**	**9.8**	**9.3**	-19.7%	**41.8**	-18.5%	**38.8**
Operating profit margin	*27.4%*	*19.4%*	*20.4%*	*18.1%*	*21.5%*	*18.8%*	*19.9%*	*17.6%*	*15.0%*	-3.1pts	*17.8%*	-3.7pts	*16.9%*
Income before income tax	**17.7**	**10.2**	**11.2**	**11.6**	**50.8**	**9.3**	**12.8**	**9.4**	**9.2**	-21.0%	**40.7**	-19.8%	**37.6**
Income before income tax margin	*27.2%*	*20.7%*	*18.7%*	*18.1%*	*21.3%*	*18.0%*	*19.6%*	*16.9%*	*14.8%*	-3.3pts	*17.3%*	-4.0pts	*16.3%*
Net income	**13.3**	**4.8**	**8.0**	**9.9**	**36.0**	**6.8**	**8.8**	**7.3**	**7.3**	-26.8%	**30.1**	-16.4%	**27.9**
Net income margin	*20.4%*	*9.6%*	*13.3%*	*15.5%*	*15.1%*	*13.1%*	*13.4%*	*13.0%*	*11.7%*	-3.7pts	*12.8%*	-2.3pts	*12.1%*
R&D expenses	**3.3**	**3.9**	**3.8**	**4.6**	**15.6**	**3.9**	**4.8**	**4.2**	**5.4**	+18.5%	**18.3**	+17.0%	**-**
Capital expenditures	**11.2**	**3.0**	**2.5**	**3.6**	**20.3**	**2.3**	**5.2**	**4.0**	**5.3**	+47.2%	**16.9**	-17.1%	**-**
Depreciation & amortization	**2.9**	**3.0**	**3.3**	**3.4**	**12.6**	**3.4**	**3.5**	**3.6**	**3.7**	+11.2%	**14.3**	+13.1%	**-**
Dividend per share(JPY)	**-**	**18**	**-**	**19**	**37**	**-**	**18**	**-**	**19**	-	**37**	0	**36**

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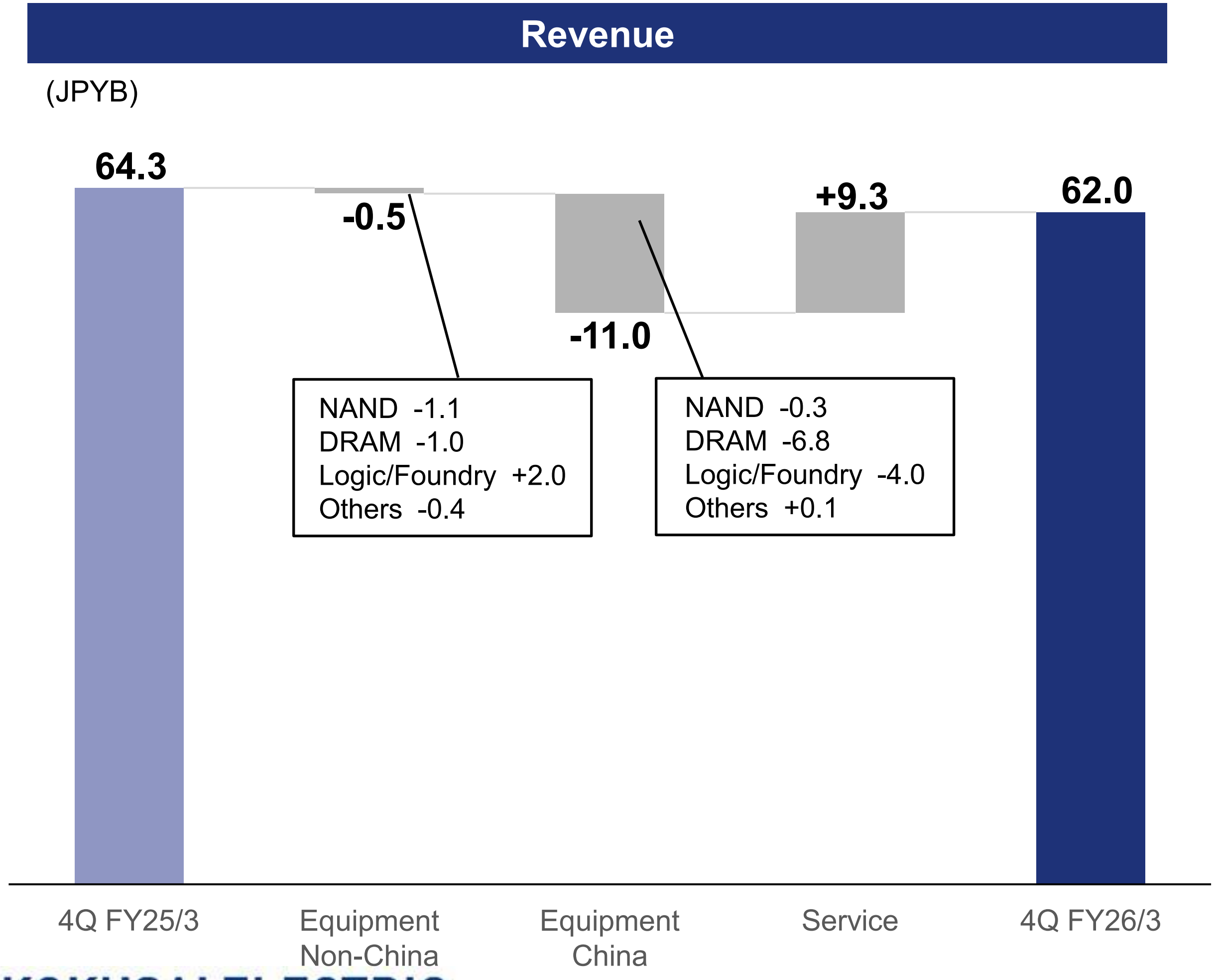
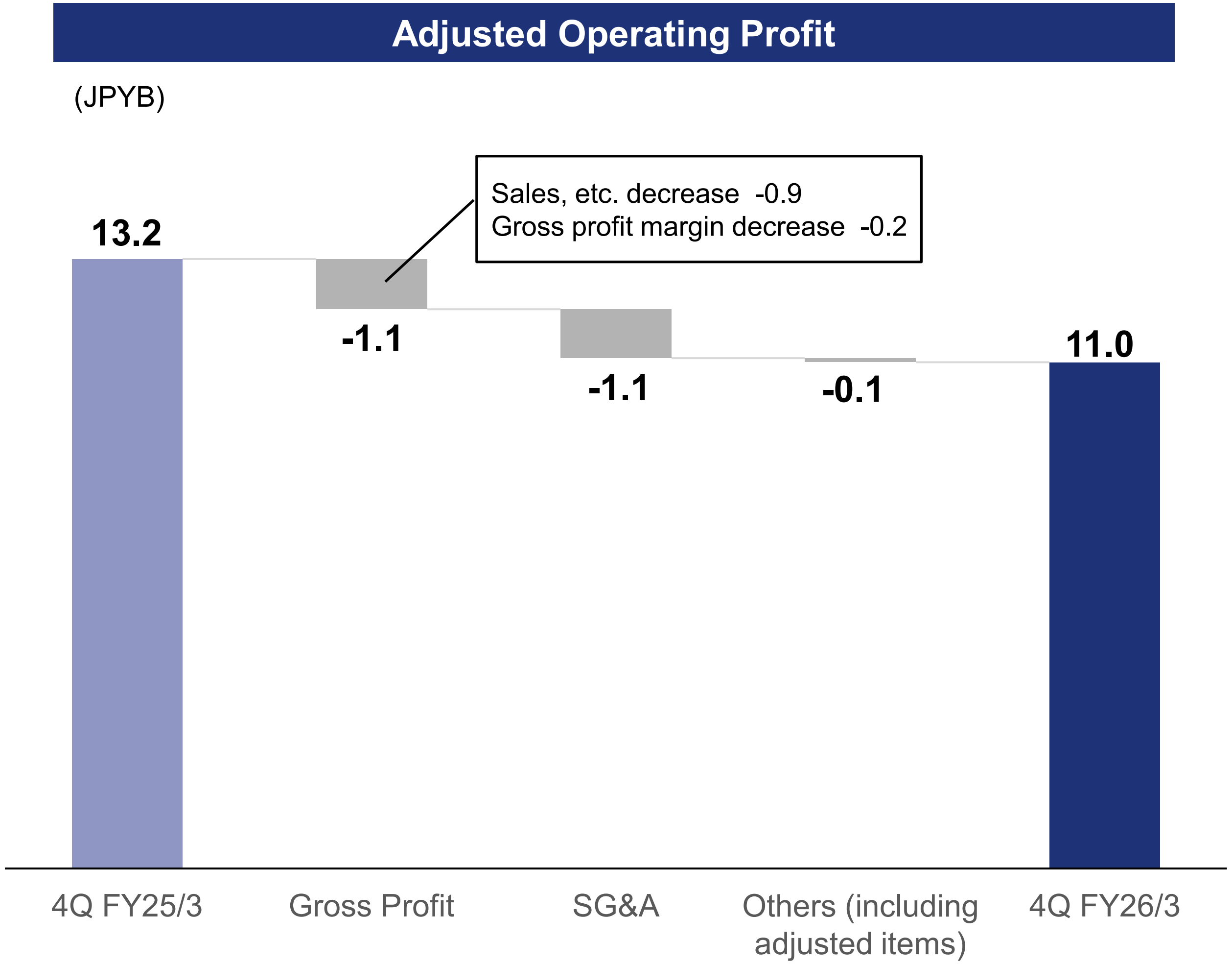
4Q FY26/3 Results: Factors for Changes

In 4Q, overall revenue decreased 4% YoY due to a decrease in sales of equipment for China, while revenue from upgrade modifications (service) for DRAM increased.
Adjusted operating profit decreased 17% YoY.





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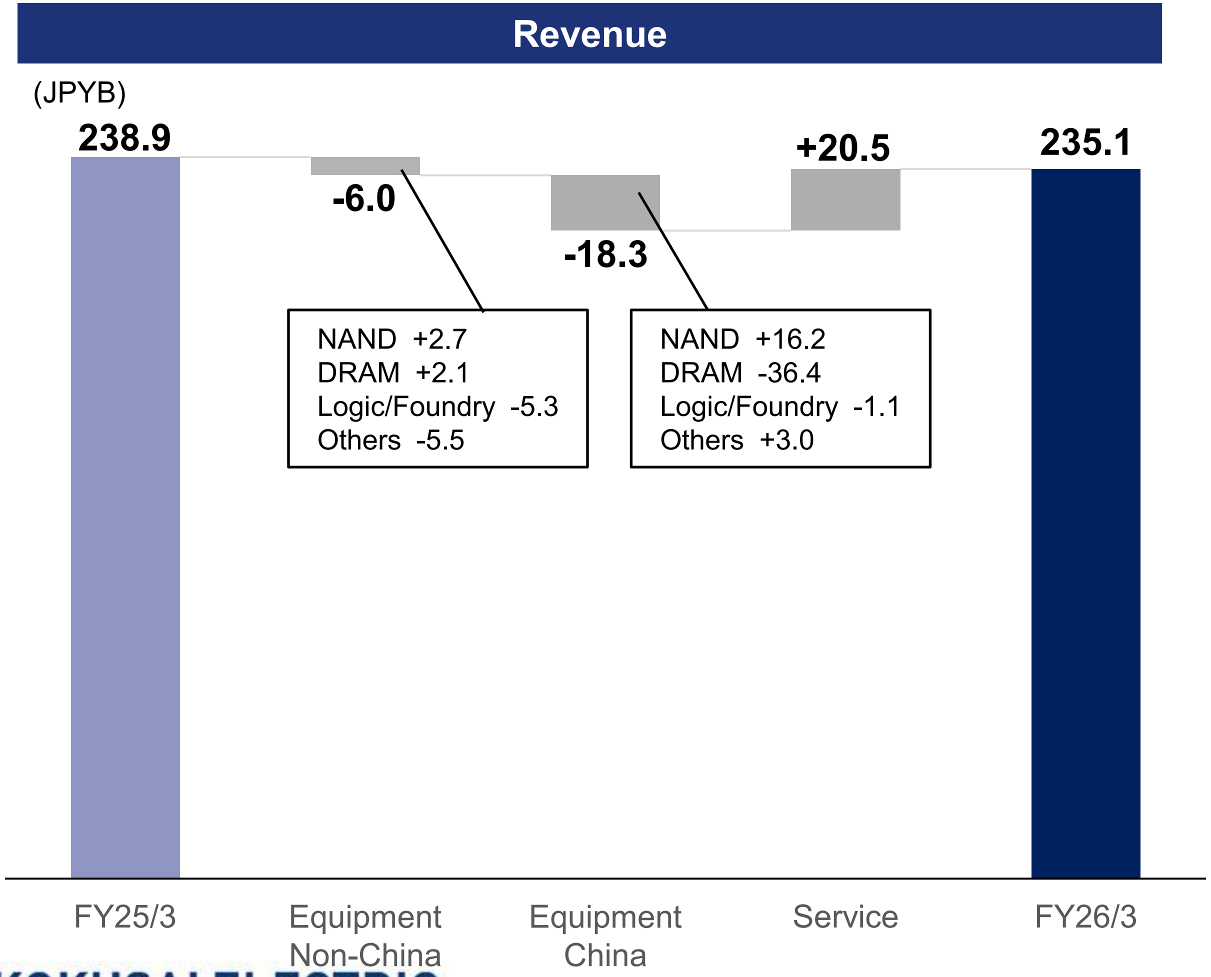
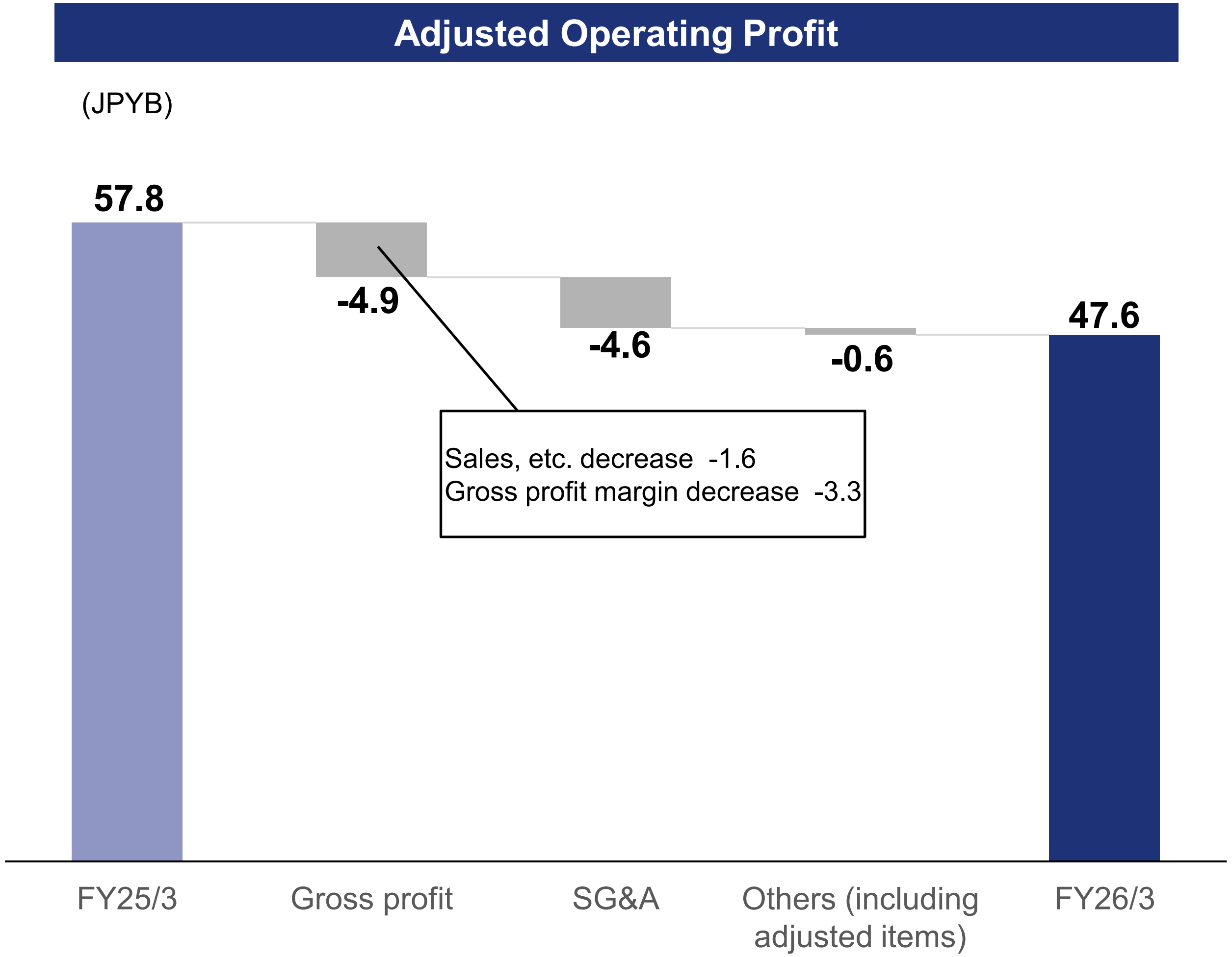
FY26/3 Results: Factors for Change

For the full year, overall revenue decreased slightly by 2% YoY. Increased sales of upgrade modifications(service) for DRAM, offset the decline in equipment sales. Adjusted operating profit decreased 18% YoY due to a decrease in gross profit margin from decline in operating rates and changes in product mix and an increase in SG&A expenses.





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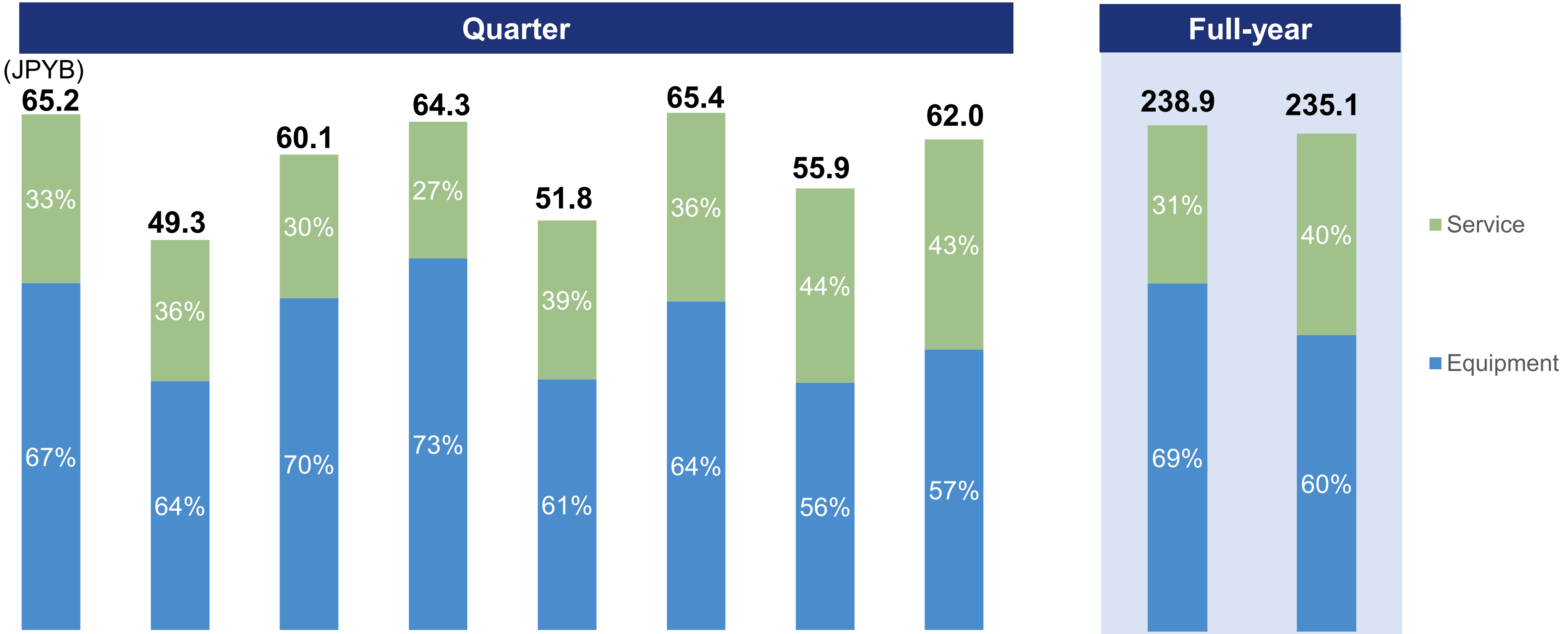
Quarterly Revenues by Business

In 4Q and for the full year, some equipment demand was replaced by upgrade modifications (service), resulting in a decrease in equipment revenue and an increase in service revenue YoY.
For the full year, equipment sales ratio was 60% and the service sales ratio was 40%.



(JPYB)	FY25/3 1Q	FY25/3 2Q	FY25/3 3Q	FY25/3 4Q	FY26/3 1Q	FY26/3 2Q	FY26/3 3Q	FY26/3 4Q	FY25/3 Full-year	FY26/3 Full-year
Service	21.4	17.9	18.2	17.3	20.1	23.9	24.6	26.6	74.6	95.1
Equipment	43.9	31.5	42.0	47.0	31.7	41.6	31.3	35.5	164.3	140.0

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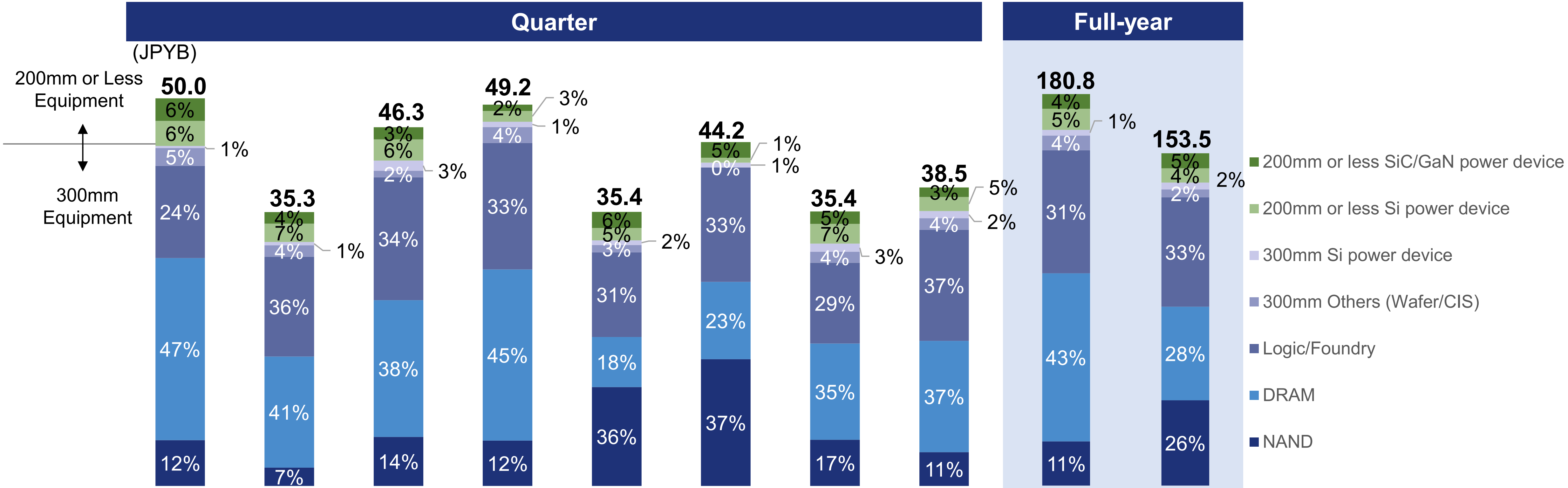
Quarterly Revenues by Application (300mm Equipment + 200mm or Less Equipment)

In 4Q, equipment sales for major applications decreased YoY, but sales for DRAM and Logic/Foundry increased QoQ.
For the full year, revenue for NAND increased 90%, DRAM decreased 44%, and Logic/Foundry decreased 11% YoY.



(JPYB)	FY25/3 1Q	FY25/3 2Q	FY25/3 3Q	FY25/3 4Q	FY26/3 1Q	FY26/3 2Q	FY26/3 3Q	FY26/3 4Q	FY25/3 Full-year	FY26/3 Full-year
200mm or Less Equipment	6.2	3.9	4.3	2.2	3.7	2.6	4.2	3.1	16.5	13.6
300mm Equipment	43.9	31.5	42.0	47.0	31.7	41.6	31.3	35.5	164.3	140.0

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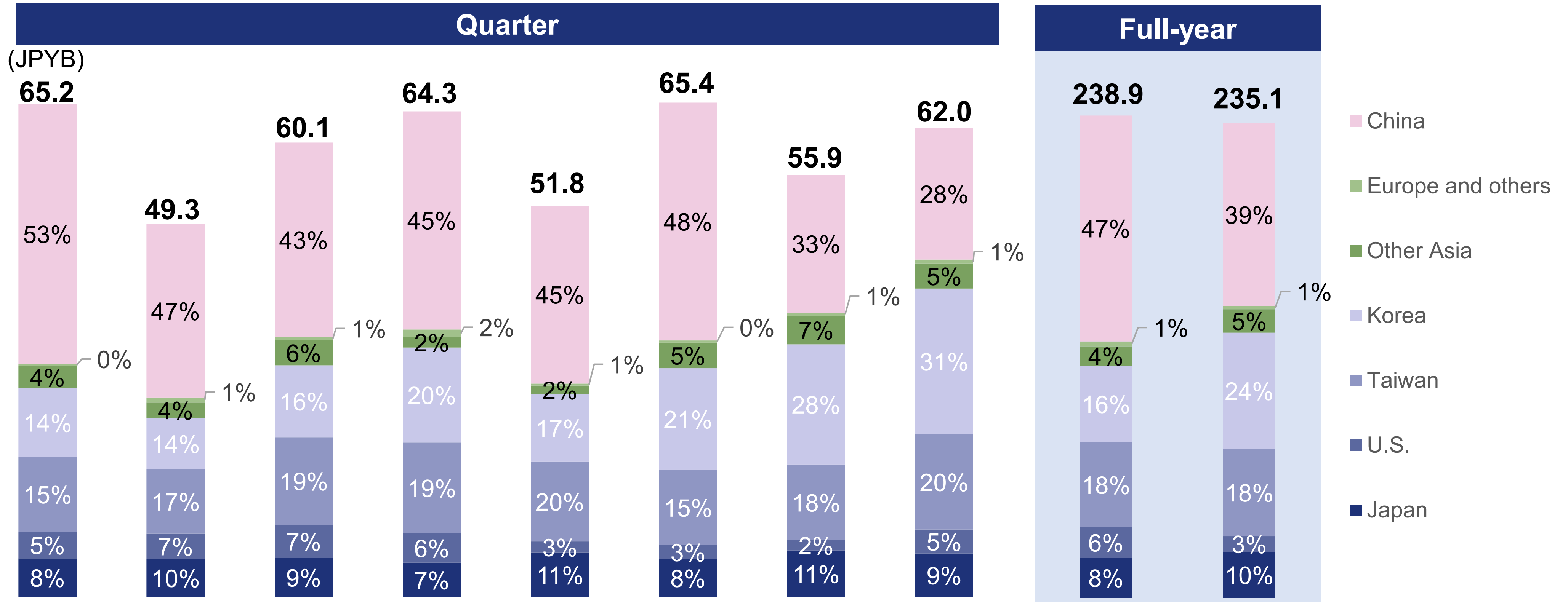
Quarterly Revenues by Destination

In 4Q, both YoY and QoQ, revenue from Taiwan and Korea increased, while revenue from China decreased. For the full year, the ratio of revenue from the U.S. and China fell to 3% and 39%, respectively.



(JPYB)	FY25/3				FY26/3				FY25/3	FY26/3
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	Full-year	Full-year
For overseas	60.1	44.3	54.9	59.7	45.9	60.4	49.7	56.3	219.1	212.3
For Japan	5.1	5.0	5.2	4.5	5.9	5.0	6.2	5.8	19.9	22.8

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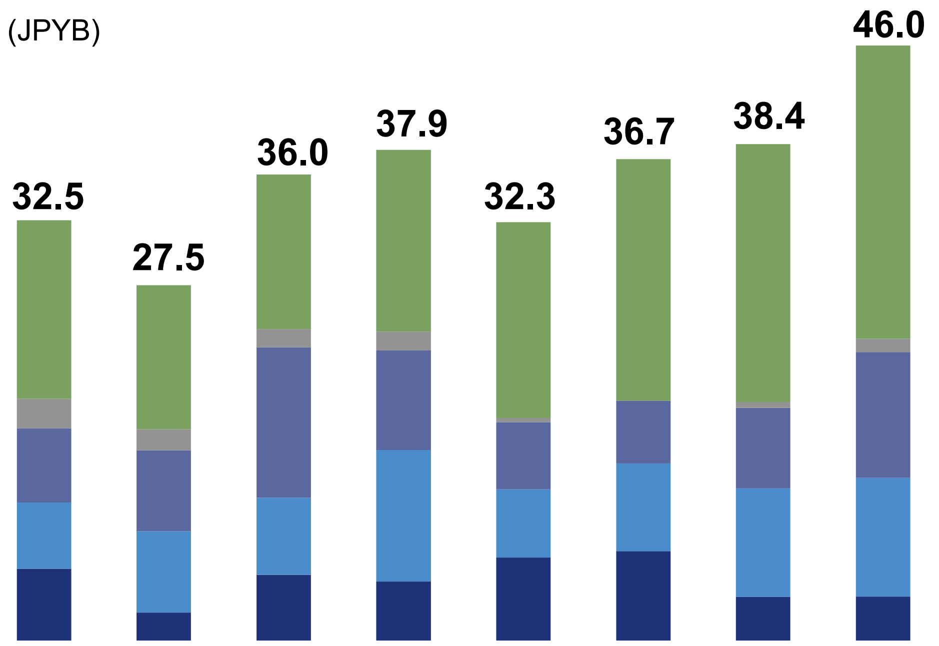
Quarterly Revenues by Account*1

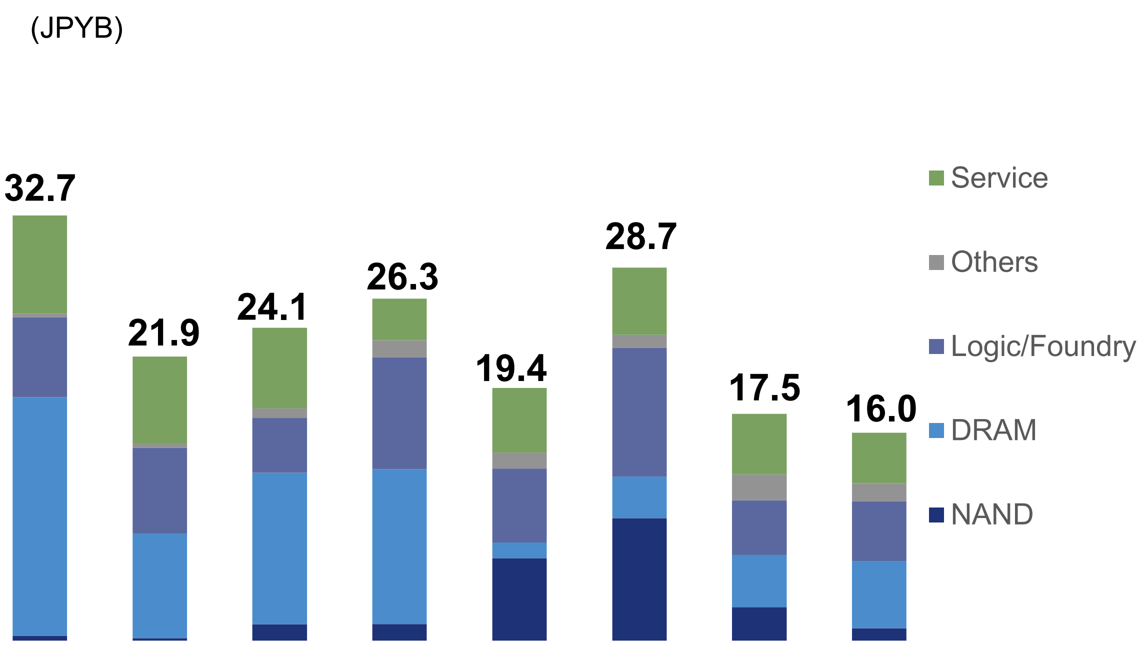
4Q revenue from Non-China increased QoQ in equipment sales for all applications and service revenue.
4Q revenue from China decreased in equipment sales for NAND, increased in DRAM and Logic/Foundry QoQ.
Due to growth in revenue from Non-China, the ratio of revenue from China fell to 26%.

Revenue in Non-China



	FY25/3				FY26/3			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Ratio of Non-China	50%	56%	60%	59%	62%	56%	69%	74%

Revenue in China



	FY25/3				FY26/3			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Ratio of China	50%	44%	40%	41%	38%	44%	31%	26%

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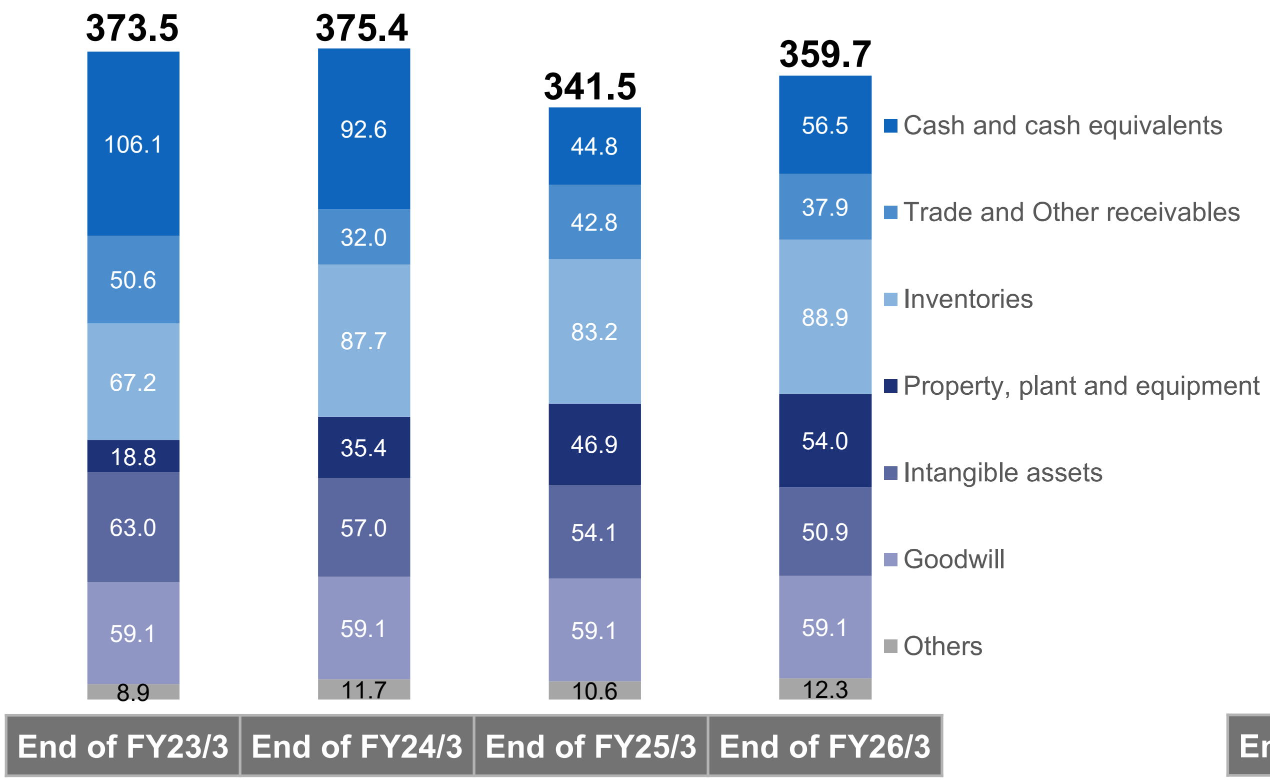
*1 Classification for non-China device manufacturers (manufacturers headquartered outside China) and China device manufacturers

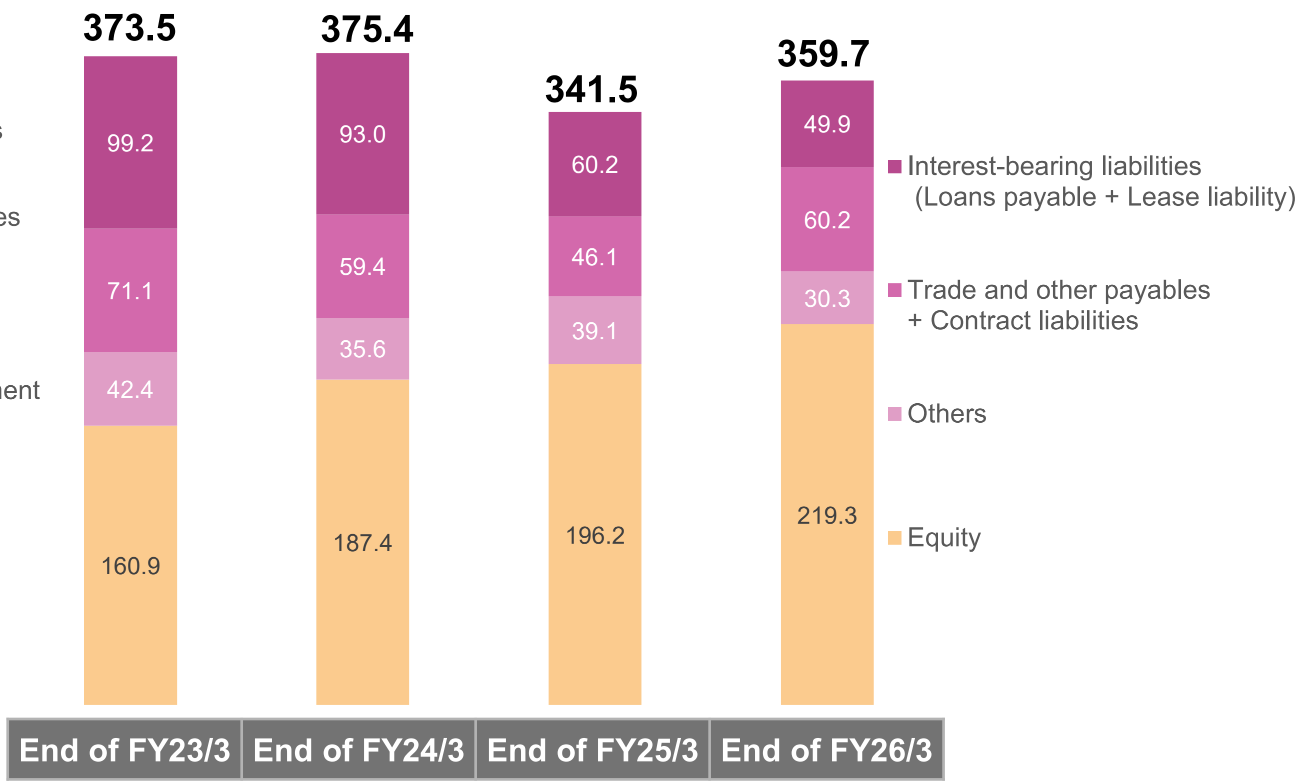
Balance Sheet

Total assets increased by JPY 18.1 bn from the end of the previous fiscal year. This is mainly due to an increase in cash and cash equivalents, and an increase in property, plant and equipment resulting from investments associated with the establishment of a demo center in the U.S. Total equity increased by JPY 23.1 bn from the end of the previous fiscal year mainly due to an increase in retained earnings.

Assets



Liabilities･Equity



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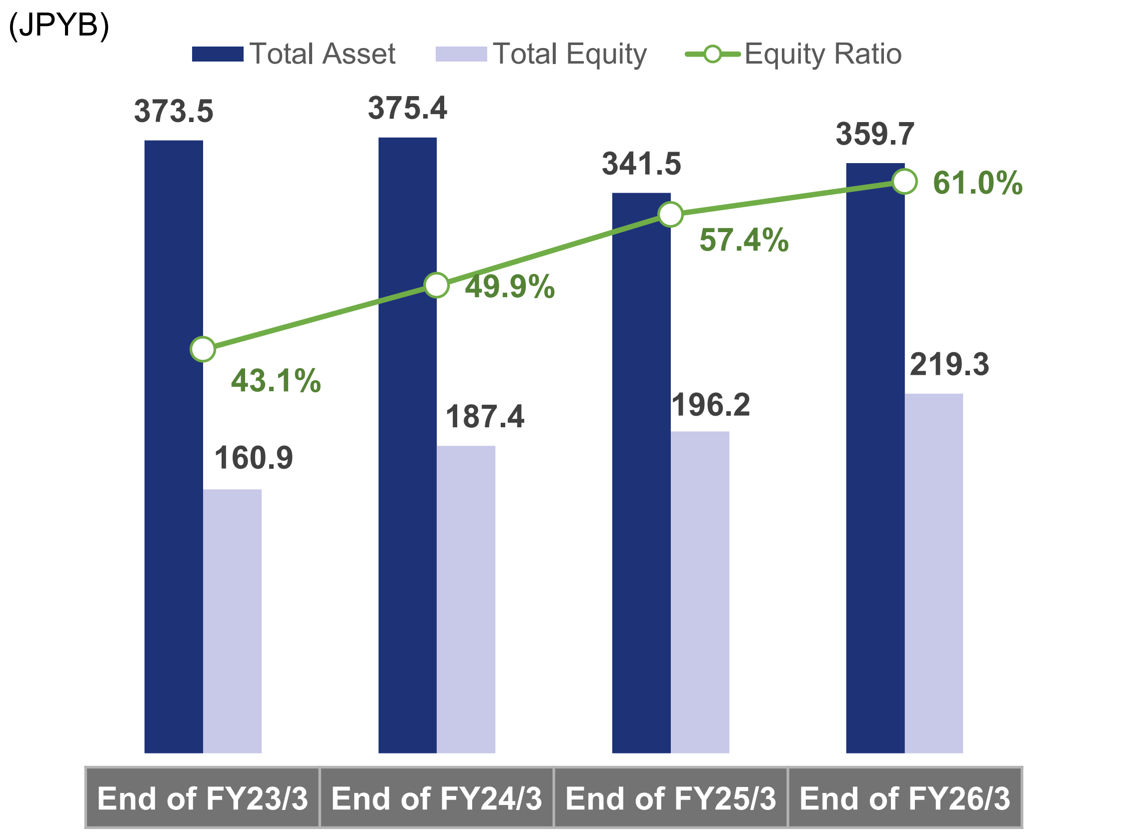
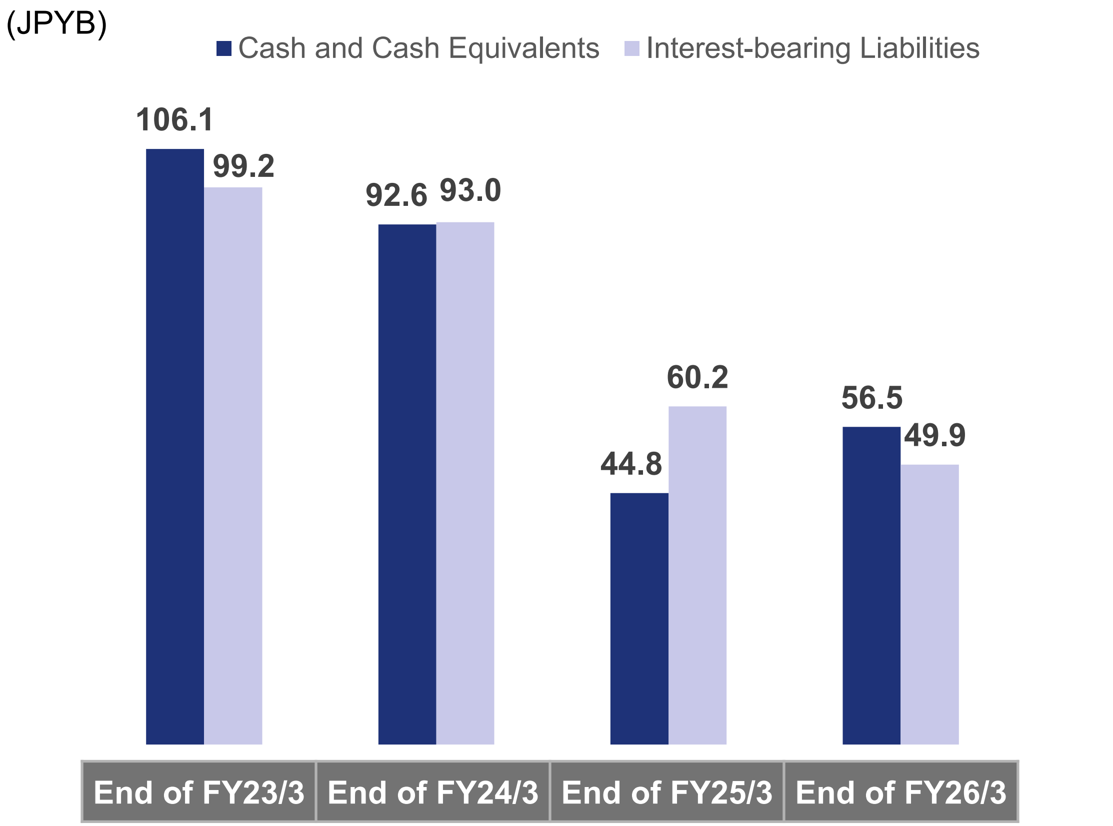
Equity Ratio / Cash and Cash Equivalents / Interest-bearing Liabilities

The equity ratio rose to 61% at the end of FY26/3. Net cash at the end of the fiscal year was JPY 6.6 bn as net debt was eliminated due to an increase in cash and cash equivalents and a decrease in interest-bearing liabilities resulting from loan repayment.

Total Asset / Total Equity / Equity Ratio



Cash and Cash Equivalents / Interest-bearing Liabilities



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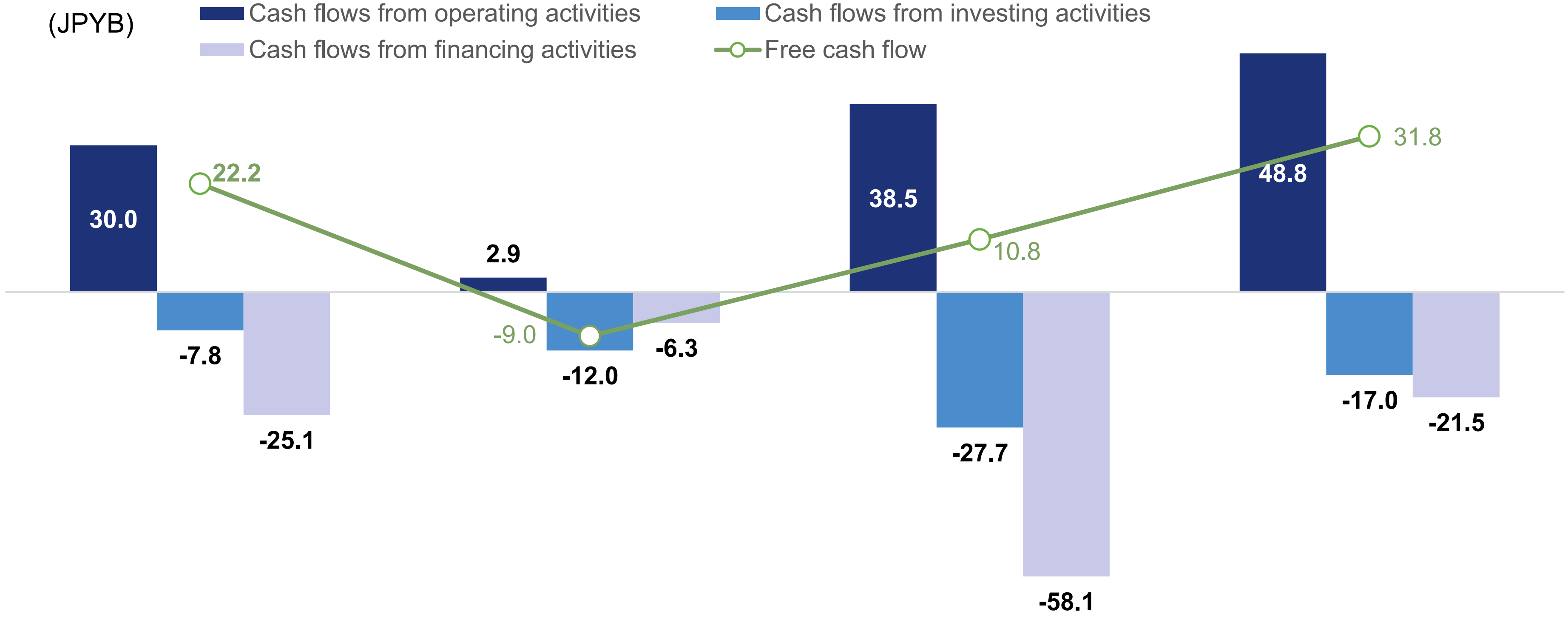
Cash Flows

Cash flows from operating activities exceeded cash flows from investing activities, resulting in free cash flow of JPY 31.8 bn. Cash outflow in financing activities amounted to JPY 21.5 bn mainly due to repayment of borrowings and payment of dividends.



(JPYB)	FY23/3	FY24/3	FY25/3	FY26/3
CF from operating activities	30.0	2.9	38.5	48.8
CF from investing activities	-7.8	-12.0	-27.7	-17.0
CF from financing activities	-25.1	-6.3	-58.1	-21.5
Free CF	22.2	-9.0	10.8	31.8
Cash and cash equivalents	106.1	92.6	44.8	56.5

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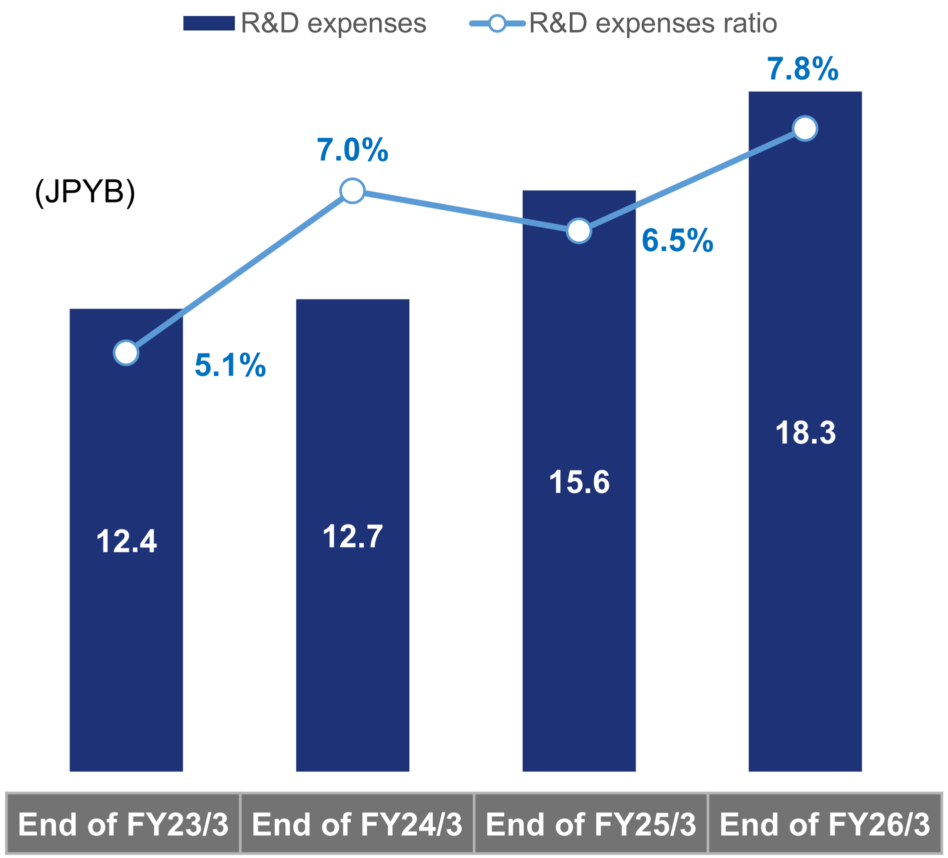
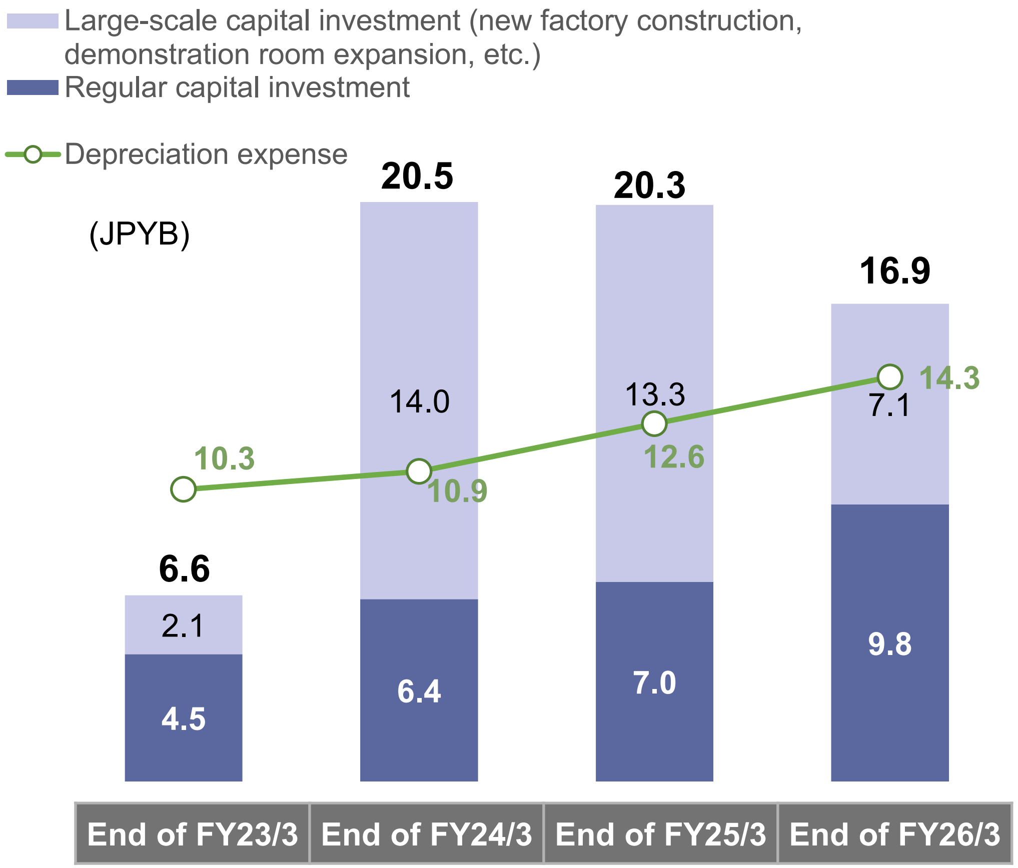
R&D Expenses / Capital Expenditure / Depreciation Expense

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%, capital investments decreased by 20% YoY, and depreciation expenses increased by 10% YoY.

R&D Expenses



Capital Expenditure / Depreciation Expense



Consolidated Earnings Forecast for FY27/3

Highlight

Consolidated Financial Summary for FY26/3

- The semiconductor device market saw high levels of generation shift and capacity expansion 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.
- In FY26/3, both revenue and profit decreased YoY due to normalization in sales of equipment for China DRAM which had been concentrated in the previous year. Both revenue and profit exceeded the revised forecasts announced at the 2Q earnings.

Consolidated Earnings Forecast for FY27/3 and Outlook for the future

- **Semiconductor device manufacturers are expected to further accelerate capital investment to address generation shift and expand production capacity, especially for high-performance devices.**
- **Our FY27/3, we expect revenue and profit to increase YoY due to aggressive capital investment by device manufacturers. Utilizing our technological superiority in equipment for advanced devices, we aim for growth exceeding WFE growth.**

FY27/3 Earnings Forecast / Dividend Forecast

Against the backdrop of aggressive capital investment by device manufacturers, we expect to capitalize on our technological superiority in equipment for advanced devices to achieve increase revenue and profit growth YOY. Annual dividend is expected to be 47 yen with a dividend payout ratio of 25.6% based on adjusted net income.

	FY26/3			FY27/3			
(JPYB)	1H	2H	Full-year	1H forecast	2H forecast	Full-year forecast	YoY
Revenue	**117.2**	**117.9**	**235.1**	**152.3**	**127.7**	**280.0**	＋19.1%
Gross profit	**49.5**	**47.3**	**96.8**	**64.1**	**53.5**	**117.6**	＋21.6%
Gross profit margin	*42.2%*	*40.1%*	*41.2%*	*42.1%*	*41.9%*	*42.0%*	+0.8pts
Adjusted operating profit	**25.3**	**22.3**	**47.6**	**35.5**	**25.0**	**60.5**	＋27.1%
Adjusted operating profit margin	*21.6%*	*18.9%*	*20.2%*	*23.4%*	*19.5%*	*21.6%*	+1.4pts
Adjusted net income	**17.4**	**16.7**	**34.1**	**25.0**	**17.9**	**42.9**	＋25.8%
Adjusted net income margin	*14.8%*	*14.2%*	*14.5%*	*16.4%*	*14.0%*	*15.3%*	+0.8pts
Operating profit	**22.7**	**19.1**	**41.8**	**32.5**	**22.0**	**54.5**	＋30.3%
Operating profit margin	*19.4%*	*16.2%*	*17.8%*	*21.4%*	*17.2%*	*19.5%*	+1.7pts
Income before income tax	**22.2**	**18.6**	**40.7**	**31.9**	**21.5**	**53.4**	＋31.1%
Income before income tax margin	*18.9%*	*15.8%*	*17.3%*	*21.0%*	*16.8%*	*19.1%*	+1.8pts
Net income	**15.6**	**14.5**	**30.1**	**22.9**	**15.9**	**38.8**	＋28.9%
Net income margin	*13.3%*	*12.3%*	*12.8%*	*15.1%*	*12.4%*	*13.9%*	+1.1pts
Dividend per share (JPY)	**18**	**19**	**37**	**23**	**24**	**47**	＋10yen
Dividends payout ratio	―	―	*25.3%*	―	―	*25.6%*	+0.3pts

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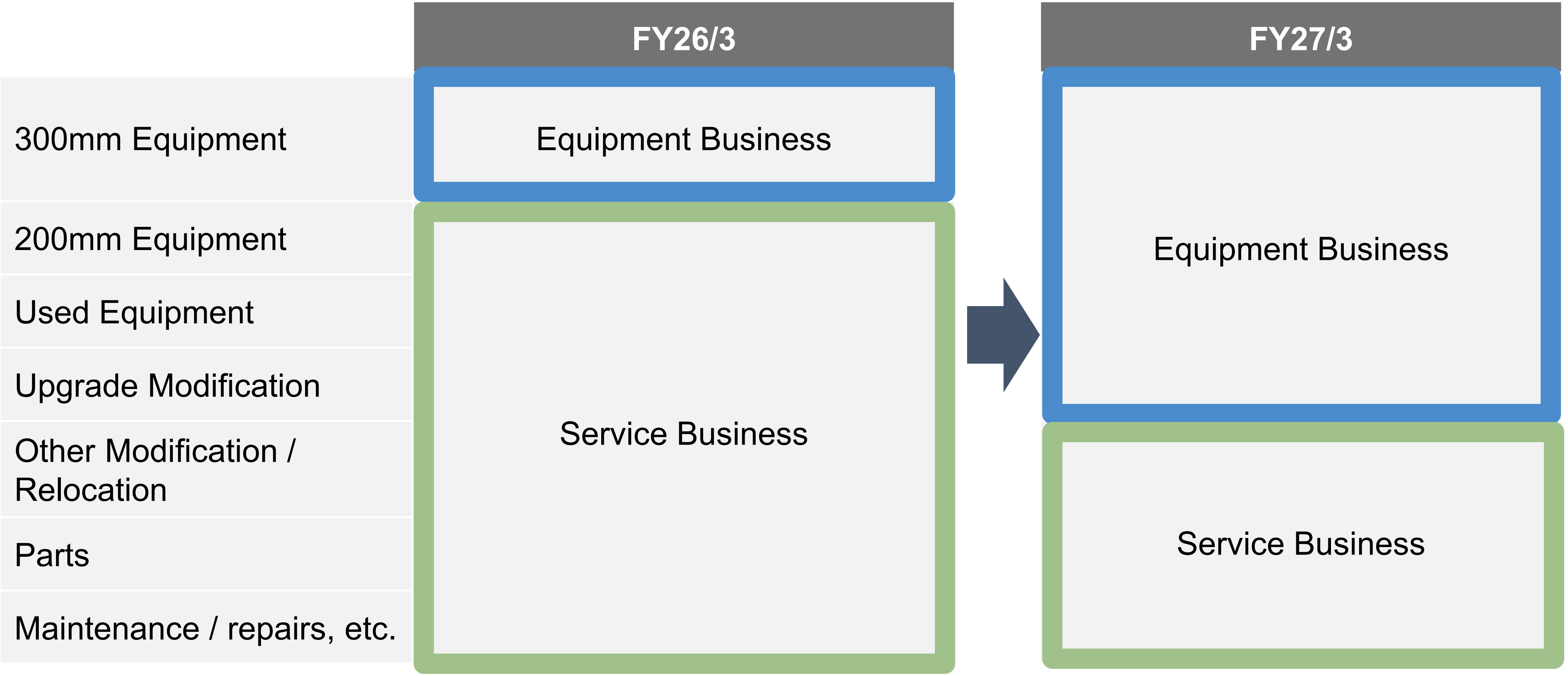
Change of business category

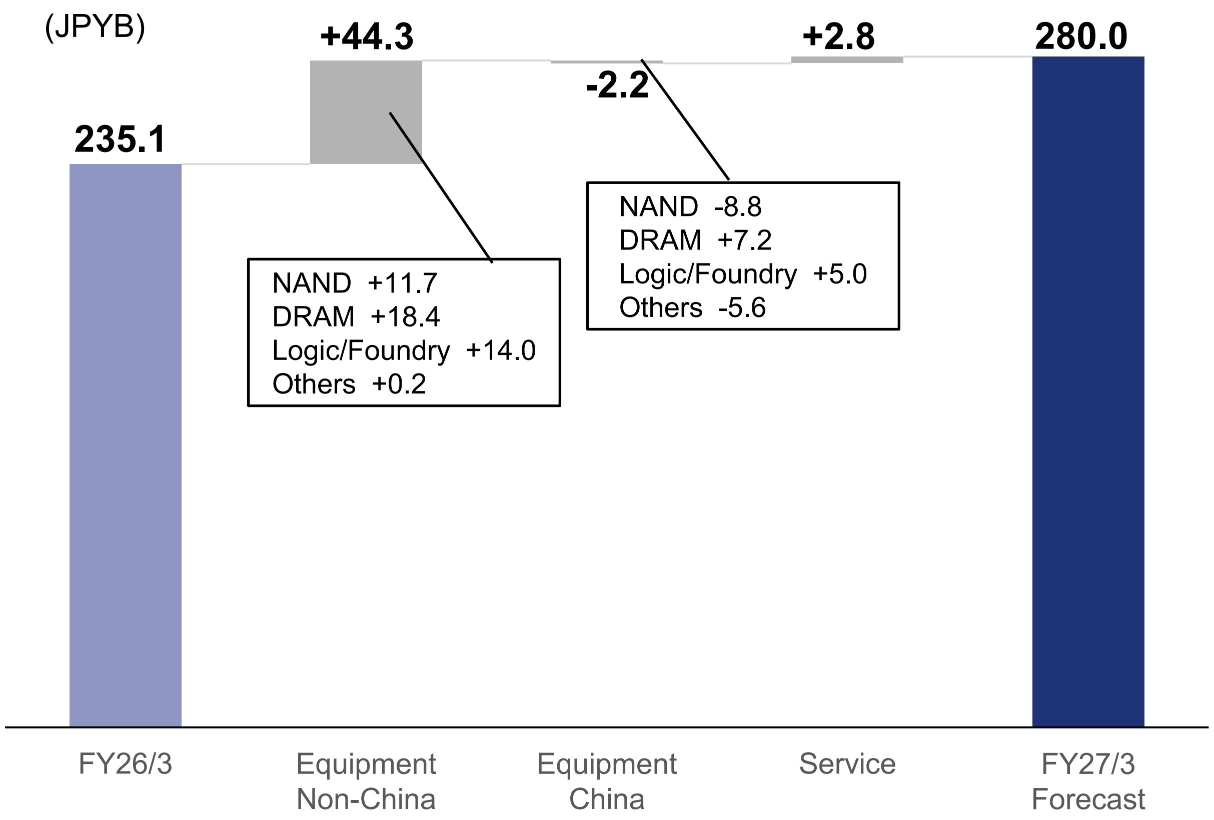
From the FY27/3, we will change our business category. We will transfer “Upgrade modification“, "200 mm equipment" and “Used equipment" that previously categorized the services to the equipment business, making the disclosures more aligned with the WFE market.



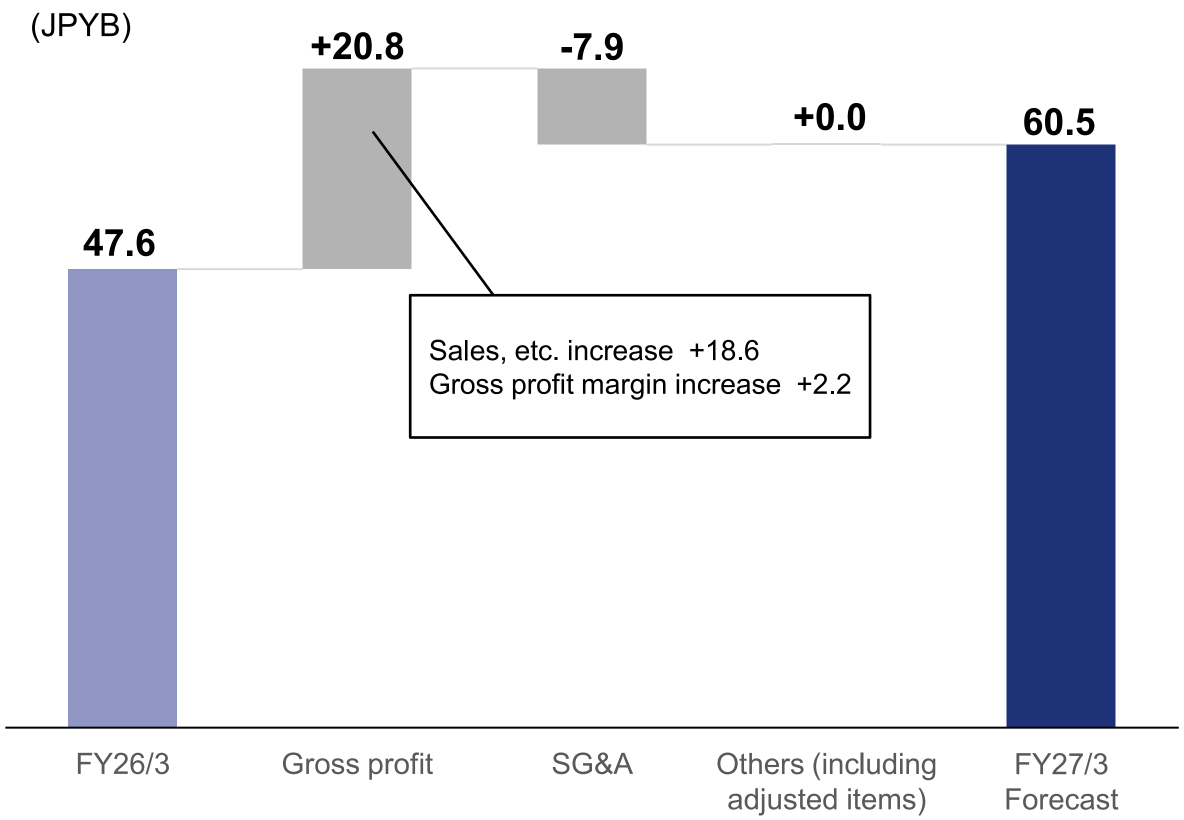
FY27/3 Earnings Forecast: Factors for Change(New standard*1)

Revenue is expected to increase by 19% YoY. While sales of equipment for China will decline slightly, sales of equipment for Non-China are expected to rise significantly.
Adjusted operating profit is expected to increase by 27% YoY due to higher sales and an improved gross profit margin.

Revenue



Adjusted Operating Profit



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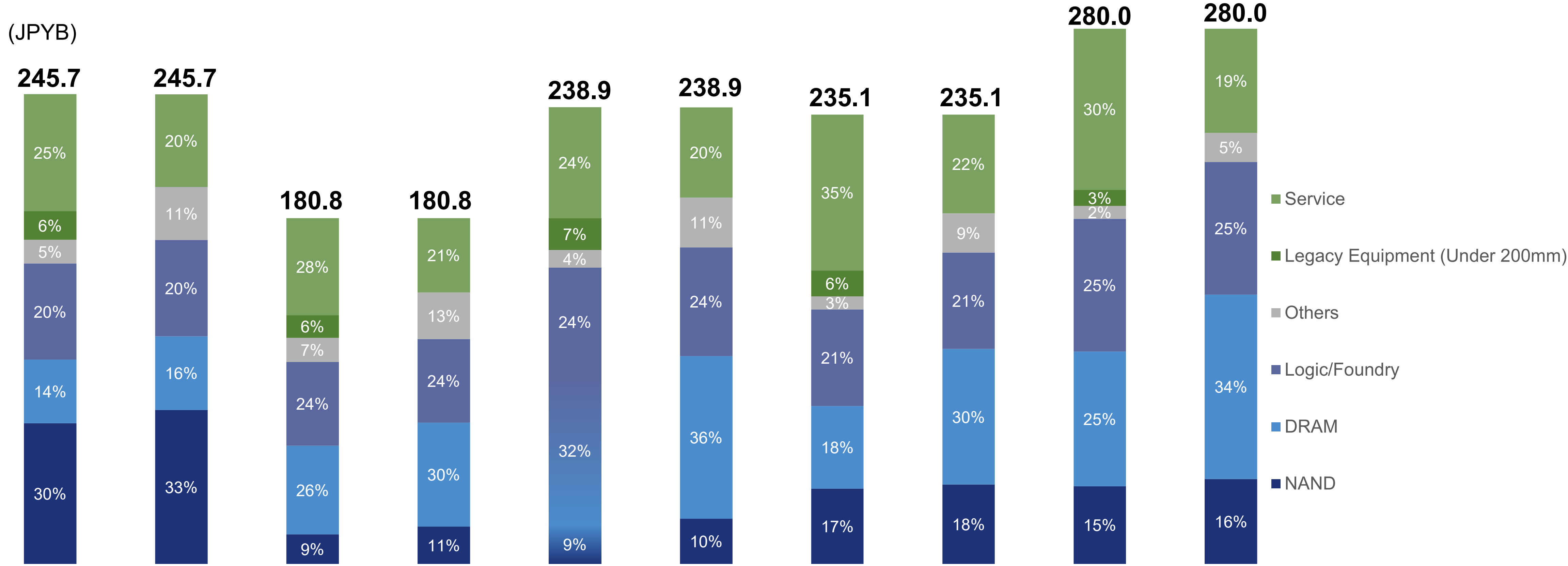
*1 Include "200 mm or less Equipment" in "Others". "Upgrade modifications" are included in each application.

FY27/3 Earnings Forecast: Revenues by Application

Revenue for NAND is expected to increase by 7%, DRAM by 36%, and Logic/Foundry by 38% YoY.
The ratio of service revenue to total under the new standard is expected to be 19%.



(JPYB)	FY23/3		FY24/3		FY25/3		FY26/3		FY27/3 forecast	
	Old standard	New standard*1	Old standard	New standard	Old standard	New standard	Old standard	New standard	Old standard	New standard
Service	76.2	48.5	62.5	38.8	74.6	47.2	95.1	51.6	92.7	54.4
Equipment	169.5	197.2	118.3	142.0	164.3	191.6	140.0	183.4	187.3	225.5

*1 Include "200 mm or less Equipment" in "Others". "Upgrade modifications" are included in each application.

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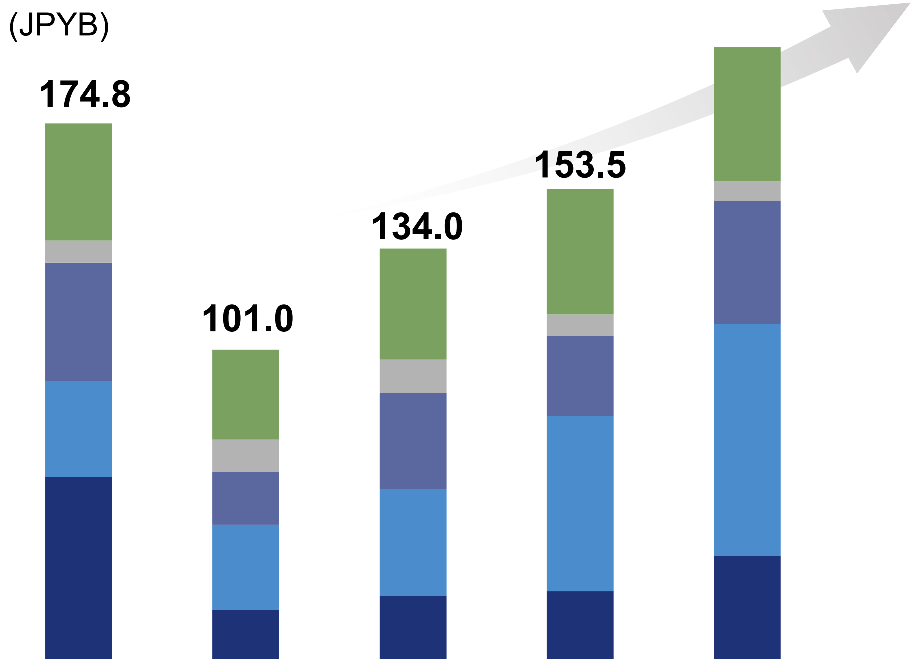
FY27/3 Earnings Forecast: Revenues by Account*1(New standard*2)

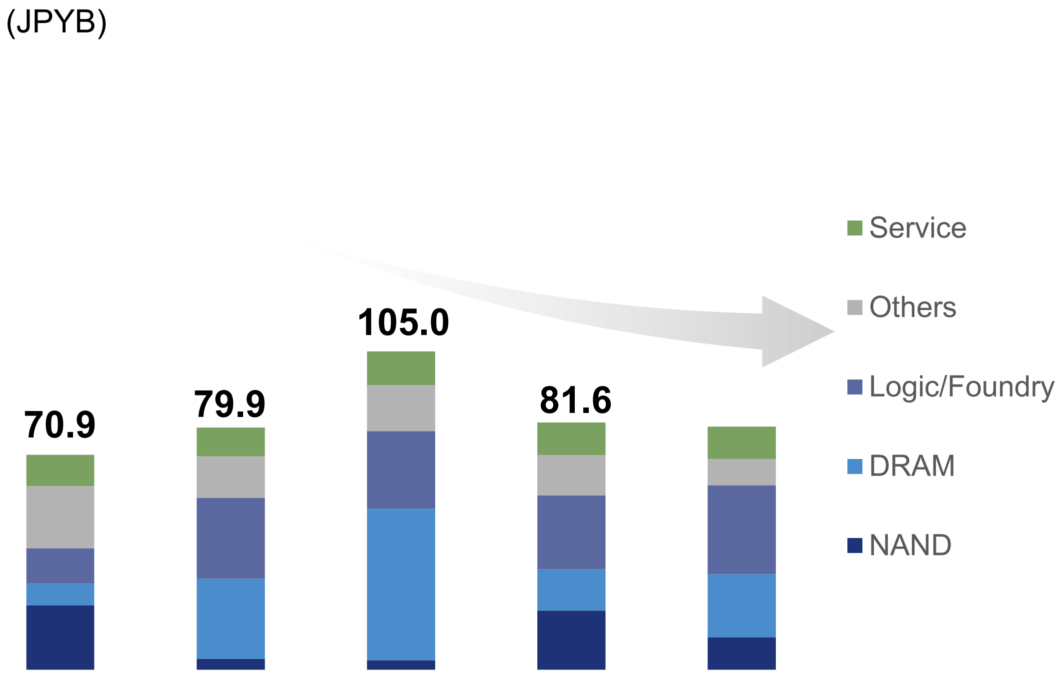
Revenue in Non-China is expected to increase by 30% YoY, because of increases in equipment sales for major applications and service revenue. Sales in China will be down 2% YoY due to the transitional period in NAND investment, but sales for DRAM will recover sharply by 53% YoY. Logic/Foundry is also expected to grow. The ratio of revenue from China will declin to 29%.

Revenue in Non-China



	FY23/3	FY24/3	FY25/3	FY26/3	FY27/3 forecast
Ratio of Non-China	71%	56%	56%	65%	71%

Revenue in China

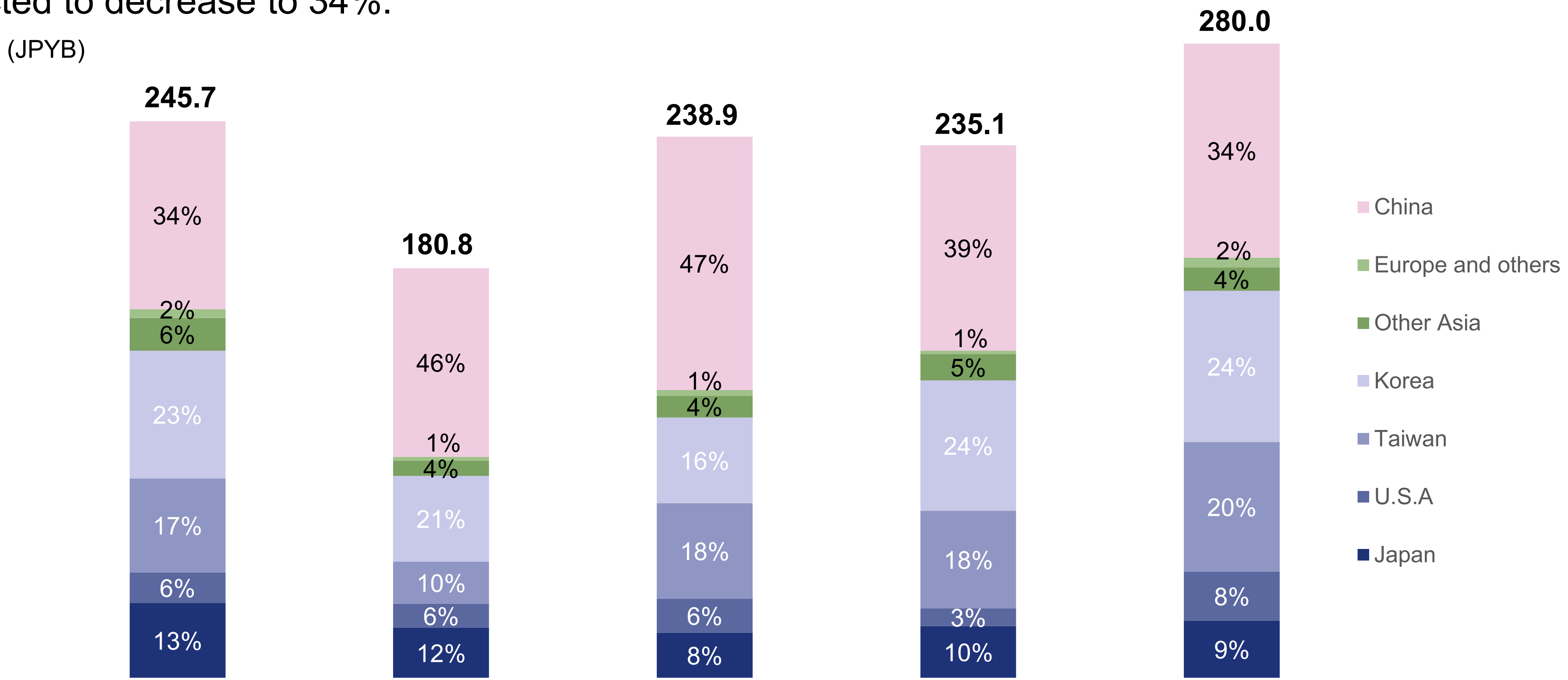


	FY23/3	FY24/3	FY25/3	FY26/3	FY27/3 forecast
Ratio of China	29%	44%	44%	35%	29%

*1 Classification for non-China device manufacturers (manufacturers headquartered outside China) and China device manufacturers *2 Include "200 mm or less Equipment" in "Others". "Upgrade modifications" are included in each application.

FY27/3 Earnings Forecast: Revenues by Destination

The revenue in Japan, U.S., Taiwan and Korean markets is expected to increase YoY, while the ratio of revenue in China is expected to decrease to 34%.



	FY23/3	FY24/3	FY25/3	FY26/3	FY27/3 forecast
For overseas	87%	88%	92%	90%	91%
For Japan	13%	12%	8%	10%	9%

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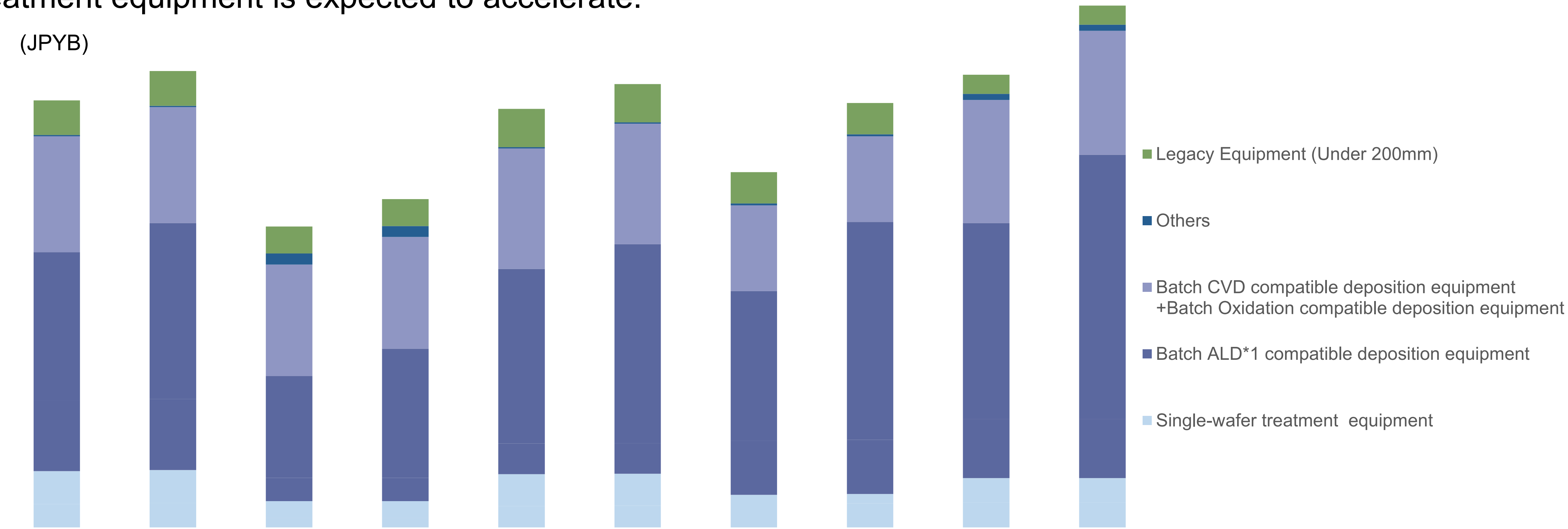
FY27/3 Earnings Forecast: Revenues by Equipment

The ratio of high value-added products for the fiscal year ending March 2027 is expected to be 71%. With future device generational changes, the introduction of the Batch ALD compatible deposition equipment and single-wafer treatment equipment is expected to accelerate.



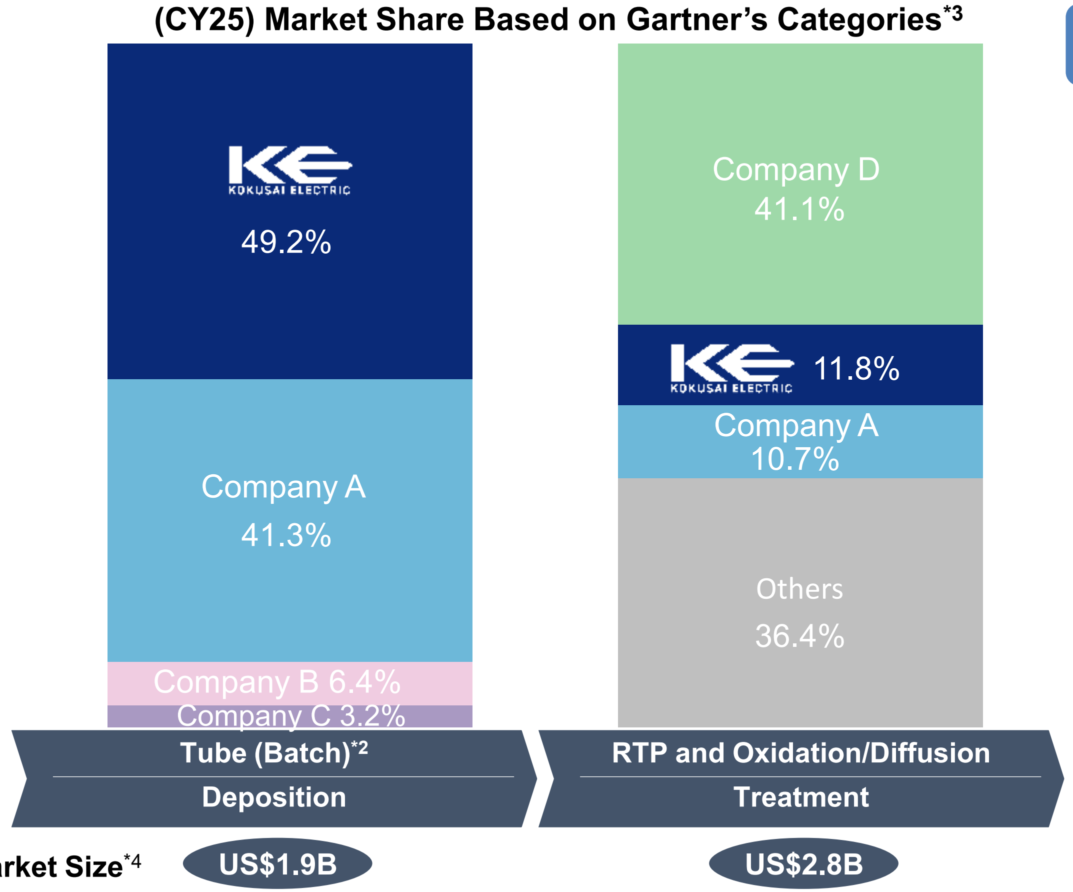
	FY23/3		FY24/3		FY25/3		FY26/3		FY27/3 forecast	
	Old standard	New standard*2	Old standard	New standard	Old standard	New standard	Old standard	New standard	Old standard	New standard
Ratio of high value-added equipment	64%	67%	50%	54%	62%	64%	67%	72%	67%	71%

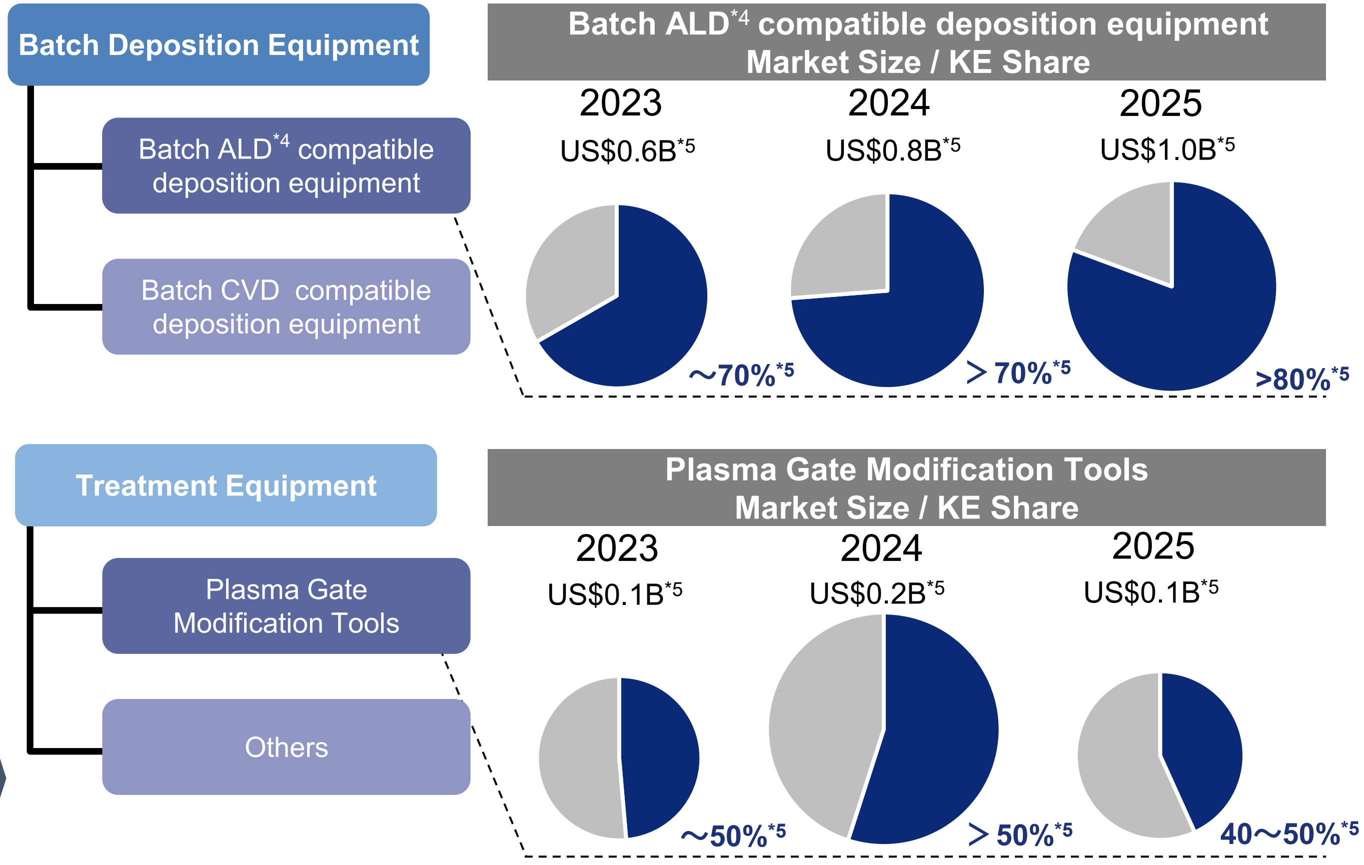
*1 We refer to a technique for thin-film deposition at an atomic layer level involving a process of cyclical supply of multiple gases as "ALD". *2 Upgrade modifications" are included in each application.

Future Outlook

Market Share Trends

We achieved the top market share in the batch deposition equipment market in CY25.
Our market share of batch ALD[*1] compatible deposition equipment has reached 80%. We have also captured the top market share in single-wafer treatment equipment (Plasma Gate Modification Tools) [*2].





*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 We define "Tube CVD" in Garner's WFE segmentation as "Tube (Batch)" in this chart (Calculations performed by KOKUSAI ELECTRIC CORPORATION) *3 Source: Gartner®, Market Share: Semiconductor Wafer Fab Equipment, Worldwide, 2025, Bob Johnson et al. Published 2 April 2026 Graph created by Kokusai Electric based on Gartner research. Calculations performed by Kokusai Electric/ Treatment = RTP and Oxidation/Diffusion.GARTNER is a trademark of Gartner, Inc. and its affiliates. Gartner does not endorse any company, vendor, product or service depicted in its publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner publications consist of the opinions of Gartner's business and technology insights organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this publication, 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 presentation), and the opinions expressed in the Gartner Content are subject to change without notice. *4 Total market in each of Gartner's category *5 Kokusai estimate based on public information and internal sales data

Business Environment

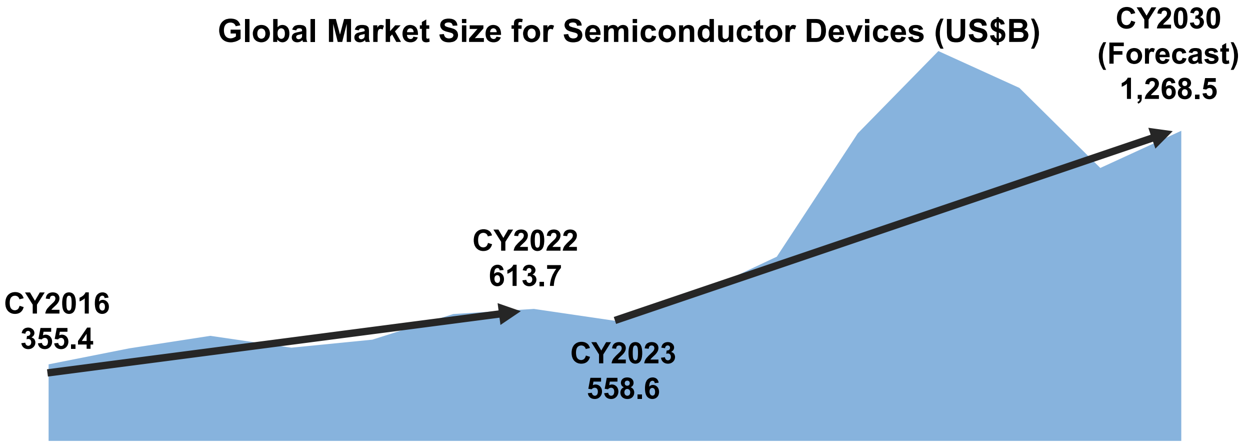
Demand related to generative AI is expected to continue to drive market and demand for equipment for high-performance devices is expected to further strengthen.

Outlook for Semiconductor Device Market

■Demand related to generative AI is expected to continue to drive market and demand for equipment for high-performance devices is expected to continue rising.

■The recovery in capital investments for mature node Logic is expected to be delayed in Europe, the U.S., and Asia, also slow down in China, the outlook for recovery is uncertain.

■In the medium to long term, significant growth is expected due to a recovery in demand for electronic equipment, expansion of data centers, and investment in green transformation, etc.

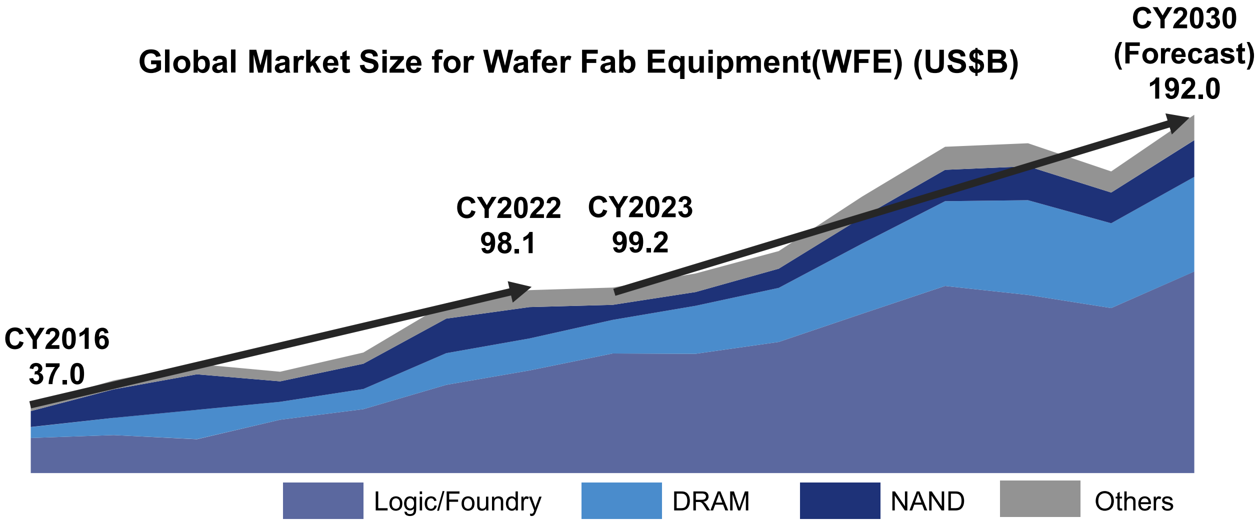


Wafer Fab Equipment (WFE) Market

■Demand for equipment for high-performance devices is expected to increase further. Mature node demand is expected to be sluggish. In China, demand from major device manufacturers is expected to continue.

■WFE is expected to grow around +15% YoY in CY26.

■In the mid-to-long term, WFE is expected to grow significantly similarly to the semiconductor device market, and the market will grow to around US$190B by CY2030.

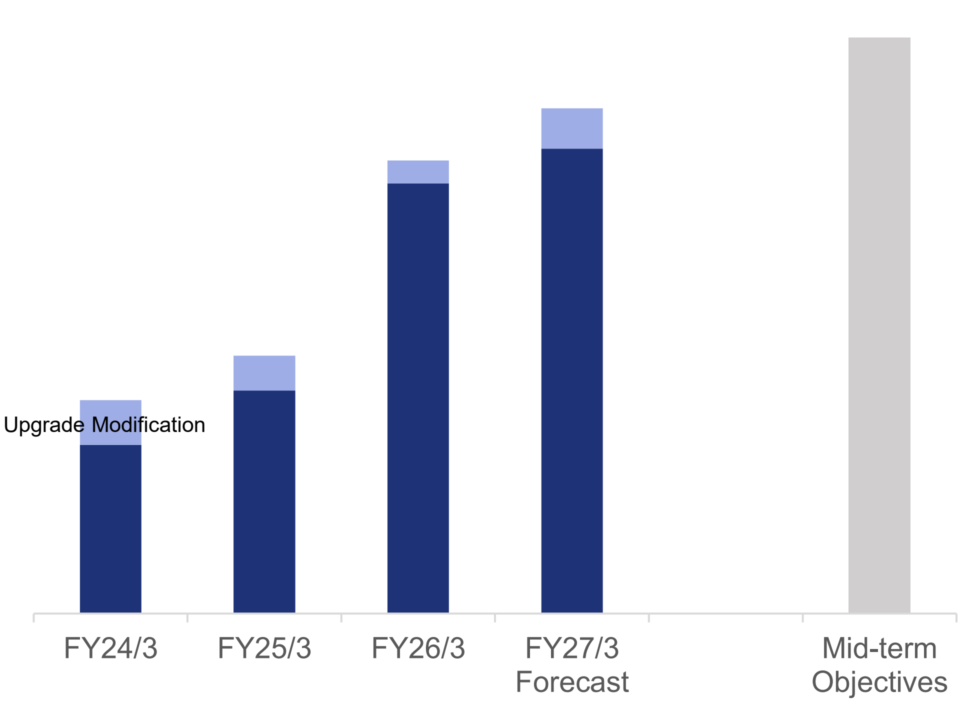


Source: Techinsights Inc. "Semiconductor Forecast" (Mar-2026)
Techinsights Inc-WAFER FAB EQUIPMENT (WFE) MARKET HISTORY AND FORECAST (2020 - 2031)_Mar-26

Current Status and Outlook for Equipment Business for NAND

In Non-China, investment continues for the generation shift (200 ~ 300 layers).
In China, the 1H of CY26 will be a transitional period, but investment is expected to resume in the 2H.

Equipment revenue for NAND



	2025 / 2026 / 2027 / 2028 / 2029		
3D NAND	Multi-layering		
	～200 layers	200～500 layers	500 layers～
Blocking Oxide	✓✓✓✓✓	✓✓✓✓	✓✓✓✓
Charge Trap Nitride	✓✓✓✓✓	✓✓✓✓✓	✓✓✓✓✓
Tunnel Dielectric	✓✓✓✓✓	✓✓✓✓✓	✓✓✓✓✓
Channel Si	✓✓	✓✓	✓
Blocking Metal Oxide A	✓	✓✓	✓✓✓✓
Barrier Metal A	✓	✓	✓
Treatment	✓✓✓	✓✓✓	✓✓✓

✓ : POR Received ✓ : POR Target

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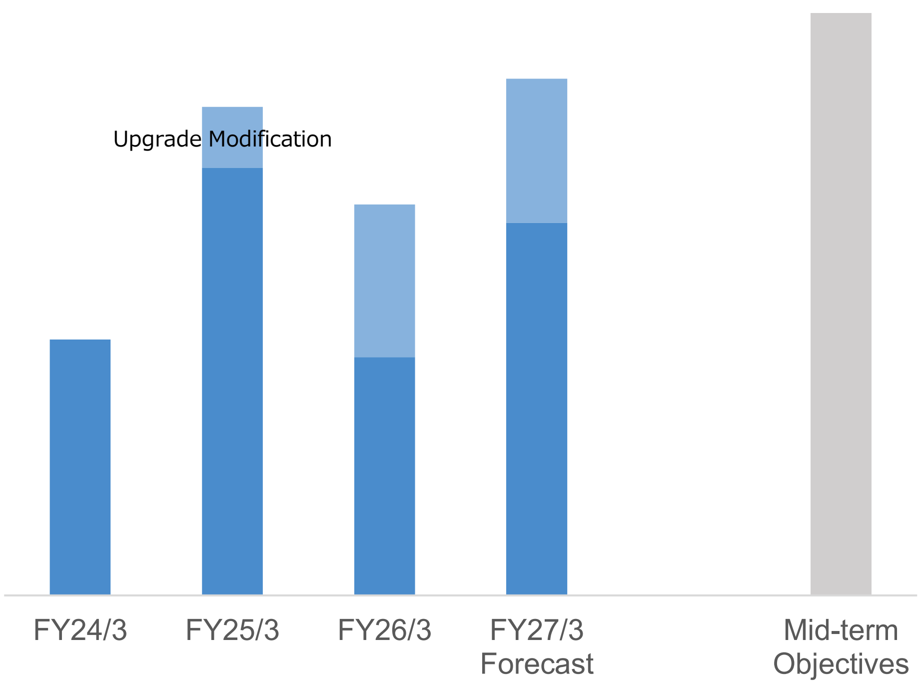
Current Status and Outlook for Equipment Business for DRAM

With AI demand as a backdrop, investments for the generation shift and capacity expansion are expected to be carried out concurrently.
We expect significant revenue growth through equipment sales and upgrade modifications.

Equipment revenue for DRAM



	2021	2023	2026	2027
Advanced 2D DRAM	Miniaturization and Complexity >> three-dimensional			
	D1a	D1b	D1c	D1d
bWL	✓✓✓✓	✓✓✓✓	✓✓✓✓	✓✓✓✓✓
└ Treatment	—	—	—	✓✓✓✓✓
Top Electrode	✓	✓	✓✓✓	✓✓✓
Bottom Electrode	✓	✓✓✓	✓✓✓	✓✓✓✓
└ Treatment	✓	✓✓✓	✓✓✓	✓✓✓
Cylinder Support	—	—	—	✓

✓ : POR Received ✓ : POR Target

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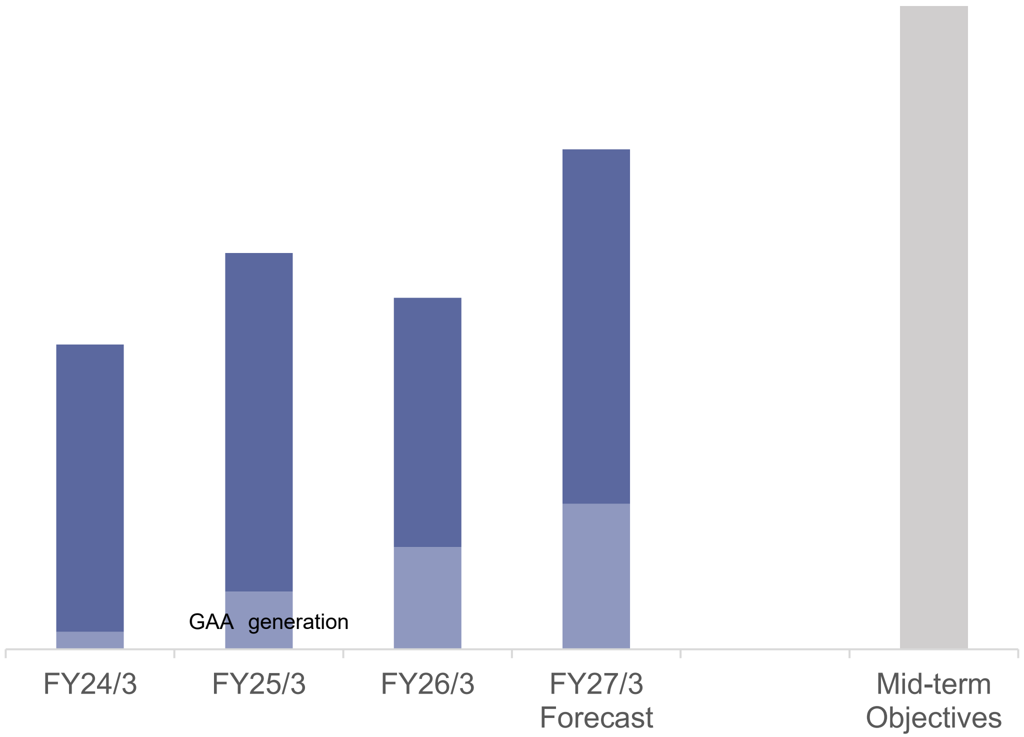
Current Status and Outlook for Equipment Business for Logic/Foundry

We expect to see new demand owing to the acquisition of GAA's high-difficulty deposition POR.

Recovery in equipment sales for advanced package and for mature nodes is also expected.

Equipment revenue for Logic/Foundry



	2024	2025	2026	2027	2028
	Complexity >> three-dimensional				
Logic	FinFET	GAA(2nm)		GAA(1.4nm)	
Gate Spacer	✓✓✓	✓✓✓		✓✓✓	
Inner Spacer	—	✓✓✓		✓✓✓✓✓	
Hard Mask[*1]	—	✓		✓✓✓	
Gapfill	—	✓		✓✓✓✓✓	
Treatment	—	—		✓	

*1 Hard Mask for Nano sheet protection

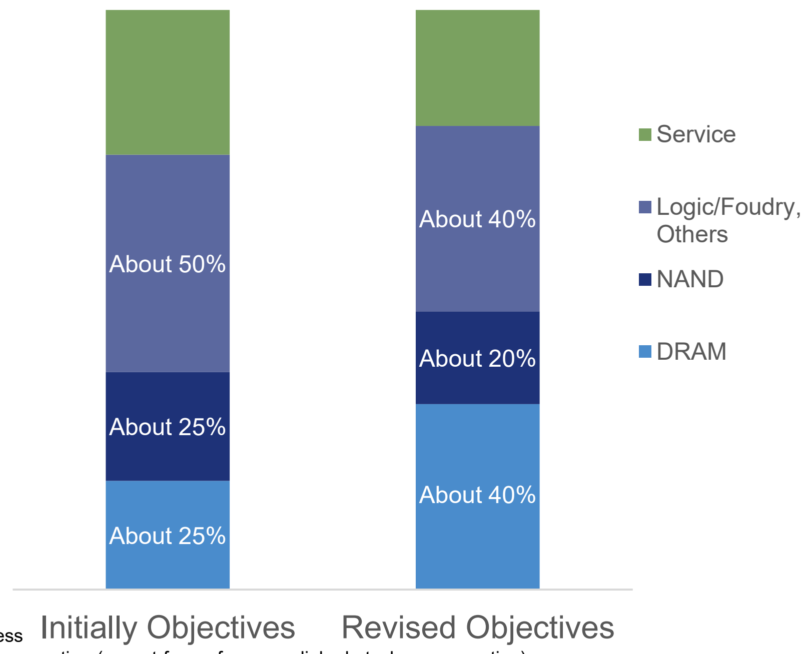
✓ : POR Received ✓ : POR Target

Revision of the Mid-term Objectives

In light of the significant changes in the market environment since the formulation of the Medium-Term Management Plan in 2024, we have revised the target dates for achieving our mid-term objectives to FY29/3, and have reviewed the sales composition ratio by application. We are promoting growth strategies tailored to current conditions.

	Initial Mid-term Objectives[*1]	Revised Mid-term Objectives
Time of achievement	Global Market Size for WFE > $120 Bil	~FY2029/3
Revenue	> 330.0 Bil	> 330.0 Bil
Equipment (% Revenue)	~75%	~80%
Service (% Revenue)	~25%	~20%
Adjusted OP Margin[*2]	>30%	>30%
R&D(% Revenue)	>6%	>6%
ROE（Reference）	>25%	>25%
ROIC（Reference）	>23%	>23%

composition ratio by application[*3]



*1: Regarding the Mid-Term Objectives, the landing prospects for the Mid-to-Long Term Objectives at the current point in time are described based on the current environment and progress
*2: Adjusted Operating Profit is calculated as operating profit – other income + other expenses + purchase price allocation amortization + stand-alone related expenses + stock-based compensation (except for performance-linked stock compensation).
Adjusted Operating Profit Margin is calculated as Adjusted Operating Profit / Revenue
*3: Percentage of equipment revenue

Decided to Newly Acquire a Property Adjacent to its Tonami Manufacturing Center

Anticipating further market expansion after 2031,we decided to acquire the land adjacent to its Tonami Manufacturing Center, owned by Tonami City, Toyama Prefecture. It is expected to contribute to various initiatives within our group, such as production and R&D.

Location	Takaoka Tonami Smart IC Yanaze Industrial Park 2
Site Area	Approx. 43,000 ㎡
Acquisition Cost	Approx. 1.0 billion yen

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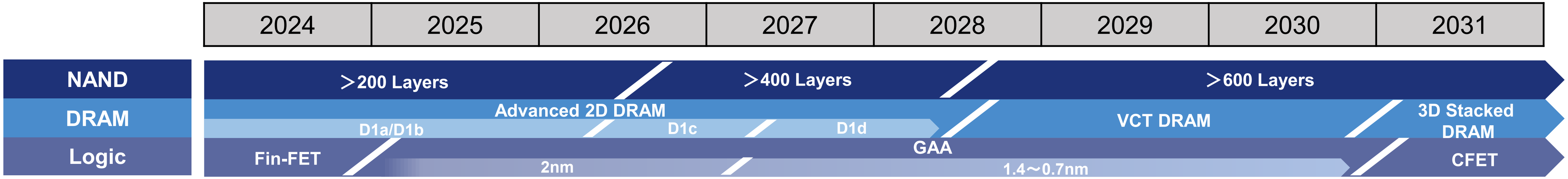
Summary

The opportunities for application of high-value-added products will expand as semiconductor device structures become multilayering, more miniaturization, complex and three-dimensional.
We aim to expand our business at a rate that exceeds market growth by leveraging our technological advantages.

Device Roadmap



Business Environment

Short-term

- ■ NAND
  - In Non-China, investments continues for the generation shift (200 ~ 300 layers).
  - In China, the 1H of CY26 will be a transitional period, but investment is expected to resume in the 2H.
- ■ DRAM, Logic/Foundry
  - investments for the generation shift and capacity expansion continues.
  - A certain level of investment continues for emerging Logic/Foundry manufacturers in China.

Mid-term

- ■ NAND
  - In both China and Non-China, Investments are expected to focus mainly on the generation shift for device.
- ■ DRAM
  - Investments for generation shift and capacity expansion for D1d ~ VCT DRAM are expected to become active.
- ■ Logic/Foundry
  - Investments for generation shift and capacity expansion for GAA 1.4nm are expected to become active.

Long-term

- ■ NAND
  - In Non-China, Investments for generation shift for 600 layers are expected to become active.
- ■ DRAM
  - Investments for generation shift and capacity expansion for VCT, 3D DRAM are expected to become active.
- ■ Logic/Foundry
  - Investments for generation shift and capacity expansion for CFET are expected to become active.

Our Catalyst

Short-term ~ Mid-term

- ■ Opportunities for application of high-value-added products are expanding against the backdrop of increased investment in high-performance DRAM and Logic/Foundry driven by AI demand.
- ■ For NAND, demand for high-value-added products is expected to increase due to continued investment in generation shift, even if there is no investment to expand production scale.
- ■ Progress in evaluation and POR acquisition to expand the use of film formation technology with competitive advantages in the advanced packaging field.

Long-term

- ■ Further demand expansion due to generational shift towards NAND more than 600 layers, VCT DRAM, 3D Stacked DRAM, and Logic CFET.
- ■ Further scaling up for advanced packaging.

Appendix

Business Management Structure

To achieve sustainable growth for our group, we revamped our business operations structure effective April 1.

Kazunori Tsukada
Representative Director, President & CEO
Oversight of business operations

Hidehiro Yanagawa
Director
EVP and Executive Officer
Value Creation Process Innovation and Head of Sales Accounts

Masayuki Yamada
SVP and Executive Officer
Production, Facilities and Environment and Site Operations Management

Yoshitaka Kawakami
SVP and Executive Officer
Finance and Accounting

Kenji Kanayama
SVP and Executive Officer
Technology Management, Advanced Technology Development and Intellectual Property

Naotoshi Yamamine
SVP and Executive Officer
Global Supply Chain Management, Quality Assurance and IT & Information Security

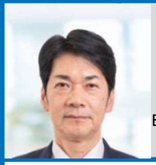
Masami Miyamoto
SVP and Executive Officer
Equipment Business and Process Technology Development

Shigeru Odake
CVP and Executive Officer
Service Business and Volume Equipment Engineering

Teruhiko Kawakami
CVP and Executive Officer
Human Resources & Corporate Administration

Yasuyuki Honma
CVP and Executive Officer
DX & BX and Business Reform

Masakazu Shimada
CVP and Executive Officer
System Technology Development



Takaaki Nose
CVP and Executive Officer
Corporate Planning, Public Relations & IR, Sustainability, Legal, Ethics & Compliance, and Export Control

Corporate Strategy Div.	Takaaki Nose
Legal Div.	Kenji Moroishi
Intellectual Property Div.	Yukihito Hada
Finance & Accounting Div.	Hajime Oyama
Human Resources & Corporate Administration Div.	Teruhiko Kawakami
Strategic IT Div.	Kotaro Miyauchi
Advanced Technology Development Div.	Norikatsu Takaura
Service Business Div.	Masahiko Yano
Equipment Business Div.	Tsukasa Kamakura
Sales Operation & Account Management Div.	Tim Trudgeon
Process Development Div.	Masayoshi Minami
System Development Div.	Masakazu Shimada
Volume Equipment Engineering Div.	Kiyohiko Maeda
Production Div.	Katsuaki Nogami
Facilities & Environment Div.	Isao Wakabayashi
Supply Chain Management Div.	Hiroaki Hara

Japan	Korea	Taiwan	USA	Europe	China	Singapore
Kokusai Electric Semiconductor Service Inc.	Kokusai Electric Korea Co., Ltd.	Kokusai Electric Asia Pacific Co., Ltd.	Kokusai Semiconductor Equipment Corporation	Kokusai Semiconductor Europe GmbH	KE Semiconductor Equipment (Shanghai) Co., Ltd.	Kokusai Semiconductor Singapore Pte. Ltd.

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Key Activities for 4Q FY26/3 Business Activities

Management and Business Activities

- Received the 2026 Intel EPIC Supplier Award from Intel Corporation（Mar. 2026）
- Exhibit at SEMICON® CHINA 2026（Mar. 2026）
- Sponsorship for the 73th JSAP Spring Meeting 2026（Mar. 2026）
- Exhibit at SEMICON® KOREA 2026（Feb. 2026）
- Start of Operations at the New Head Office（Jan. 2026）

Received the 2026 Intel EPIC Supplier Award from Intel Corporation

ESG Initiatives

- Recognized as a 2026 Certified Health & Productivity Management Outstanding Organization (Large Enterprise Category)（Mar. 2026）
- Recognized as a FY2025 Eco-Ship Modal Shift Excellent Business Operator（Mar. 2026）
- Recognized as a 2026 Silver Partner by TABLE FOR TWO（Mar. 2026）
- Gold Partner Sponsorship for the Toyama Marathon 2026（Mar. 2026）
- Signed an Official Partner Agreement with Professional Football Club KATALLER TOYAMA（Feb. 2026）

2026
健康経営優良法人
KENKO Investment for Health
大規模法人部門

Recognized as a 2026 Certified Health & Productivity Management Outstanding Organization (Large Enterprise Category)

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

(JPYM)	FY25/3					FY26/3				
	1Q	2Q	3Q	4Q	Full-year	1Q	2Q	3Q	4Q	Full-year
Revenue	65,224	49,324	60,117	64,268	238,933	51,789	65,416	55,852	62,021	235,079
Gross profit	29,354	22,012	24,865	25,512	101,743	22,220	27,277	22,883	24,430	96,810
Gross profit margin	*45.0%*	*44.6%*	*41.4%*	*39.7%*	*42.6%*	*42.9%*	*41.7%*	*41.0%*	*39.4%*	*41.2%*
Adjusted operating profit	19,382	11,299	13,876	13,196	57,753	10,902	14,439	11,290	10,965	47,596
Adjusted operating profit margin	*29.7%*	*22.9%*	*23.1%*	*20.5%*	*24.2%*	*21.1%*	*22.1%*	*20.2%*	*17.7%*	*20.2%*
Adjusted net income	14,345	7,262	9,646	11,050	42,303	7,598	9,785	8,292	8,420	34,095
Adjusted net income margin	*22.0%*	*14.7%*	*16.0%*	*17.2%*	*17.7%*	*14.7%*	*15.0%*	*14.8%*	*13.6%*	*14.5%*
Operating profit	17,878	9,562	12,274	11,606	51,320	9,717	12,993	9,809	9,317	41,836
Operating profit margin	*27.4%*	*19.4%*	*20.4%*	*18.1%*	*21.5%*	*18.8%*	*19.9%*	*17.6%*	*15.0%*	*17.8%*
Income before income tax	17,747	10,195	11,241	11,606	50,789	9,322	12,840	9,412	9,165	40,739
Income before income tax margin	*27.2%*	*20.7%*	*18.7%*	*18.1%*	*21.3%*	*18.0%*	*19.6%*	*16.9%*	*14.8%*	*17.3%*
Net income	13,302	4,751	8,004	9,947	36,004	6,776	8,782	7,264	7,277	30,099
Net income margin	*20.4%*	*9.6%*	*13.3%*	*15.5%*	*15.1%*	*13.1%*	*13.4%*	*13.0%*	*11.7%*	*12.8%*
R&D expenses	3,348	3,920	3,755	4,581	15,604	3,851	4,821	4,159	5,427	18,258
Capital expenditures	11,215	3,015	2,494	3,624	20,348	2,302	5,208	4,015	5,337	16,862
Depreciation and amortization	2,914	3,027	3,328	3,357	12,625	3,417	3,498	3,629	3,732	14,277

Reconciliation of Adjusted Items

(JPYM)	FY25/3					FY26/3				
	1Q	2Q	3Q	4Q	Full-year	1Q	2Q	3Q	4Q	Full-year
Operating profit	**17,878**	**9,562**	**12,274**	**11,606**	**51,320**	**9,717**	**12,993**	**9,809**	**9,317**	**41,836**
Other income	-92	-187	-28	-41	-348	-304	-83	-70	-51	-508
Other expenses	27	78	79	69	253	18	53	74	223	368
(Adjustments)										
Purchase price allocation amortization	1,479	1,477	1,475	1,476	5,907	1,476	1,476	1,477	1,476	5,905
Stand-alone related expenses	12	298	3	4	317	-	-	-		-
Stock-based compensation (except for performance-linked stock compensation)	78	71	73	82	304	-5	-	-	-	-5
Total adjustments	1,569	1,846	1,551	1,562	6,528	1,471	1,476	1,477	1,476	5,900
Adjusted Operating Profit	**19,382**	**11,299**	**13,876**	**13,196**	**57,753**	**10,902**	**14,439**	**11,290**	**10,965**	**47,596**

	1Q	2Q	3Q	4Q	Full-year	1Q	2Q	3Q	4Q	Full-year
Net income	**13,302**	**4,751**	**8,004**	**9,947**	**36,004**	**6,776**	**8,782**	**7,264**	**7,277**	**30,099**
Other income	-92	-187	-28	-41	-348	-304	-83	-70	-51	-508
Other expenses	27	78	79	69	253	18	53	74	223	368
(Adjustments)										
Purchase price allocation amortization	1,479	1,477	1,475	1,476	5,907	1,476	1,476	1,477	1,476	5,905
Stand-alone related expenses	12	298	3	4	317	-	-	-	-	-
Stock-based compensation (except for performance-linked stock compensation)	78	71	73	82	304	-5	-	-	-	-5
Tax adjustment to total adjustments	-461	-531	-491	-487	-1,970	-363	-443	-453	-505	-1,764
One-time tax expense adjustment	-	1,305	531	-	1,836	-	-	-	-	-
Adjusted Net Income	**14,345**	**7,262**	**9,646**	**11,050**	**42,303**	**7,598**	**9,785**	**8,292**	**8,420**	**34,095**

Balance Sheet and Key Financial Indicators

(JPYM)			FY25/3 End of 4Q	FY26/3 End of 1Q	FY26/3 End of 2Q	FY26/3 End of 3Q	FY26/3 End of 4Q
Assets	Current Assets	Cash and cash equivalents	44,755	42,766	43,806	47,728	56,543
		Trade and other receivables	42,835	39,087	38,066	36,152	37,941
		Inventories	83,200	89,626	89,326	92,758	88,890
		Other currents assets	2,062	2,038	2,065	2,905	2,465
		Total Current assets	172,852	173,517	173,263	179,543	185,839
	Non-current Assets	Property, plant and equipment	46,904	47,220	50,214	51,916	53,975
		Goodwill	59,065	59,065	59,065	59,065	59,065
		Intangible assets	54,139	53,182	52,013	51,321	50,900
		Other non-currents assets	8,552	8,524	8,765	10,262	9,879
		Total non-current assets	168,660	167,991	170,057	172,564	173,819
Total Assets			341,512	341,508	343,320	352,107	359,658

(JPYM)			FY25/3 End of 4Q	FY26/3 End of 1Q	FY26/3 End of 2Q	FY26/3 End of 3Q	FY26/3 End of 4Q
Liabilities	Current Liabilities	Loans payble + Lease liability	11,928	11,956	12,044	12,161	12,373
		Trade and other payables	23,606	24,574	25,658	26,361	25,354
		Contract liabilities	22,455	25,069	21,704	27,666	34,840
		Others	24,682	17,991	18,687	15,263	18,162
		Total current liabilities	82,671	79,590	78,093	81,451	90,729
	Non-current Liabilities	Loans payble + Lease liability	48,256	48,339	42,365	43,681	37,492
		Others	14,417	14,663	14,553	14,131	12,167
		Total non-current liabilities	62,673	63,002	56,918	57,812	49,659
Total Liabilities			145,344	142,592	135,011	139,263	140,388
Total Equity			196,168	198,916	208,309	212,844	219,270
Total Liabilities and Equity			341,512	341,508	343,320	352,107	359,658

	FY25/3 End of 4Q	FY26/3 End of 1Q	FY26/3 End of 2Q	FY26/3 End of 3Q	FY26/3 End of 4Q
Equity ratio	57.4%	58.2%	60.7%	60.4%	61.0%
Debt equity ratio	0.3	0.3	0.3	0.3	0.2
Net cash (JPYM)	-15,429	-17,529	-10,603	-8,114	6,678

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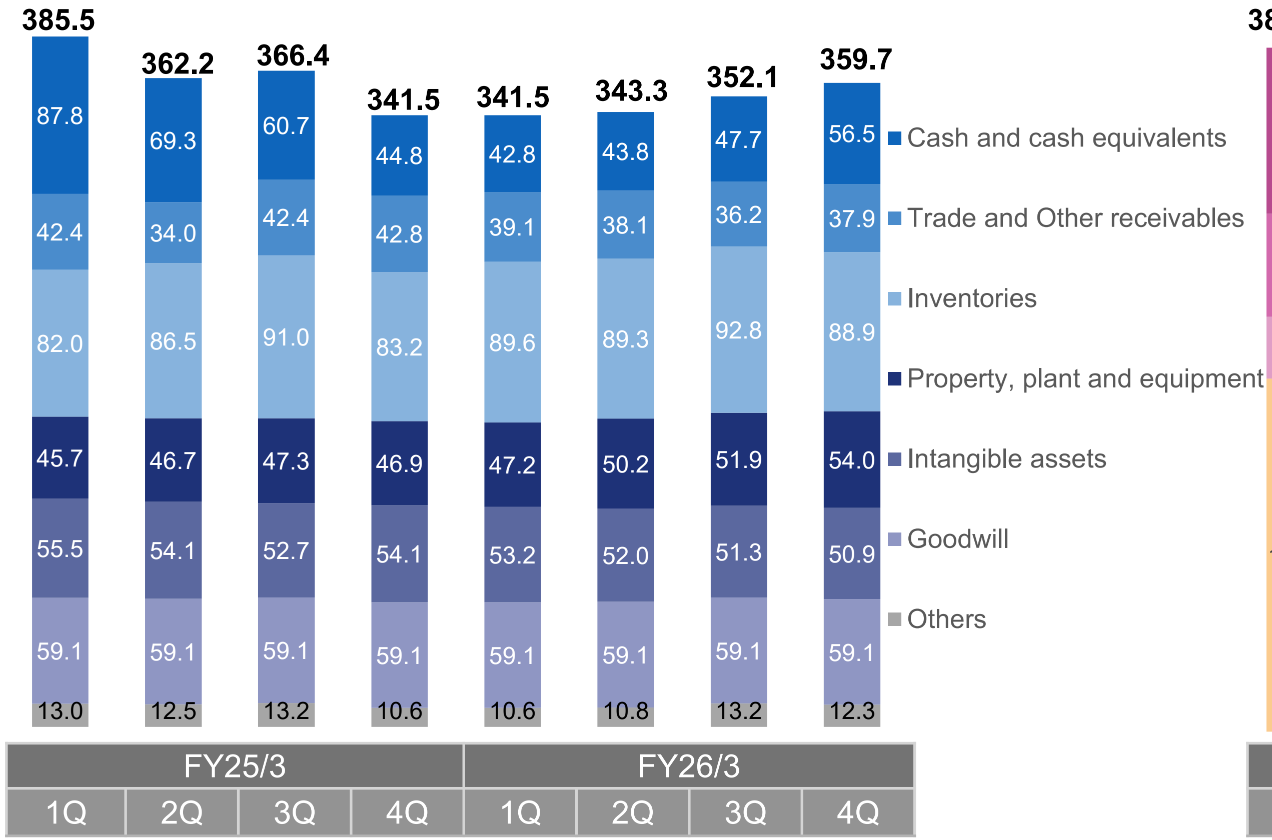
Quarterly Balance Sheet

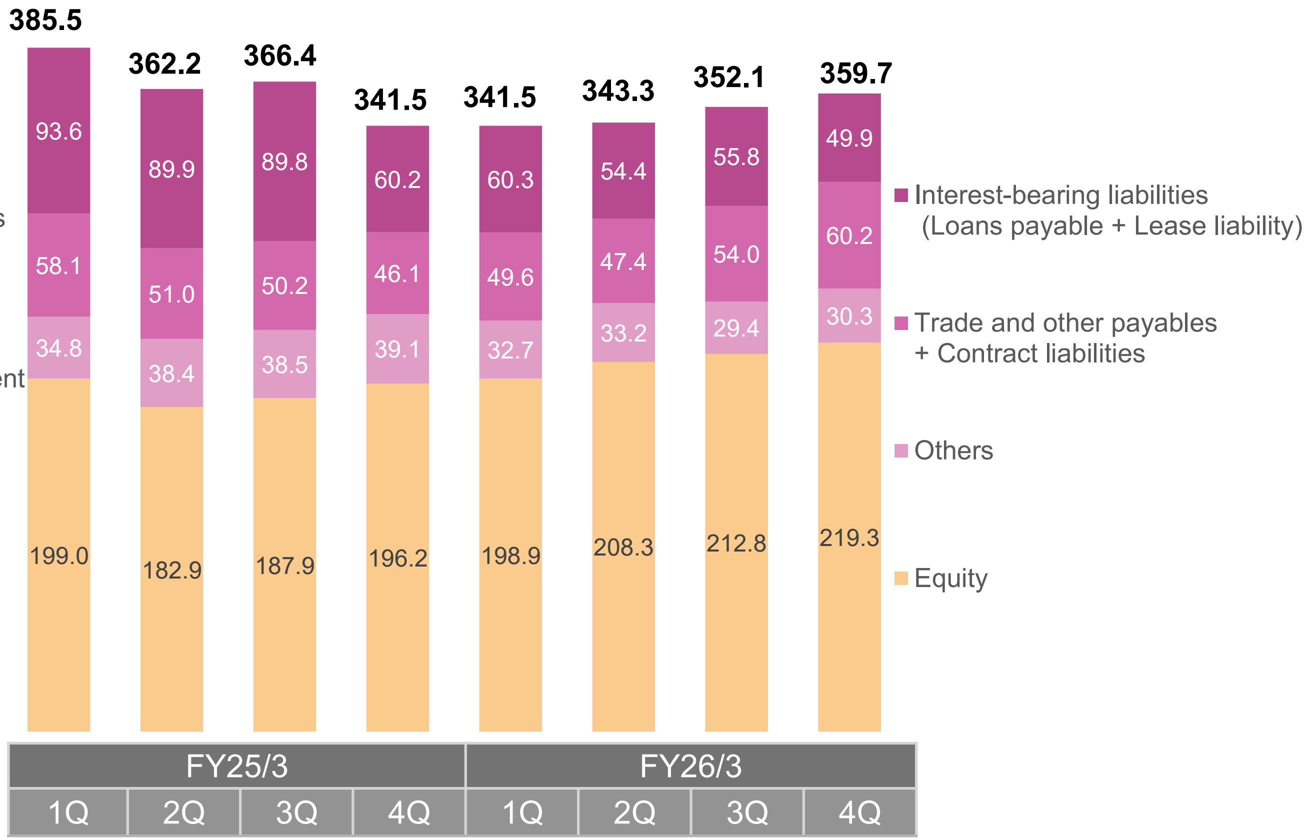
Assets

(JPYB)



Liabilities / Equity

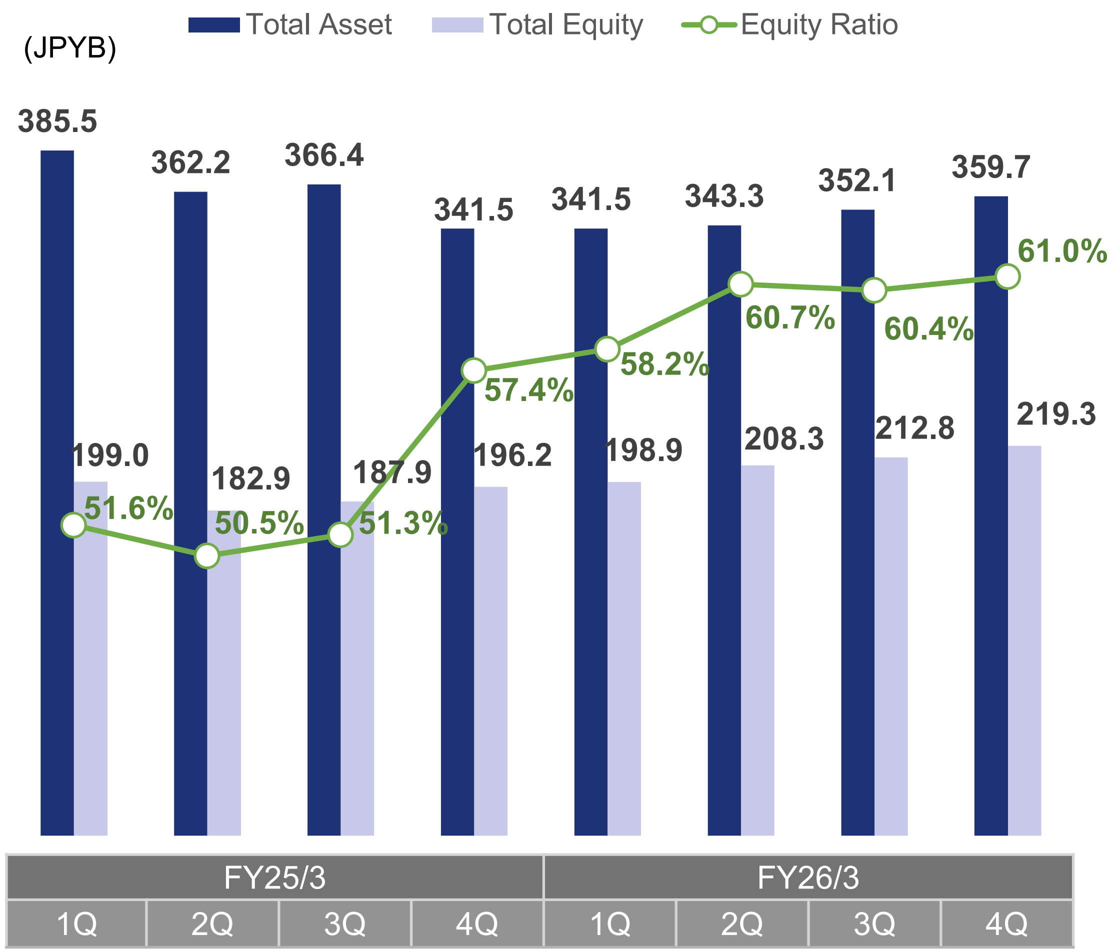
(JPYB)



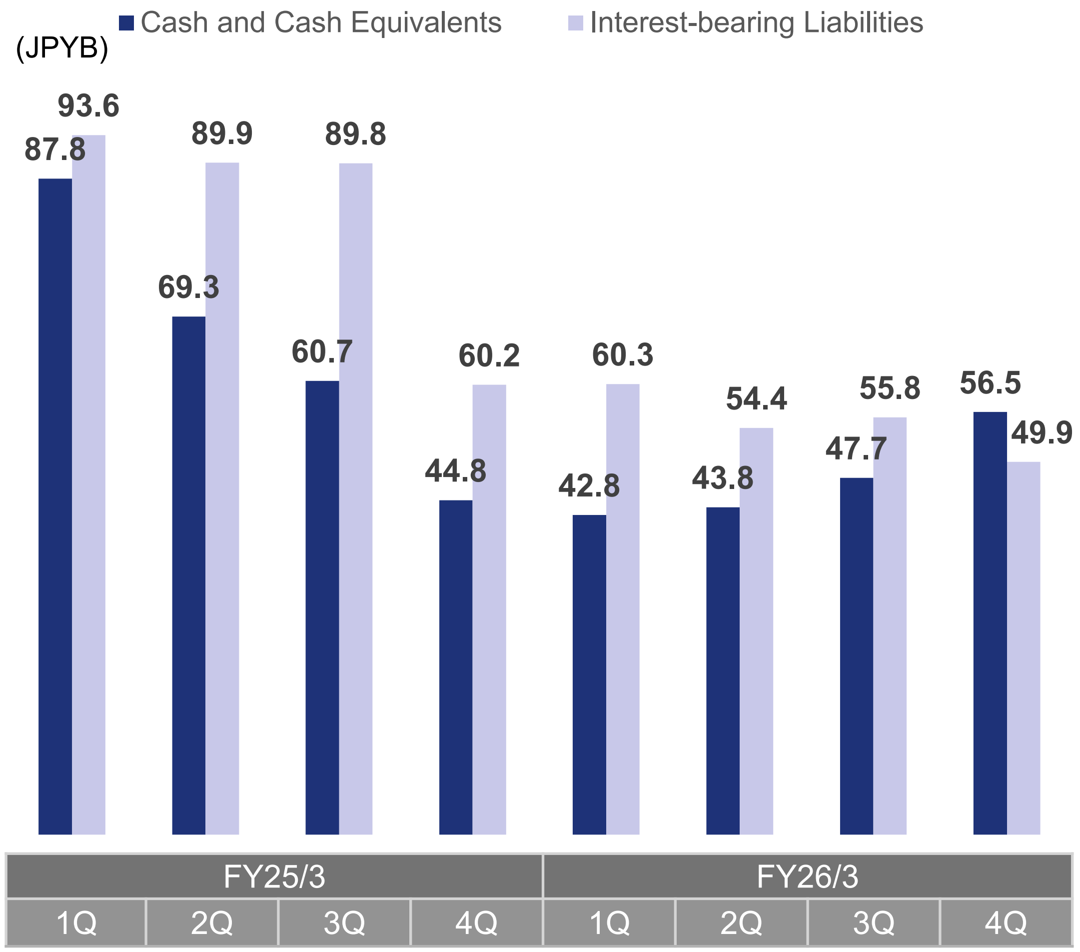
KOKUSAI ELECTRIC

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

Total Asset / Total Equity / Equity Ratio



Cash and Cash Equivalents / Interest-bearing Liabilities



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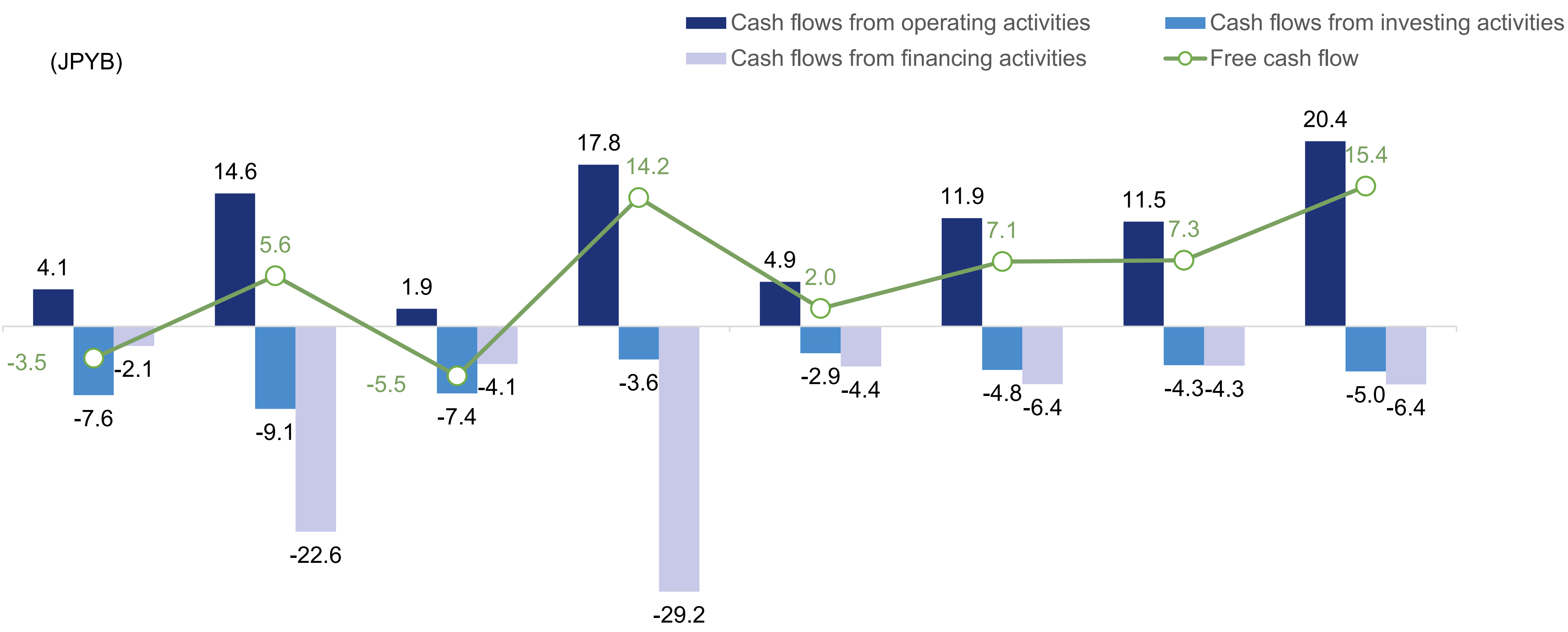
Quarterly Cash Flows



(JPYB)	FY25/3				FY26/3			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
CF from operating activities	4.1	14.6	1.9	17.8	4.9	11.9	11.5	20.4
CF from investing activities	-7.6	-9.1	-7.4	-3.6	-2.9	-4.8	-4.3	-5.0
CF from financing activities	-2.1	-22.6	-4.1	-29.2	-4.4	-6.4	-4.3	-6.4
Free CF	-3.5	5.6	-5.5	14.2	2.0	7.1	7.3	15.4
Cash and cash equivalents	87.8	69.3	60.7	44.8	42.8	43.8	47.7	56.5

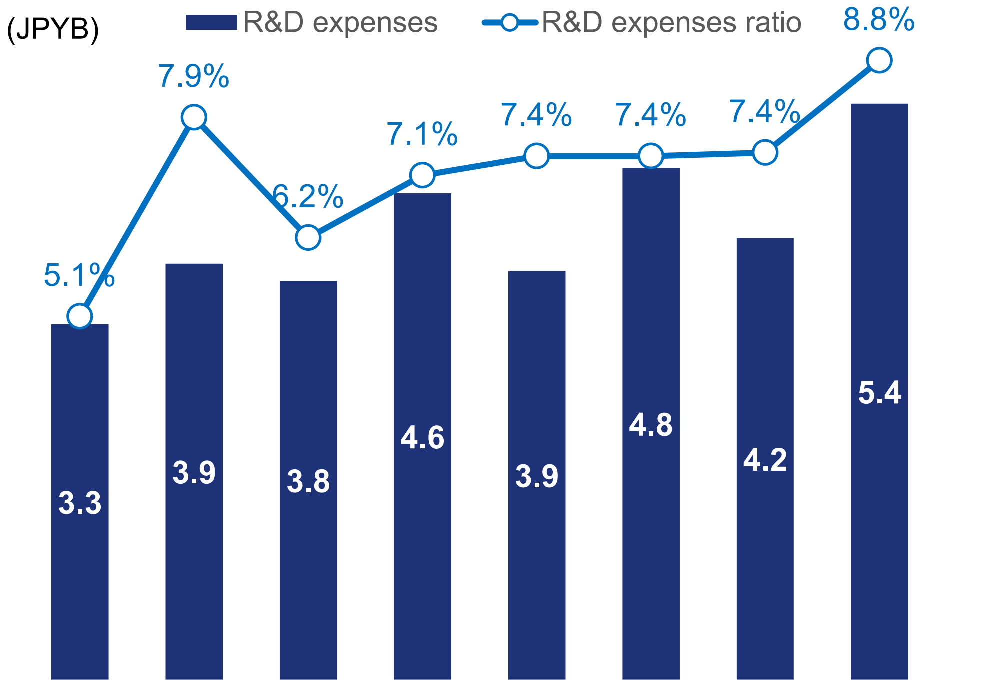
KOKUSAI ELECTRIC

Cash Flow Statement

(JPYM)	FY25/3					FY26/3				
	1Q	2Q	3Q	4Q	Full-year	1Q	2Q	3Q	4Q	Full-year
CF from operating activities	4,073	14,649	1,936	17,819	38,477	4,923	11,936	11,538	20,404	48,801
CF from investing activities	-7,582	-9,090	-7,393	-3,641	-27,706	-2,942	-4,789	-4,263	-4,960	-16,954
Free CF	-3,509	5,559	-5,457	14,178	10,771	1,981	7,147	7,275	15,444	31,847
CF from financing activities	-2,143	-22,628	-4,128	-29,207	-58,106	-4,423	-6,373	-4,339	-6,379	-21,514
Cash and cash equivalents at beginning balance	92,619	87,775	69,333	60,722	92,619	44,755	42,766	43,806	47,728	44,755
Cash and cash equivalents at end of the quarter	87,775	69,333	60,722	44,755	44,755	42,766	43,806	47,728	56,543	56,543

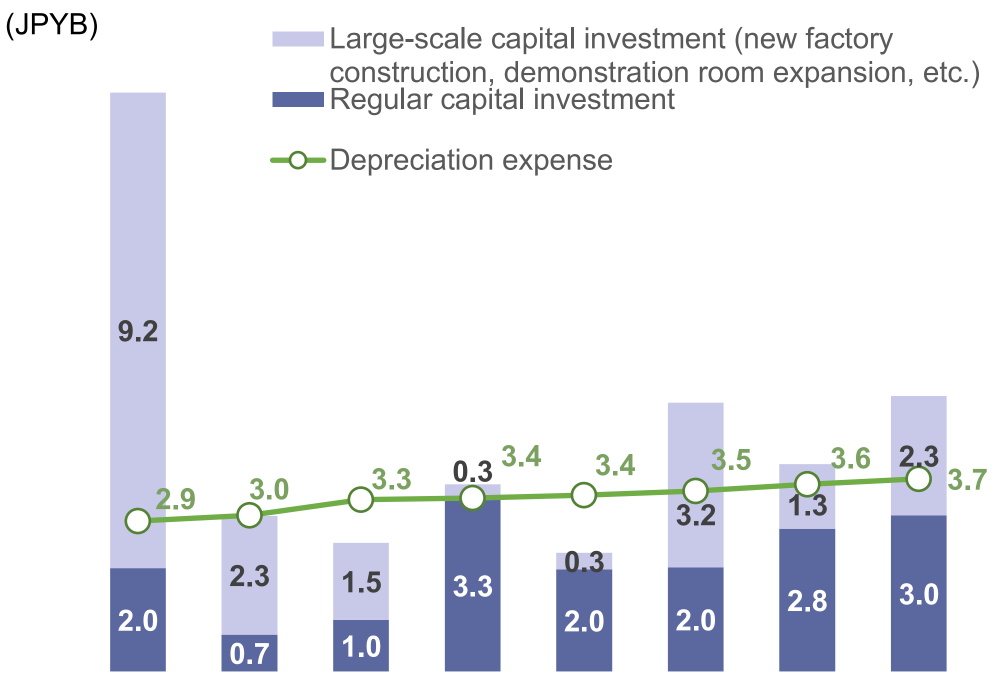
Quarterly R&D Expenses / Capital Expenditure / Depreciation Expense

R&D Expenses



(JPYB)	FY25/3				FY26/3			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
R&D expenses	3.3	3.9	3.8	4.6	3.9	4.8	4.2	5.4
Ratio to revenue	*5.1%*	*7.9%*	*6.2%*	*7.1%*	*7.4%*	*7.4%*	*7.4%*	*8.8%*

Capital Expenditure / Depreciation Expense



(JPYB)	FY25/3				FY26/3			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Capex total	11.2	3.0	2.5	3.6	2.3	5.2	4.0	5.3
Ratio to revenue	*17.2%*	*6.1%*	*4.1%*	*5.6%*	*4.4%*	*8.0%*	*7.2%*	*8.6%*
Depreciation	2.9	3.0	3.3	3.4	3.4	3.5	3.6	3.7
Ratio to revenue	*4.5%*	*6.1%*	*5.5%*	*5.2%*	*6.6%*	*5.3%*	*6.5%*	*6.0%*

KOKUSAI ELECTRIC

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

Management and Business Activities

- Exhibit at SEMICON® JAPAN 2025 (Dec. 2025)
- Newly Developed High-Insulation Heater with Superior Environmental Performance (Dec. 2025)
- Received the Excellent Production Support Award from TSMC (Nov. 2025)
- Exhibit at SEMICON® EUROPA 2025 (Nov. 2025)
- Exhibit at T-Messe2025 (Oct. 2025)
- Received the Presidential Citation at the 18th Semiconductor Day Hosted by the Korean Government (Oct. 2025)
- Exhibit at SEMICON® WEST 2025 (Oct. 2025)
- 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)

Received the Excellent Production Support Award from TSMC

Exhibited at SEMICON® TAIWAN 2025

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

ESG Initiatives

- Toyama Technology & Manufacturing Center Achieved Platinum Status, the Highest Level in the RBA VAP Audit (Dec. 2025）
- Our Targets to Cut Greenhouse Gas Emissions Receive Net-Zero Accreditation from the SBTi (Dec. 2025）
- Included in the Corporate A List based on its CDP2025 (Dec. 2025）
- Gold Partner Sponsorship for the Toyama Marathon 2025 (Nov. 2025)
- Received the “Platinum Kurumin Certification” and "Eruboshi Certification” by the Minister of Health, Labour and Welfare (Oct. 2025)
- 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)

Supplier Engagement Leader
CDP
2024

Awarded Highest Rating in CDP’s Supplier Engagement Assessment 2024

富山マラソン
TOYAMA MARATHON
2025

Gold Partner Sponsorship for the Toyama Marathon 2025

Glossary

- 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

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