J.E.T. Co., LTD.

Financial Results for the Six Months Ended June 30, 2026

August 25, 2026

Agenda

1. Overview and Causes of Accounting Irregularities and Measures to Prevent Recurrence
2. Summary of Financial Results for the Six Months Ended June 30, 2026 and Forecast for the Year Ending December 31, 2026
3. Direction of Business Restructuring (Toward Establishing a Stable Profit-Generating Structure)

Appendix

Overview and Causes of Accounting Irregularities and Measures to Prevent Recurrence

Apology Regarding the Accounting Irregularities

As stated in the "Notice Regarding Publication of the Investigation Report by the Special Investigation Committee" disclosed on May 1, 2026, the investigation by the Special Investigation Committee revealed inappropriate accounting practices in prior fiscal years as well as the involvement of senior management, including top executives.

We sincerely apologize to our shareholders, investors, business partners, customers, and all other stakeholders for the considerable inconvenience and concern caused.

We take seriously the cause analysis and recommendations presented by the Special Investigation Committee and formulated measures to prevent recurrence, as announced on June 30, 2026. In addition, as announced on the same date, three directors involved in this matter, including members of top management, resigned, and we are making a fresh start under a new management structure.

All officers and employees stand firmly united to swiftly execute these measures, with the aim of fully restoring public trust.

Overview and Investigation Results of Accounting Irregularities (1)

- ✓ We engage in the development, manufacturing, and sales of semiconductor manufacturing equipment, and adopt the “start-up completion standard” as our revenue recognition standard, under which revenue is recognized upon the completion of services related to the installation and start-up of the equipment.

- ✓ However, the standard had not been adequately established or consistently applied, making it possible to arbitrarily manipulate the timing of revenue recognition.

- ✓ An investigation by the Special Investigation Committee revealed that accounting irregularities involving the improper manipulation of the timing of revenue recognition for multiple semiconductor cleaning systems* occurred from the fiscal year ended December 2022 through the fiscal year ended December 2024.

*Fifteen units were identified as potentially involving irregularities, of which eleven were determined to be applicable.

Overview and Investigation Results of Accounting Irregularities (2)

(Unit: million JPY) Figures are rounded down.

	Equipment net sales (JPY) Amount excluding consumption tax	Fiscal year ended December 2021	Fiscal year ended December 2022	Fiscal year ended December 2023	Fiscal year ended December 2024	Fiscal year ending December 2025
Net sales		-	-527	-651	1,178	-
Operating profit		-	-160	-175	336	-
Ordinary profit		-	-160	-175	336	-
Net profit		-	-160	-175	336	-
		Revenue recognition brought forward from the fiscal year ended December 31, 2023 to the fiscal year ended December 31, 2022				
Equipment c	263,500,000	-	-263	263	-	-
Equipment d	263,500,000	-	-263	263	-	-
		Revenue recognition brought forward from the fiscal year ended December 31, 2024 to the fiscal year ended December 31, 2023				
Equipment e	269,000,000	-	-	-269	269	-
Equipment f	269,000,000	-	-	-269	269	-
Equipment g	269,000,000	-	-	-269	269	-
Equipment h	394,380,000	-	-	-394	394	-
Equipment i	394,380,000	-	-	-394	394	-
		The deferral of revenue recognition from the fiscal year ended December 31, 2023 to the fiscal year ended December 31, 2024				
Equipment j	147,000,000	-	-	147	-147	-
Equipment l	270,000,000	-	-	270	-270	-
		The acceleration of revenue recognition from the fourth quarter to the third quarter of the fiscal year ended December 31, 2023 (with no impact on the full-year results)				
Equipment m	263,500,000	-	-	-	-	-
Equipment n	263,500,000	-	-	-	-	-
Total		-	-527	-651	1,178	-

Source: Compiled by the Company based on the Special Investigation Committee's investigation report

Restatement of Financial Results

(Unit: millions of JPY)

	Line item	Previously Reported	Restated	Impact	Percentage Change
Fiscal year ended December 2022	Net sales	23,114	23,420	305	1.3%
	Operating profit	2,078	2,200	122	5.9%
	Ordinary profit	1,896	2,018	122	6.4%
	Net profit	1,197	1,217	19	1.6%
	Total assets	28,290	28,551	260	0.9%
	Net assets	8,340	8,274	-65	-0.8%
Fiscal year ended December 2023	Net sales	24,984	23,129	-1,855	-7.4%
	Operating profit	2,613	1,762	-851	-32.6%
	Ordinary profit	2,444	1,593	-851	-34.8%
	Net profit	1,651	1,128	-522	-31.6%
	Total assets	28,774	29,817	1,042	3.6%
	Net assets	12,411	11,823	-587	-4.7%
Fiscal year ended December 2024	Net sales	17,880	19,316	1,436	8.0%
	Operating profit	789	1,087	297	37.6%
	Ordinary profit	662	960	297	44.9%
	Net profit	318	540	221	69.5%
	Total assets	25,491	26,026	534	2.1%
	Net assets	12,469	12,103	-366	-2.9%

Source: Full-year figures based on the May 29, 2026 release concerning corrections to financial results for prior fiscal years and related materials

Causes of Accounting Irregularities

1. **<u>Issues concerning management competence and suitability</u>**
   Several members of senior management, including top executives, lacked the level of accounting literacy expected of management at a listed company.
2. **<u>Issues with the establishment and application of revenue recognition criteria for product sales</u>**
   There were no formal internal rules or manuals for the "start-up completion standard," the Company's revenue recognition standard, nor was ongoing internal education or training provided. As a result, the standard was not adequately established or consistently applied, giving rise to differences in individual understanding and leaving room for arbitrary judgment.
3. **<u>Insufficient checks and balances by the Finance Department</u>**
   Because the approval process for revenue recognition was completed entirely within the Sales Department, there was no second-line oversight function by the Finance Department or other departments. Furthermore, the CFO concurrently served as the CSO, resulting in there effectively being no director dedicated to overseeing the administrative and control functions.
4. **<u>Issues regarding internal audits by the Internal Audit Office</u>**
   Internal audits of the revenue recognition process were limited to procedures such as verifying signatures on start-up completion reports and did not include checks on the progress of start-up activities designed to detect fraud involving the period in which revenue was recognized.
5. **<u>Issues regarding governance</u>**
   Standing statutory auditors and outside directors lacked sufficient awareness of accounting irregularities in their governance roles.

Overview of Recurrence Prevention Measures (1)

1. Establishment of a management structure led by top management with accounting literacy and integrity

- The three directors involved in this case resigned upon the conclusion of the general meeting of shareholders held on July 15, 2026.
- Hiroyuki Hirai, who was not involved in this matter, will serve as Representative Director. At the extraordinary general meeting of shareholders scheduled for September, the Company also plans to appoint directors with accounting literacy and integrity and a director dedicated to the administrative and control functions, thereby establishing a new management structure.
- The company will establish the “Improvement Measures Steering Committee,” chaired by Hiroyuki Hirai and composed of outside directors, standing statutory auditors, and a certified public accountant serving as an advisor.
- Compliance training will be provided to all officers and employees of the company group at least twice a year.

2. Review of the definition for “completion of equipment start-up activities” under the start-up completion standard

- The Improvement Measures Promotion Committee will deliberate on the definition for “completion of equipment start-up activities” and clarify and tighten the definition based on advice from the certified public accountant serving as an advisor.

Overview of Recurrence Prevention Measures (2)

3. Ensuring the proper establishment and application of revenue recognition criteria

- The revised revenue recognition standard will be stipulated in the relevant internal rules, including the Sales Management Regulations, and a revenue recognition manual setting out specific operating procedures will be prepared. The standard and manual will be communicated throughout the Company, including not only the Sales Department but also departments involved in start-up activities, such as the Production Department, as well as the Finance Department, which is responsible for final approval.
- In coordination with the internal control system development project, the Company will make ensuring consistent application of the standard a top priority.

4. Formalization of Finance Department's approval for revenue recognition

- The Finance Department, acting as the second line of defense, will verify the appropriateness of the timing of revenue recognition for financially material equipment orders before approving revenue recognition.

5. Appointment of a director dedicated to administrative and control functions

- Appoint a director dedicated to the administrative division at the extraordinary general meeting of shareholders scheduled for September 2026, thereby strengthening checks and balances across the administrative and control functions.

Overview of Recurrence Prevention Measures (3)

6. Implementation of internal audits addressing potential fraud risks

- Conduct internal audits addressing the risk of fraudulent and arbitrary manipulation of revenue recognition periods.
- Regularly report the results of audit procedures at meetings among the statutory auditors, internal auditors, and independent accounting auditor (three audit functions). If fraud risks are identified, information will be shared promptly to strengthen coordination among the three audit functions and improve the operation of these meetings.
- Increase headcount to strengthen the internal audit function.

7. Strengthening governance for addressing accounting fraud risks

- Build a new management structure to strengthen the governance system for dealing with accounting irregularities.
- Compliance training led by external experts will be conducted every three months for all officers of the Company.
- Compliance training will be provided to all employees of the company group at least twice a year.
- Consider establishing a consultative body—including outside corporate auditors in addition to the Outside Directors Council—to hold necessary discussions.

Summary of Financial Results for the Six Months Ended June 30, 2026 and Forecast for the Year Ending December 31, 2026

Results Summary

Although the start-up of cleaning equipment for Chinese semiconductor manufacturers and South Korean memory manufacturers was completed, net sales decreased because revenue from equipment for a South Korean foundry currently undergoing start-up in the U.S. was deferred to the second half. Although results improved year on year, the Company recorded an operating loss and ordinary loss due to inventory valuation losses on materials and other items. Expenses related to the Special Investigation Committee also weighed on results.

Net sales	Operating profit	Ordinary profit	Net profit
6,183 million JPY	-574 million JPY	-636 million JPY	-1,063 million JPY
YoY -13.5%	YoY -	YoY -	YoY -

- ✓ In the semiconductor industry, capital expenditures remained at high levels, driven by expanding demand related to generative AI, particularly investment in advanced logic semiconductors for data centers and memory semiconductors, especially HBM.
- ✓ Investment in advanced process nodes, including the 2-nm node, and advanced packaging technologies also expanded, putting the semiconductor manufacturing equipment market on a growth trajectory.
- ✓ Meanwhile, investment in mature-node semiconductors and certain applications has become more selective.

Consolidated Results

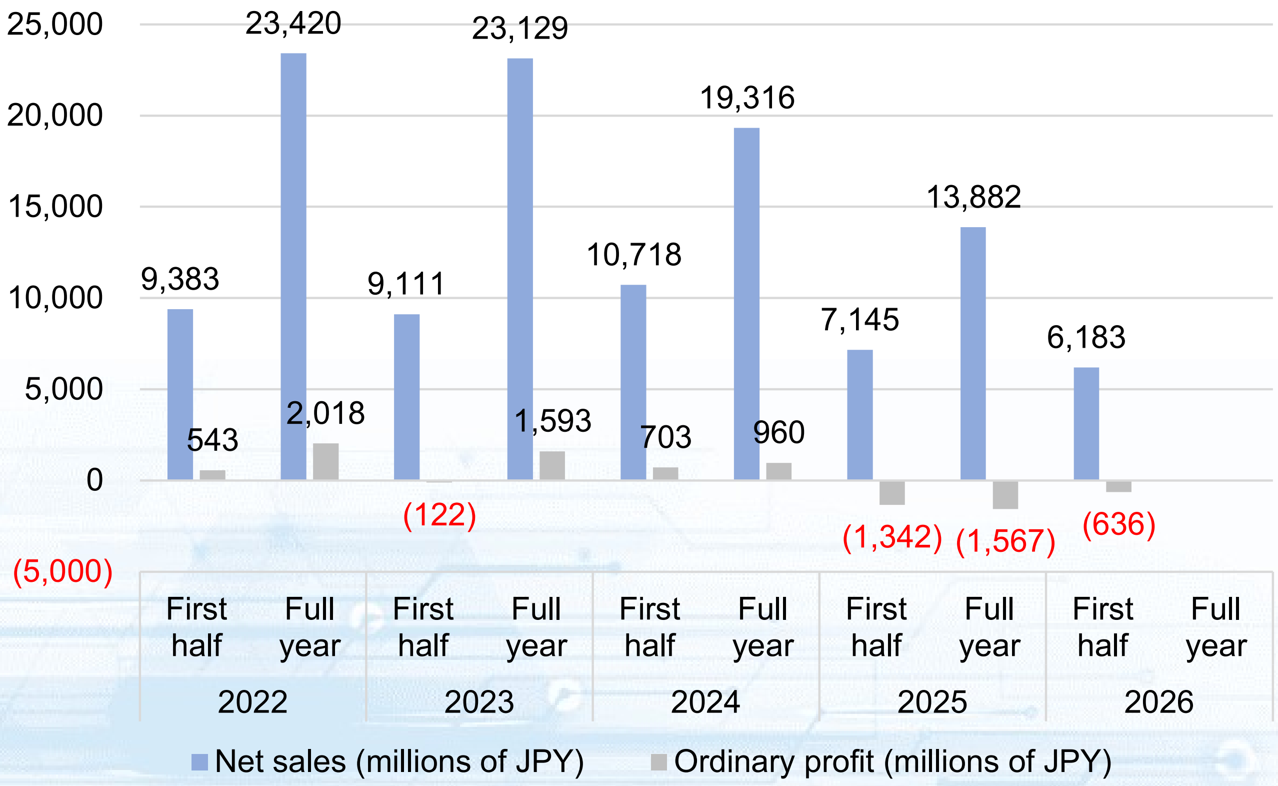
Unit (millions of JPY)	Six months ended June 30, 2025	Sales ratio (%)	Six months ended June 30, 2026	Sales ratio (%)	YoY Increase/ Decrease	Forecast for full year ending December 31 2026
Net sales	7,145	-	6,183	-	-962	15,443
Gross profit or loss	75	1.0%	738	11.9%	663	
SG&A expenses	1,350	18.9%	1,312	21.2%	-38	
Operating profit or loss	-1,275	-	-574	-	701	-75
Ordinary profit or loss	-1,342	-	-636	-	706	-162
Profit or loss	-2,128	-	-1,063	-	1,065	-1,093

Amounts are truncated below the stated unit, and ratios are rounded to one decimal place.

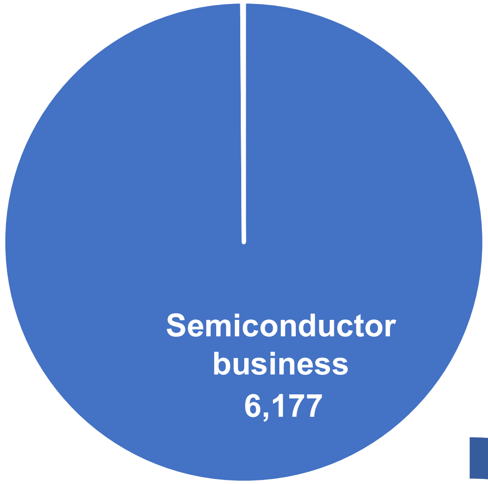
- ✓ Net sales decreased by 962 million yen year on year, and the operating loss narrowed despite the decrease in revenue.
- ✓ Start-up of cleaning equipment for Chinese semiconductor manufacturers and South Korean memory manufacturers was completed. Meanwhile, revenue recognition for equipment for a South Korean foundry currently undergoing start-up in the U.S. was deferred to the second half.
- ✓ Although results improved year on year, the Company recorded an operating loss and ordinary loss due to inventory valuation losses on materials and other items. In addition, the net loss was recorded due in part to expenses related to the Special Investigation Committee.

Net Sales and Ordinary Profit and Composition of Net Sales

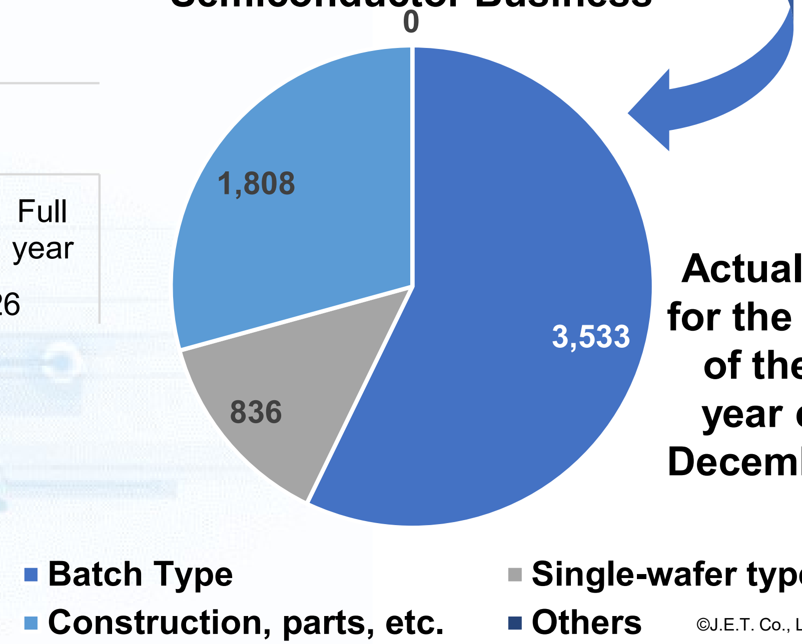
Trends in Net Sales and Ordinary Profit



Consolidated Net Sales by Segment



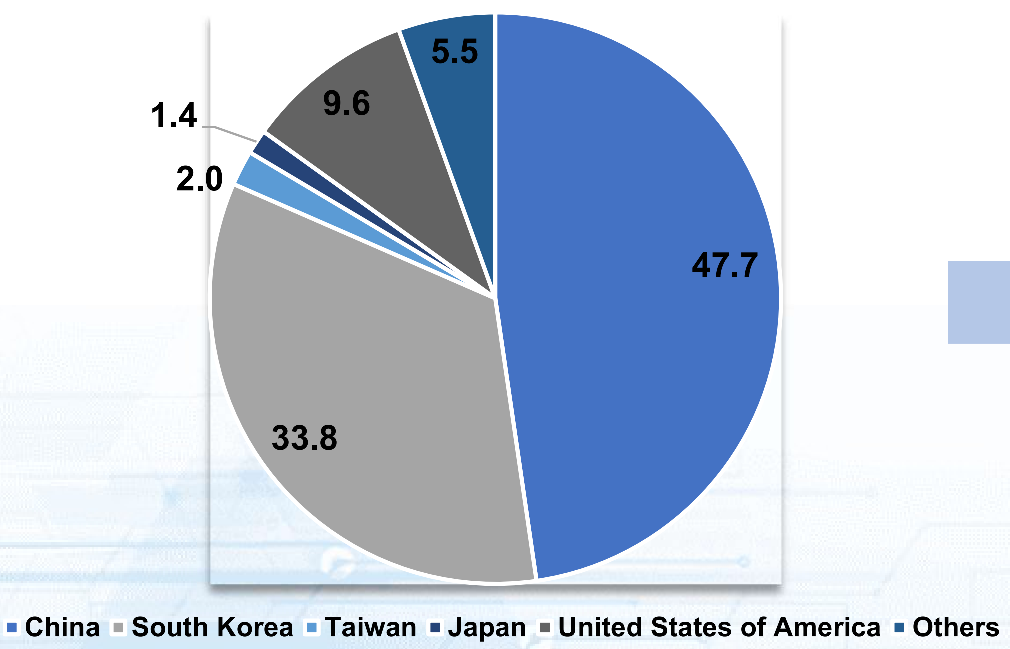
Breakdown of Semiconductor Business



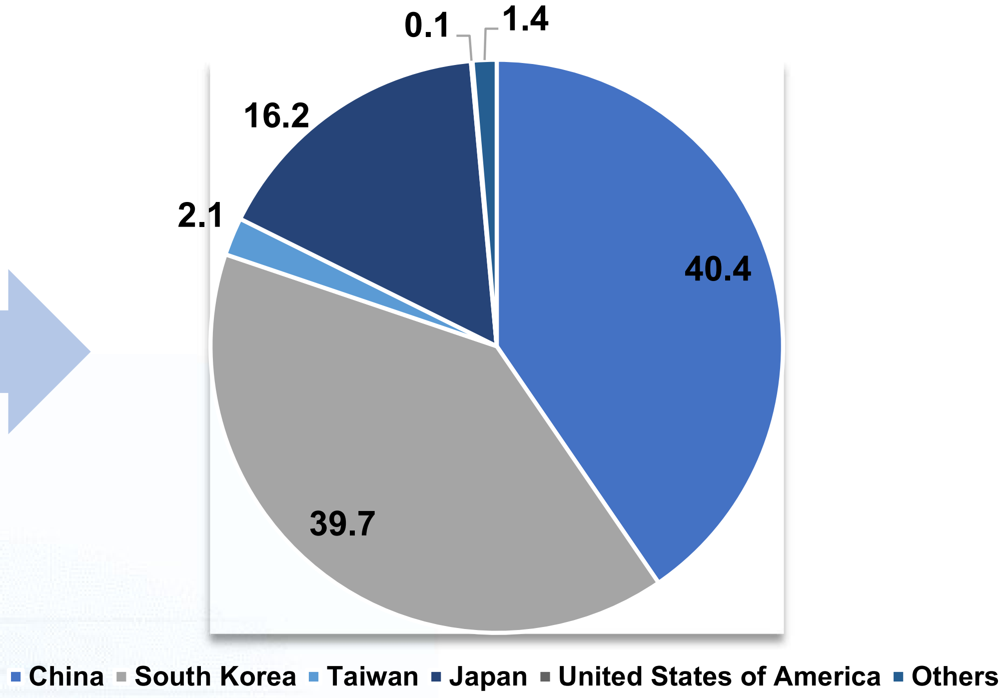
Actual results for the first half of the fiscal year ending December 2026

Semiconductor Business Trends in Composition of Net Sales by Region (1)

First Half of the Fiscal Year Ending December 31, 2026: Due to sluggish performance in China, the sales composition ratio decreased from 47.7% to 40.4%.



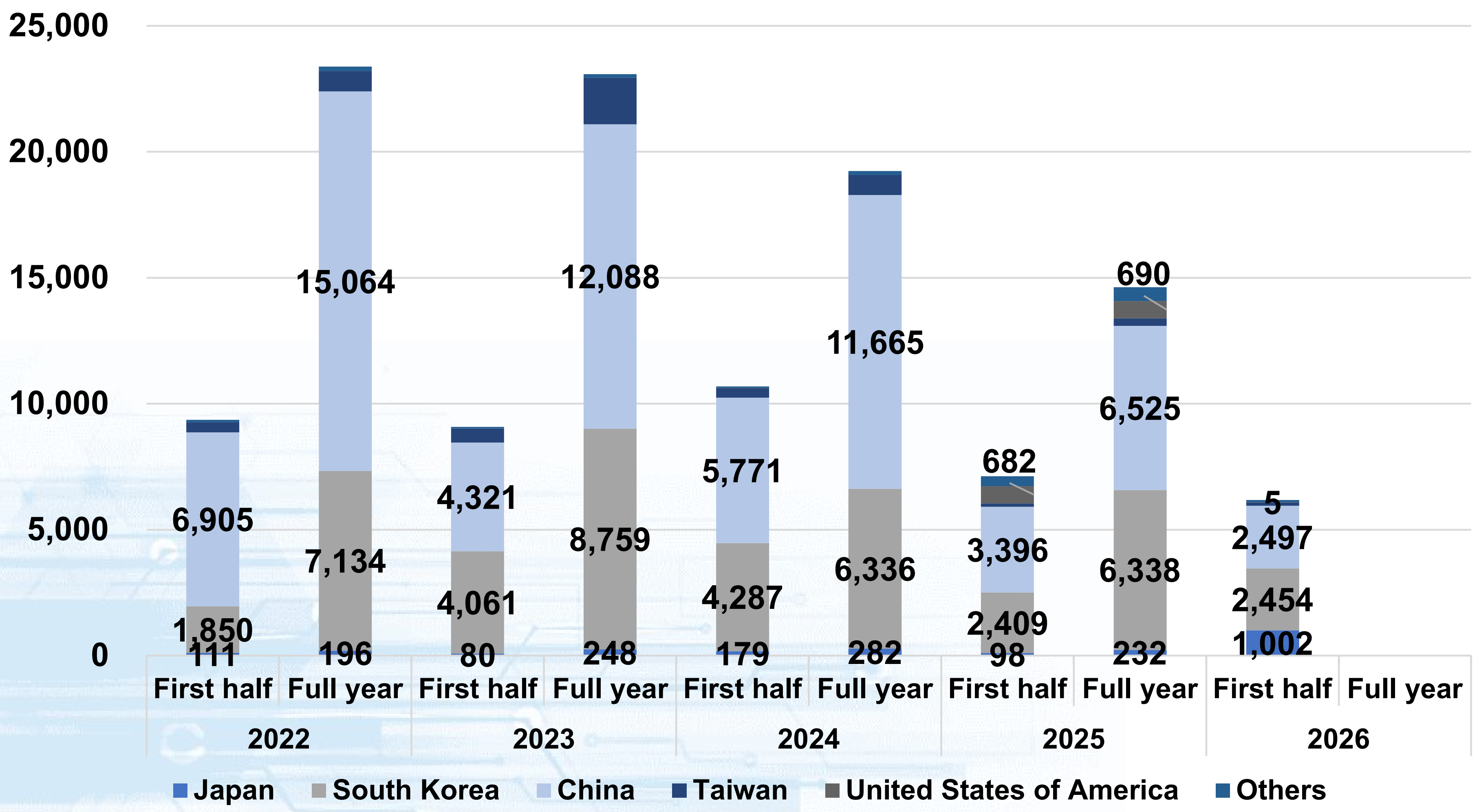
First half of the fiscal year ended December 31, 2025 (Unit: %)



First half of the fiscal year ending December 31, 2026 (Unit: %)

Trends in Composition of Net Sales by Region (2)

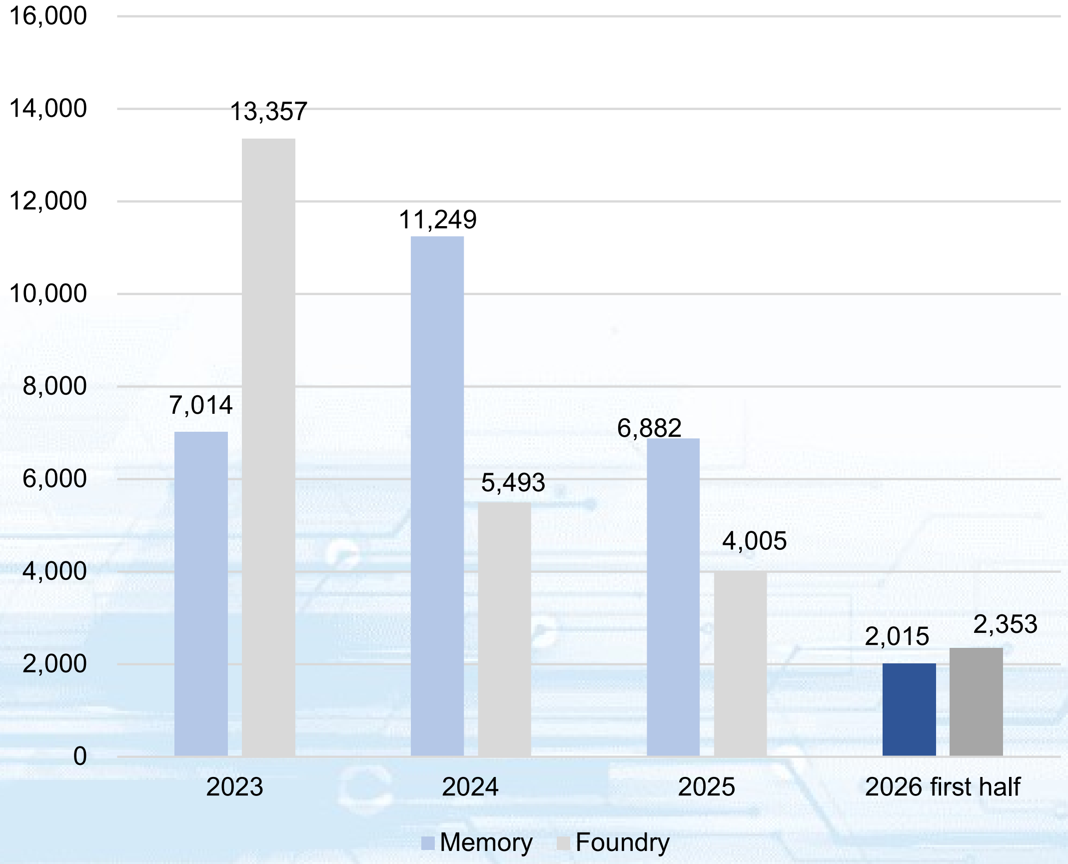
Sales in Japan exceeded 1 billion yen, driven by deliveries to Rapidus.



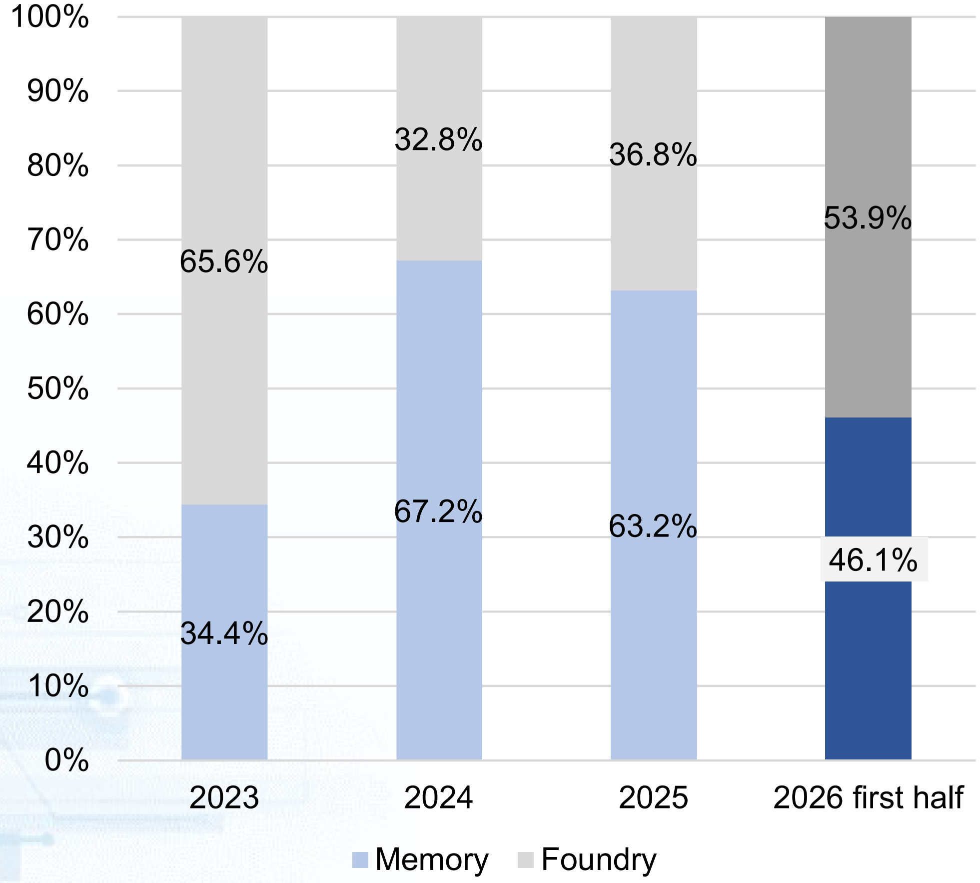
Trends in Equipment Net Sales (by Shipping Destination)

Sales declined, with foundries accounting for a high proportion of the total

Trends in Equipment Net Sales by Shipping Destination



Trends in Composition of Equipment Net Sales by Shipping Destination



Consolidated Balance Sheet

Unit (millions of JPY)	Fiscal year ended December 31, 2025	Six months ended June 30, 2026	Increase/Decrease	Main factors of change
Current assets	18,103	17,249	-854	Decrease in “Raw Materials and Supplies”
Property, plant and equipment	1,151	1,938	786	
Intangible assets	102	124	22	
Investments and other assets	155	139	-15	
Total assets	19,512	19,452	-60	
Current liabilities	5,573	6,697	1,123	Increase in “Short-Term Borrowings”
Non-current liabilities	4,218	4,019	-199	Decrease in “Long-term borrowings”
Total liabilities	9,792	10,717	924	
Total net assets	9,720	8,735	-985	Decrease in “Retained earnings”
Total liabilities and net assets	19,512	19,452	-60	

Figures are rounded down to the nearest unit.

Fiscal Year Ending December 2026 Market Environment Outlook

Market conditions are improving, driven by massive data center investment by U.S. hyperscalers.

- ✓ **In the memory market, prices for DRAM and NAND flash have been rising since the second half of last year, led by AI and fueled by massive data center investments from U.S. hyperscalers.**
- ✓ **South Korean memory manufacturers are also expanding investment in DRAM scaling, increased HBM stacking to boost capacity, and further increases in the number of layers in 3D NAND flash.**
- ✓ **On June 29, 2026, Samsung and SK hynix announced plans to build four domestic plants over the next five years under the "Three Mega Projects for South Korea's Great Leap Forward." The total investment is projected at 800 trillion won (approx. 83 trillion yen).**
- ✓ **In China, investments by foundries and memory manufacturers remain solid, driven by a push toward advanced technologies.**
- ✓ **Sales of Japanese semiconductor manufacturing equipment are projected to reach a record high in 2026.**

Full-Year Forecast for the Year Ending December 31, 2026

Although the forecast figures do not show a profit on a full-year basis, the entire company is united in its effort to achieve a full-year ordinary profit.

Net sales	Operating profit	Ordinary profit	Net profit
15,443 million JPY	-75 million JPY	-162 million JPY	-1,093 million JPY
YoY 5.3%	YoY -	YoY -	YoY -

- ✓ **Strengthen sales initiatives targeting South Korean manufacturers that are increasing capital investment.**
- ✓ **Regain momentum in the Chinese market and strengthen relationships with existing customers through localization initiatives.**
- ✓ **Start-up of equipment for foundry manufacturers in the U.S. and South Korea is scheduled to be completed during the fiscal year ending December 31, 2026.**
- ✓ **Enhancing cost-reduction measures, including the strict enforcement of selective order acceptance, reviews of equipment design, optimization of equipment specifications, and insourcing of equipment manufacturing.**

* Declined the grant under the "Subsidy Program for Large-Scale Growth Investment in Labor-Saving and Other Measures to Raise Wages for Small and Medium-Sized Enterprises," despite having been selected.

See the release dated August 10, 2026

Strategic Direction for Business Restructuring

Achievement of Stable Profitability Through Business Restructuring

Transition to a profit-generating structure capable of generating stable earnings through improvements in the cost of sales ratio via selective order acceptance, development of high-value-added products through R&D, and strengthened internal controls.

Short-term strategy

Realization of early profitability

Mid-to-long-term strategy

Establishment of a profit-generating structure

Profit structure reform

- Cost ratio improvement through the elimination of unprofitable projects

Strengthening internal controls

- Reinforcement of internal controls via rigorous approval workflows

Enhancement of profitability

- Focusing on high-value-added products (Eco3, BW3500)
- Deepening business ties with Samsung Electronics and SK hynix

Improvement of production efficiency

- Enhancing added value through core employee development
- Leveraging resources through manufacturing process reviews

Area Strategy

South Korea: Deepening Customer Relationships

- Samsung: Regaining market share for phosphoric acid equipment in NAND applications
- SK hynix: Renewed sales approach for single-wafer systems

North America: New Customer Acquisition

- Allocating resources to Texas Instruments (TI)

China: Strengthening Existing Customer Relationships

- DRAM: Strengthening ties with CXMT
- NAND: Strengthening ties with YMTC

Japan: Strengthening Existing Customer Relationships

- Rapidus: Allocating resources to Eco3

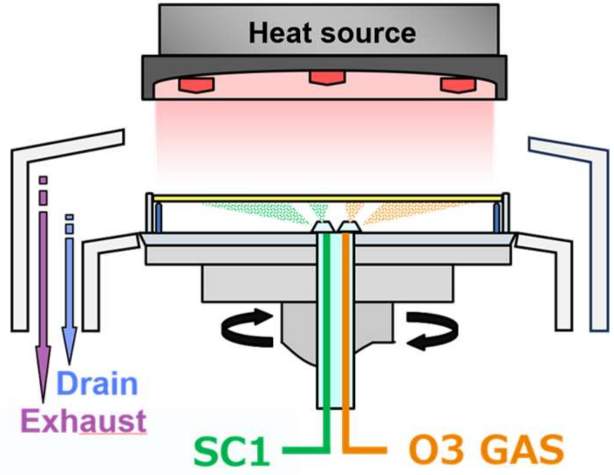
Taiwan: New Customer Acquisition

- Conduct free HTS demonstrations for UMC to establish a track record and drive sales expansion

Product Strategy

Increasing our focus on high-value-added models, particularly the BW3500 batch system and Eco3 single-wafer system

BW3500



Eco3

<u>Successor to the BW3000 targeting process nodes of 28 mm and above</u>

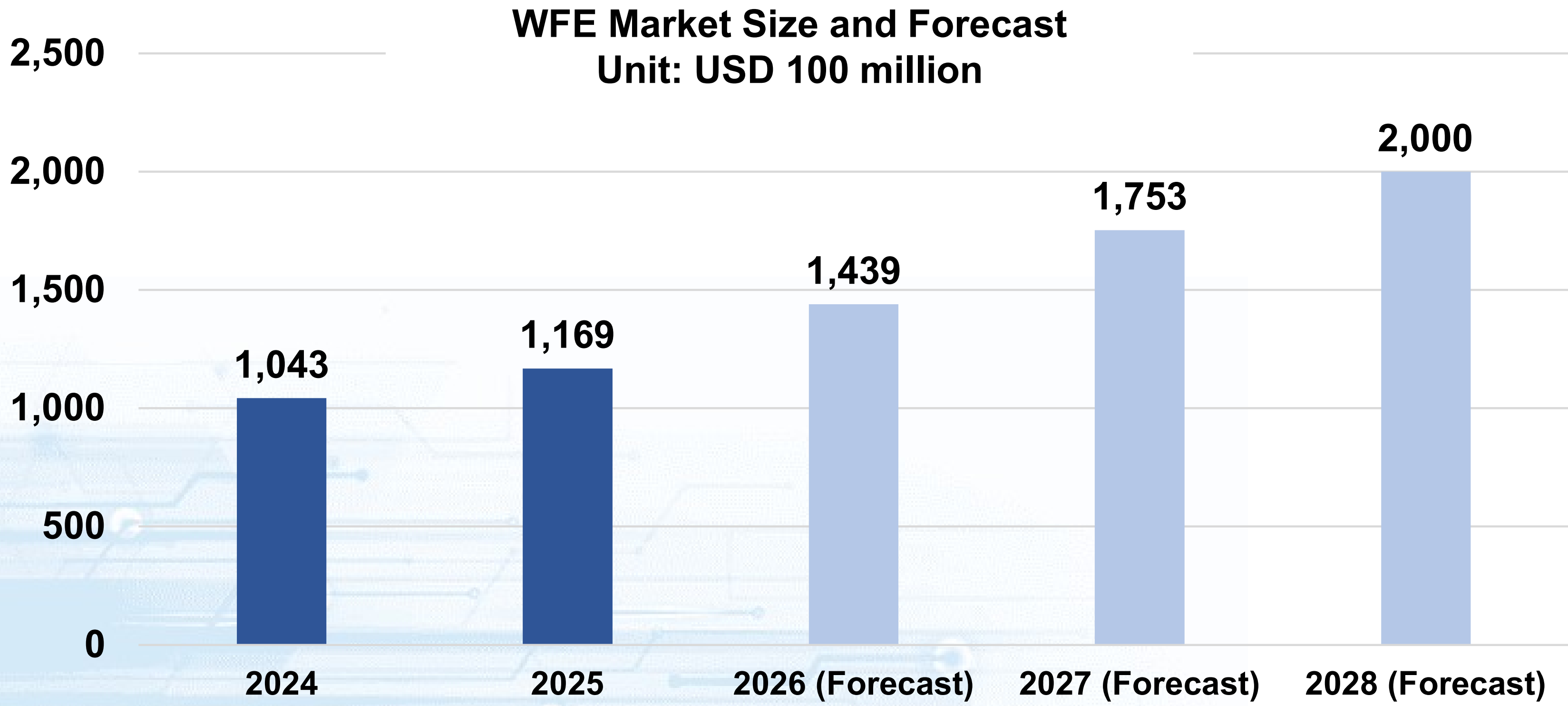
- Designed to meet customer needs through a smaller footprint, improved operability, and other enhancements
- Employs a new wafer transfer method
- Incorporates environmental and safety considerations and uses resin tanks to prevent breakage
- Targeting replacement demand for competitors' RCA cleaning systems

<u>Less environmental impact as well as low running costs</u>

- Leveraging the structure of single-wafer-type SPM tools, processing with O_3 gas has been realized
- Enables processing equivalent to SPM while reducing environmental impact through the use of O_3 gas
- Enabling SC1 processing in a single treatment module with no reaction by-products from acids and alkalis

Demand Outlook

Driven by investments in AI infrastructure, advanced logic, advanced memory, and HBM, worldwide sales of front-end semiconductor manufacturing equipment are projected to surpass USD 200 billion by 2028.



Source: Compiled by the Company based on the SEMI press release dated July 14, 2026

Numerical Targets

Under the new management structure, we aim to return to profitability at an early stage and achieve renewed growth.

2025

Net sales
: 13.88 billion JPY
Operating profit
: -1.46 billion JPY
Operating profit margin
: NA

2026

Net sales
: 15.4 billion JPY
Operating profit
: -70 million JPY
Operating profit margin
: NA

2027

Net sales
: 15.1 billion JPY
Operating profit
: 110 million JPY
Operating profit margin
: 0.7%

2033

With differentiated products having technological superiority, acquire a position in the market

Net sales
: 50 billion JPY
Operating profit
: 10 billion JPY
Operating profit margin
: 20%

With the aim of achieving our 2033 financial targets, we plan to reassess our medium-term management plan under the new management structure beginning in September, following the extraordinary general meeting of shareholders.

Appendix

Company Overview

Engaged in development, manufacture, sales, and after-sales service of semiconductor cleaning equipment

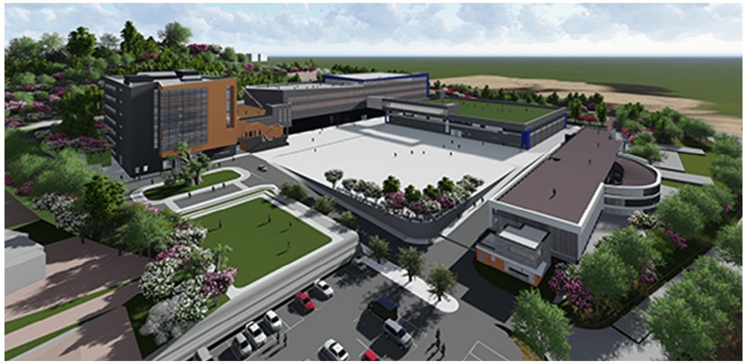
Our forerunner was S.E.S. Co., Ltd. (“S.E.S.”), which commenced civil rehabilitation proceedings during the semiconductor recession in the aftermath of the collapse of Lehman Brothers and subsequently went into bankruptcy
To take over S.E.S.'s outstanding technologies for semiconductor cleaning equipment, we were established on April 24, 2009 as a wholly owned subsidiary of ZEUS CO., LTD. ("ZEUS"), a Korean company that was a sales agent of S.E.S. In May 2009, we launched our business as we acquired S.E.S.'s Okayama Plant, etc., in a business transfer

Company Overview

Name	J.E.T. Co., Ltd.
English Name	J.E.T. Co., LTD.
Establishment	April 2009
Capital	1,848 million JPY (as of December 31, 2025)
Address TEL	6078, Shinjo Kanayama, Satosho-cho, Asakuchi-gun, Okayama 0865-69-4080
Representative	Hiroyuki Hirai, Representative Senior Managing Director
Number of Employees	176 employees 266 employees *Total number of employees including consolidated subsidiaries (as of June 30, 2026)
Business summary	Development, manufacture, sales and after-sales service of semiconductor cleaning equipment
Main Customers	Samsung Electronics (South Korea), SMIC (China)

Group Relationship Diagram

Our business is separate from that of ZEUS, our parent company. We have no competitive relationship with them, and our management aims to be highly independent of them by eliminating the acceptance of officers and employees on secondment.



Address: Hwaseong City, Gyeonggi Province, Republic of Korea

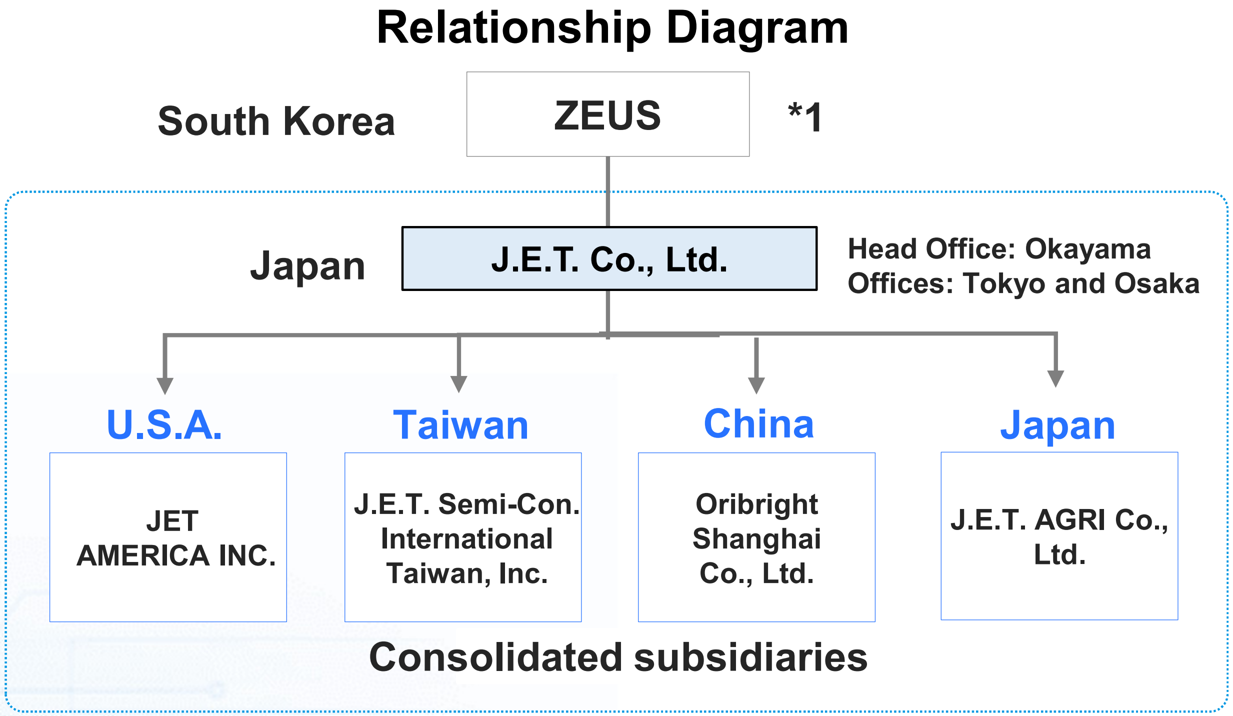
Capital: 15,530,995 thousand KRW

Description of business:
Manufacture and sales of various manufacturing equipment for semiconductors and liquid crystal

Percentage of voting rights held in our company:
66.3% (direct)

Relationship with the related party: Business transactions

Description of transactions:
Sales and purchase of parts, materials, etc., and outsourcing of equipment manufacturing operations between the two companies, and payment of sales commissions, etc., from us to ZEUS



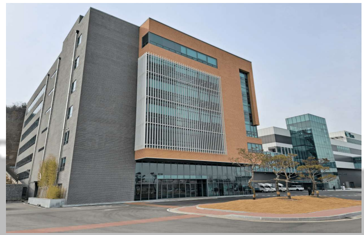
*1: Listed on KOSDAQ (a stock exchange in South Korea)

Note: Until the end of April 2022, we had one part-time director from ZEUS. From May 2022 onward, we have no officers or employees on secondment or otherwise accepted from ZEUS.

Note: Effective January 1, 2026, J.E.T. Korea continues its operations as our South Korea branch.

Offices

■ Offices in Japan
■ Offices outside Japan



South Korea Branch
21 employees

J.E.T. korea Co., Ltd.

Oribright Shanghai Co., Ltd. Beijing Office

Oribright Shanghai Co., Ltd. Wuxi Office

Oribright Shanghai Co., Ltd. Hefei Office

Oribright Shanghai Co., Ltd. Xi'an Office

Oribright Shanghai Co., Ltd. Guangzhou Office

Oribright Shanghai Co., Ltd. Shanghai Head Office

Offices in China: 63 employees

Note: Some offices in China have been omitted.

J.E.T. Semi-Con. International Taiwan, Inc. (HEAD Office) Taiwan Head Office

Office in Taiwan: 20 employees

J.E.T. Semi-Con. International Taiwan, Inc. (Singapore branch) Singapore Branch

Singapore: 4 employees

Osaka Office (*2)

Tokyo Office (*1)

Kyushu Branch (*1)

J.E.T. Co., Ltd.

- Head Office
- Kasaoka Farm (*1)

Head Office

JET AMERICA INC.

Office in the United States: 3 employees

*1 The Tokyo Office and Kyushu Branch provide field services to the Company's customers.
*2 Osaka Office is in charge of LIB product sales.
*3 At Kasaoka Farm, J.E.T. AGRI Co., Ltd., our consolidated subsidiary, grows tomatoes.

Notes

Precautions for handling this document

- This document has been prepared based on the Consolidated Financial Results announced on August 14, 2026.
- The forecasts and forward-looking statements contained in this document are based on information currently available to us and do not guarantee or promise the accuracy or completeness of such information. In addition, changes in economic trends, industry competition, markets and systems may cause significant changes in the outlook.
- Figures in this document are rounded down to the nearest unit. Percentages are rounded off to the nearest unit.

For inquiries about this document, please contact:

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Corporate Management Division
TEL 0865-69-4281