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# **Financial Briefings for the First Quarter of the Fiscal Year Ending March 2025 (April to June 2024)**

**August 8, 2024**

**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.



# 1Q FY25/3 Consolidated Financial Summary

## Summary of Consolidated Results for 1Q FY25/3

- Demand for advanced node DRAM and Logic is on a recovery trend against the background of the spread of generative AI, etc.  
Capital investment for mature nodes in China is still active.
- Our 1Q revenue and profit increased YoY driven by a recovery in equipment sales and concentration of equipment shipments.  
Equipment sales for all applications increased YoY.

## Consolidated Earnings Forecast for FY25/3 and Outlook for the future

- DRAM, Logic, and NAND are expected to continue their recovery trend in that order.
- Although some shipments were moved forward from 2Q to 1Q, performance for 1H as a whole is expected to be roughly in line with initial forecasts.  
No change to full-year earnings forecast.

# Consolidated Results Summary

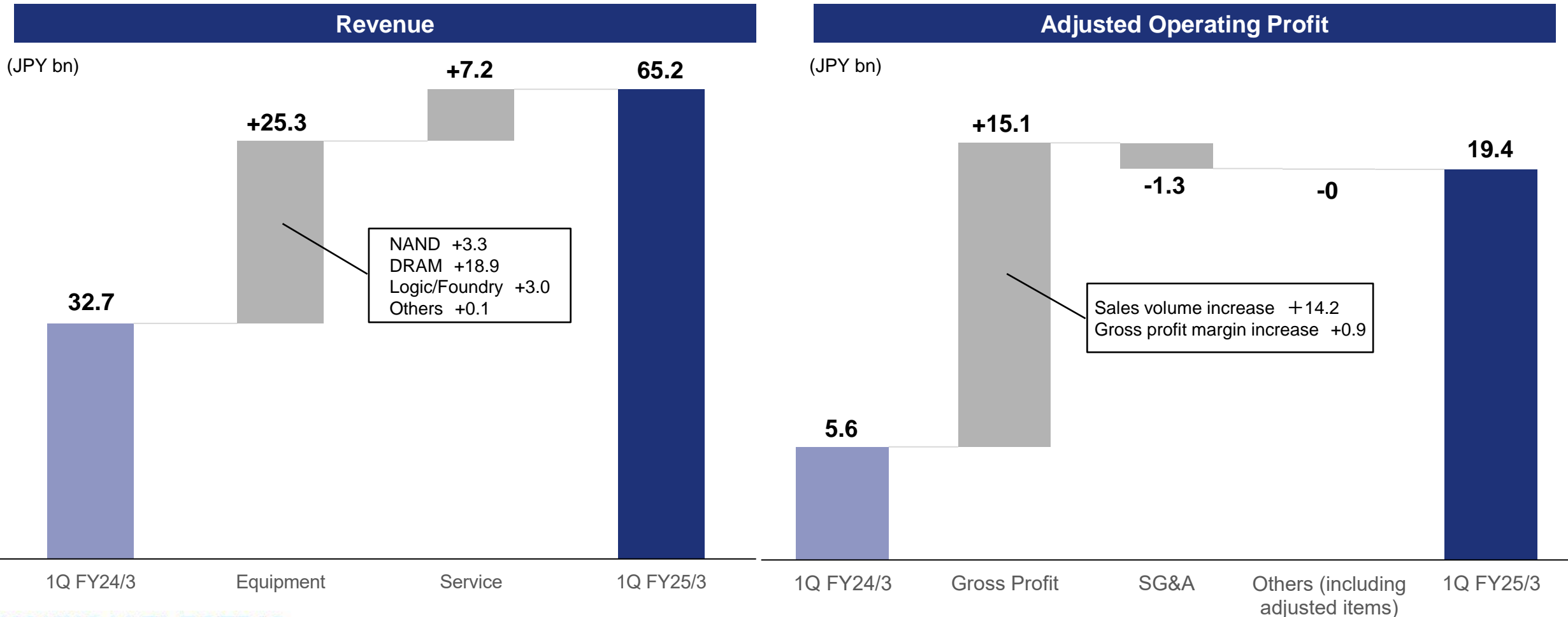
Revenue and profit increased YoY driven by a recovery in equipment sales and concentration of equipment shipments. Profit margins were also higher YoY.

	(JPY bn)	FY24/3					FY25/3		
		1Q	2Q	3Q	4Q	Full Year	1Q	YoY	QoQ
<b>Revenue</b>		<b>32.7</b>	<b>45.0</b>	<b>54.0</b>	<b>49.2</b>	<b>180.8</b>	<b>65.2</b>	+99.4%	+32.6%
<b>Gross profit</b>		<b>14.3</b>	<b>19.9</b>	<b>21.7</b>	<b>19.1</b>	<b>75.0</b>	<b>29.4</b>	+105.6%	+54.0%
<i>Gross profit margin</i>		43.6%	44.2%	40.3%	38.8%	41.5%	45.0%	+1.4pts	+6.2pts
<b>Adjusted operating profit</b>		<b>5.6</b>	<b>11.0</b>	<b>12.4</b>	<b>8.8</b>	<b>37.8</b>	<b>19.4</b>	+245.2%	+120.5%
<i>Adjusted operating profit margin</i>		17.2%	24.5%	23.0%	17.9%	20.9%	29.7%	+12.6pts	+11.8pts
<b>Adjusted net income</b>		<b>3.8</b>	<b>7.3</b>	<b>9.1</b>	<b>7.1</b>	<b>27.3</b>	<b>14.3</b>	+279.3%	+101.8%
<i>Adjusted net income margin</i>		11.6%	16.2%	16.9%	14.5%	15.1%	22.0%	+10.4pts	+7.5pts
<b>Operating profit</b>		<b>4.0</b>	<b>9.4</b>	<b>10.7</b>	<b>6.7</b>	<b>30.7</b>	<b>17.9</b>	+348.1%	+167.5%
<i>Operating profit margin</i>		12.2%	20.9%	19.8%	13.6%	17.0%	27.4%	+15.2pts	+13.8pts
<b>Income before income tax</b>		<b>3.7</b>	<b>9.1</b>	<b>10.7</b>	<b>6.1</b>	<b>29.8</b>	<b>17.7</b>	+376.2%	+188.9%
<i>Income before income tax margin</i>		11.4%	20.3%	19.9%	12.5%	16.5%	27.2%	+15.8pts	+14.7pts
<b>Net income</b>		<b>2.7</b>	<b>6.2</b>	<b>7.9</b>	<b>5.6</b>	<b>22.4</b>	<b>13.3</b>	+401.0%	+135.6%
<i>Net income margin</i>		8.1%	13.7%	14.7%	11.5%	12.4%	20.4%	+12.3pts	+8.9pts
<b>R&amp;D expenses</b>		<b>2.9</b>	<b>3.0</b>	<b>3.1</b>	<b>3.7</b>	<b>12.7</b>	<b>3.3</b>	+14.2%	-8.7%
<b>Capital expenditures</b>		<b>5.1</b>	<b>2.1</b>	<b>10.5</b>	<b>2.8</b>	<b>20.5</b>	<b>11.2</b>	X2.2	X4.0
<b>Depreciation &amp; amortization</b>		<b>2.6</b>	<b>2.7</b>	<b>2.8</b>	<b>2.8</b>	<b>10.9</b>	<b>2.9</b>	+10.5%	+2.4%

# 1Q FY2025/3 Results: Factors for Changes

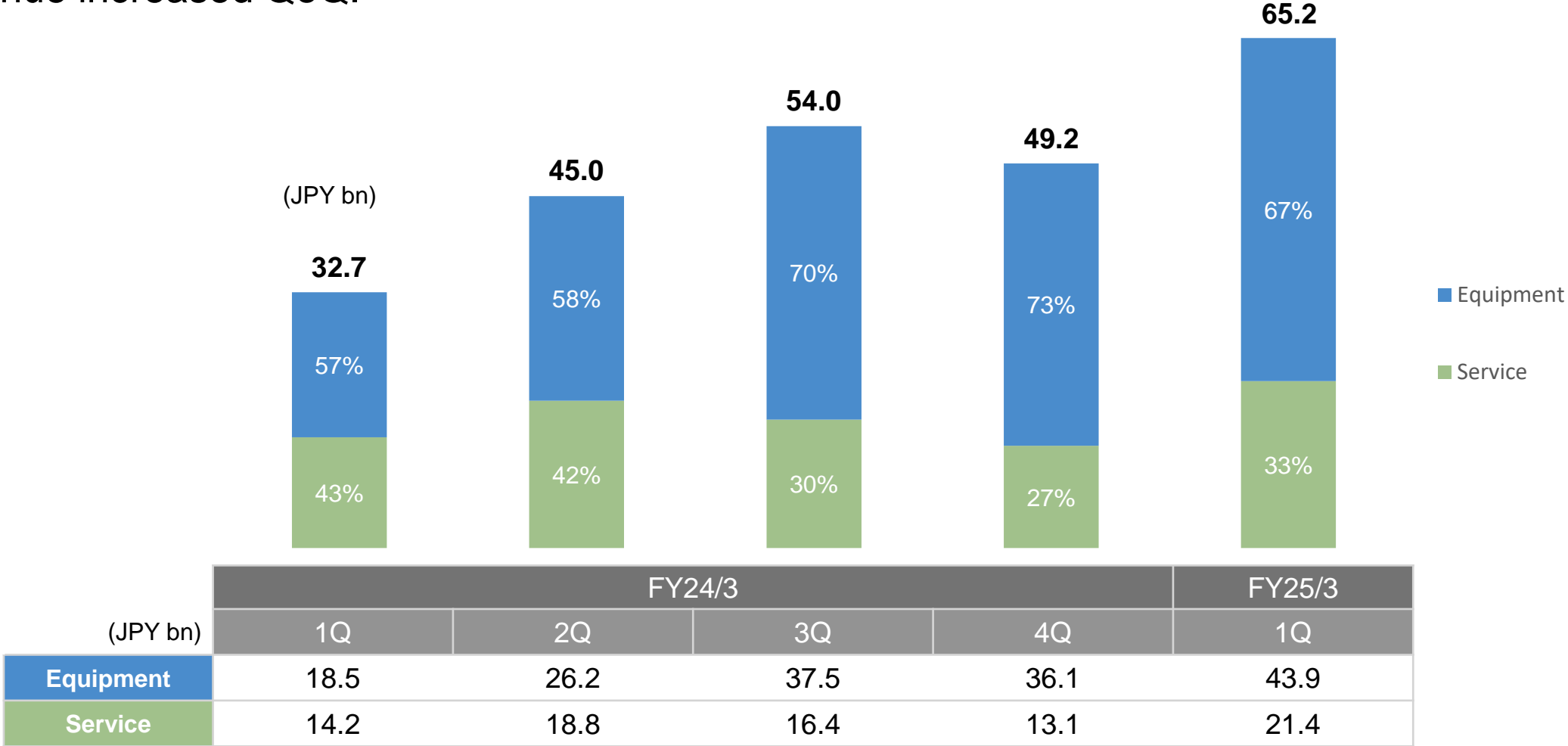
Equipment sales for all applications increased YoY. Revenue increased by JPY 32.5 bn YoY due to the concentration of equipment shipments to China, including the shipments moved forward from 2Q, and shipments of legacy equipment (Services business).

Adjusted operating profit increased by JPY 13.8 bn YoY by growing sales and higher gross profit margin.



# Quarterly Revenues by Business

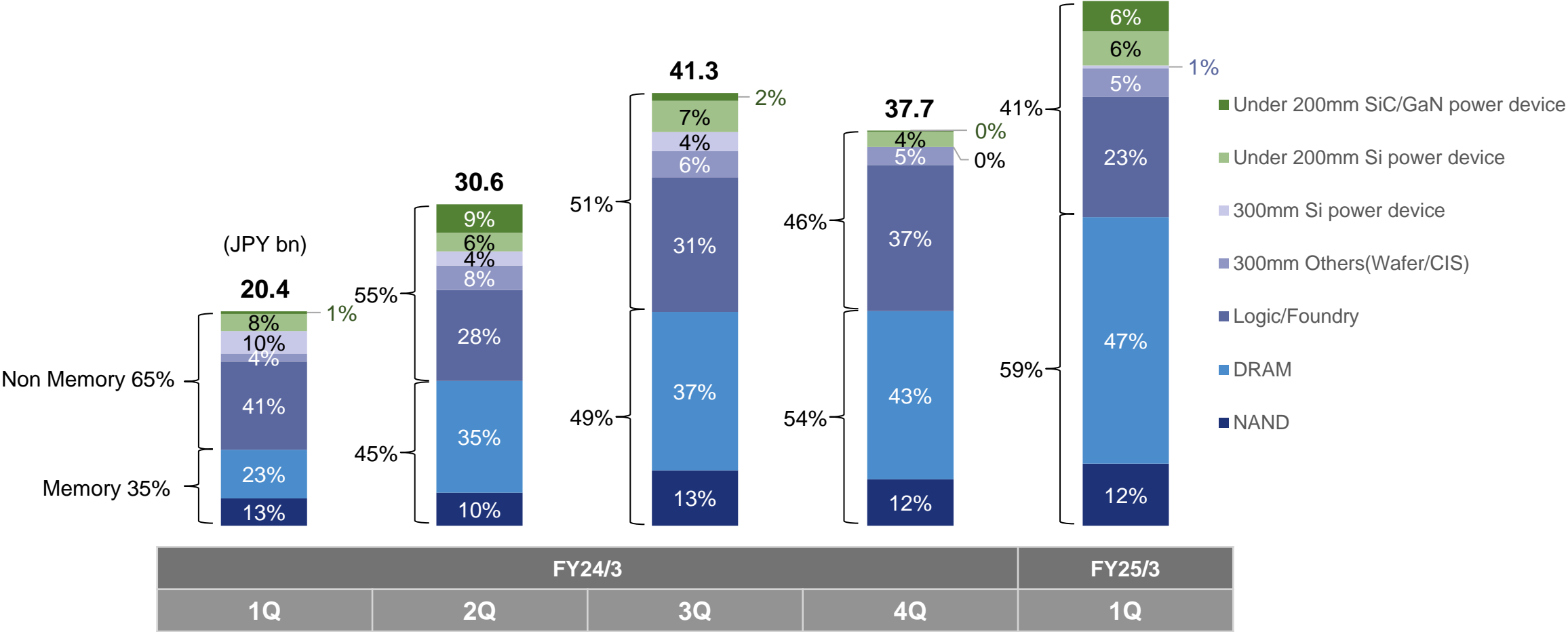
Stronger equipment sales resulted in a higher ratio of equipment revenue YoY. As the concentration of shipments of legacy equipment (Service business) in 1Q had a significant impact, the ratio of service revenue increased QoQ.



# Quarterly Revenues by Application (Equipment\*1 Only)

The ratio of DRAM grew due to an increase in equipment for DRAM in China and a recovery in equipment for advanced nodes DRAM.

For legacy equipment(Under 200mm), demand for SiC/GaN/Si power devices is expanding. **50.0**



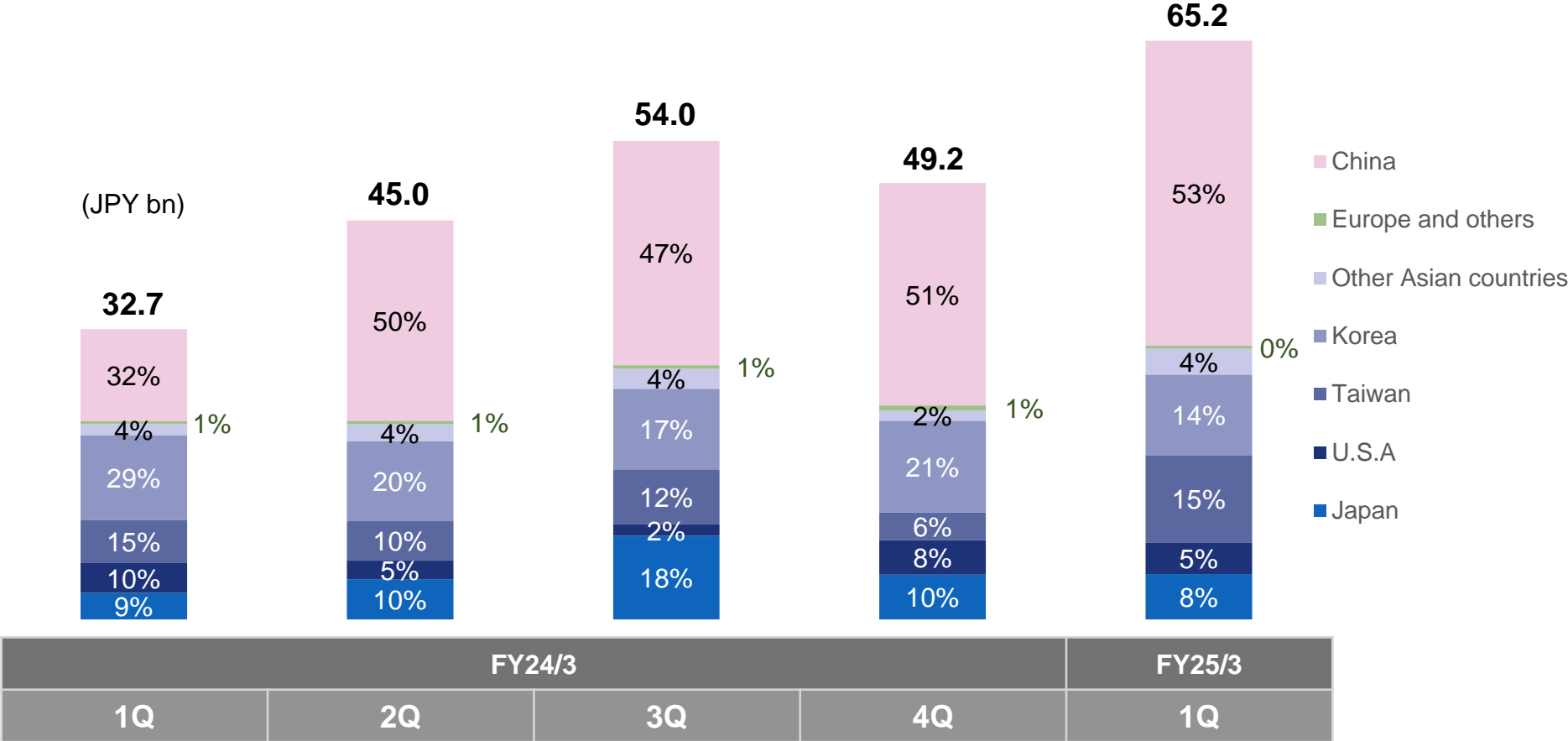
\*1 Includes 300mm equipment in the Equipment business and legacy equipment under 200mm in the Service business.



# Quarterly Revenues by Region

In 1Q, equipment shipments to China were concentrated and the ratio of Chinese sales expanded. Chinese sales for 1H are expected to be in line with our initial forecast.

The ratio of Chinese sales is expected to decline as sales of equipment for advanced nodes recover worldwide.

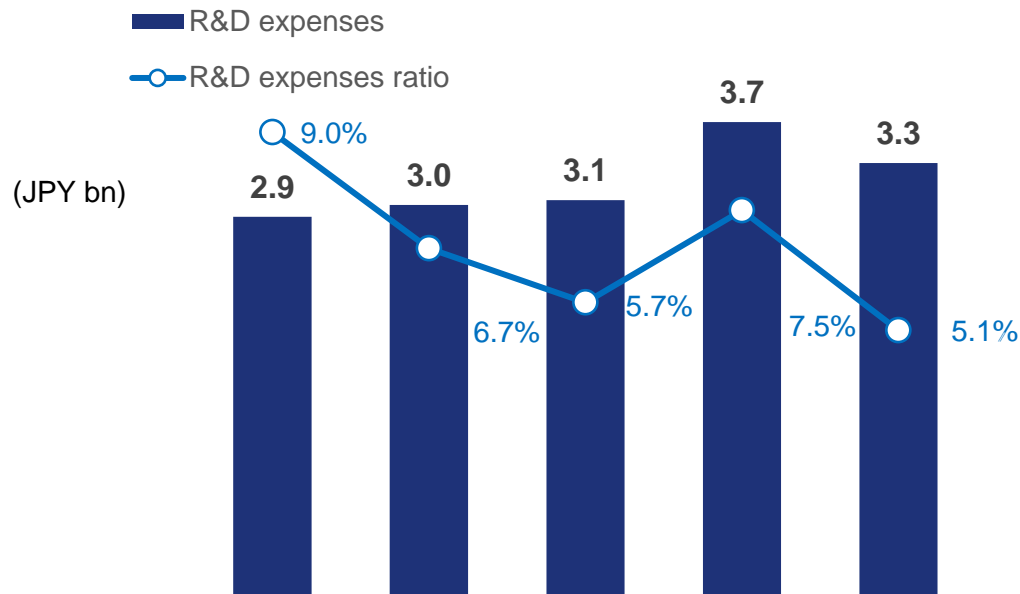


# Quarterly R&D Expenses / Capital Expenditure / Depreciation Expense

Continue to invest in next-generation equipment development. The ratio of R&D expense to revenue will be normalized as sales recover.

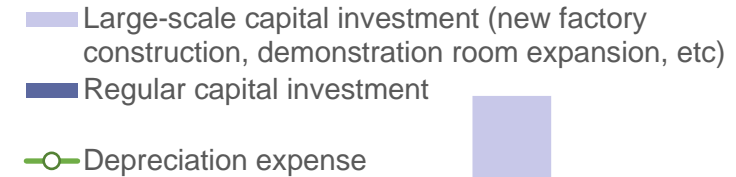
Large-scale capital investments with long-term amortization are increasing due to new factory construction.

## R&D Expenses



(JPY bn)	FY24/3				FY25/3
	1Q	2Q	3Q	4Q	1Q
<b>R&amp;D expenses</b>	<b>2.9</b>	<b>3.0</b>	<b>3.1</b>	<b>3.7</b>	<b>3.3</b>
<i>Ratio to revenue</i>	<i>9.0%</i>	<i>6.7%</i>	<i>5.7%</i>	<i>7.5%</i>	<i>5.1%</i>

## Capital Expenditure / Depreciation Expense



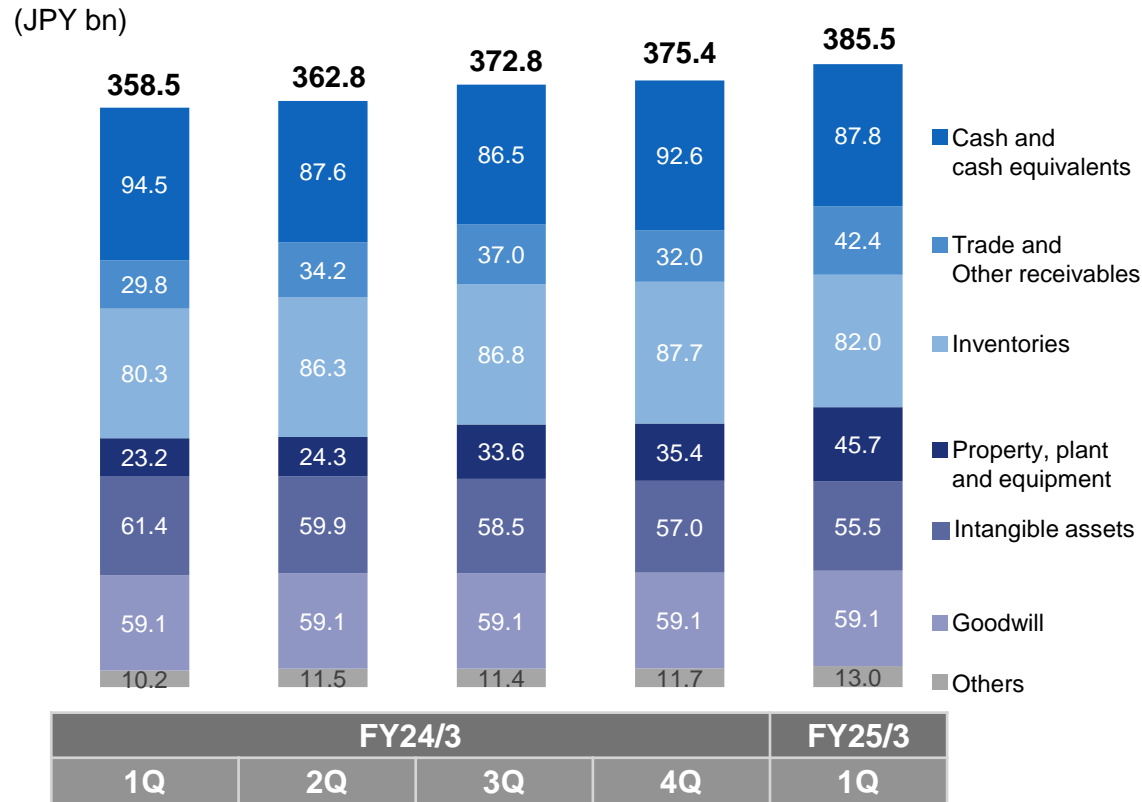
(JPY bn)	FY24/3				FY25/3
	1Q	2Q	3Q	4Q	1Q
<b>Capex total</b>	<b>5.1</b>	<b>2.1</b>	<b>10.5</b>	<b>2.8</b>	<b>11.2</b>
<i>Ratio to revenue</i>	<i>15.5%</i>	<i>4.6%</i>	<i>19.4%</i>	<i>5.8%</i>	<i>17.2%</i>
<b>Depreciation</b>	<b>2.6</b>	<b>2.7</b>	<b>2.8</b>	<b>2.8</b>	<b>2.9</b>
<i>Ratio to revenue</i>	<i>8.1%</i>	<i>5.9%</i>	<i>5.2%</i>	<i>5.8%</i>	<i>4.5%</i>

# Quarterly Balance Sheet

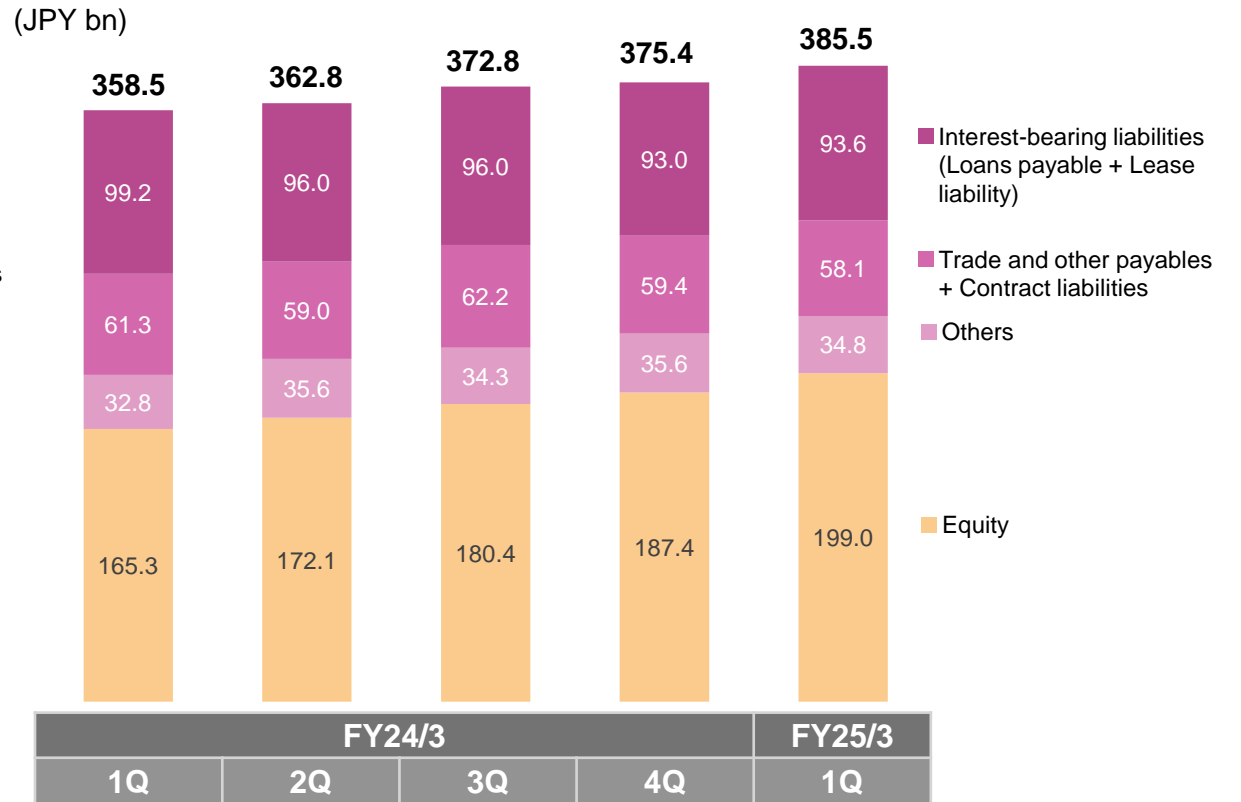
Total assets increased by JPY 10 bn from the end of the previous fiscal year due to increase in trade and other receivables and property, plant and equipment, despite decrease in cash and cash equivalents and inventories.

Total equity increased by JPY 11.7 bn from the end of the previous fiscal year due to an increase in retained earnings.

## Assets

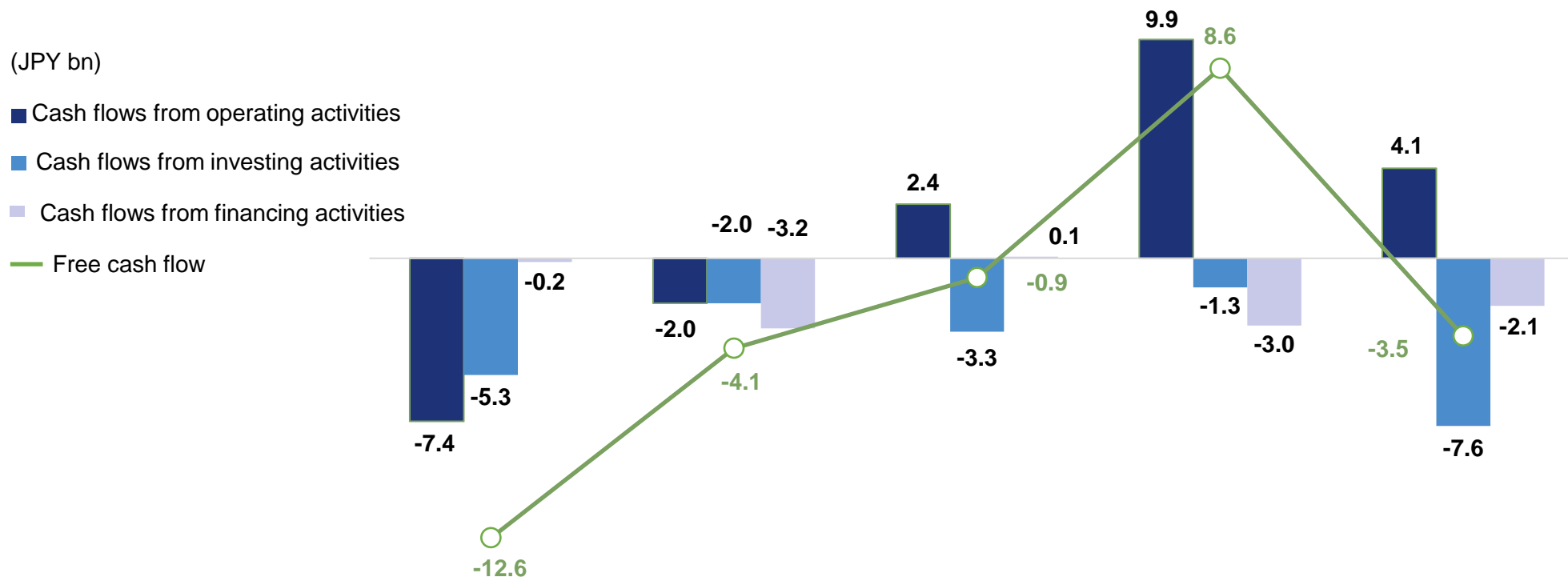


## Liabilities / Equity



# Quarterly Cash Flows

Free cash flows decreased in 1Q due to cash flows used in large-scale capital investment.

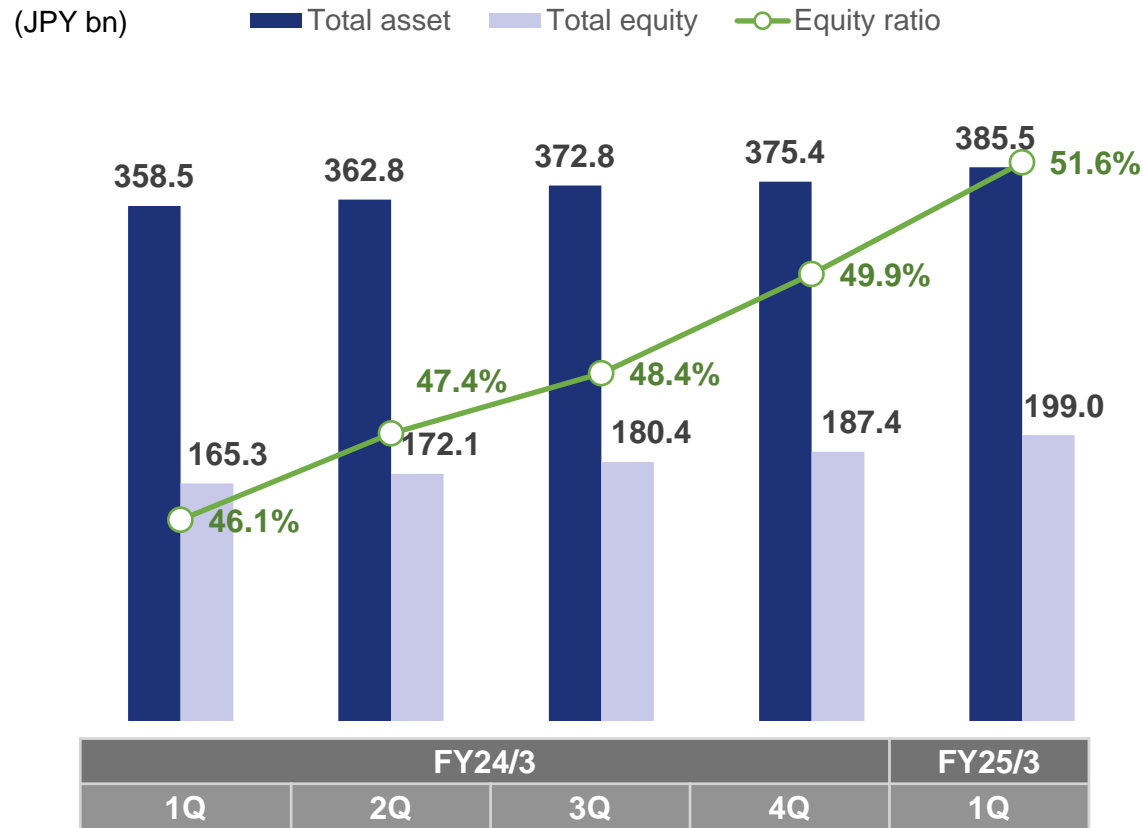


(JPY bn)	FY24/3				FY25/3
	1Q	2Q	3Q	4Q	1Q
<b>CF from operating activities</b>	-7.4	-2.0	2.4	9.9	4.1
<b>CF from investing activities</b>	-5.3	-2.0	-3.3	-1.3	-7.6
<b>CF from financing activities</b>	-0.2	-3.2	0.1	-3.0	-2.1
<b>Free CF</b>	-12.6	-4.1	-0.9	8.6	-3.5
<b>Cash and cash equivalents</b>	94.5	87.6	86.5	92.6	87.8

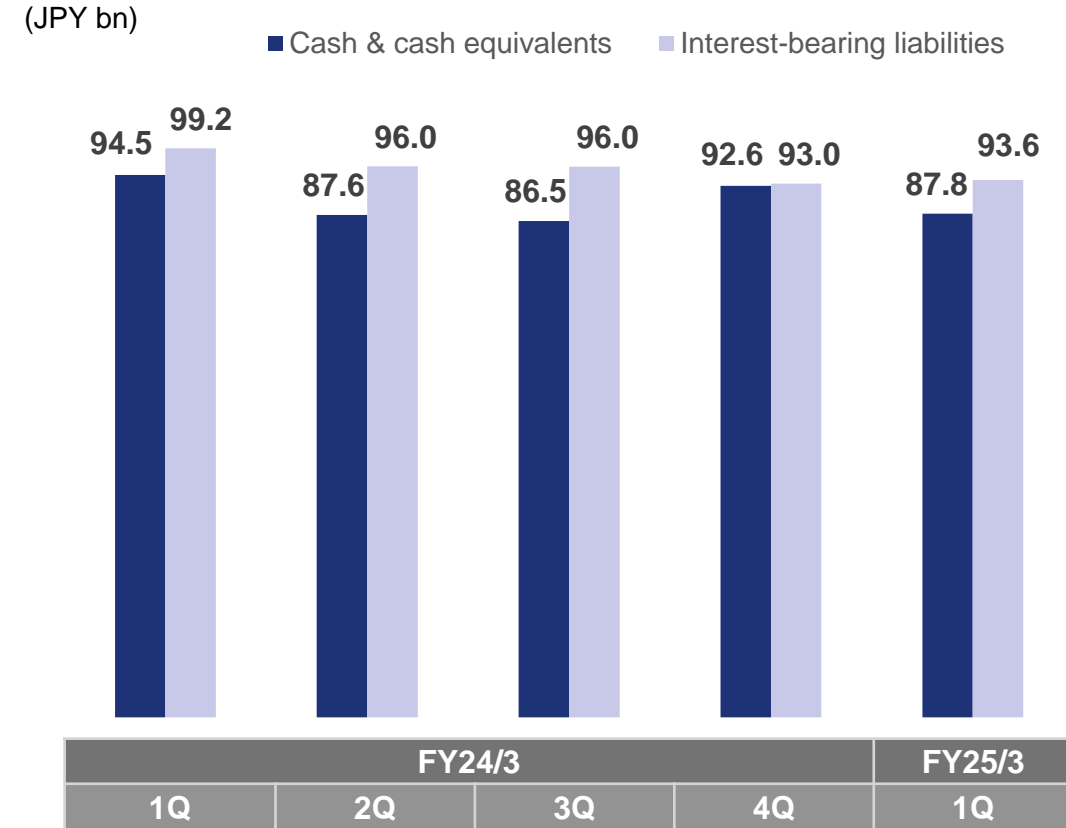
# Quarterly Equity Ratio / Cash and Cash Equivalents / Interest-bearing Liabilities

The equity ratio was 51.6%, up 1.7 percentage points from the end of the previous fiscal year.  
 Net debt at the end of 1Q was JPY 5.8 bn, in line with expectations.

## Total Asset / Total Equity / Equity Ratio



## Cash and Cash Equivalents / Interest-bearing Liabilities





# Consolidated Earnings Forecast for FY25/3

## Summary of Consolidated Results for 1Q FY25/3

- Demand for advanced node DRAM and Logic is on a recovery trend against the background of the spread of generative AI, etc.  
Capital investment for mature nodes in China is still active.
- Our 1Q revenue and profit increased YoY driven by a recovery in equipment sales and concentration of equipment shipments.  
Equipment sales for all applications increased YoY.

## Consolidated Earnings Forecast for FY25/3 and Outlook for the future

- **DRAM, Logic, and NAND are expected to continue their recovery trend in that order.**
- **Although some shipments were moved forward from 2Q to 1Q, performance for 1H as a whole is expected to be roughly in line with initial forecasts.**  
**No change to full-year earnings forecast.**

# FY25/3 Earnings Forecast (No change)

Although some shipments were moved forward from 2Q to 1Q, earnings for 1H is expected to be in line with initial forecasts.  
No change to full-year earnings forecast.

(JPY bn)	FY23/3	FY24/3	FY25/3(forecast)	YoY
<b>Revenue</b>	<b>245.7</b>	<b>180.8</b>	<b>217.5</b>	20.3%
<b>Gross profit</b>	<b>100.8</b>	<b>75.0</b>	<b>92.7</b>	23.7%
<i>Gross profit margin</i>	41.0%	41.5%	42.6%	1.1pts
<b>Adjusted operating profit</b>	<b>64.3</b>	<b>37.8</b>	<b>51.0</b>	34.8%
<i>Adjusted operating profit margin</i>	26.1%	20.9%	23.4%	2.5pts
<b>Adjusted net income</b>	<b>46.0</b>	<b>27.3</b>	<b>35.6</b>	30.4%
<i>Adjusted net income margin</i>	18.7%	15.1%	16.4%	1.3pts
<b>Operating profit</b>	<b>56.1</b>	<b>30.7</b>	<b>44.8</b>	45.7%
<i>Operating profit margin</i>	22.8%	17.0%	20.6%	3.6pts
<b>Income before income tax</b>	<b>55.9</b>	<b>29.8</b>	<b>44.0</b>	47.9%
<i>Income before income tax margin</i>	22.7%	16.5%	20.2%	3.7pts
<b>Net income</b>	<b>40.3</b>	<b>22.4</b>	<b>29.0</b>	29.6%
<i>Net income margin</i>	16.4%	12.4%	13.3%	0.9pts
<b>Dividend per share (JPY)</b>	-	<b>11<sup>*1</sup></b>	<b>32</b>	5.0JPY / half year
<i>Dividends payout ratio</i>	-	11.4%	25.7%	14.3pts

\*1 Regarding the dividend per share for the year ending March 31, 2024, we plan to pay the amount for half a year as a year-end dividend, given the listing was in 2H of the year.

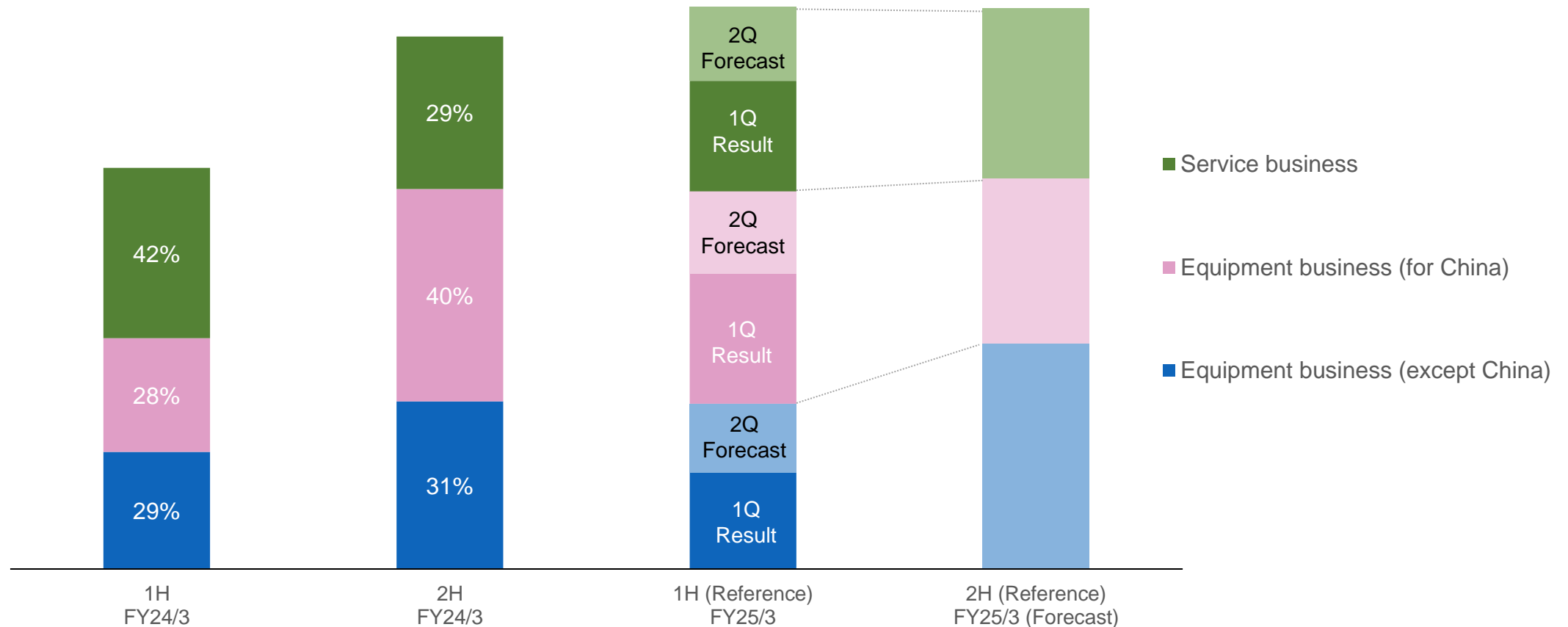


# FY25/3 Earnings Forecast: 1H and 2H (No change)

Earnings forecasts for 1H and 2H are unchanged.

In 2Q, shipments of equipment to China and legacy equipment, which were concentrated in 1Q, will calm down.

As for 2H, we made conservative estimates for China and assume a recovery in demand for equipment for advanced nodes in DRAM and Logic/Foundry.



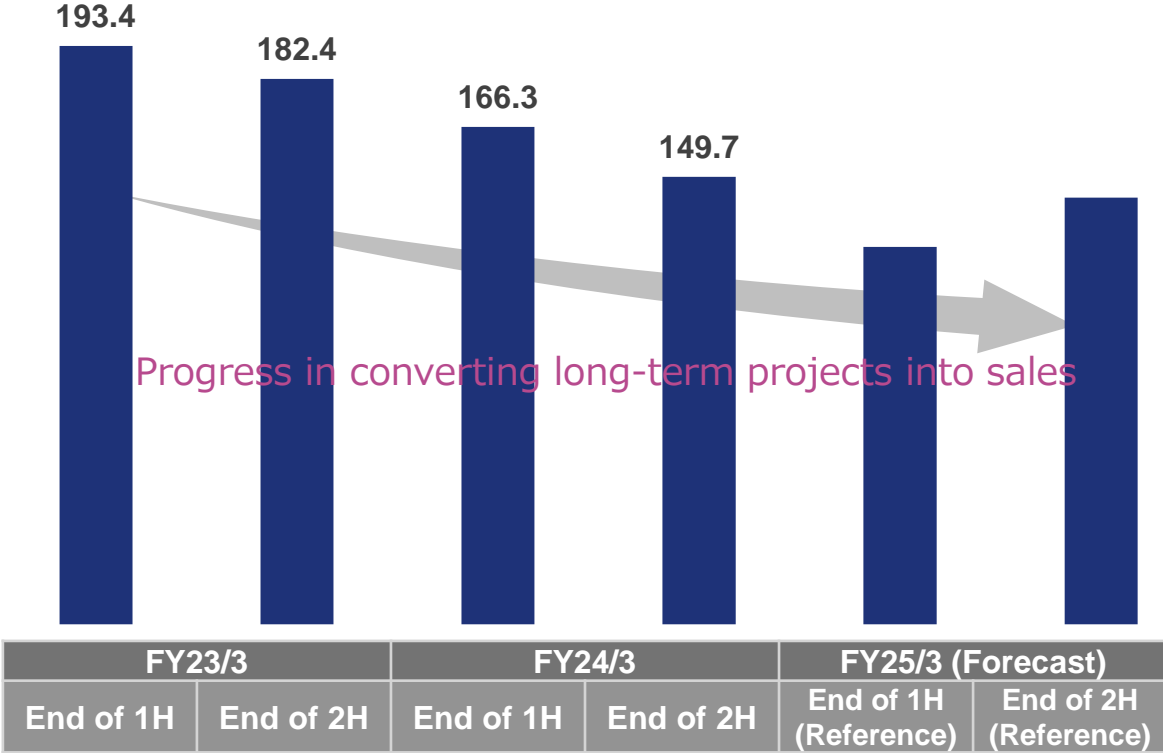
# Order Backlog and Order Received trends

Projects with long lead time included in the backlog are being shifted to sales and order backlogs will be normalized by the end of FY25/3.

Orders received continue to expand after bottoming out in 1H of FY24/3.

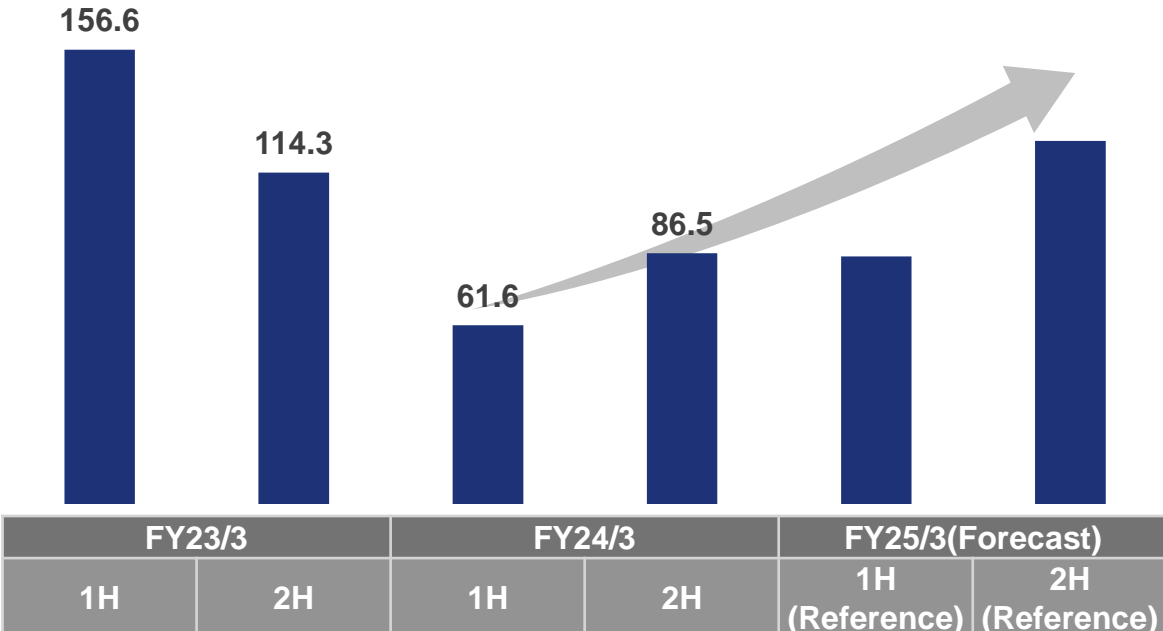
## Order Backlog

(JPY bn)



## Order Received

(JPY bn)





# Future Outlook

# Business Environment

Market conditions are expected to continue to recover. No change in the outlook for significant growth over the medium- to long-term.

## Outlook for Semiconductor Device Market

- In the semiconductor device market, investment in advanced nodes worldwide will begin to recover from 2H of CY24.
- Active capital investment for mature nodes in China is expected to continue for the next few years.
- In the medium- to long-term, significant growth is expected due to increasing demand for electronic equipment, expansion of data centers, and investment in reducing environmental impact (GX).

## Our Business Environment

- As the semiconductor device market recovers, we expect that demand for cutting-edge equipment will begin to recover in the global market from 2H of FY25/3.
- Although demand for equipment for mature nodes in China is expected to continue for the next few years, we are making conservative estimates from 2H of FY25/3 onwards.
- The WFE\*1 market in CY24 is expected to be at the same level as CY23 or slightly increase, but is expected to grow to USD 120 billion over the next few years.

### Global Market Size for Semiconductor Devices and Semiconductor Manufacturing Equipment (USD Bn)

	2010	2022	2023	2028(Forecast)
Global market size for semiconductor devices	296.7	613.9	559.1	911.4
Global market size for semiconductor manufacturing equipment	30.4	98.1	98.5	143.0

Source: TechInsights Inc. Semiconductor Forecast (June 2024)

Source: TechInsights Inc. IC MANUFACTURING EQUIPMENT MARKET HISTORY AND FORECAST (2018-2028) (June 2024)

\*1 WFE: Wafer Fab Equipment

# Application-specific Initiatives

We aim for balanced growth in Logic/Foundry+Others: DRAM:NAND=50:25:25 by expanding the leading technological advantages of 3D NAND to DRAM and Logic. We also aim to archive new growth in the power device and Interposer markets.

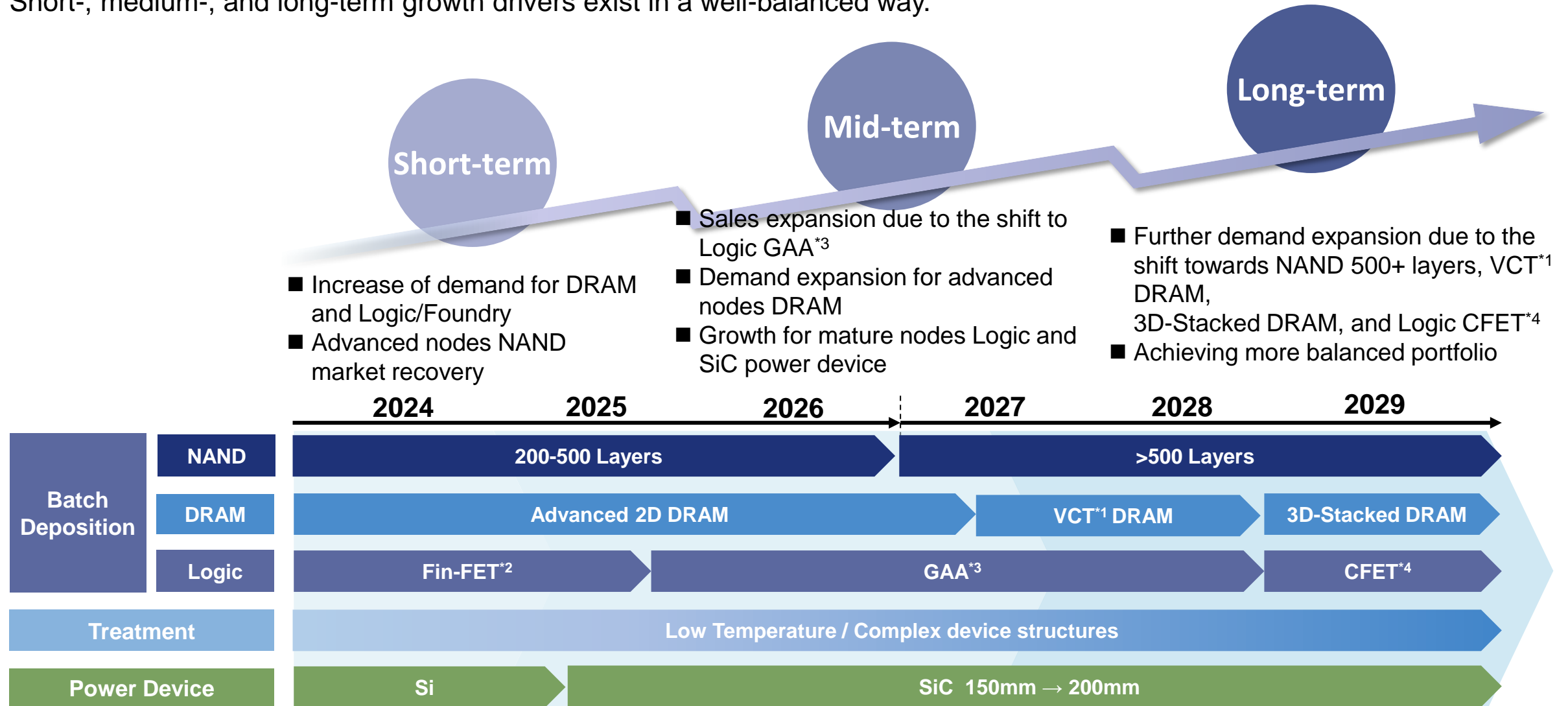
	Business Environment	Our Initiatives
DRAM	<ul style="list-style-type: none"> <li>• Demand for equipment for China will drive our performance until 1H of FY25/3.</li> <li>• Demand for advanced nodes equipment in global market to fully recover from 2H of FY25/3</li> <li>• Demand for equipment for advanced nodes products is expected to increase as demand for HBM*1 expands due to the spread of generative AI.</li> </ul>	<ul style="list-style-type: none"> <li>• Acquired new POR with high-difficulty film deposition and treatment for advanced nodes.</li> <li>• TAM*2 will expand with the progress of device, as we aim for further new POR acquisition.</li> <li>• Aiming to expand our market share like with 3D NAND, as device structure become more complex in VCT*3 DRAM and 3D Stacked DRAM.</li> </ul>
Logic/Foundry	<ul style="list-style-type: none"> <li>• Demand for equipment for mature nodes in China will support performance until 1H of FY25/3.</li> <li>• In 2H of FY25/3, demand for equipment for advanced nodes equipment will recover strongly, following that for DRAM.</li> </ul>	<ul style="list-style-type: none"> <li>• Acquired newly developed POR with GAA*4. sales increase from FY25/3.</li> <li>• Focus on expanding equipment sales for mature nodes in Europe and the US.</li> <li>• Acquired new applications in Si Interposer.</li> </ul>
NAND	<ul style="list-style-type: none"> <li>• Currently, demand for development equipment is continuing.</li> <li>• Demand for advanced nodes equipment in global market will begin to recover at the end of FY25/3, and full-fledged recovery in FY26/3.</li> </ul>	<ul style="list-style-type: none"> <li>• With our lineup of large batch/mini batch ALD*5 compatible deposition equipment, and treatment equipment, we have already secured a dominant market share in the 3D NAND deposition process.</li> <li>• Sales will recover and expand as the market recovers and devices become increasingly multi-layered.</li> </ul>
SiC Power Devices (Service Business)	<ul style="list-style-type: none"> <li>• There is a growing need for high-temp activation annealing equipment.</li> <li>• Demand is expected to increase as device wafer size shifts from 150mm to 200mm.</li> </ul>	<ul style="list-style-type: none"> <li>• In FY25/3, sales of existing products are expected to grow as new high-temp activation annealing products are introduced.</li> <li>• Development of new solutions in ALD-SiO.</li> </ul>

\*1 HBM: High Bandwidth Memory \*2 TAM: Total Addressable Market \*3 VCT: Vertical Channel Transistor \*4 GAA: Gate All Around

\*5 ALD: 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".

# Summary

Short-, medium-, and long-term growth drivers exist in a well-balanced way.



\*1 VCT: Vertical Channel Transistor \*2 Fin Field Effect Transistor \*3 Gate All Around \*4 Complimentary Field Effect Transistor

# Secondary Offering of Shares and Repurchase of Own Shares

As a result of the secondary offering, KKR's ownership ratio will decrease to 23% from 43%, and the ratio of outstanding shares will increase to 60% from 41%.

## Secondary Offering of Shares

- Date of sale resolution July 10,2024
- Number of shares 60,381,700 shares  
(by Over-Allotment 7,875,800 shares)
- Domestic/foreign ratio domestic:foreign = 50:50
- Selling shareholders KKR HKE Investment L.P. : 47,062,200 shares  
(includes Over-Allotment)  
KSP Kokusai Investments, LLC: 13,319,500 shares
- Offering price 4,578yen per share
- Total offering price 276.4 billion yen
- Joint Global Coordinators Nomura Securities, SMBC Nikko Securities
- Co-Global Coordinator Mizuho Securities

## Repurchase of Own Shares

- Date of repurchased resolution July 10,2024
- Reason for repurchase of own shares  
Implemented to mitigate the impact on stock supply and demand.  
This will be implemented separately from the previously announced shareholder return policy.
- Total number of shares to be repurchased  
Up to 6,000,000 shares  
(Ratio to the total number of issued shares (excluding treasury shares):2.55%)
- Total amount of repurchase price Up to 18 billion yen
- Repurchased period From July 30 to September 20,2024
- Repurchase method Market purchase on the Tokyo Stock Exchange, Inc.



# Appendix



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

(JPY mn)	FY24/3					FY25/3
	1Q	2Q	3Q	4Q	Full Year	1Q
<b>Revenue</b>	<b>32,710</b>	<b>44,995</b>	<b>53,956</b>	<b>49,177</b>	<b>180,838</b>	<b>65,224</b>
<b>Gross profit</b>	<b>14,275</b>	<b>19,890</b>	<b>21,741</b>	<b>19,059</b>	<b>74,965</b>	<b>29,354</b>
<i>Gross profit margin</i>	43.6%	44.2%	40.3%	38.8%	41.5%	45.0%
<b>Adjusted operating profit</b>	<b>5,614</b>	<b>11,035</b>	<b>12,400</b>	<b>8,790</b>	<b>37,839</b>	<b>19,382</b>
<i>Adjusted operating profit margin</i>	17.2%	24.5%	23.0%	17.9%	20.9%	29.7%
<b>Adjusted net income</b>	<b>3,782</b>	<b>7,304</b>	<b>9,101</b>	<b>7,109</b>	<b>27,296</b>	<b>14,345</b>
<i>Adjusted net income margin</i>	11.6%	16.2%	16.9%	14.5%	15.1%	22.0%
<b>Operating profit</b>	<b>3,990</b>	<b>9,383</b>	<b>10,689</b>	<b>6,683</b>	<b>30,745</b>	<b>17,878</b>
<i>Operating profit margin</i>	12.2%	20.9%	19.8%	13.6%	17.0%	27.4%
<b>Income before income tax</b>	<b>3,727</b>	<b>9,145</b>	<b>10,742</b>	<b>6,143</b>	<b>29,757</b>	<b>17,747</b>
<i>Income before income tax margin</i>	11.4%	20.3%	19.9%	12.5%	16.5%	27.2%
<b>Net income</b>	<b>2,655</b>	<b>6,158</b>	<b>7,914</b>	<b>5,647</b>	<b>22,374</b>	<b>13,302</b>
<i>Net income margin</i>	8.1%	13.7%	14.7%	11.5%	12.4%	20.4%
<b>R&amp;D expenses</b>	<b>2,932</b>	<b>3,023</b>	<b>3,062</b>	<b>3,666</b>	<b>12,683</b>	<b>3,348</b>
<b>Capital expenditures</b>	<b>5,077</b>	<b>2,071</b>	<b>10,478</b>	<b>2,828</b>	<b>20,454</b>	<b>11,215</b>
<b>Depreciation and amortization</b>	<b>2,637</b>	<b>2,671</b>	<b>2,792</b>	<b>2,845</b>	<b>10,945</b>	<b>2,914</b>

# Reconciliation of Adjusted Items

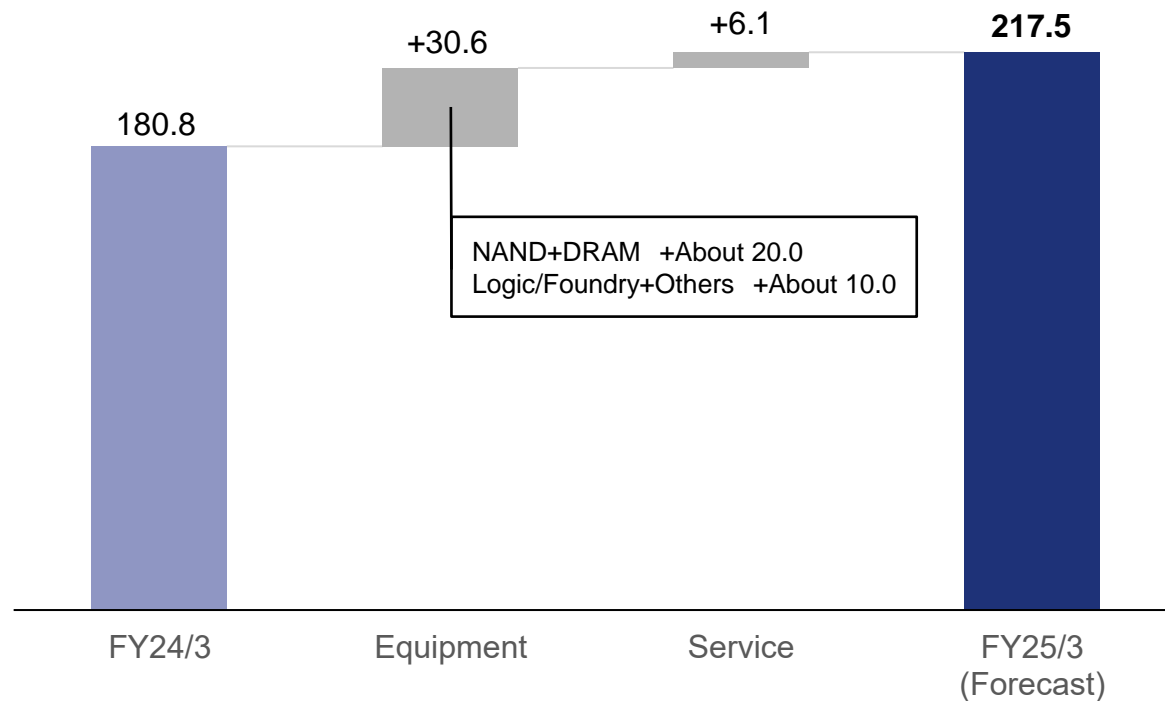
(JPY mn)	FY24/3					FY25/3
	1Q	2Q	3Q	4Q	Full Year	1Q
<b>Operating profit</b>	<b>3,990</b>	<b>9,383</b>	<b>10,689</b>	<b>6,683</b>	<b>30,745</b>	<b>17,878</b>
Other income	-30	-110	-285	-254	-679	-92
Other expenses	45	33	19	390	487	27
(Adjustments)						
Purchase price allocation amortization	1,592	1,592	1,593	1,592	6,369	1,479
Stand-alone related expenses	1	10	203	9	223	12
Stock-based compensation (except for performance-linked stock compensation)	16	127	181	370	694	78
Total adjustments	1,609	1,729	1,977	1,971	7,286	1,569
<b>Adjusted Operating Profit</b>	<b>5,614</b>	<b>11,035</b>	<b>12,400</b>	<b>8,790</b>	<b>37,839</b>	<b>19,382</b>
<b>Net income</b>	<b>2,655</b>	<b>6,158</b>	<b>7,914</b>	<b>5,647</b>	<b>22,374</b>	<b>13,302</b>
Other income	-30	-110	-285	-254	-679	-92
Other expenses	45	33	19	390	487	27
(Adjustments)						
Purchase price allocation amortization	1,592	1,592	1,593	1,592	6,369	1,479
Stand-alone related expenses	1	10	203	9	223	12
Stock-based compensation (except for performance-linked stock compensation)	16	127	181	370	694	78
Tax adjustment to total adjustments	-497	-506	-524	-645	-2,172	-461
<b>Adjusted Net Income</b>	<b>3,782</b>	<b>7,304</b>	<b>9,101</b>	<b>7,109</b>	<b>27,296</b>	<b>14,345</b>

# FY2025/3 Earnings Forecast: Factors for Change (No change)

In FY25/3, expect an increase in adjusted operating profit due to a recovery in sales, mainly for DRAM and Logic/Foundry, and an increase in gross profit margin.

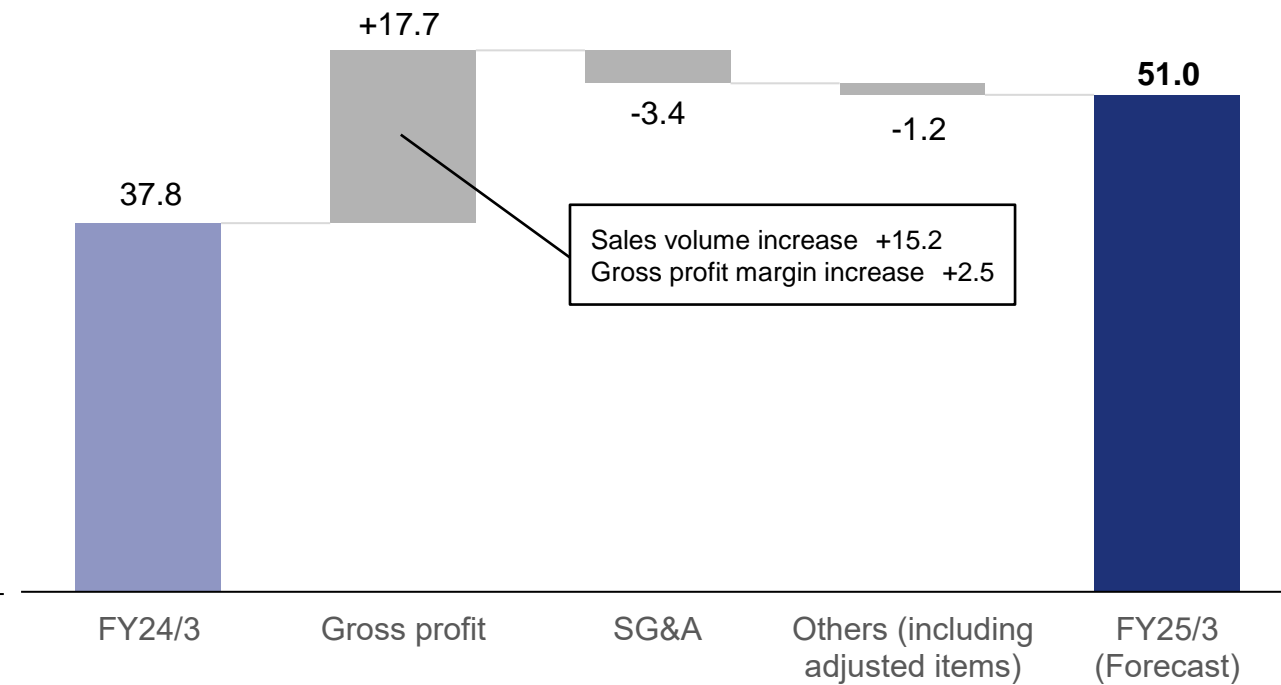
## Revenue

(JPY bn)



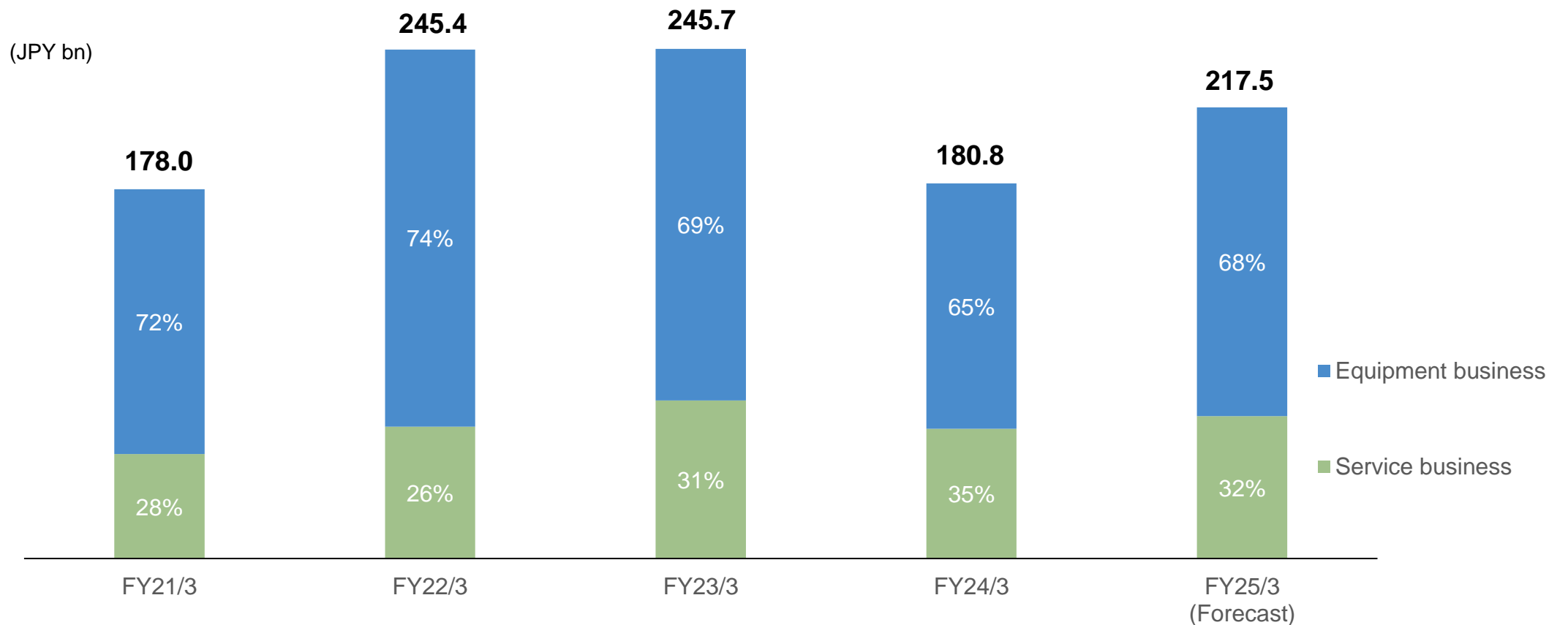
## Adjusted Operating Profit

(JPY bn)



# Revenue Forecast by Business (No change)

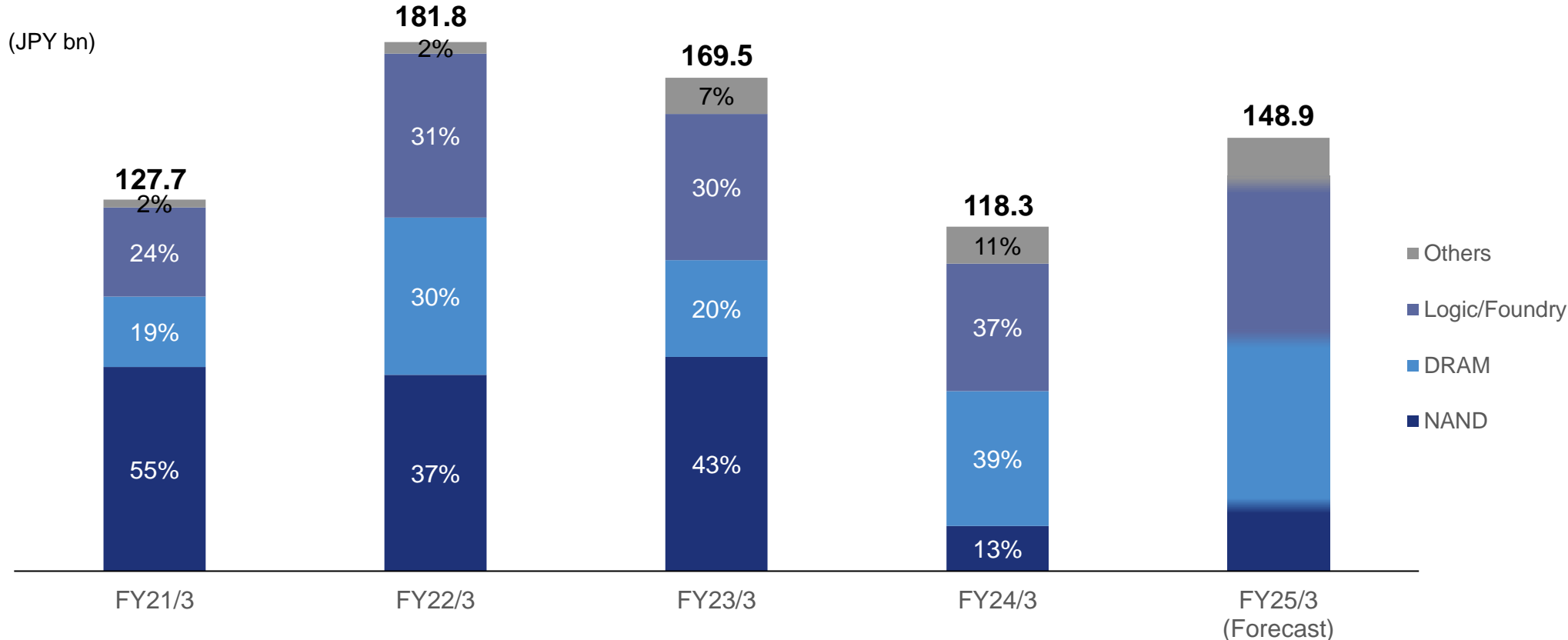
Both equipment and services revenues are expected to increase from FY24/3, sustaining normal sales composition by business. Equipment revenue for FY25/3 is expected to grow 26% over FY24/3, with services revenue expected to grow 10% over FY24/3.



# Revenue Forecast by Application (300mm Equipment Only) (No change)

In FY25/3, sales are expected to increase for all applications, with no significant change in the sales composition ratio by application.

Brisk capital investment in China will contribute to DRAM and Logic/Foundry sales, with NAND sales expected to recover at the end of FY25/3.



# Balance Sheet and Key Financial Indicators

			FY24/3				FY25/3
			End of 1Q	End of 2Q	End of 3Q	End of 4Q	End of 1Q
(JPY mn)							
Assets	Current Assets	Cash and cash equivalents	94,493	87,550	86,498	92,619	87,775
		Trade and other receivables	29,827	34,186	36,963	31,994	42,444
		Inventories	80,273	86,283	86,820	87,682	82,028
		Other currents assets	2,583	3,388	3,096	2,619	2,787
		<b>Total Current assets</b>	<b>207,176</b>	<b>211,407</b>	<b>213,377</b>	<b>214,914</b>	<b>215,034</b>
	Non-current Assets	Property, plant and equipment	23,227	24,325	33,556	35,382	45,696
		Goodwill	59,065	59,065	59,065	59,065	59,065
		Intangible assets	61,420	59,941	58,475	56,995	55,480
		Other non-currents assets	7,651	8,074	8,323	9,077	10,179
		<b>Total non-current assets</b>	<b>151,363</b>	<b>151,405</b>	<b>159,419</b>	<b>160,519</b>	<b>170,420</b>
<b>Total Assets</b>		<b>358,539</b>	<b>362,812</b>	<b>372,796</b>	<b>375,433</b>	<b>385,454</b>	

			FY24/3				FY25/3
			End of 1Q	End of 2Q	End of 3Q	End of 4Q	End of 1Q
(JPY mn)							
Liabilities	Current Liabilities	Loans payable + Lease liability	6,582	7,298	7,256	8,019	8,055
		Trade and other payables	28,982	29,645	37,777	36,667	38,657
		Contract liabilities	32,326	29,380	24,427	22,719	19,394
		Others	14,669	17,208	15,841	20,138	19,554
		<b>Total current liabilities</b>	<b>82,559</b>	<b>83,531</b>	<b>85,301</b>	<b>87,543</b>	<b>85,660</b>
	Non-current Liabilities	Loans payable + Lease liability	92,570	88,743	88,696	84,999	85,555
		Others	18,081	18,402	18,445	15,503	15,199
		<b>Total non-current liabilities</b>	<b>110,651</b>	<b>107,145</b>	<b>107,141</b>	<b>100,502</b>	<b>100,754</b>
		<b>Total Liabilities</b>	<b>193,210</b>	<b>190,676</b>	<b>192,442</b>	<b>188,045</b>	<b>186,414</b>
		<b>Total Equity</b>	<b>165,329</b>	<b>172,136</b>	<b>180,354</b>	<b>187,388</b>	<b>199,040</b>
<b>Total Liabilities and Equity</b>		<b>358,539</b>	<b>362,812</b>	<b>372,796</b>	<b>375,433</b>	<b>385,454</b>	

	FY24/3				FY25/3
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	End of 1Q
Equity ratio	46.1%	47.4%	48.4%	49.9%	51.6%
Debt equity ratio	0.6	0.6	0.5	0.5	0.5
Net cash (JPY mn)	-4,659	-8,491	-9,454	-399	-5,835

# Cash Flow Statement

(JPY mn)

	FY24/3					FY25/3
	1Q	2Q	3Q	4Q	Full Year	1Q
<b>CF from operating activities</b>	-7,365	-2,030	2,443	9,894	2,942	4,073
<b>CF from investing activities</b>	-5,278	-2,037	-3,321	-1,314	-11,950	-7,582
<b>Free CF</b>	-12,643	-4,067	-878	8,580	-9,008	-3,509
<b>CF from financing activities</b>	-167	-3,171	70	-3,044	-6,312	-2,143
<b>Cash and cash equivalents at beginning balance</b>	106,053	94,493	87,550	86,498	106,053	92,619
<b>Cash and cash equivalents at end of the quarter</b>	94,493	87,550	86,498	92,619	92,619	87,775

# Key Activities for 1Q FY2025/3 Business Activities

- Recognized in Customer Satisfaction Survey by TechInsights Inc. as one of the “10 Best Suppliers,” and won “The BEST Suppliers” award. (May 2024)
- Received a certificate of gratitude at the opening ceremony of a new factory at PSMC (Powerchip Semiconductor Manufacturing Corporation). (May 2024)
- (Reference) Received the “Grand Prize for the Outstanding Cooperating Company Award” from Samsung Electronics Co., Ltd. (“Samsung”) at the “2024 Win-Win Cooperation Day.” (March 2024)



Winner of the “10 Best Suppliers” award  
for 27 consecutive years



Left: PSMC Director of Procurement  
Mr. Jones Lee

Middle: Vice president of Taiwan Group  
Company Sales Division  
Michael Hou

Right: PSMC VP and CISO,  
Mr. Peter Chen



Left: Samsung Vice Chairman & CEO  
Mr. Jong-Hee Han

Right: CEO of Korean Group Company  
Yong-Sung Park



# Key Activities for 1Q FY2025/3 ESG Initiatives

- Toyama Technology & Manufacturing Center achieved Platinum Status, the highest level in the RBA VAP audit. (June 2024)
- Held open-air environmental classes at nursery facilities as part of community contribution activities. (May 2024)
- Our group employee made guest presentation at "WOMEN IN SEMICONDUCTORS – WIS," (May 2024)
- Co-sponsored “2024 Tonami Tulip Fair” in Tonami City, Toyama Prefecture. (April 2024)
- (Reference) Our targets to cut greenhouse gas emissions received accreditation from the Science Based Targets initiative. (March 2024)
- (Reference) Recognized as a 2024 Silver Partner by TABLE FOR TWO. (March 2024)



Earned the perfect score of 200 and acquired Platinum Status



Open-air environmental class using a handmade picture-story show



Letter of appreciation and partner badge received from TABLE FOR TWO International

