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

**August 7, 2025**

**KOKUSAI ELECTRIC CORPORATION**

# Disclaimers

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

## ■ Forward-Looking Statements

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

## ■ Currency Risk

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

## ■ Key Performance Indicators

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

## ■ Accounting Standard

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

## ■ Rounding Convention

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



# 1Q FY26/3 Consolidated Financial Summary

## Summary of Consolidated Results for 1Q FY26/3

- The semiconductor device market saw high levels of capital investment, mainly in high-performance Logic and DRAM for generative AI applications. Capital investment in NAND has resumed. Demand for consumer electronic equipment has been slow to recover, while demand for automotive and industrial equipment remains sluggish.
- Our 1Q revenue and profit decreased YoY as sales of equipment in China, which had been concentrated in the same period of the previous year, normalized. Sales and modifications of equipment for advanced devices are booming.

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

- Although some semiconductor device manufacturers have reached a transitional period for capital investment, capital investment is expected to continue for the generation shift in advanced devices.
- 1H as a whole is expected to be as planned. Revenue is expected to grow mainly in equipment sales in 2H. No change to full-year earnings forecast.

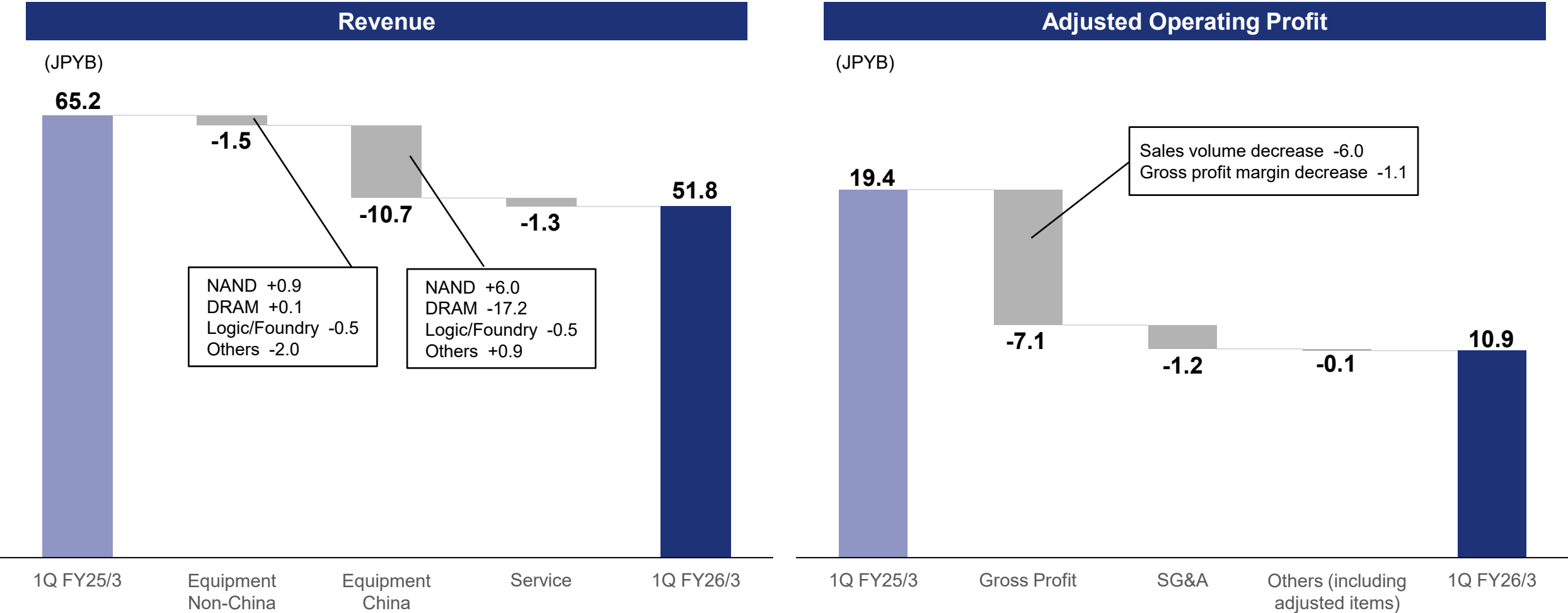
# Consolidated Results Summary

In line with our revenue and profit plan, which is heavily concentrated in 2H, revenue and profits for 1Q decreased YoY and QoQ. While the net income margin is expected to be higher in 2H than in 1H, the gross profit margin for 1Q was generally in line with the plan and exceeded the full-year results for the previous fiscal year.

	(JPYB)	FY25/3					FY26/3		
		1Q	2Q	3Q	4Q	Full Year	1Q	YoY	QoQ
Revenue		65.2	49.3	60.1	64.3	238.9	51.8	-20.6%	-19.4%
Gross profit		29.4	22.0	24.9	25.5	101.7	22.2	-24.3%	-12.9%
Gross profit margin		45.0%	44.6%	41.4%	39.7%	42.6%	42.9%	-2.1pts	+3.2pts
Adjusted operating profit		19.4	11.3	13.9	13.2	57.8	10.9	-43.8%	-17.4%
Adjusted operating profit margin		29.7%	22.9%	23.1%	20.5%	24.2%	21.1%	-8.6pts	+0.6pts
Adjusted net income		14.3	7.3	9.6	11.1	42.3	7.6	-47.0%	-31.2%
Adjusted net income margin		22.0%	14.7%	16.0%	17.2%	17.7%	14.7%	-7.3pts	-2.5pts
Operating profit		17.9	9.6	12.3	11.6	51.3	9.7	-45.6%	-16.3%
Operating profit margin		27.4%	19.4%	20.4%	18.1%	21.5%	18.8%	-8.6pts	+0.7pts
Income before income tax		17.7	10.2	11.2	11.6	50.8	9.3	-47.5%	-19.7%
Income before income tax margin		27.2%	20.7%	18.7%	18.1%	21.3%	18.0%	-9.2pts	-0.1pts
Net income		13.3	4.8	8.0	9.9	36.0	6.8	-49.1%	-31.9%
Net income margin		20.4%	9.6%	13.3%	15.5%	15.1%	13.1%	-7.3pts	-2.4pts
R&D expenses		3.3	3.9	3.8	4.6	15.6	3.9	+15.0%	-15.9%
Capital expenditures		11.2	3.0	2.5	3.6	20.3	2.3	-79.5%	-36.5%
Depreciation & amortization		2.9	3.0	3.3	3.4	12.6	3.4	+17.3%	+1.8%
Dividend per share(JPY)		-	18	-	19	37	-	-	-

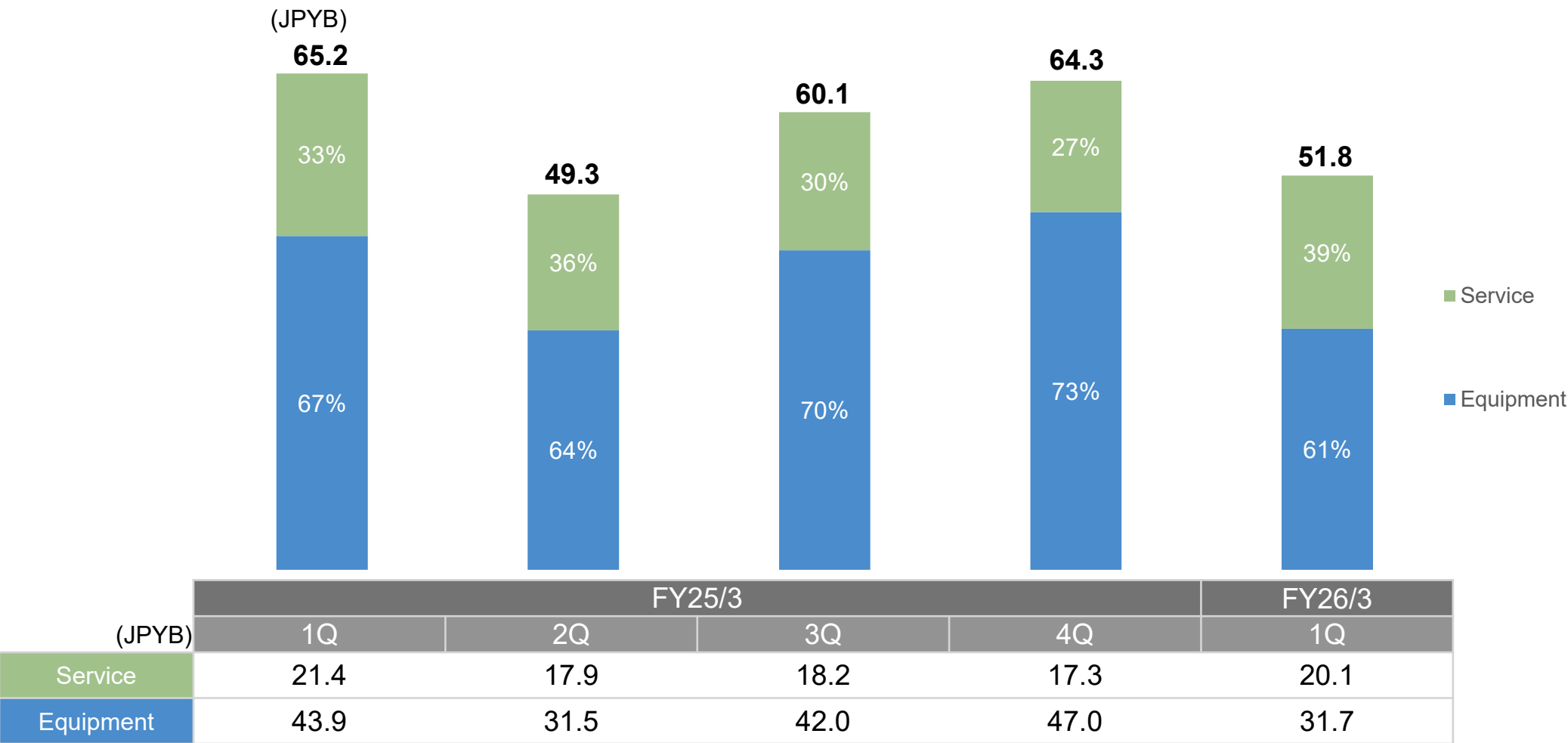
# 1Q FY26/3 Results: Factors for Changes

Revenue decreased 21% YoY as shipments of equipment for China, which were concentrated in 1Q of the previous fiscal year, normalized. Adjusted operating profit decreased 44% YoY, mainly due to a decrease in gross profit resulting from reduced sales.



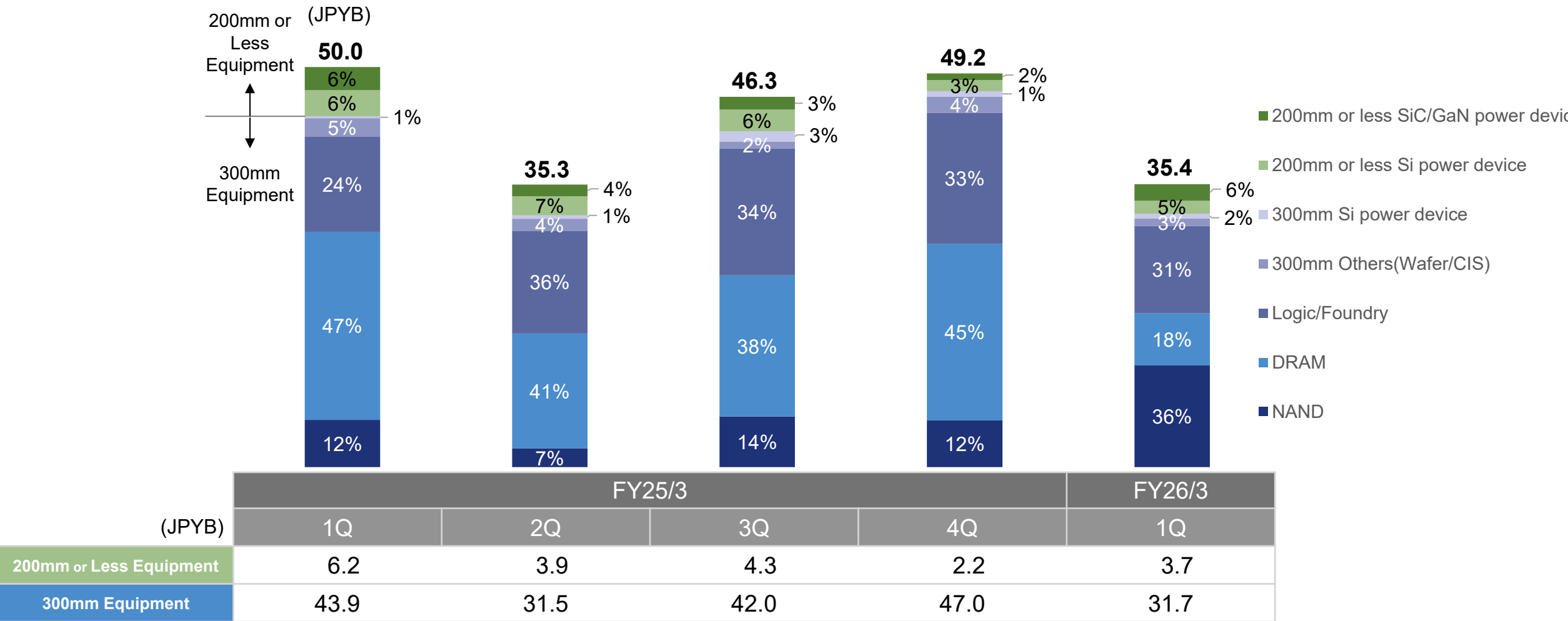
# Quarterly Revenues by Business

In 1Q, equipment and service revenue decreased 28% and 6% YoY, respectively. Compared with the previous quarter, equipment revenue decreased and service revenue increased. The ratio of service revenue to total revenue increased.



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

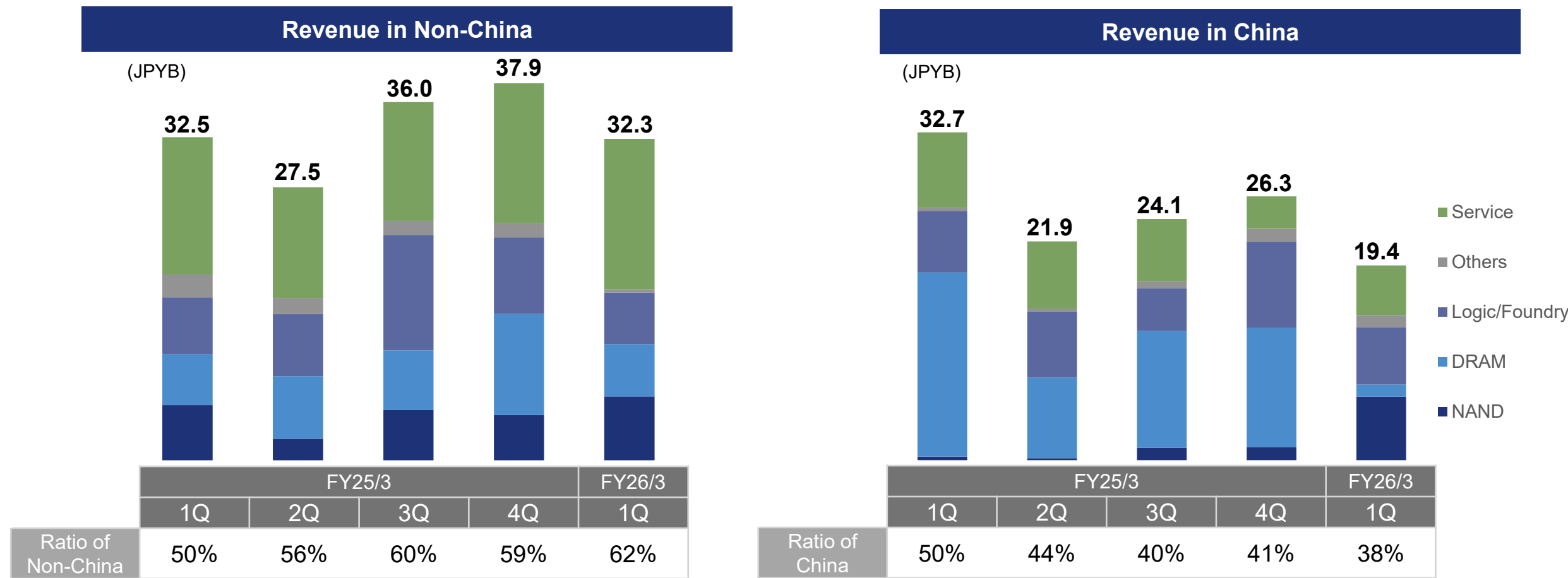
In 1Q, revenue for NAND increased 116%, DRAM decreased 73%, and Logic/Foundry decreased 8% YoY. Compared with the previous quarter, revenue for NAND grew, while revenue for DRAM and Logic/Foundry decreased , but revenue for advanced devices remained strong.





# Quarterly Revenues by Account\*1

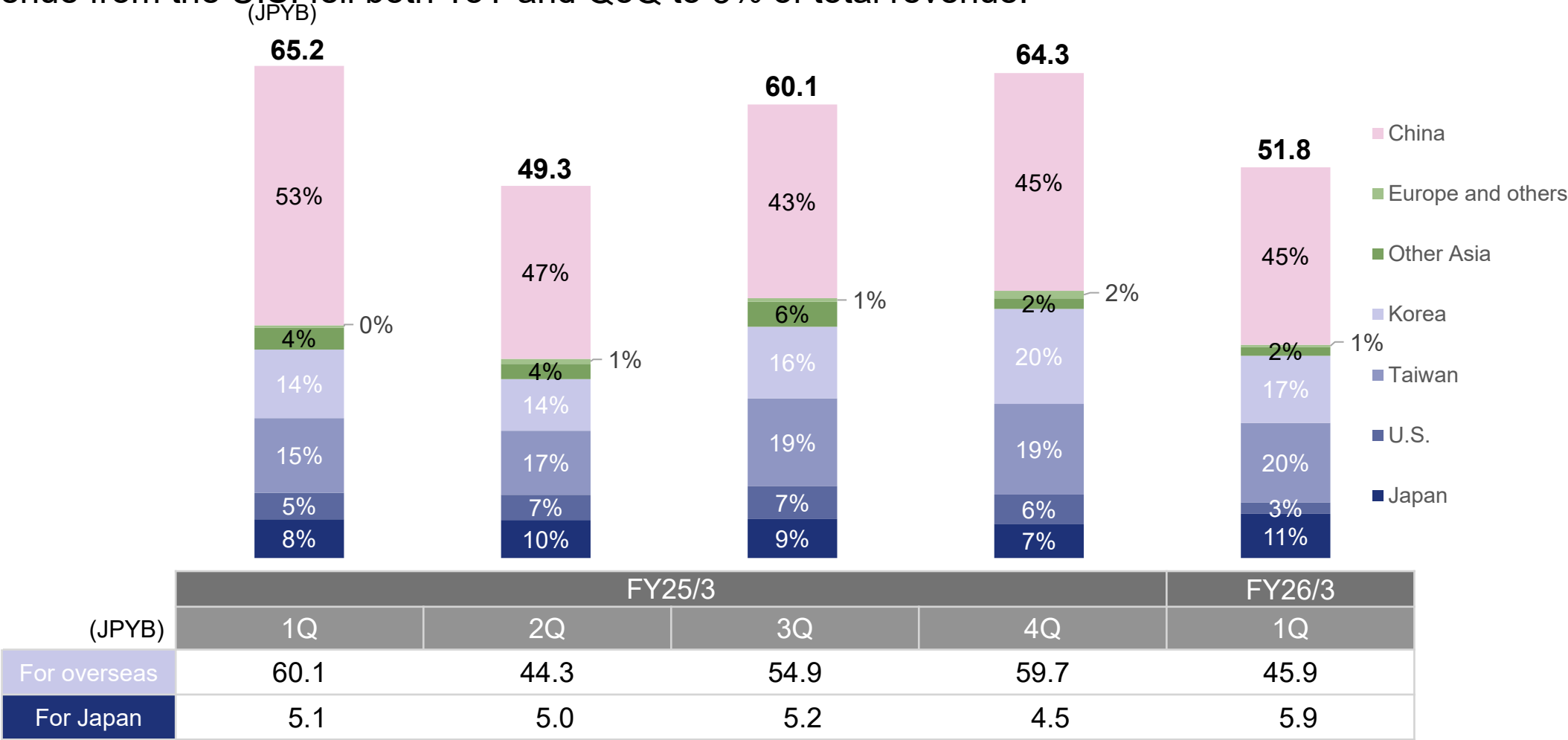
Revenue in Non-China for NAND increased QoQ due to generation shift investments, while revenue for DRAM and Logic/Foundry decreased due to the concentration in 2H. Revenue in China increased significantly for NAND due to the recovery of investment, decreased significantly for DRAM due to the transitional period for investment, and decreased for Logic/Foundry due to sluggish investment by emerging manufacturers. The ratio of revenue from China declined to 38%.



# Quarterly Revenues by Destination

Revenue from Japan and Taiwan increased YoY. Compared with the previous quarter, revenue from Japan increased.

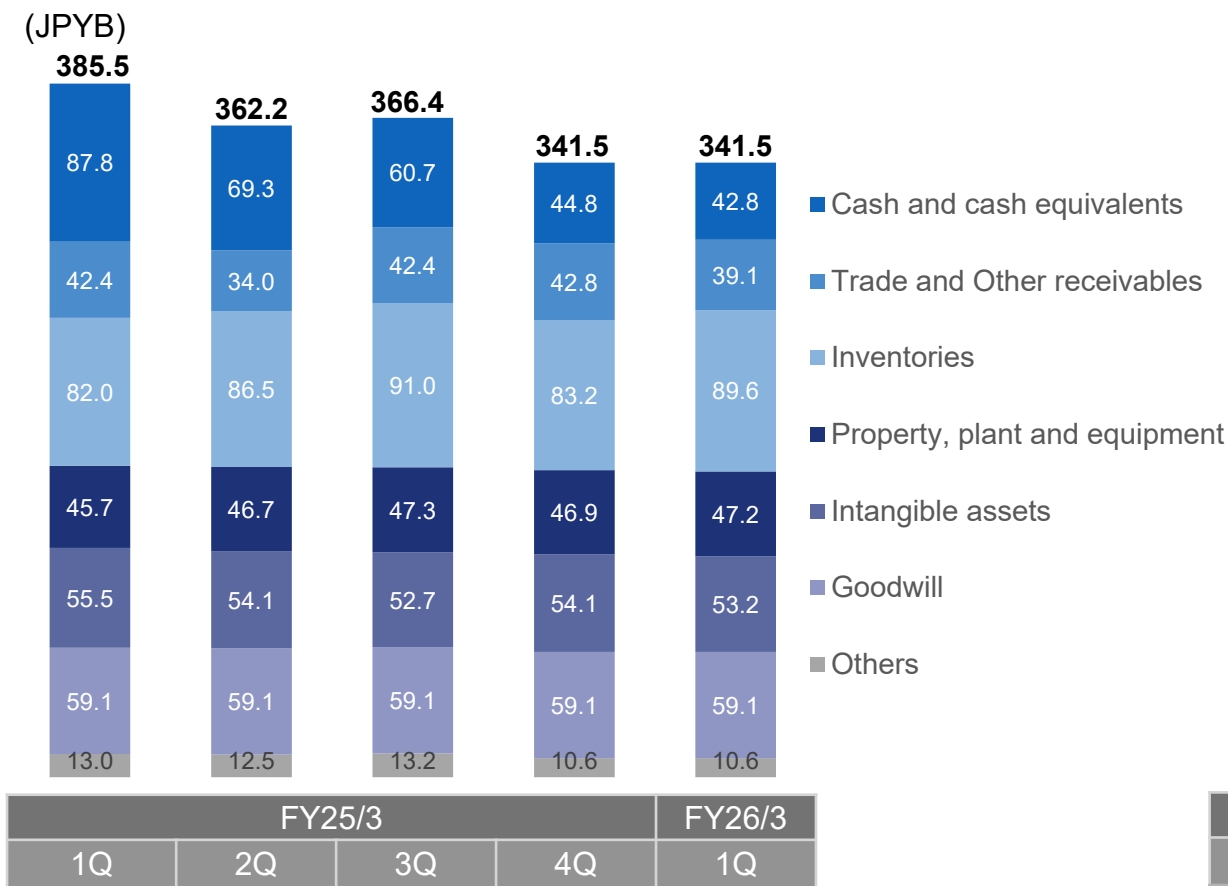
Revenue from the U.S. fell both YoY and QoQ to 3% of total revenue.



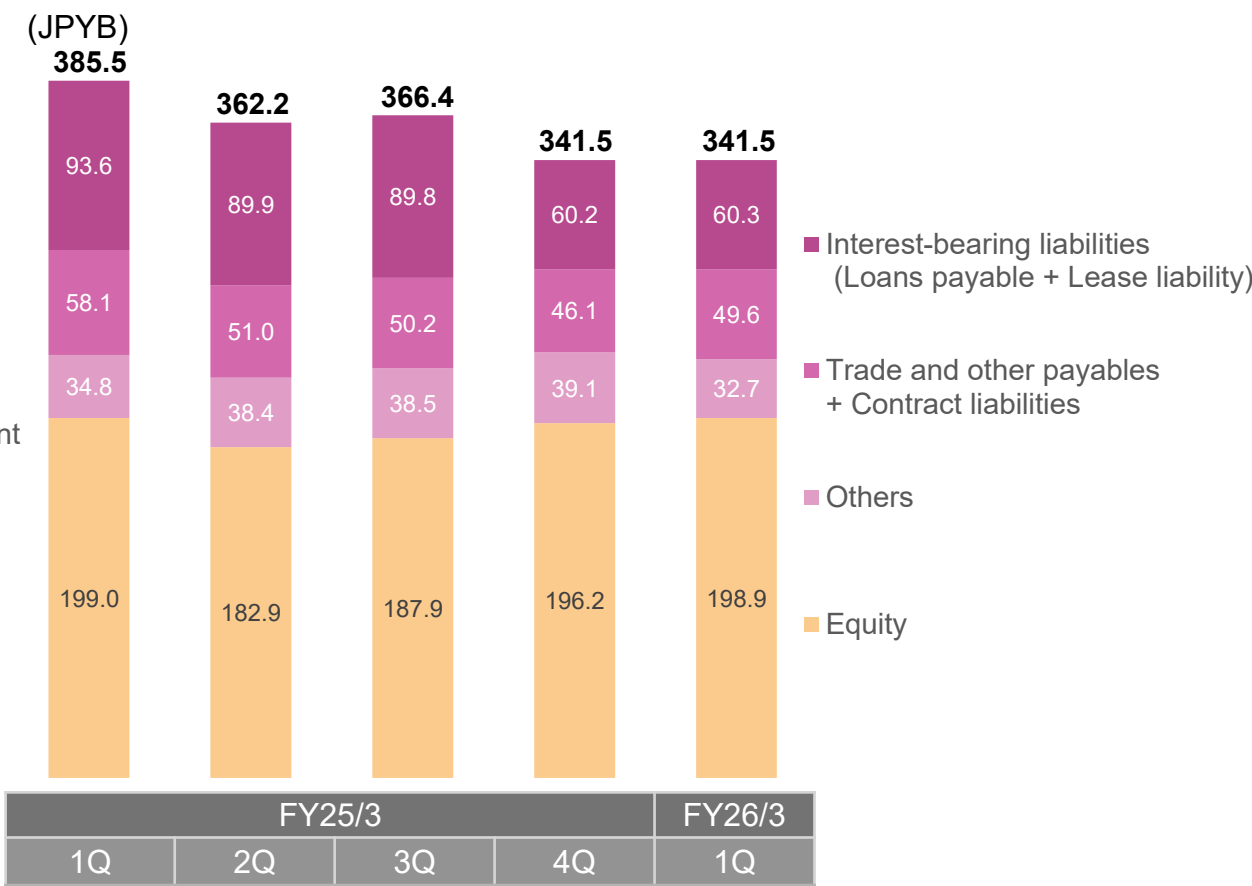
# Quarterly Balance Sheet

Total assets remained the same as the end of the previous fiscal year despite a decrease in cash and cash equivalents as well as trade and other receivables, due to an increase in inventories as a result of increase in production. Total equity increased by JPY 2.7 bn from the end of the previous fiscal year due to an increase in retained earnings.

## Assets

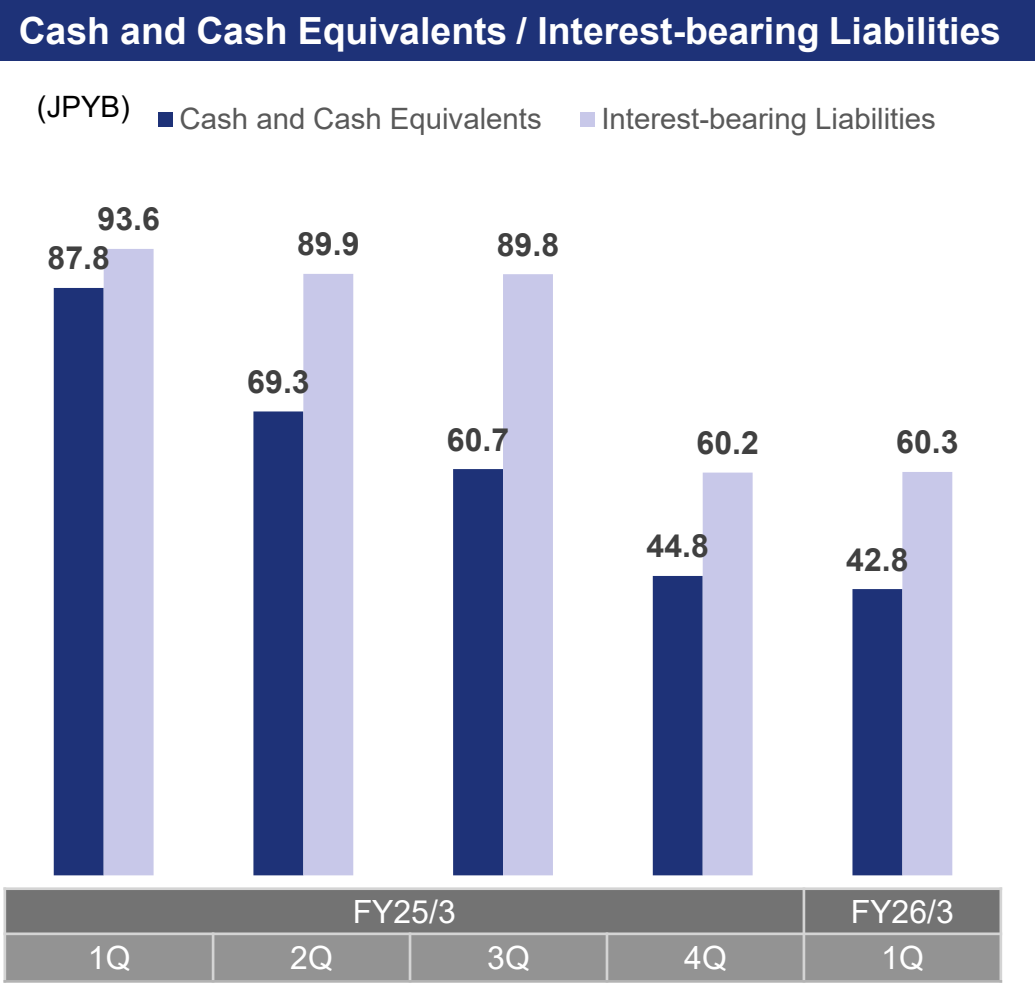
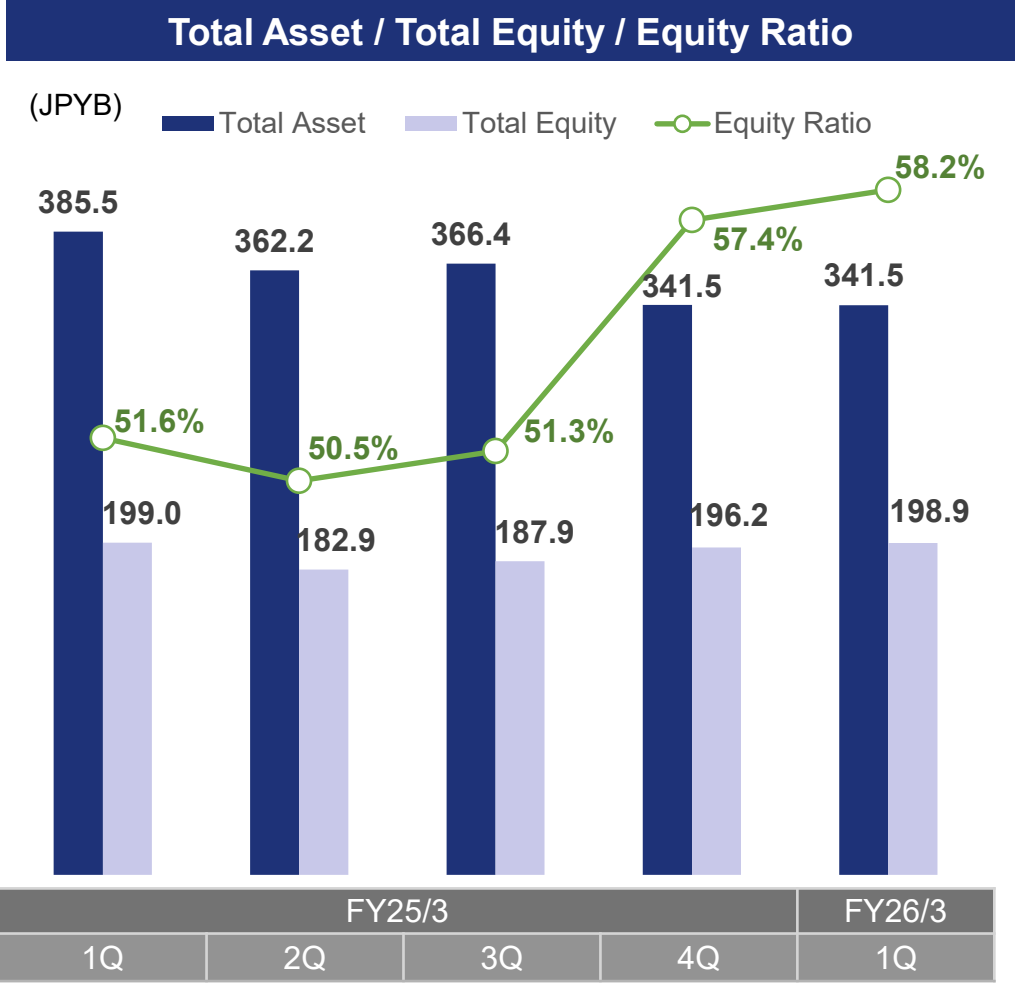


## Liabilities / Equity



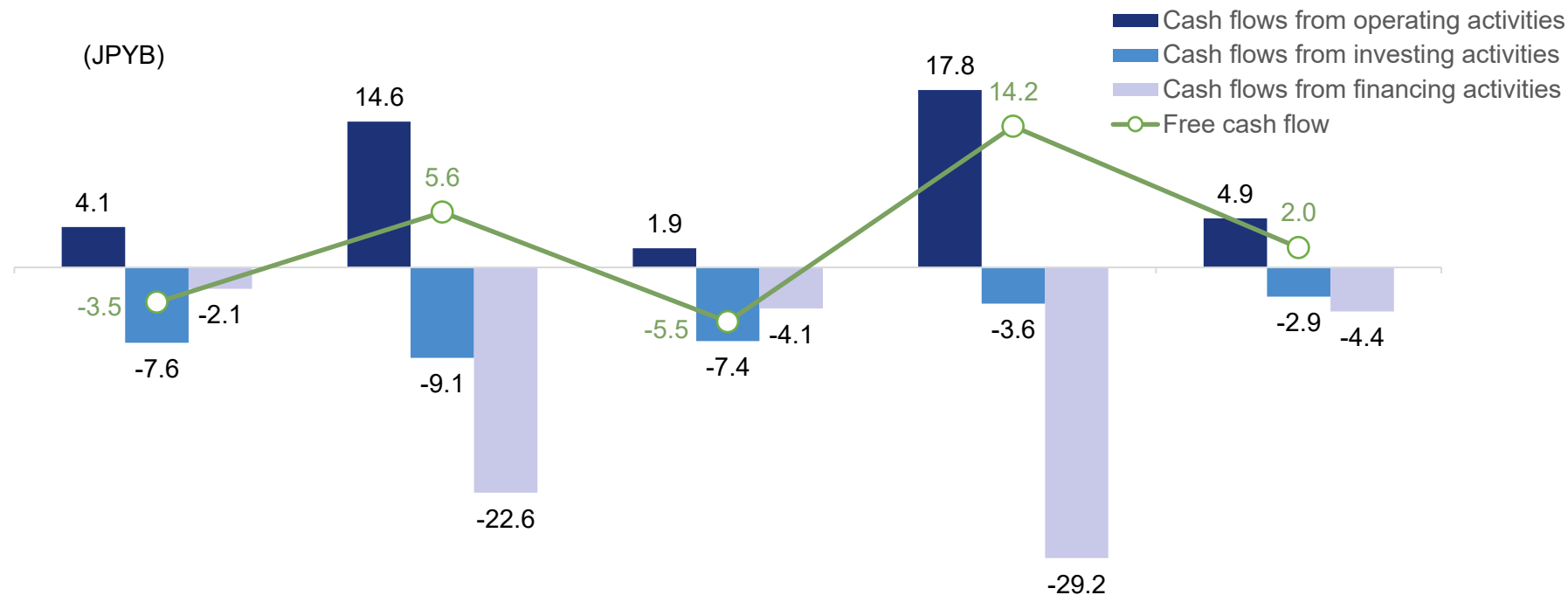
# Quarterly Equity Ratio / Cash and Cash Equivalents / Interest-bearing Liabilities

The equity ratio was 58.2%, up 0.8 percentage points from the end of the previous fiscal year.  
Net debt at the end of 1Q was JPY 17.5 bn, in line as planned.



# Quarterly Cash Flows

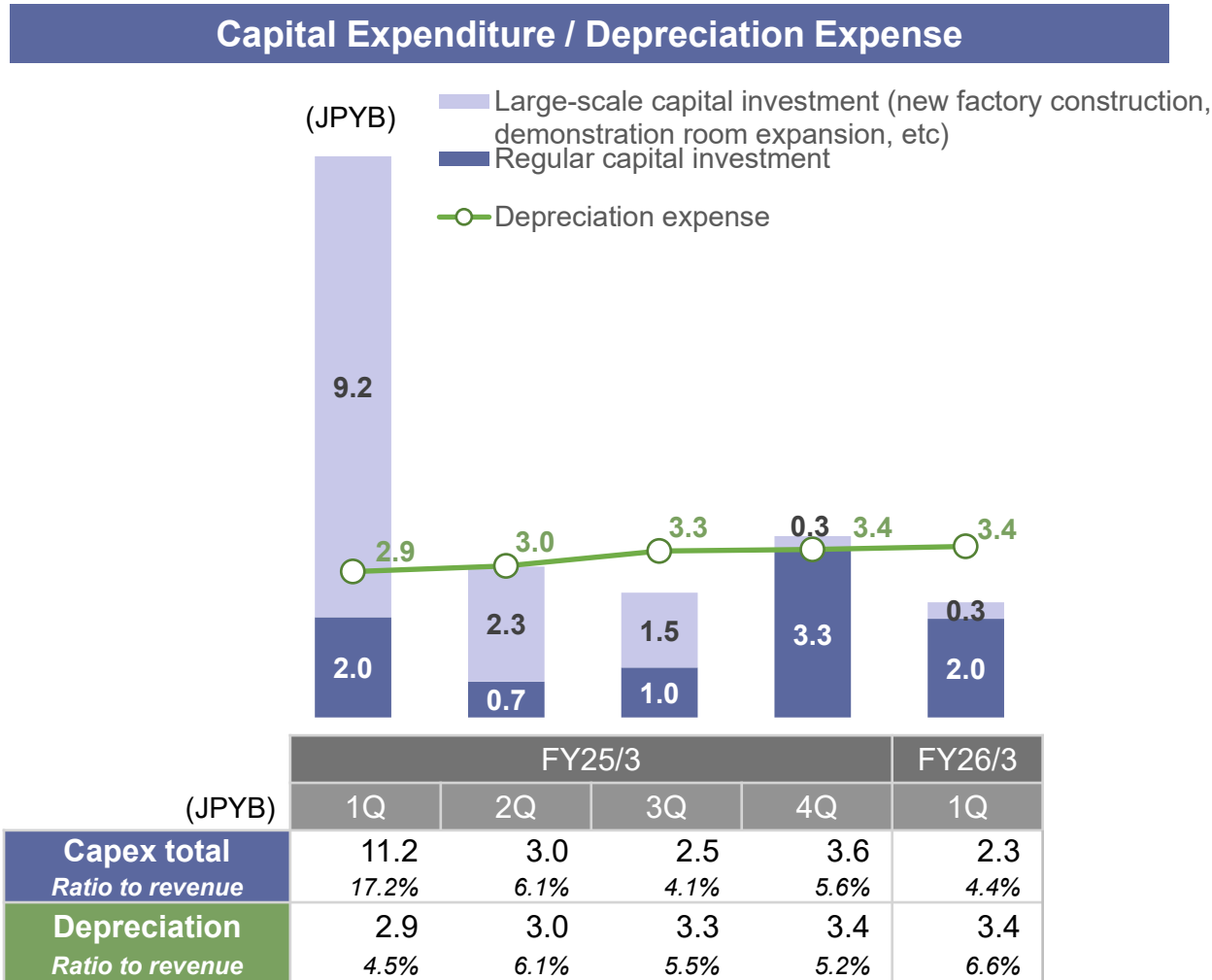
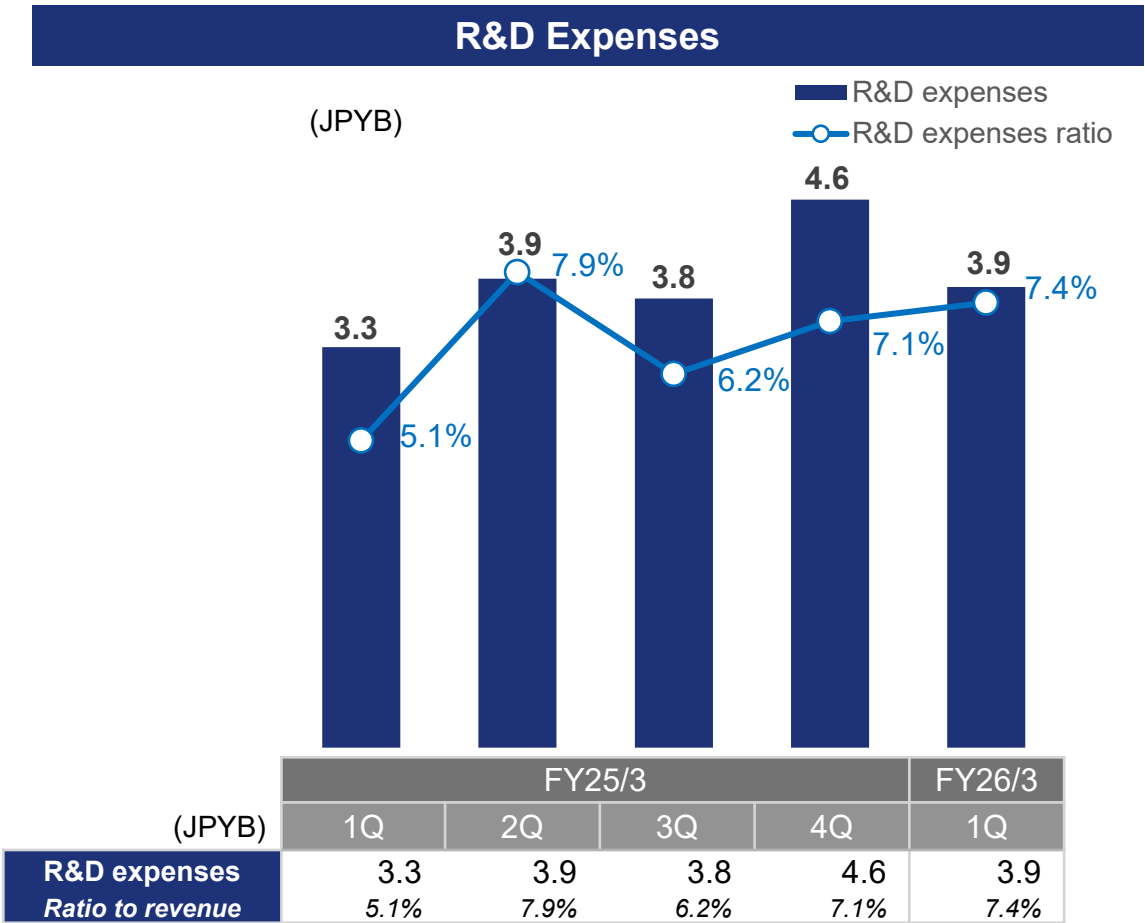
In 1Q, cash flows from operating activities exceeded cash flows from investing activities, resulting in free cash flow of JPY 2bn. Cash outflow in financing activities amounted to JPY 4.4bn due to payment of dividends.



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

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

1Q R&D expenses were as planned. The R&D expenses ratio increased to 7.4% due to a decline in revenue.





## Consolidated Earnings Forecast for FY26/3

## Summary of Consolidated Results for 1Q FY26/3

- The semiconductor device market saw high levels of capital investment, mainly in high-performance Logic and DRAM for generative AI applications. Capital investment in NAND has resumed. Demand for consumer electronic equipment has been slow to recover, while demand for automotive and industrial equipment remains sluggish.
- Our 1Q revenue and profit decreased YoY as sales of equipment in China, which had been concentrated in the same period of the previous year, normalized. Sales and modifications of equipment for advanced devices are booming.

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

- Although some semiconductor device manufacturers have reached a transitional period for capital investment, capital investment is expected to continue for the generation shift in advanced devices.
- 1H as a whole is expected to be as planned. Revenue is expected to grow mainly in equipment sales in 2H. No change to full-year earnings forecast.



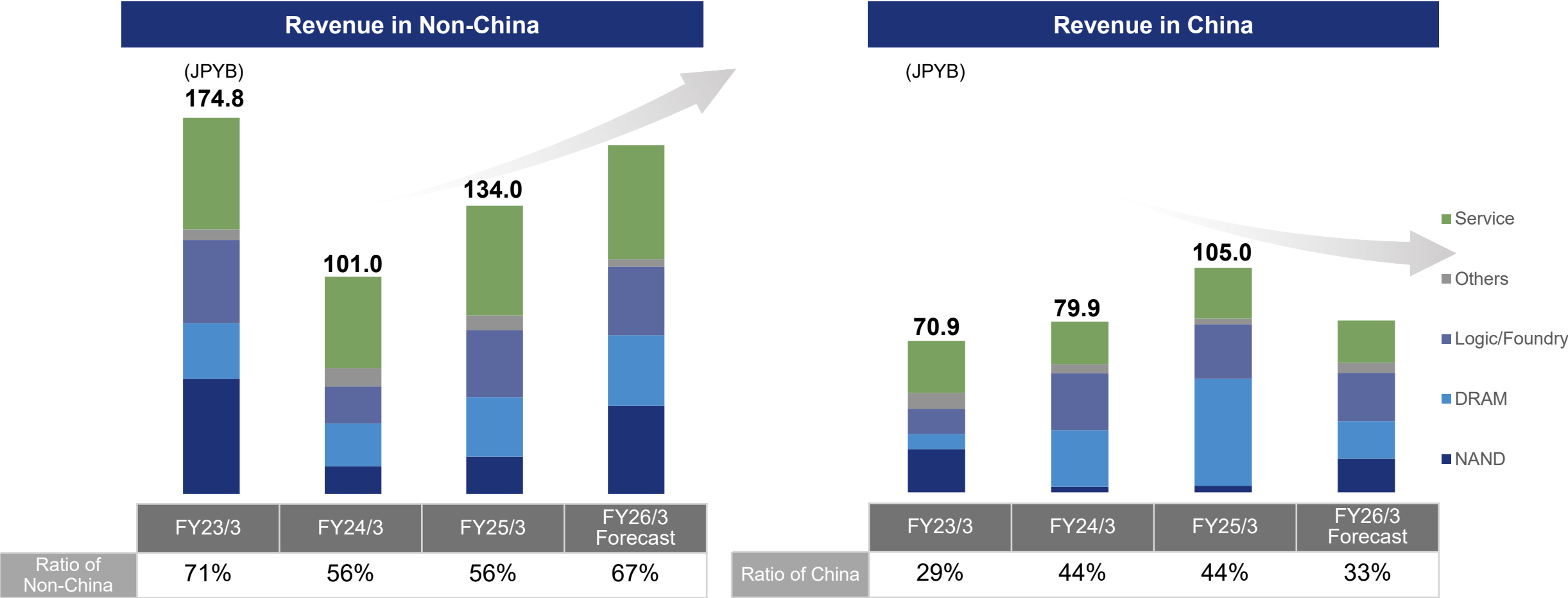
# FY26/3 Earnings Forecast (Announced on May 13)

In FY26/3, no changes to the forecast of a 2% YoY increase in revenue and a slight decrease in adjusted operating profit and adjusted net income due to the impact of upfront investments. We will scrutinize the 2H forecast at the time of the 2Q results announcement, including the indirect impact of tariff policies already incorporated into the initial plan.

(JPYB)	FY25/3			FY26/3			
	1H	2H	Full Year	1H forecast	2H forecast	Full year Forecast	YoY
Revenue	114.5	124.4	238.9	104.0	140.0	244.0	+2.1%
Gross profit	51.4	50.4	101.7	44.1	60.3	104.4	+2.7%
Gross profit margin	44.8%	40.5%	42.6%	42.3%	43.2%	42.8%	+0.2pts
Adjusted operating profit	30.7	27.1	57.8	20.0	35.3	55.2	-4.4%
Adjusted operating profit margin	26.8%	21.8%	24.2%	19.2%	25.1%	22.6%	-1.6pts
Adjusted net income	21.6	20.7	42.3	14.0	26.0	40.1	-5.2%
Adjusted net income margin	18.9%	16.6%	17.7%	13.5%	18.6%	16.4%	-1.3pts
Operating profit	27.4	23.9	51.3	17.0	32.2	49.2	-4.1%
Operating profit margin	24.0%	19.2%	21.5%	16.3%	23.0%	20.2%	-1.3pts
Income before income tax	27.9	22.8	50.8	16.5	31.9	48.4	-4.7%
Income before income tax margin	24.4%	18.4%	21.3%	15.9%	22.8%	19.8%	-1.5pts
Net income	18.1	18.0	36.0	11.9	24.0	36.0	-0.0%
Net income margin	15.8%	14.4%	15.1%	11.4%	17.2%	14.7%	-0.3pts
Dividend per share (JPY)	18	19	37	18	18	36	-1
Dividends payout ratio	-	-	20.4%	-	-	20.9%	+0.5%

# FY26/3 Earnings Forecast: Revenues by Account\*<sup>1</sup> (Announced on May 13)

Revenue in Non-China is expected to increase for 3D NAND, advanced DRAM, and Logic GAA.  
Revenue in China is expected to recover for the first time in three quarters for NAND, despite the transitional period for investment for DRAM.



\*1 Classification for Non-China device manufacturers and China device manufacturers



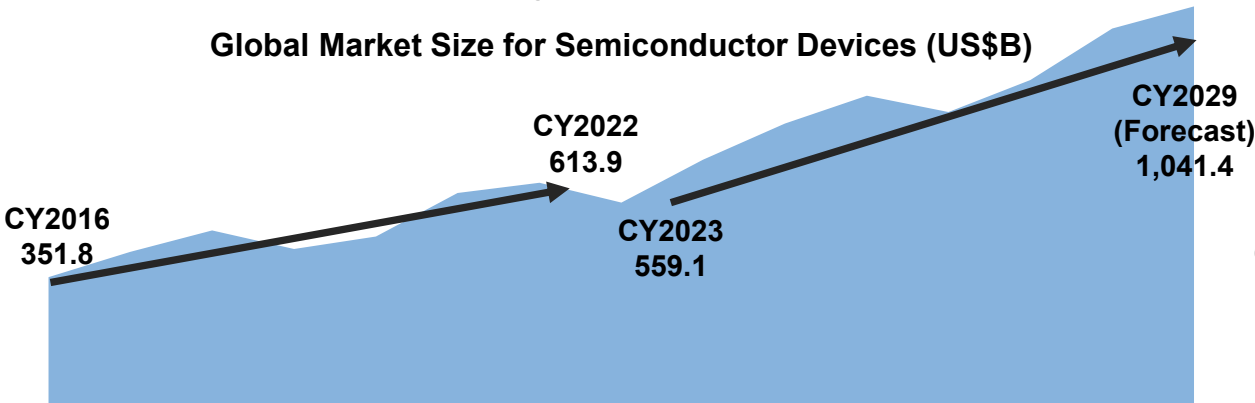
## Future Outlook

# Business Environment

No change in the outlook for CY25 WFE, which is expected to remain on par with CY24. No change in the outlook for strong performance in advanced devices, stagnation in mature node Logic/Foundry, and delayed recovery of general-purpose memory. No change in the outlook for significant growth over the long term.

## Outlook for Semiconductor Device Market

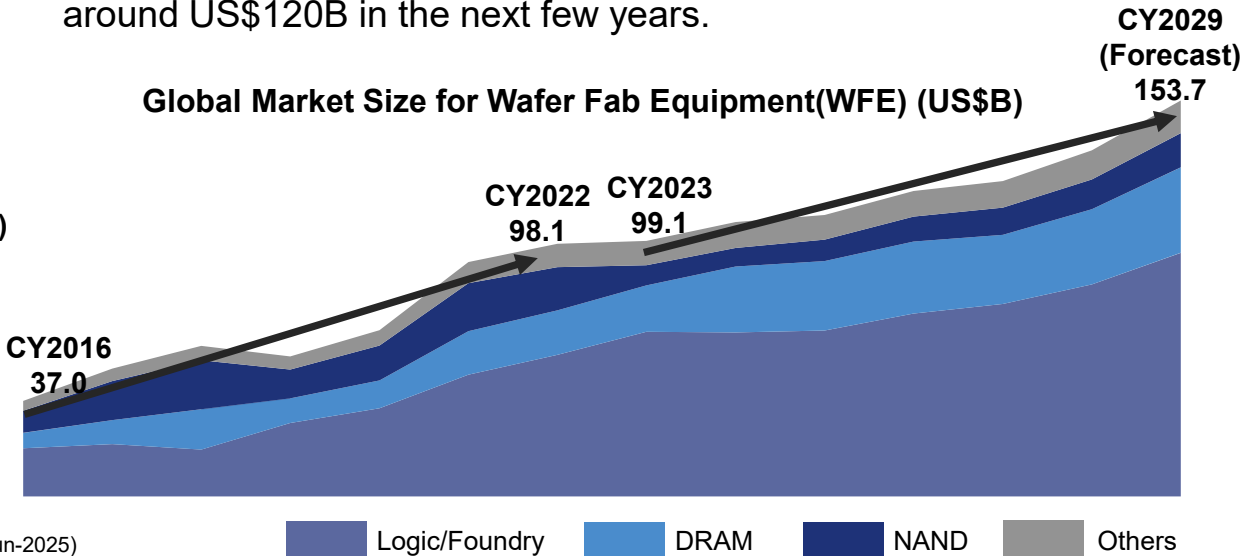
- In the semiconductor device market, demand related to generative AI continues to be the main driver, while general-purpose DRAM is lagging behind in their recovery.
- Capital investment for mature nodes is calming down. Demand for China will continue at a reasonable scale while demand for Europe and the US will remain restrained.
- In the medium to long term, significant growth is expected due to increasing demand for electronic equipment, expansion of data centers, and investment in green transformation, etc.



Source :Techinsights Inc. 2025-06-14 – Semiconductor Forecast Q2 2025 Update  
Techinsights Inc. IC MANUFACTURING EQUIPMENT MARKET HISTORY AND FORECAST (2019 - 2029) (Jun-2025)

## Wafer Fab Equipment (WFE) Market

- Demand for equipment for advanced devices continues to increase. Demand for equipment for mature nodes is expected to settle down.
- WFE scale in CY25 is expected to be at the same level as CY24, with a 10 to 20% YoY increase for Non-China and a 20 to 30% YoY decline for China.
- WFE is expected to grow significantly in the medium to long term, and we do not change our assumption that the market will grow to around US\$120B in the next few years.



# Business environment by application and our status

Revenue from equipment for Logic/Foundry and DRAM advanced devices is expected to continue to drive demand for equipment in Non-China. For NAND, demand for high-value-added equipment is expected to continue in line with the generation shift in both Non-China and China.

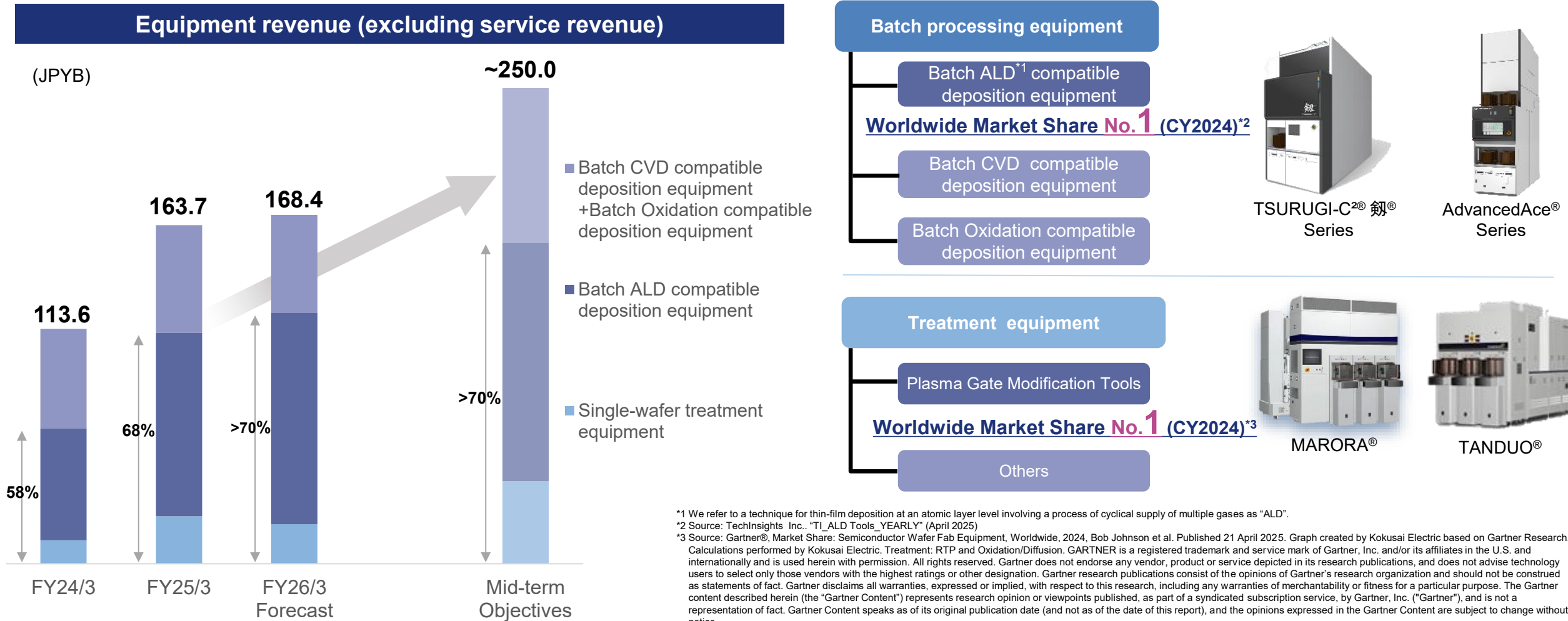
The underlines indicate the main changes since the announcement of the FY25/3 financial results.

	Business Environment	Our Initiatives
NAND	<ul style="list-style-type: none"><li>- Demand for equipment is recovering in line with <u>device generation shift</u> in Non-China.</li><li>- Demand for equipment in China is also <u>recovering for the first time in three years</u>.</li></ul>	<ul style="list-style-type: none"><li>• With <u>the shift in device generations</u>, there is an increase in replacement and modification of high value-added products.</li><li>• Revenue in China recovered <u>mainly in 1H</u>. Revenue in Non-China is expected to <u>recover from 1H and expand in 4Q</u>.</li></ul>
DRAM	<ul style="list-style-type: none"><li>- Demand for HBM expanded, leading to an increase <u>in demand for equipment toward a shift in device generation and an expansion of production scale</u>.</li><li>- <u>Demand temporarily declined in 1H of CY25</u>, when major Chinese device manufacturers were in a transitional period for investment.</li></ul>	<ul style="list-style-type: none"><li>- <u>Technology investment in the D1c generation led to an increase in revenue from equipment and modifications</u>. We aim to further expand POR in the next generation.</li><li>- <u>Given the indirect impact of tariffs</u>, we have carefully estimated <u>device manufacturers' investments to expand production capacity</u>.</li></ul>
Logic/Foundry	<ul style="list-style-type: none"><li>- Aggressive investments by major device manufacturers drive <u>demand for advanced node equipment</u>.</li><li>- <u>Demand for mature node equipment in China</u> will remain at a reasonable level, while <u>demand for Europe and the U.S.</u> will remain restrained for a certain period.</li></ul>	<ul style="list-style-type: none"><li>- Sales for <u>the first generation of GAA</u> are increasing steadily, and we expect sales to expand in the future with the shift to <u>the second generation of GAA and CFET</u>.</li><li>- We prepare for demand recovery by continuing efforts to increase market share for <u>mature nodes in Europe and the U.S.</u>.</li></ul>
SiC Power Devices (Service Business)	<ul style="list-style-type: none"><li>- Demand is decreasing in many countries around the world, but <u>demand continues in China</u>.</li><li>- Demand is expected to expand as wafer size <u>shifts from 150mm to 200mm</u>.</li></ul>	<ul style="list-style-type: none"><li>• Sales of existing products increased, and <u>the first POR was achieved for new high-temp. activation annealing product</u>.</li><li>• We are also focusing on <u>developing new solutions</u> related to ALD*1.</li></ul>

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

# Current Status and Outlook for Product Composition (Announced on May 13)

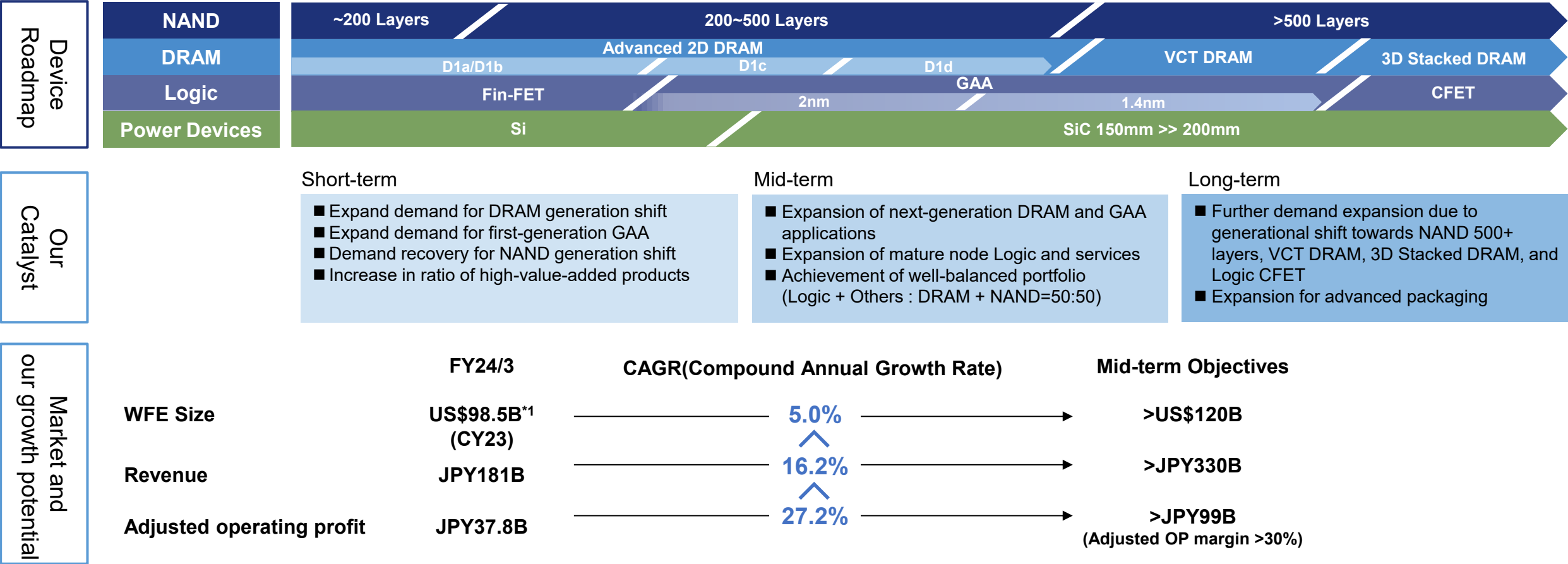
Along with the generation shift of devices, the composition ratio of batch ALD<sup>\*1</sup>-compatible equipment and single-wafer treatment equipment is rising. The impact of the revenue ratio decline in China is expected to be offset, resulting in improved profitability.



# Summary (Announced on May 13)

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

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

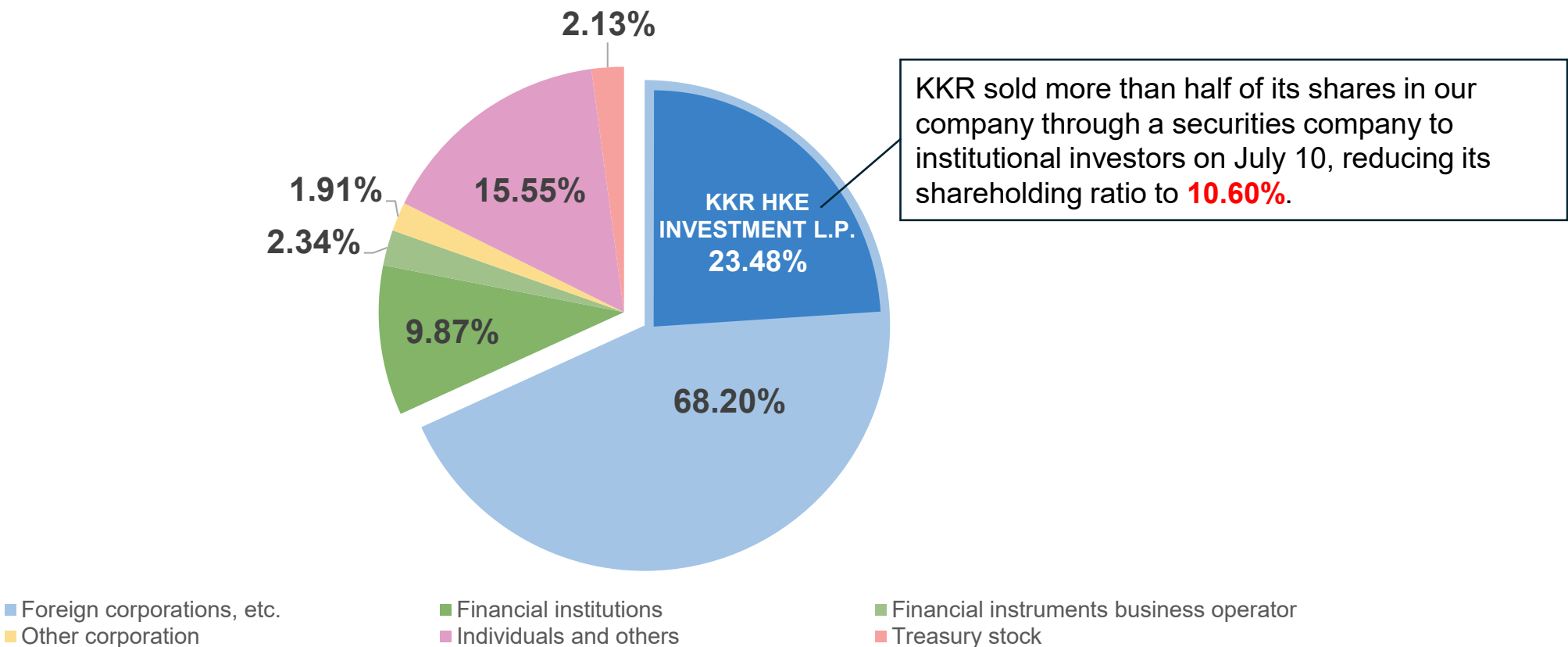


\*1 Source :TechInsights Inc. IC MANUFACTURING EQUIPMENT MARKET HISTORY AND FORECAST (2019 - 2029) (March 2025)

# Sold of a Portion of Shares Held by KKR

KKR sold a portion of its shares in our company to institutional investors, reducing KKR's shareholding ratio to 11%.

Distribution of Ownership among Shareholders (as of March 31, 2025)







# Appendix

# Key Activities for 1Q FY26/3

## Business Activities

- 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. (June 2025)
- Awarded “Top 10 Customer Service” for 28 consecutive years in the TechInsights Semiconductor Supplier Awards. (May 2025)
- Exhibit at SEMICON® Southeast Asia 2025. (May 2025)
- Participating in “MEMS Engineer FORUM 2025”. (April 2025)



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

## ESG Initiatives

- Selected as a constituent stock of the major ESG investment index "FTSE Blossom Japan Sector Relative Index". (June 2025)
- Outdoor Environmental Classes Held at Preschools. (May 2025)
- Participating in Global Initiative "RE100" toward using 100% renewable electricity. (April 2025)
- The Toyama Technology & Manufacturing Center Increases the Ratio of Electricity Usage from “Toyama Mizu-no-Sato Denki” to 35% of the Total Usage. (April 2025)
- Sponsorship of “2025 Tonami Tulip Fair” in Tonami City, Toyama Prefecture. (April 2025)
- Gold Partner Sponsorship for the Toyama Marathon 2025. (April 2025)



Gold Partner Sponsorship for the Toyama Marathon 2025

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

(JPYM)	FY25/3					FY26/3
	1Q	2Q	3Q	4Q	Full Year	1Q
<b>Revenue</b>	<b>65,224</b>	<b>49,324</b>	<b>60,117</b>	<b>64,268</b>	<b>238,933</b>	<b>51,789</b>
<b>Gross profit</b>	<b>29,354</b>	<b>22,012</b>	<b>24,865</b>	<b>25,512</b>	<b>101,743</b>	<b>22,220</b>
<i>Gross profit margin</i>	45.0%	44.6%	41.4%	39.7%	42.6%	42.9%
<b>Adjusted operating profit</b>	<b>19,382</b>	<b>11,299</b>	<b>13,876</b>	<b>13,196</b>	<b>57,753</b>	<b>10,902</b>
<i>Adjusted operating profit margin</i>	29.7%	22.9%	23.1%	20.5%	24.2%	21.1%
<b>Adjusted net income</b>	<b>14,345</b>	<b>7,262</b>	<b>9,646</b>	<b>11,050</b>	<b>42,303</b>	<b>7,598</b>
<i>Adjusted net income margin</i>	22.0%	14.7%	16.0%	17.2%	17.7%	14.7%
<b>Operating profit</b>	<b>17,878</b>	<b>9,562</b>	<b>12,274</b>	<b>11,606</b>	<b>51,320</b>	<b>9,717</b>
<i>Operating profit margin</i>	27.4%	19.4%	20.4%	18.1%	21.5%	18.8%
<b>Income before income tax</b>	<b>17,747</b>	<b>10,195</b>	<b>11,241</b>	<b>11,606</b>	<b>50,789</b>	<b>9,322</b>
<i>Income before income tax margin</i>	27.2%	20.7%	18.7%	18.1%	21.3%	18.0%
<b>Net income</b>	<b>13,302</b>	<b>4,751</b>	<b>8,004</b>	<b>9,947</b>	<b>36,004</b>	<b>6,776</b>
<i>Net income margin</i>	20.4%	9.6%	13.3%	15.5%	15.1%	13.1%
<b>R&amp;D expenses</b>	<b>3,348</b>	<b>3,920</b>	<b>3,755</b>	<b>4,581</b>	<b>15,604</b>	<b>3,851</b>
<b>Capital expenditures</b>	<b>11,215</b>	<b>3,015</b>	<b>2,494</b>	<b>3,624</b>	<b>20,348</b>	<b>2,302</b>
<b>Depreciation and amortization</b>	<b>2,914</b>	<b>3,027</b>	<b>3,328</b>	<b>3,357</b>	<b>12,625</b>	<b>3,417</b>

# Reconciliation of Adjusted Items

(JPYM)	FY25/3					FY26/3
	1Q	2Q	3Q	4Q	Full Year	1Q
<b>Operating profit</b>	<b>17,878</b>	<b>9,562</b>	<b>12,274</b>	<b>11,606</b>	<b>51,320</b>	<b>9,717</b>
Other income	-92	187	-28	-41	-348	-304
Other expenses	27	78	79	69	253	18
(Adjustments)						
Purchase price allocation amortization	1,479	1,477	1,475	1,476	5,907	1,476
Stand-alone related expenses	12	298	3	4	317	-
Stock-based compensation (except for performance-linked stock compensation)	78	71	73	82	304	-5
Total adjustments	1,569	1,846	1,551	1,562	6,528	1,471
<b>Adjusted Operating Profit</b>	<b>19,382</b>	<b>11,299</b>	<b>13,876</b>	<b>13,196</b>	<b>57,753</b>	<b>10,902</b>
<b>Net income</b>	<b>13,302</b>	<b>4,751</b>	<b>8,004</b>	<b>9,947</b>	<b>36,004</b>	<b>6,776</b>
Other income	-92	-187	-28	-41	-348	-304
Other expenses	27	78	79	69	253	18
(Adjustments)						
Purchase price allocation amortization	1,479	1,477	1,475	1,476	5,907	1,476
Stand-alone related expenses	12	298	3	4	317	-
Stock-based compensation (except for performance-linked stock compensation)	78	71	73	82	304	-5
Tax adjustment to total adjustments	-461	-531	-491	-487	-1,970	-363
One-time tax expense adjustment	-	1,305	531	-	1,836	-
<b>Adjusted Net Income</b>	<b>14,345</b>	<b>7,262</b>	<b>9,646</b>	<b>11,050</b>	<b>42,303</b>	<b>7,598</b>

# Balance Sheet and Key Financial Indicators

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

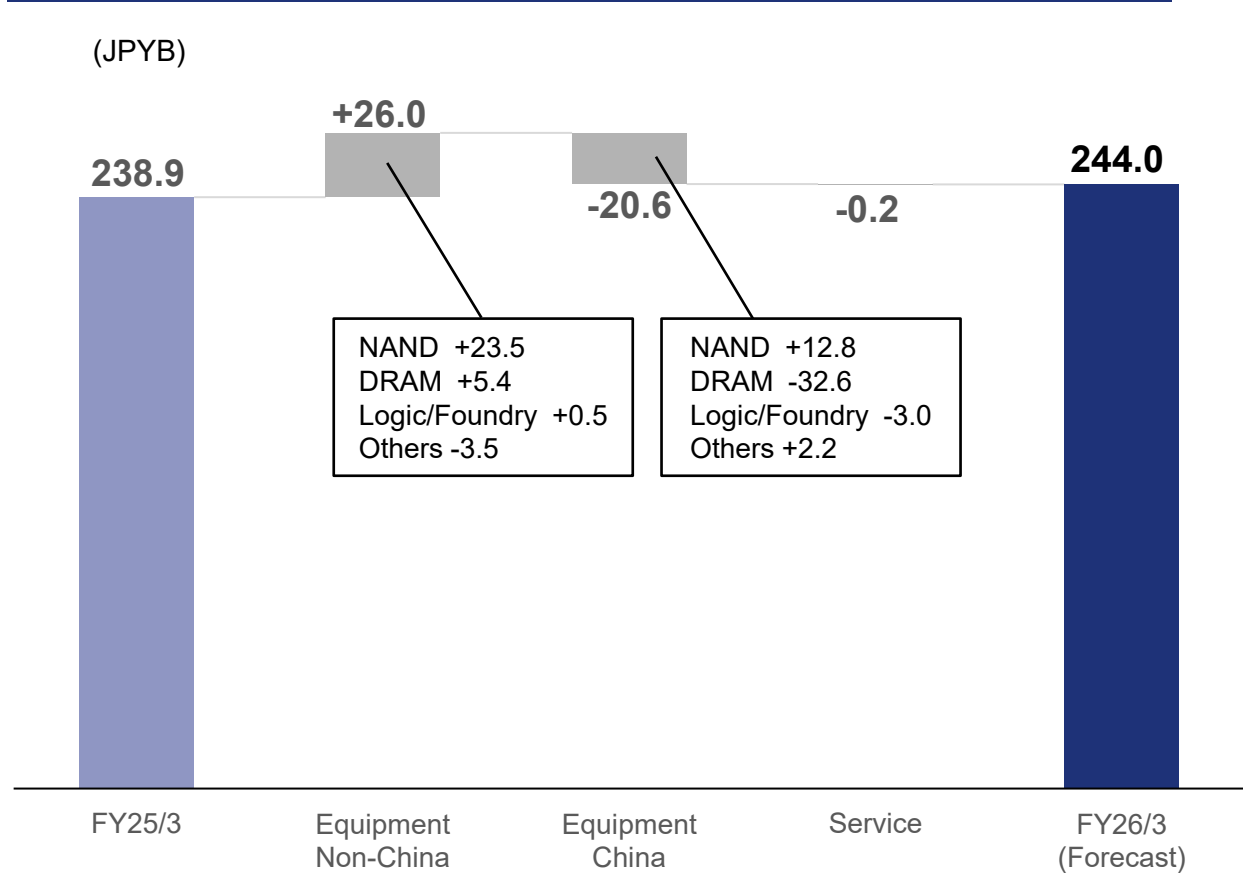
# Cash Flow Statement

(JPYM)	FY25/3					FY26/3
	1Q	2Q	3Q	4Q	Full Year	1Q
CF from operating activities	4,073	14,649	1,936	17,819	38,477	4,923
CF from investing activities	- 7,582	- 9,090	- 7,393	- 3,641	- 27,706	- 2,942
Free CF	- 3,509	5,559	- 5,457	14,178	10,771	1,981
CF from financing activities	- 2,143	- 22,628	- 4,128	- 29,207	- 58,106	- 4,423
Cash and cash equivalents at beginning balance	92,619	87,775	69,333	60,722	92,619	44,755
Cash and cash equivalents at end of the quarter	87,775	69,333	60,722	44,755	44,755	42,766

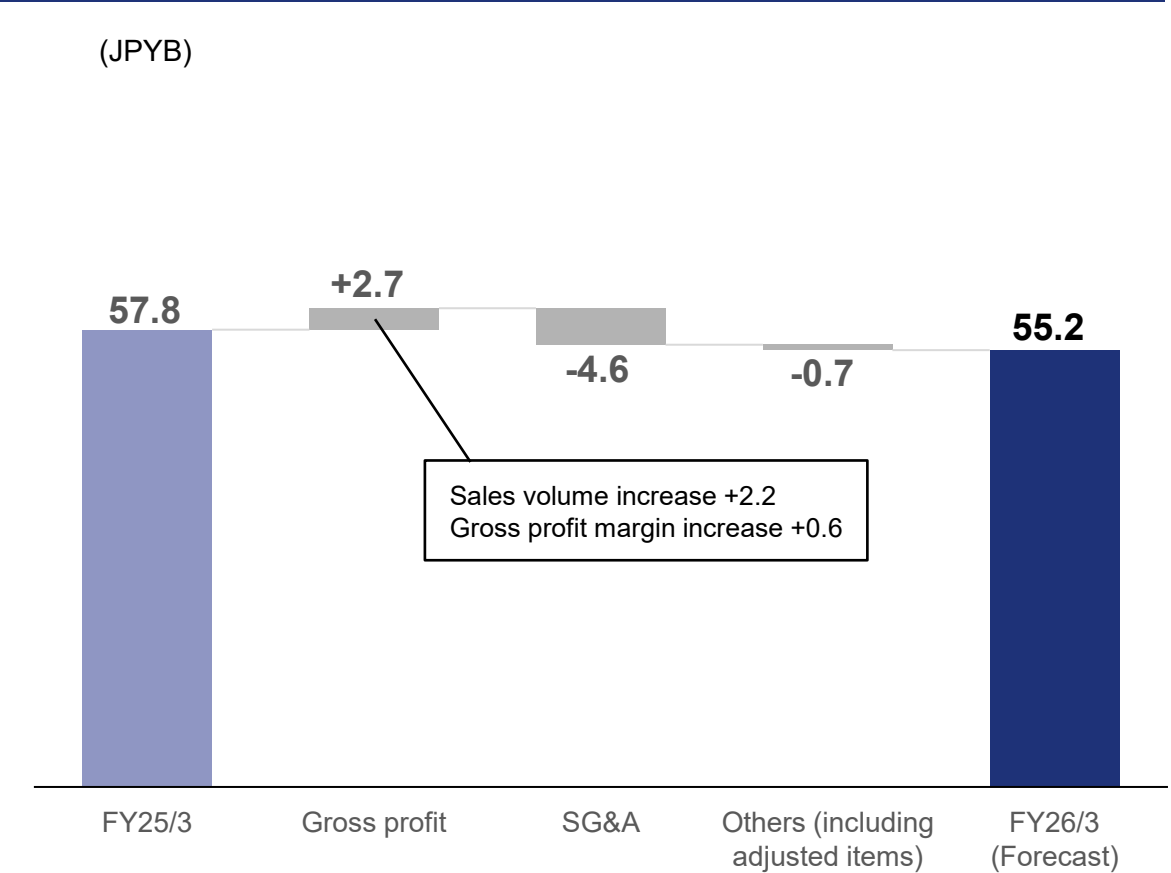
# FY26/3 Earnings Forecast: Factors for Change (Announced on May 13)

Carefully estimating investments for production expansion by device manufacturers, we expect revenue to increase by 2% YoY, mainly due to investments for new generation devices. Gross profit margin is expected to rise, and adjusted operating profit is forecast to decrease 4% due to an increase in SG&A expenses resulting from upfront capital investments.

## Revenue



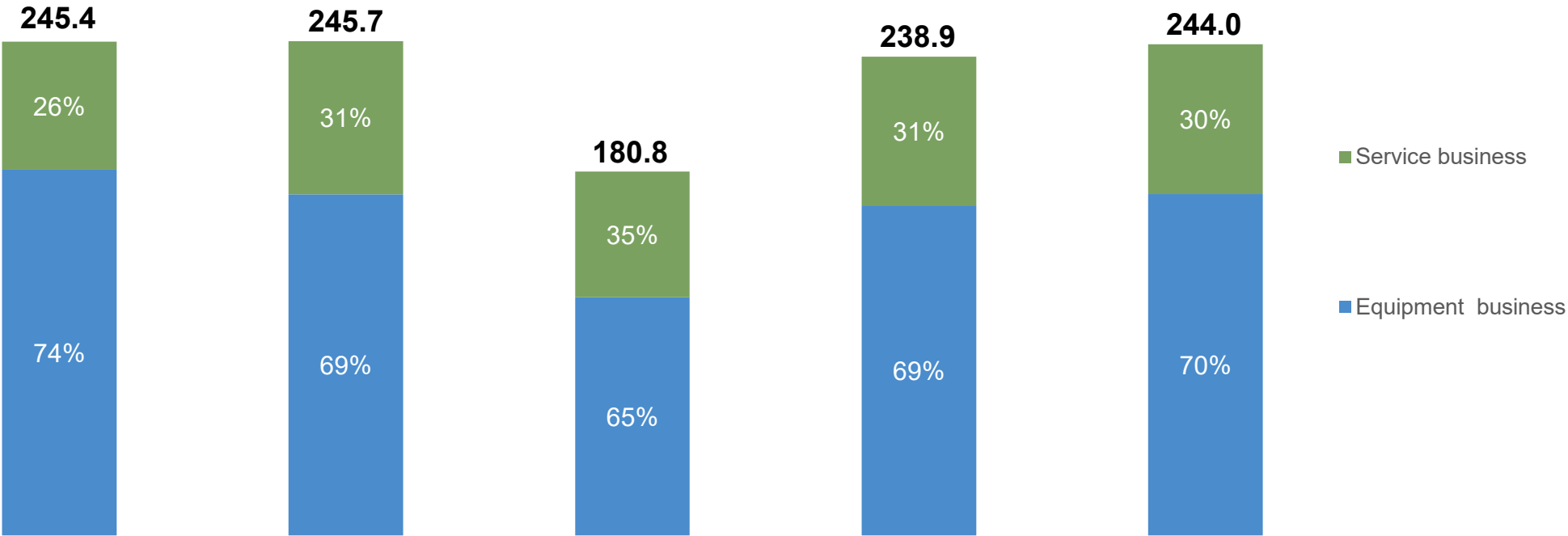
## Adjusted Operating Profit



# FY26/3 Earnings Forecast: Revenue Forecast by Business(Announced on May 13)

Equipment revenue is expected to increase by 3% and service revenue is expected to remain unchanged from the previous fiscal year. Equipment revenue is projected to recover to 70% of total revenue.

(JPYB)

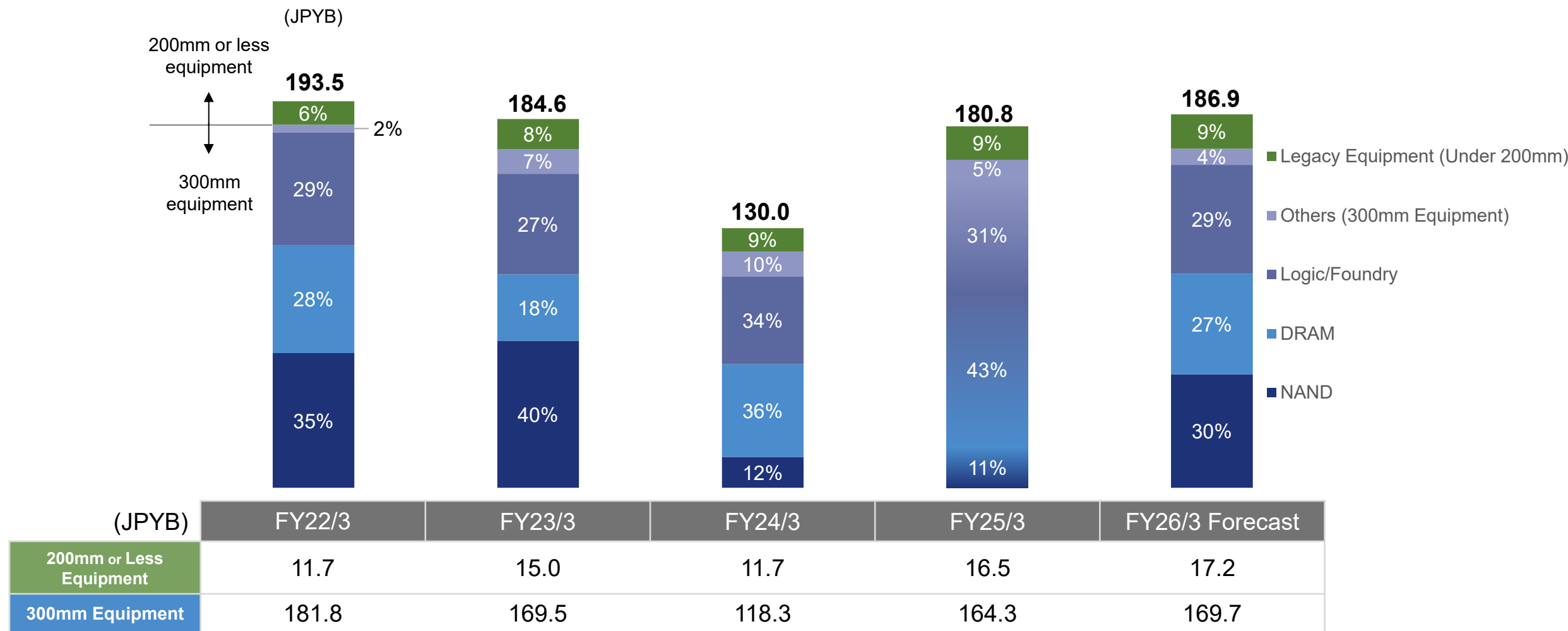


(JPYB)	FY22/3	FY23/3	FY24/3	FY25/3	FY26/3 Forecast
Service	63.6	76.2	62.5	74.6	74.4
Equipment	181.8	169.5	118.3	164.3	169.7



# FY26/3 Earnings Forecast: Revenues by Application\*1 (Announced on May 13)

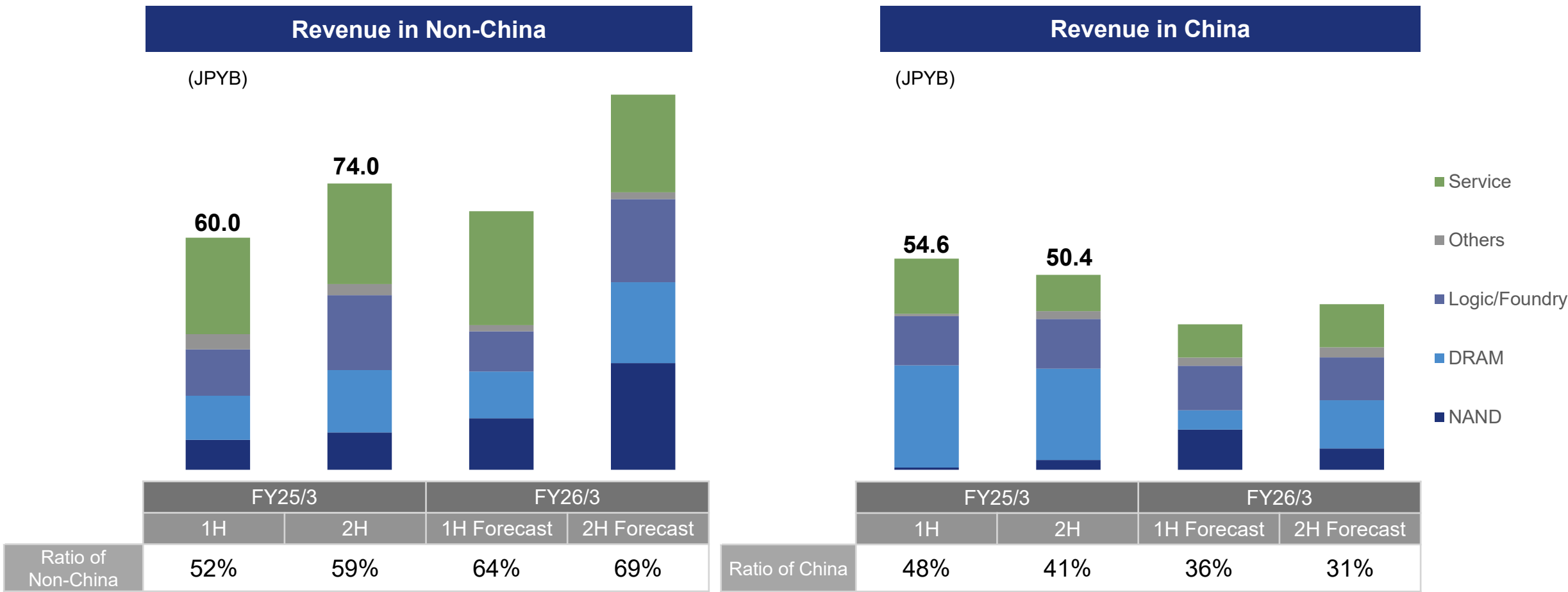
Revenue is expected to fall by 35% YoY for DRAM and slightly for Logic/Foundry, while NAND expected to grow 2.8 times YoY. SiC/GaN power devices are expected to grow by 50% YoY.



\*1 300mm equipment +200mm or less equipment

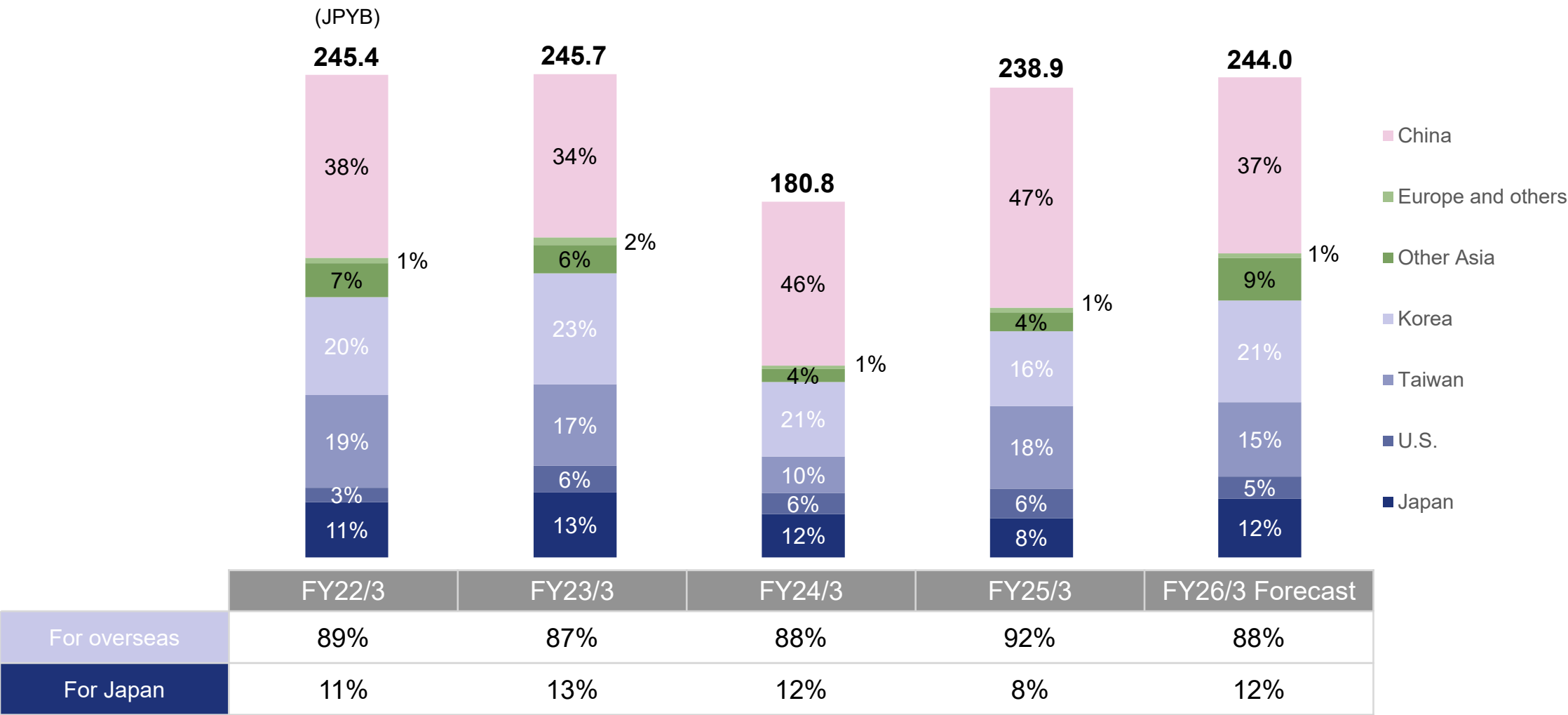
# FY26/3 Earnings Forecast: 1H and 2H Revenue by Account\*1(Announced on May 13)

In FY25/3, shipments to China were concentrated in 1Q, while in FY26/3, Non-China shipments are expected to be concentrated in 2H (particularly 4Q). We expect an increase in Non-China revenue in both 1H and 2H, but a decrease in both 1H and 2H for revenue in China.



# FY26/3 Earnings Forecast: Revenues by Destination (Announced on May 13)

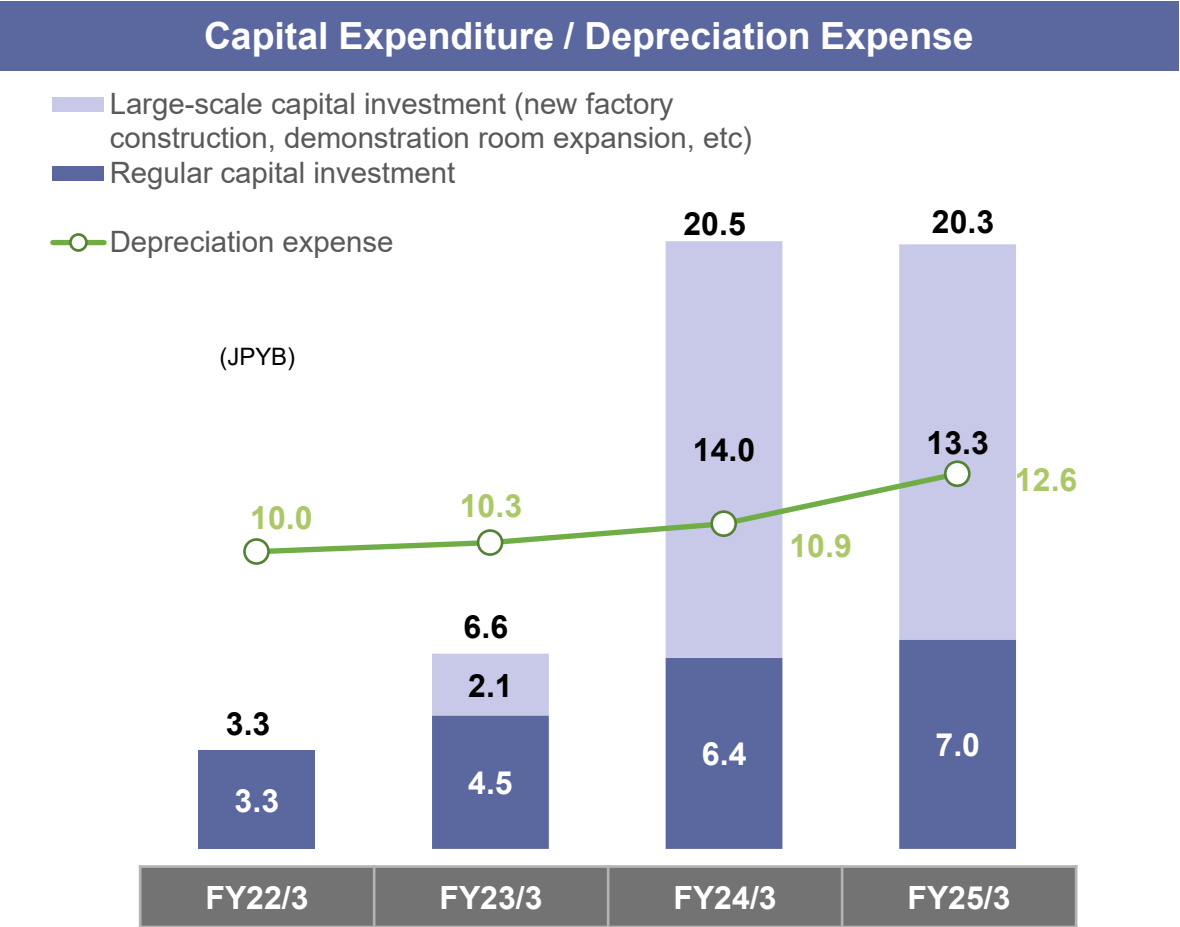
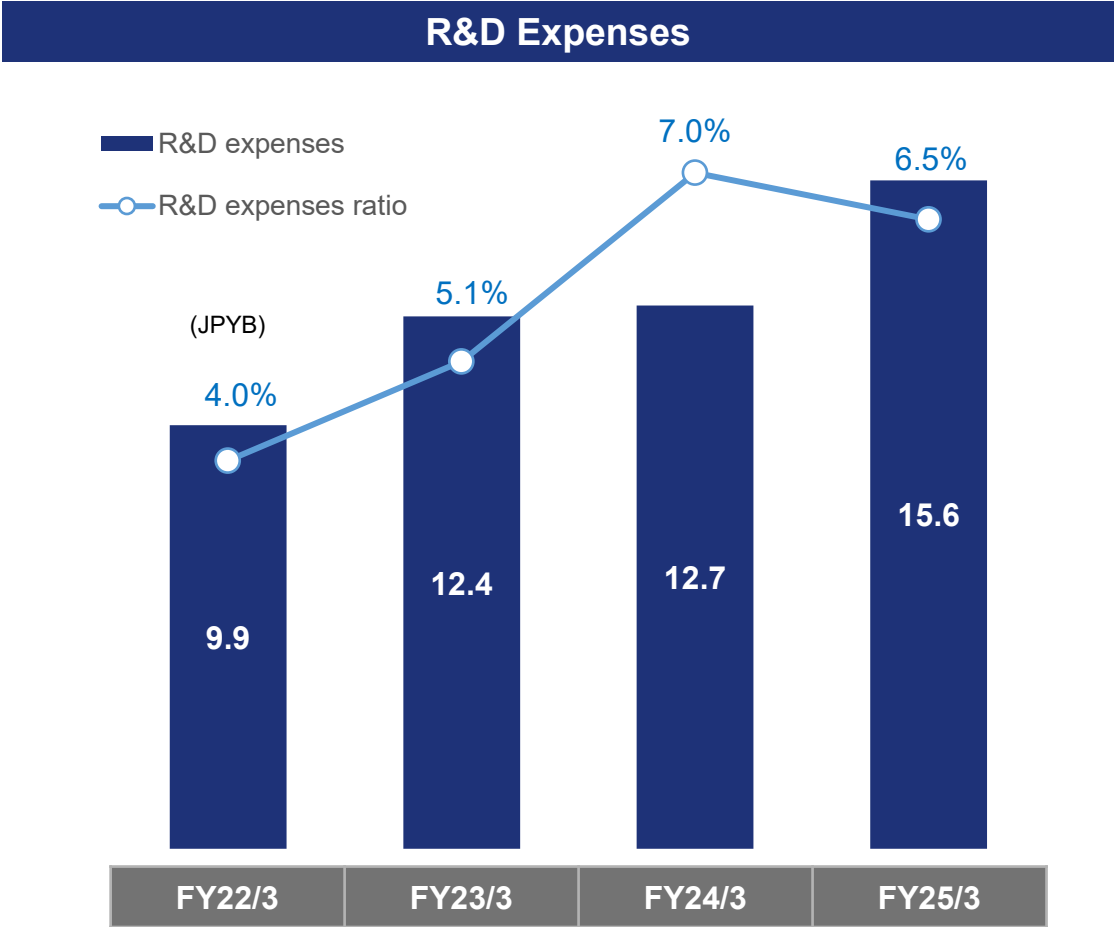
The ratio of revenue in Japan, Korea and Other Asia is expected to increase compared to FY25/3, while in China and Taiwan it is expected to decrease. The ratio of revenue in the U.S. is expected to be 5%.



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

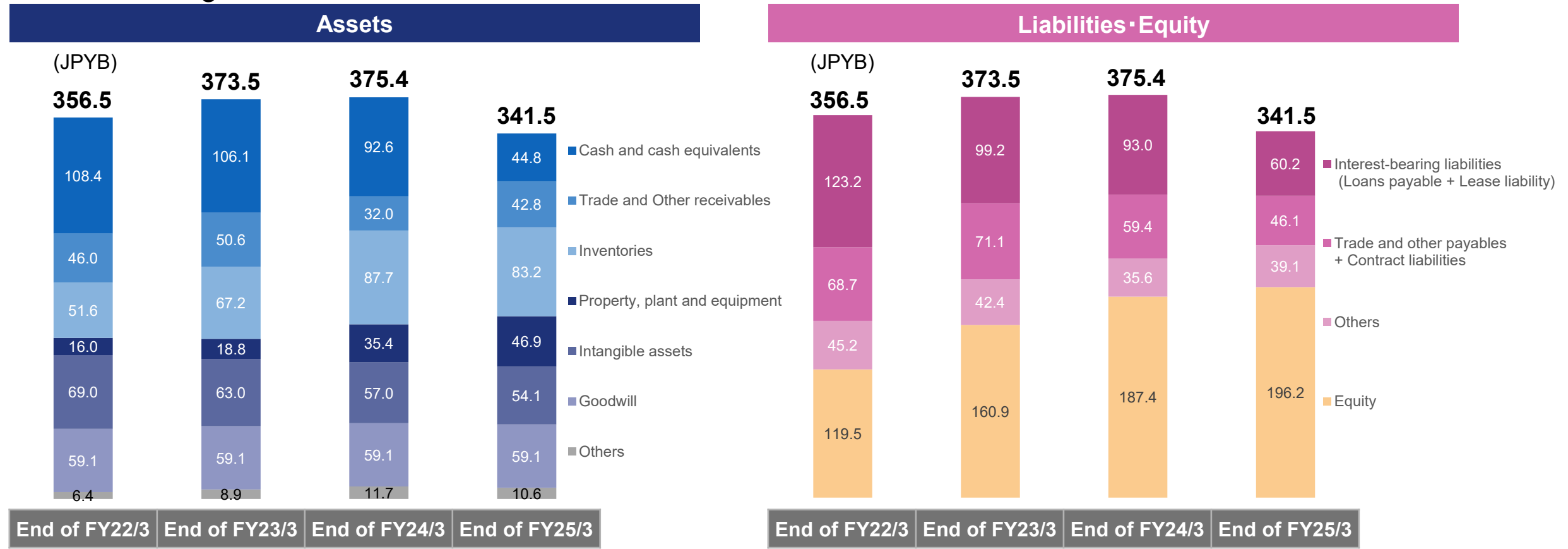
Continue to invest in R&D and capital equipment in line with our medium-term plan in anticipation of medium to long term demand expansion.

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



# Balance Sheet (Announced on May 13)

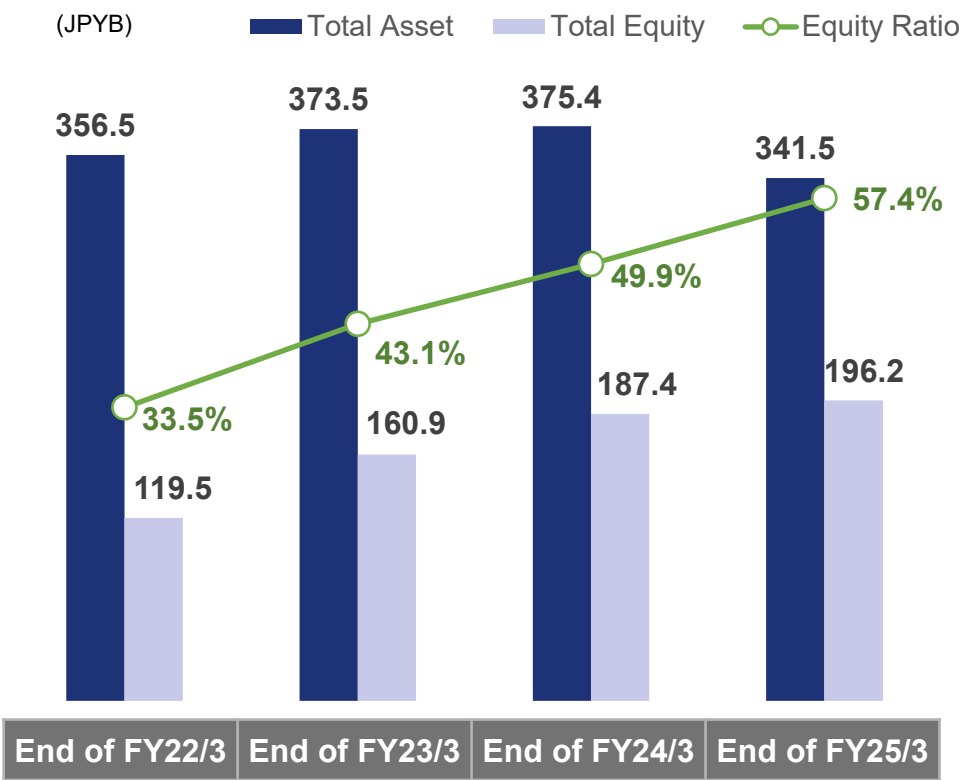
Total assets decreased by JPY33.9B from the end of the previous fiscal year due to a decrease in cash and cash equivalents resulting from early repayment of borrowings and acquisition of treasury stock. Total liabilities fell by JPY42.7B from the end of the previous fiscal year due to repayment of loans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



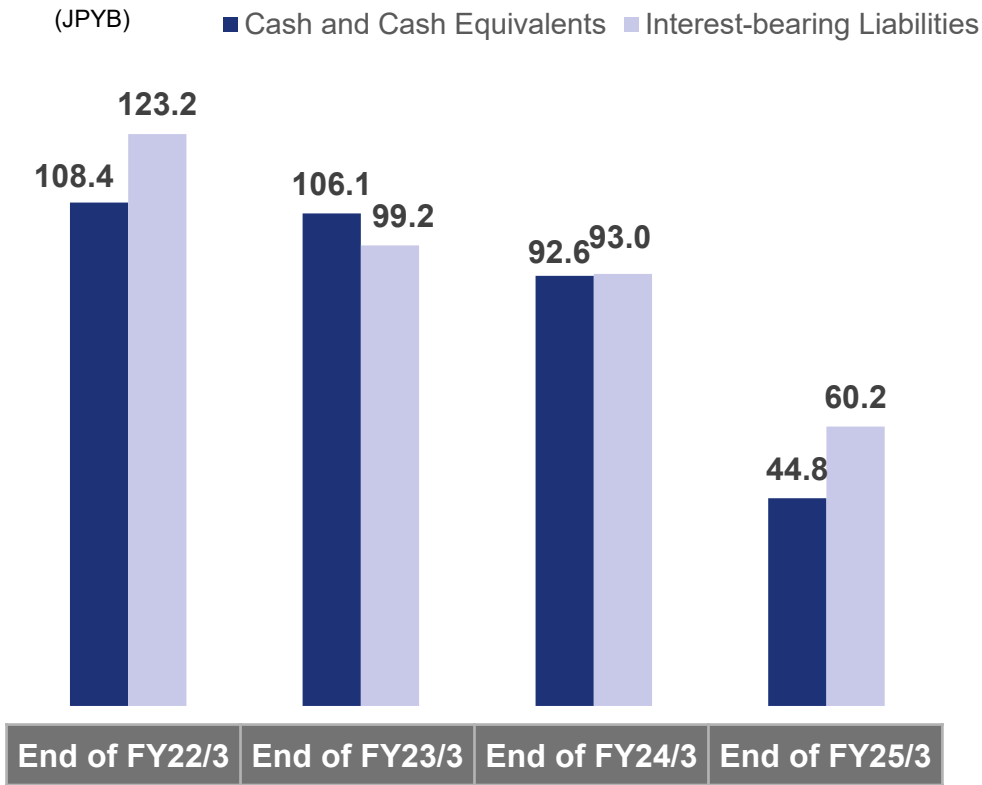
# Equity Ratio / Cash and Cash Equivalents / Interest-bearing Liabilities (Announced on May 13)

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

Total Asset / Total Equity / Equity Ratio

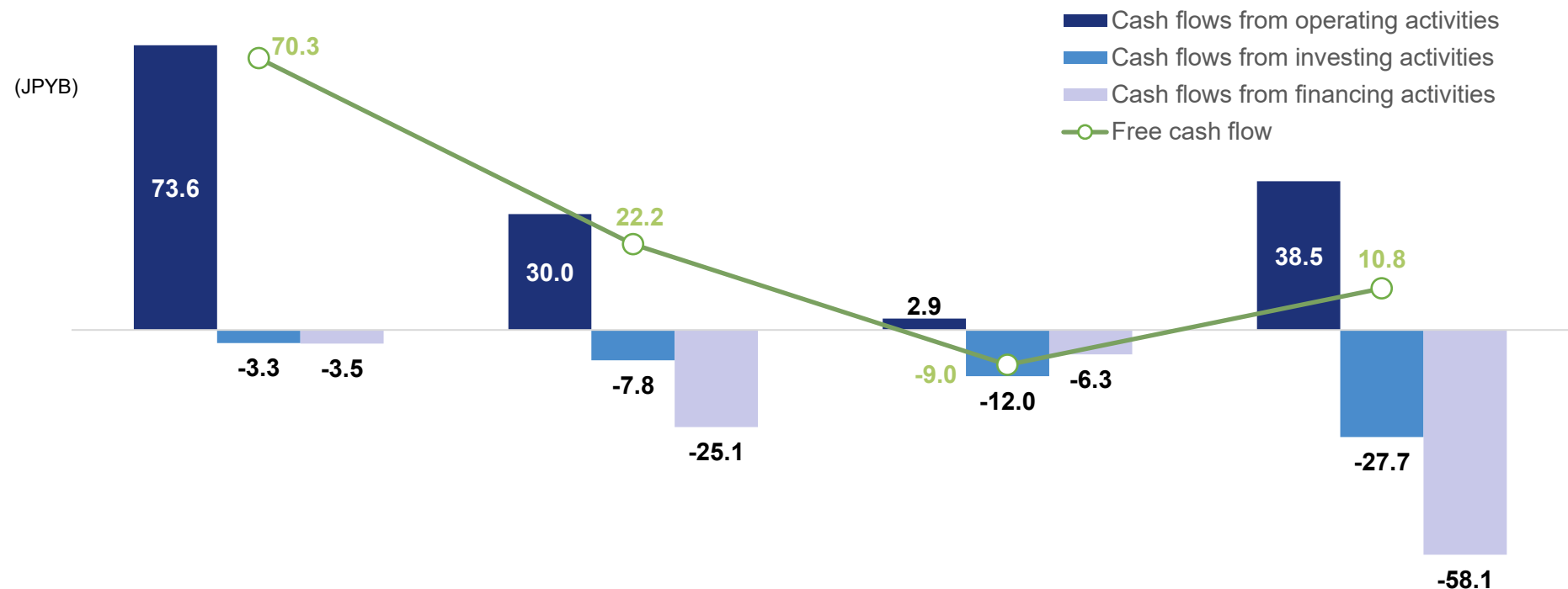


Cash and Cash Equivalents / Interest-bearing Liabilities



# Cash Flows (Announced on May 13)

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

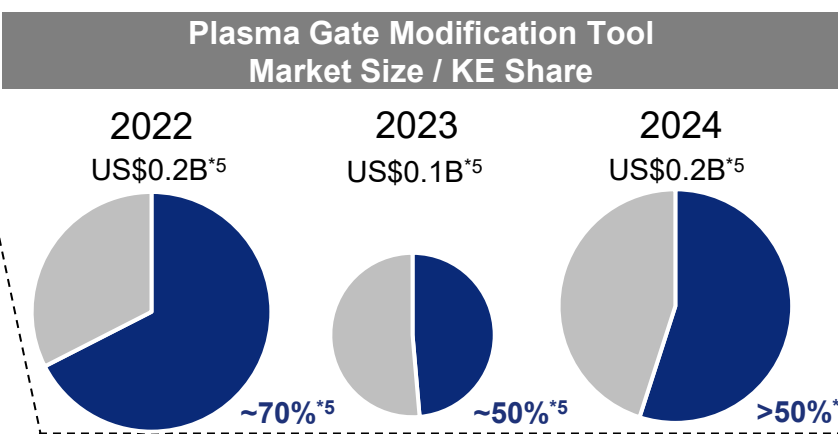
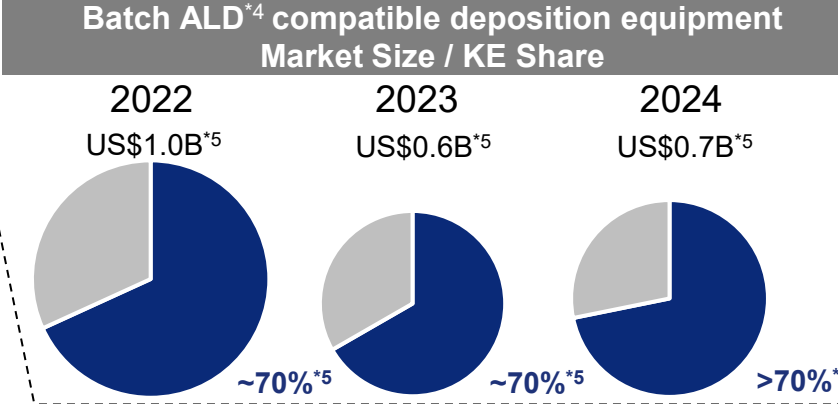
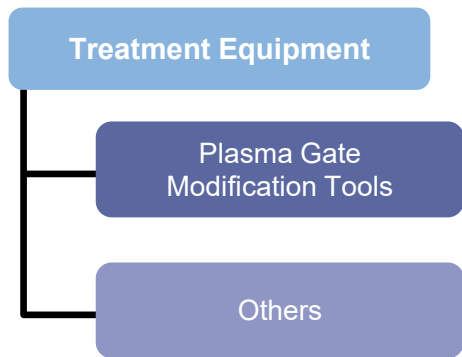
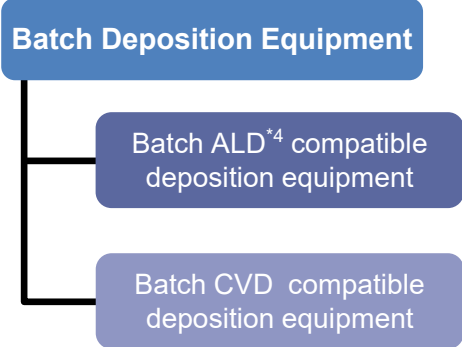
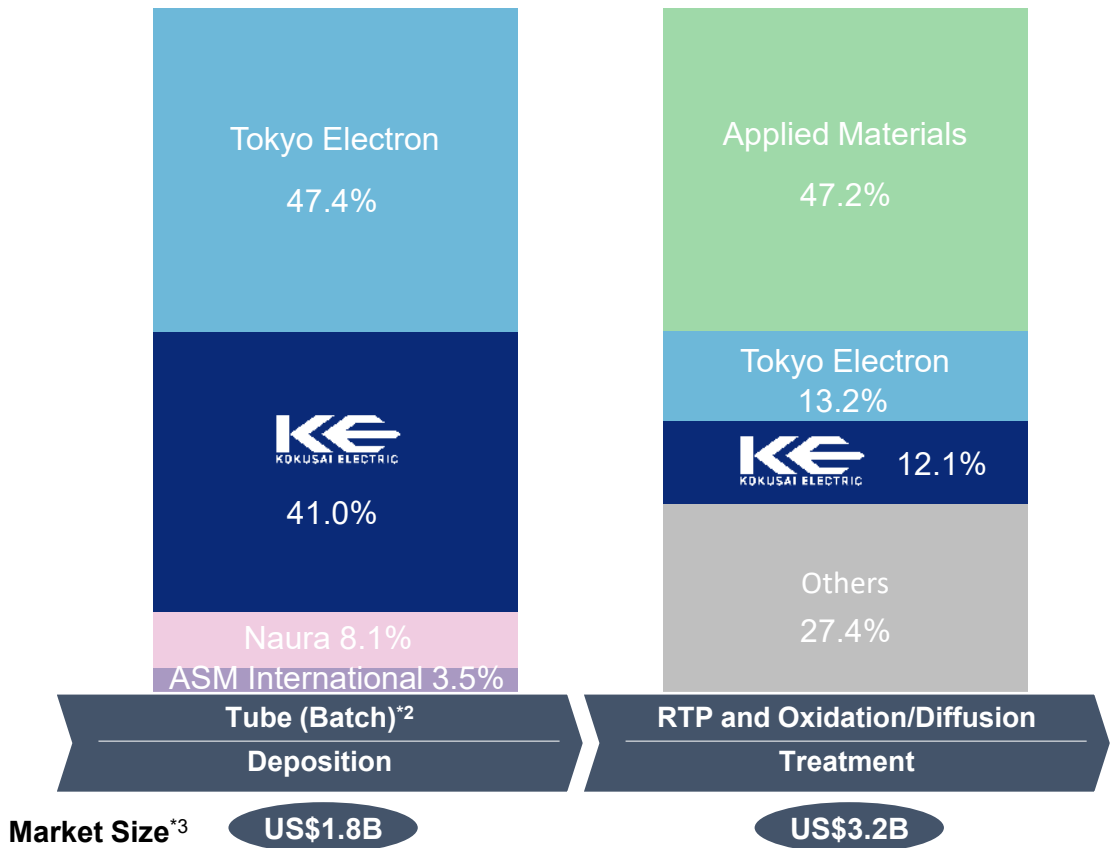


(JPYB)	FY22/3	FY23/3	FY24/3	FY25/3
CF from operating activities	73.6	30.0	2.9	38.5
CF from investing activities	-3.3	-7.8	-12.0	-27.7
CF from financing activities	-3.5	-25.1	-6.3	-58.1
Free CF	70.3	22.2	-9.0	10.8
Cash and cash equivalents	108.4	106.1	92.6	44.8

# Market Share Trends (Announced on May 13)

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

(CY24) Market Share Based on Gartner's Categories<sup>\*1</sup>



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



# Glossary

- 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

