
Financial Briefings for the Third Quarter of the Fiscal Year Ending March 2026 (April to December 2025)

February 12, 2026

KOKUSAI ELECTRIC CORPORATION

Disclaimers

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

■ **Forward-Looking Statements**

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

■ **Currency Risk**

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

■ **Key Performance Indicators**

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

■ **Accounting Standard**

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

■ **Rounding Convention**

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



3Q FY26/3 Consolidated Financial Summary

Summary of Consolidated Results for 3Q FY26/3

- **The semiconductor device market saw high levels of generation shift and capacity expansion investment, mainly in high-performance Logic and DRAM for generative AI applications. Investments for NAND are mainly focused on generation shift. The recovery in demand for consumer electronics, automobiles, and industrial equipment is moderate.**
- **Our 3Q results were in line with the earnings forecast revised at the release of 2Q results. Although service revenue increased mainly due to Non-China DRAM upgrade modifications, revenue and profits decreased due to a decline in equipment sales for China DRAM.**

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

- Our FY26/3, performance is in line with the full-year earnings forecast revised at the release of 2Q results, and there is no change to the earnings and dividend forecast.
- Non-China device manufacturers are expected to further increase capital investment to address generation shift and production capacity expansion in high-performance devices. China device manufacturers are expected to begin increasing capital investment, particularly among major manufacturers. Equipment sales and upgrade modification inquiries are trending upward ahead of FY27/3.

Consolidated Results Summary

Although revenue and profit decreased YoY and QoQ, 3Q results were in line with the earnings forecast revised at the release of 2Q results. Cumulative 1-3Q results saw a slight decrease in revenue YoY.

Each profit line decreased YoY due to changes in the product mix and upfront investments for the future.

(JPYB)	FY25/3				FY26/3						
	1Q	2Q	3Q	1-3Q	1Q	2Q	3Q	YoY	QoQ	1-3Q	YoY
Revenue	65.2	49.3	60.1	174.7	51.8	65.4	55.9	-7.1%	-14.6%	173.1	-0.9%
Gross profit	29.4	22.0	24.9	76.2	22.2	27.3	22.9	-8.0%	-16.1%	72.4	-5.1%
<i>Gross profit margin</i>	45.0%	44.6%	41.4%	43.6%	42.9%	41.7%	41.0%	-0.4pts	-0.7pts	41.8%	-1.8pts
Adjusted operating profit	19.4	11.3	13.9	44.6	10.9	14.4	11.3	-18.6%	-21.8%	36.6	-17.8%
<i>Adjusted operating profit margin</i>	29.7%	22.9%	23.1%	25.5%	21.1%	22.1%	20.2%	-2.9pts	-1.9pts	21.2%	-4.3pts
Adjusted net income	14.3	7.3	9.6	31.3	7.6	9.8	8.3	-14.0%	-15.3%	25.7	-17.8%
<i>Adjusted net income margin</i>	22.0%	14.7%	16.0%	17.9%	14.7%	15.0%	14.8%	-1.2pts	-0.1pts	14.8%	-3.1pts
Operating profit	17.9	9.6	12.3	39.7	9.7	13.0	9.8	-20.1%	-24.5%	32.5	-18.1%
<i>Operating profit margin</i>	27.4%	19.4%	20.4%	22.7%	18.8%	19.9%	17.6%	-2.8pts	-2.3pts	18.8%	-3.9pts
Income before income tax	17.7	10.2	11.2	39.2	9.3	12.8	9.4	-16.3%	-26.7%	31.6	-19.4%
<i>Income before income tax margin</i>	27.2%	20.7%	18.7%	22.4%	18.0%	19.6%	16.9%	-1.8pts	-2.8pts	18.2%	-4.2pts
Net income	13.3	4.8	8.0	26.1	6.8	8.8	7.3	-9.2%	-17.3%	22.8	-12.4%
<i>Net income margin</i>	20.4%	9.6%	13.3%	14.9%	13.1%	13.4%	13.0%	-0.3pts	-0.4pts	13.2%	-1.7pts
R&D expenses	3.3	3.9	3.8	11.0	3.9	4.8	4.2	+10.8%	-13.7%	12.8	+16.4%
Capital expenditures	11.2	3.0	2.5	16.7	2.3	5.2	4.0	+61.0%	-22.9%	11.5	-31.1%
Depreciation & amortization	2.9	3.0	3.3	9.3	3.4	3.5	3.6	+9.0%	+3.7%	10.5	+13.8%
Dividend per share(JPY)	-	18	-	18	-	18	-	-	-	18	±0%

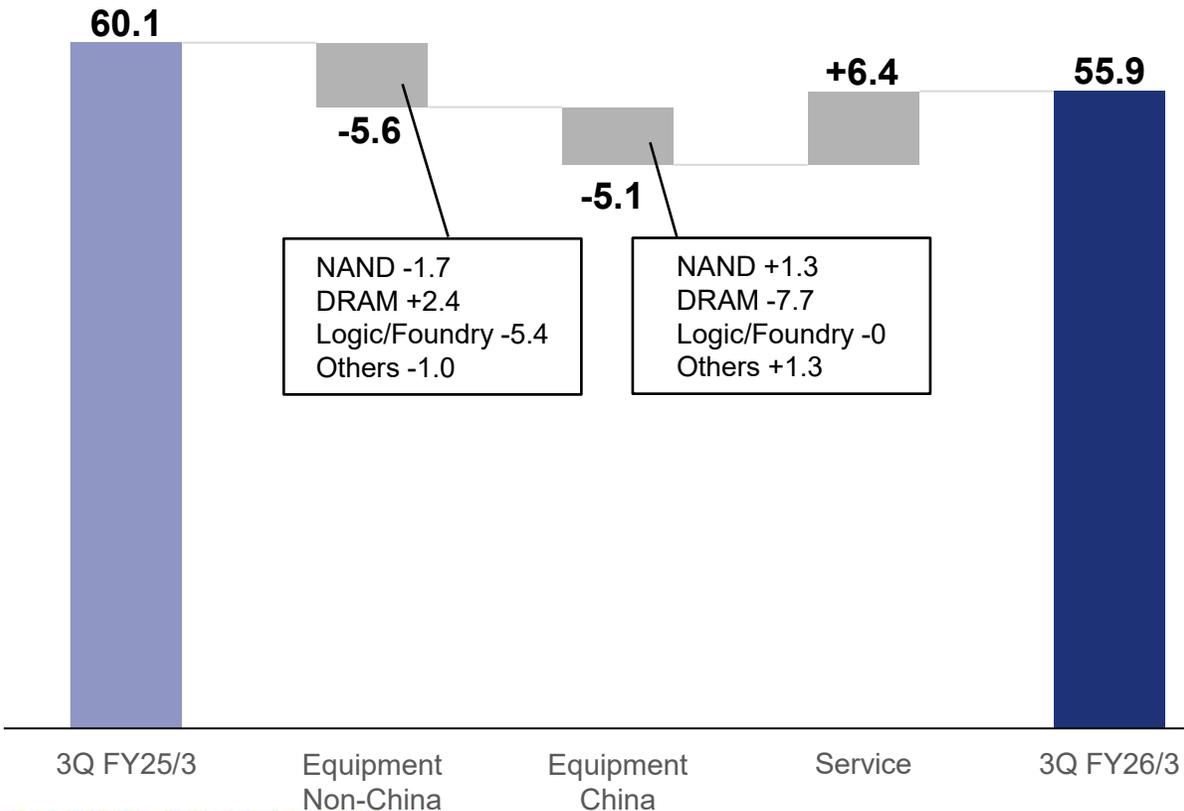
3Q FY26/3 Results: Factors for Changes

In 3Q, overall revenue decreased 7% YoY due to a decrease sales of equipment for China DRAM, while revenue from upgrade modifications(service) for DRAM increased.

Adjusted operating profit decreased 19% YoY, mainly due to a decrease in gross profit resulting from reduced sales.

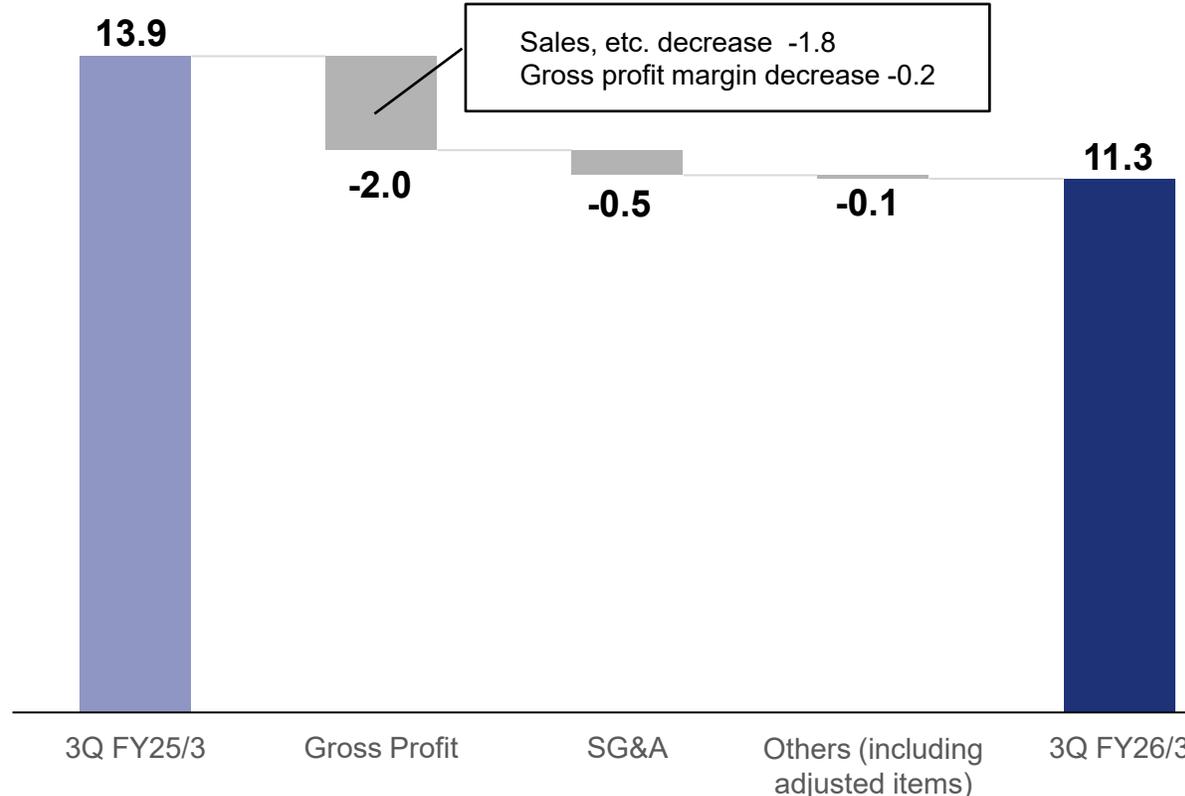
Revenue

(JPYB)



Adjusted Operating Profit

(JPYB)

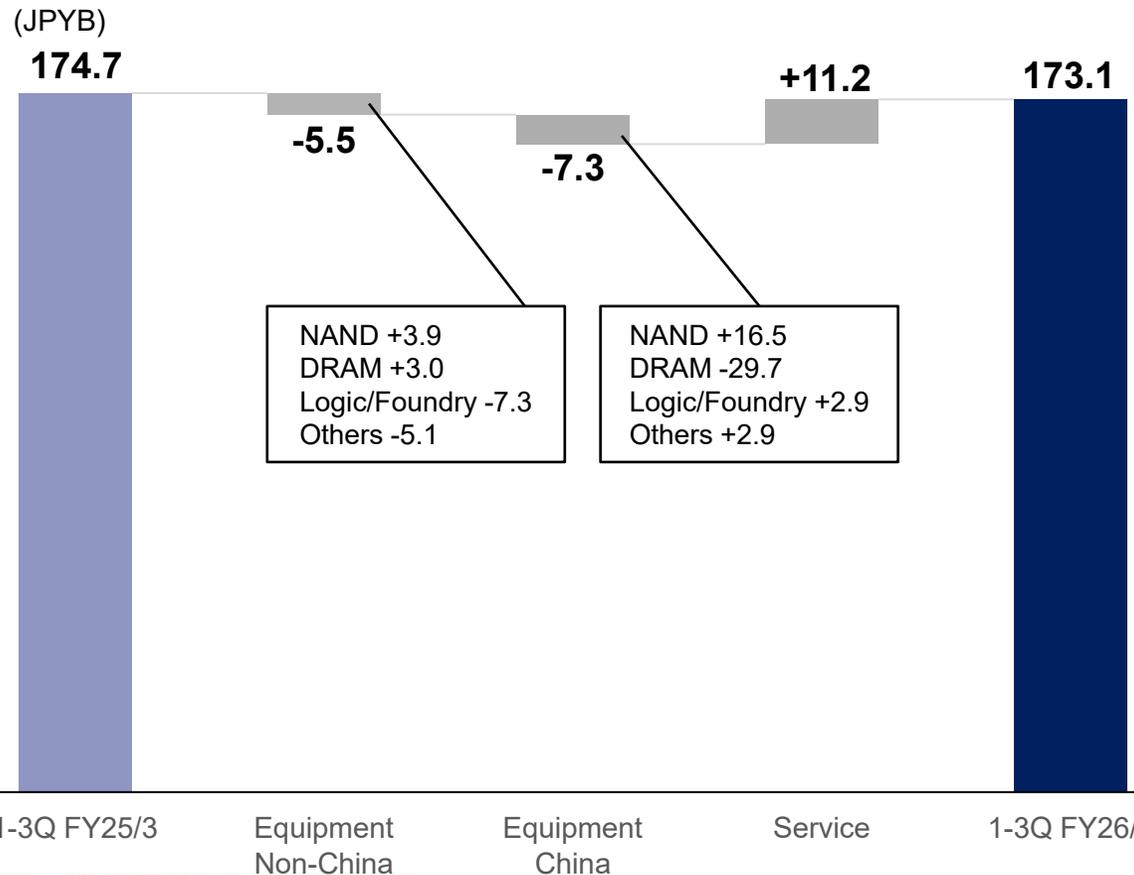


1-3Q FY26/3 Results: Factors for Changes

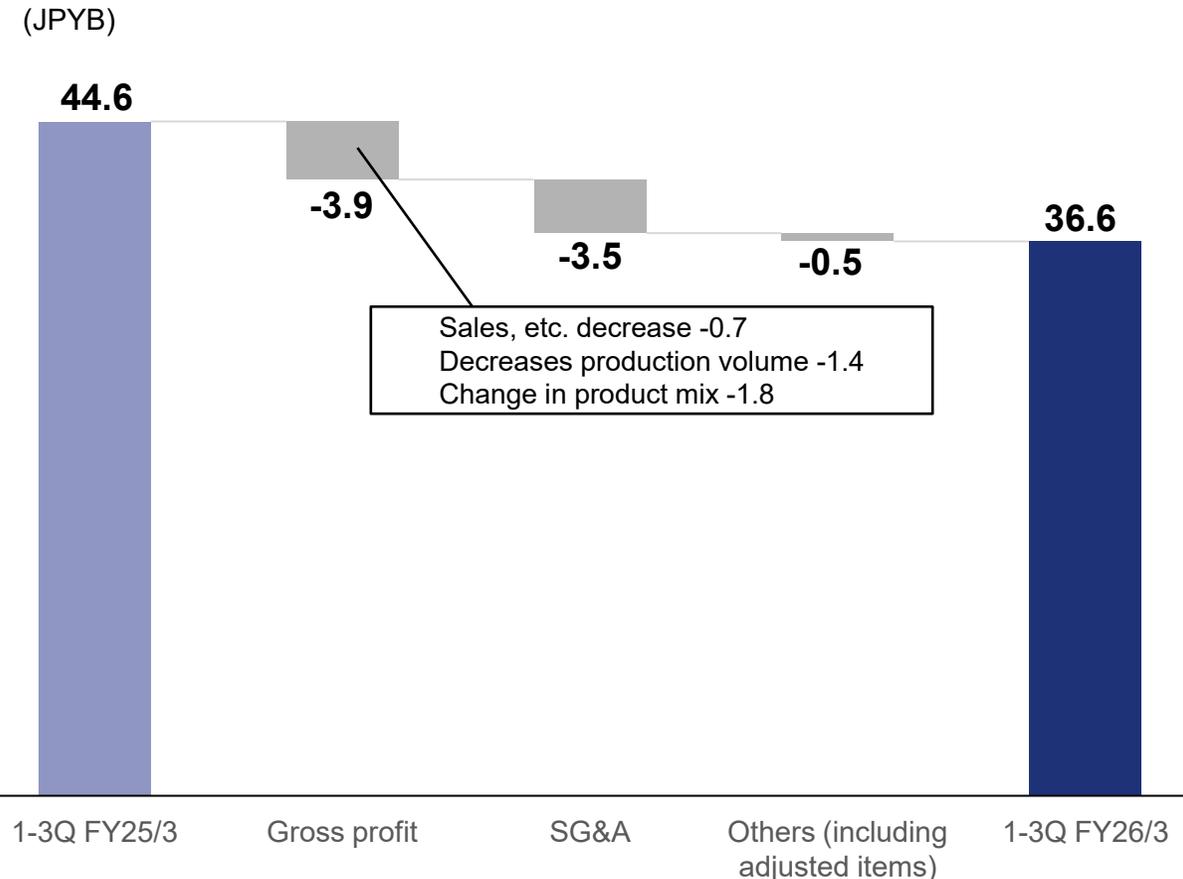
Cumulative 1-3Q, overall revenue decreased slightly by 1% YoY. Upgrade modifications(service) for DRAM and the sales of equipment for NAND increased, while sales of equipment for China DRAM decreased.

Adjusted operating profit decreased by 18% YoY due to a decline in gross profit caused by changes in product mix and an increase in SG&A expenses.

Revenue



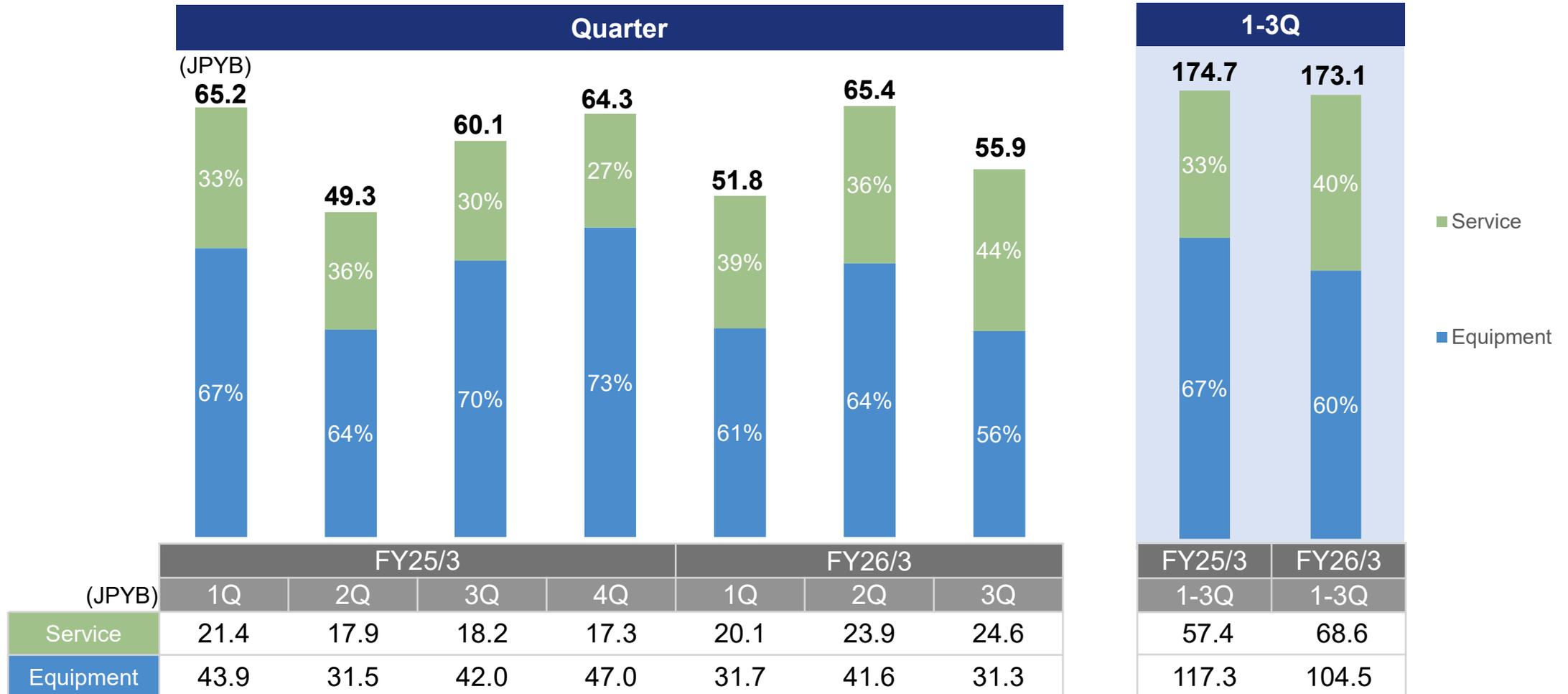
Adjusted Operating Profit



Quarterly Revenues by Business

In 3Q, as in 1Q and 2Q, some equipment demand was replaced by upgrade modifications (service), resulting in a decrease in equipment revenue and an increase in service revenue YoY and QoQ.

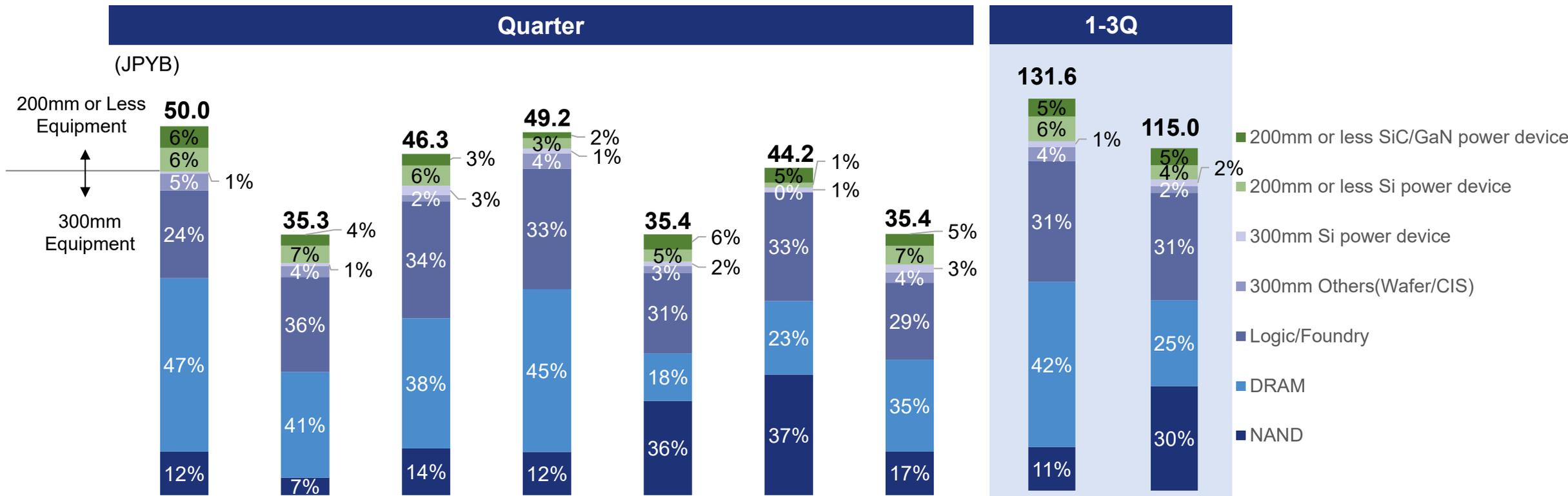
Cumulative 1-3Q, the trend was the same, and the service revenue ratio increased to 40%.



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

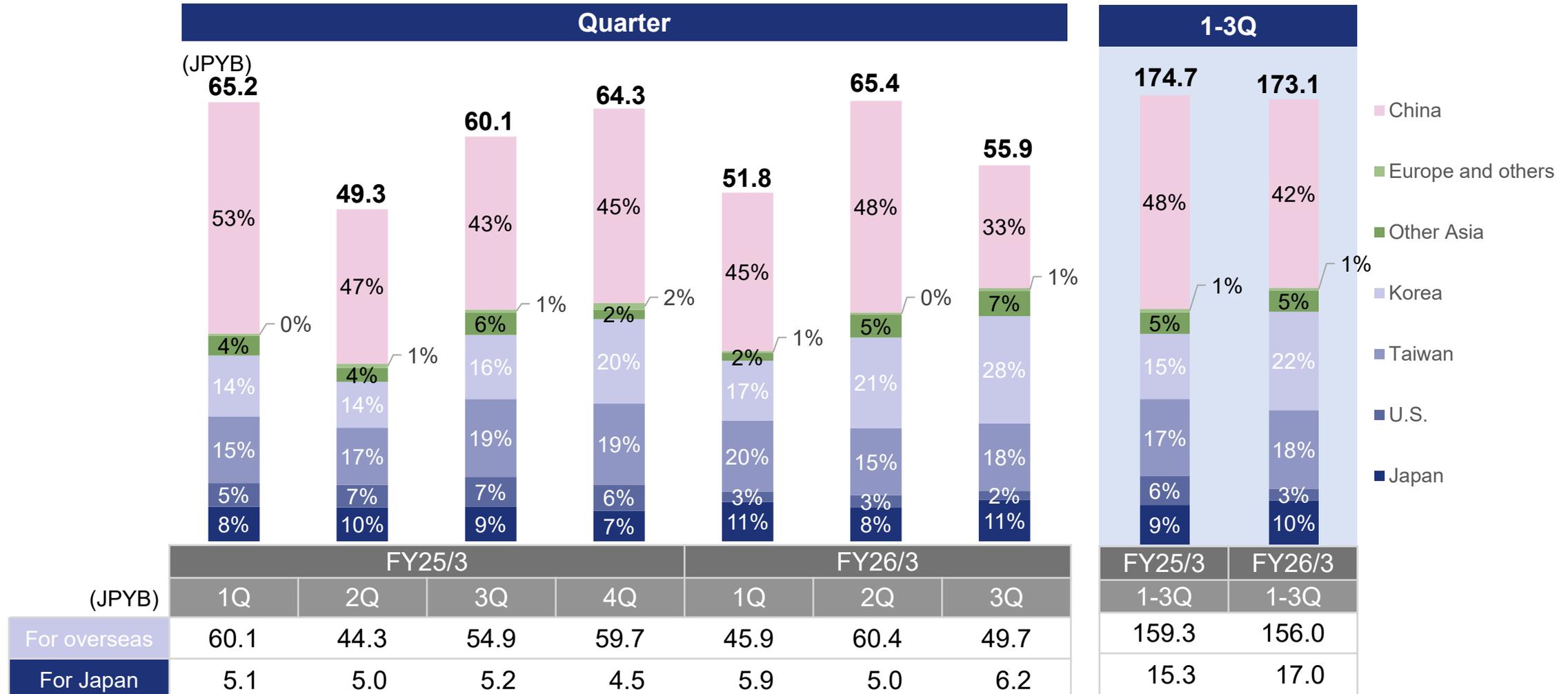
In 3Q, equipment sales for major applications decreased YoY, but increased QoQ for DRAM.

Cumulative 1-3Q, revenue for NAND increased 140%, DRAM decreased 48%, and Logic/Foundry decreased 11% YoY.



Quarterly Revenues by Destination

In both 3Q and cumulative 1-3Q, revenue from Japan and Korea increased, while revenue from U.S. and China decreased YoY. Cumulative 1-3Q, the ratio of revenue from the U.S. and China fell to 3% and 42%, respectively.

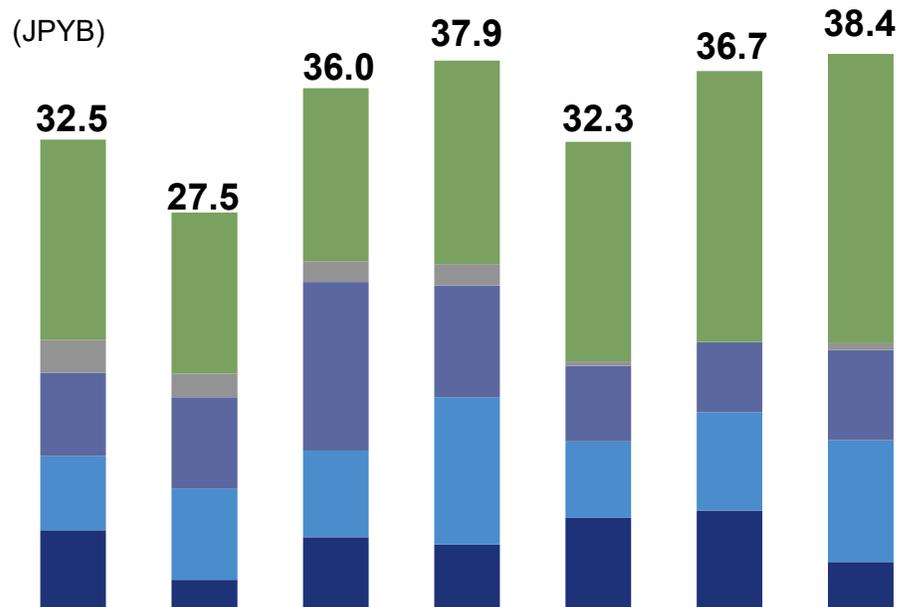


Quarterly Revenues by Account*1

3Q revenue for Non-China increased QoQ in equipment sales for DRAM and Logic/Foundry, as well as in upgrade modifications (service).

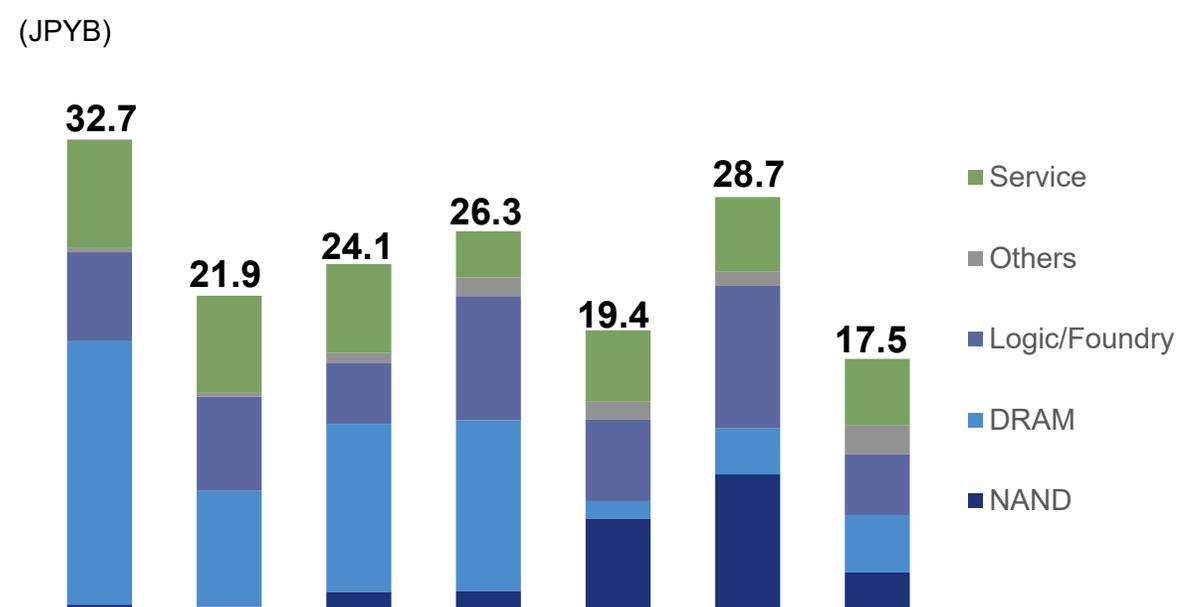
3Q revenue from China decreased QoQ in equipment sales for NAND and Logic/Foundry. Equipment sales for DRAM turned upward from the transitional period for investment. The ratio of revenue from China declined to 31%.

Revenue in Non-China



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

Revenue in China

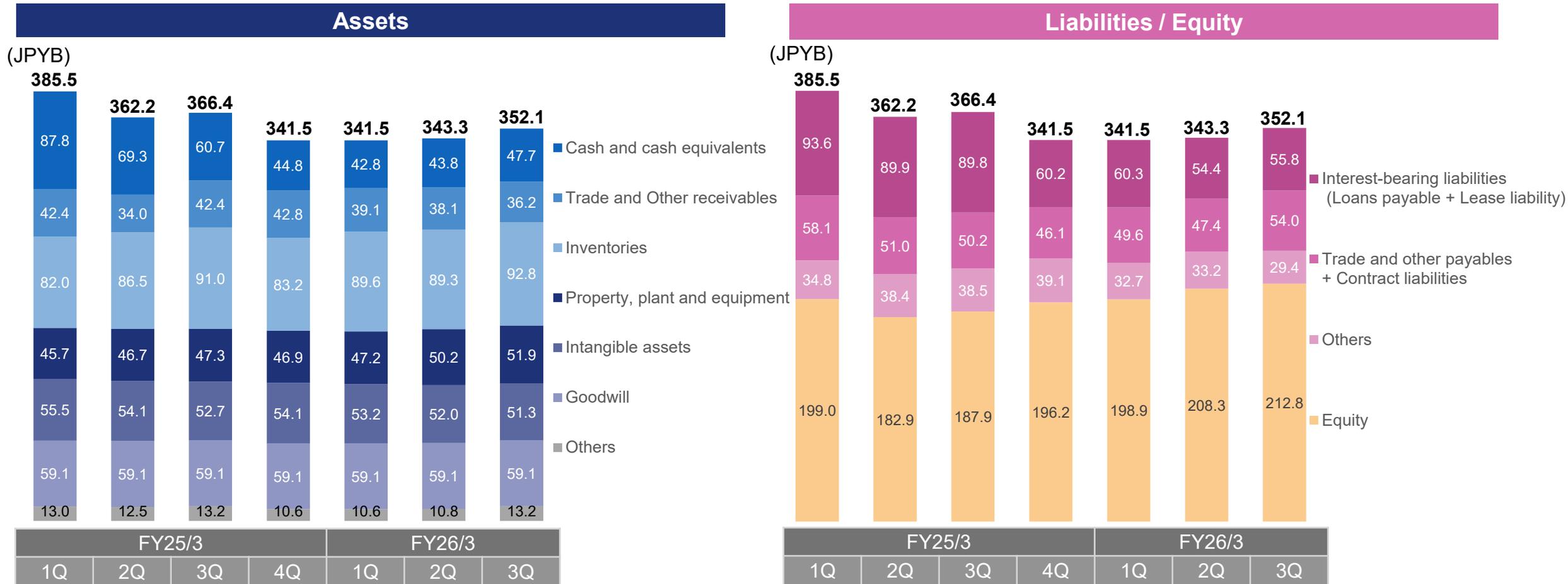


	FY25/3				FY26/3		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Ratio of China	50%	44%	40%	41%	38%	44%	31%

Quarterly Balance Sheet

Total assets at the end of 3Q increased by JPY 10.6 bn from the end of the FY25/3. This is because an increase in inventories and an increase in property, plant and equipment, investment associated with the establishment of a demo center in the U.S., despite a decrease in trade and other receivables, etc.

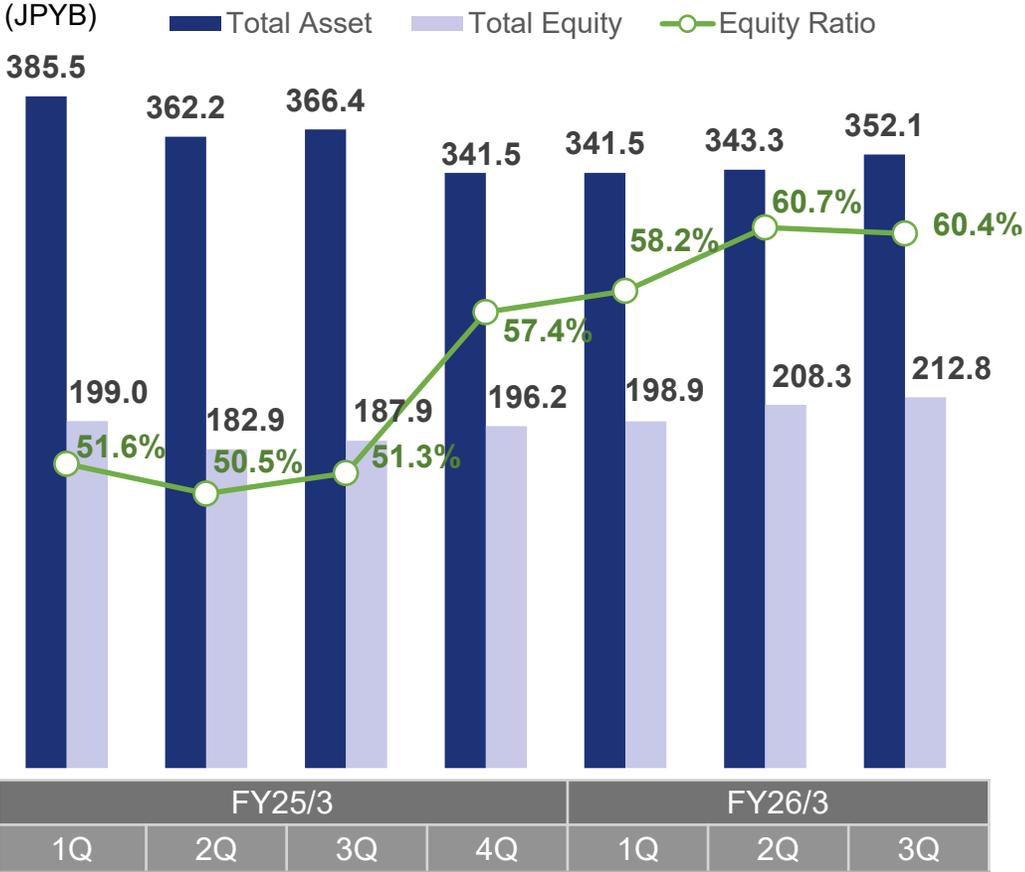
Total equity increased by JPY 16.7 bn from the end of the FY25/3 due to an increase in retained earnings.



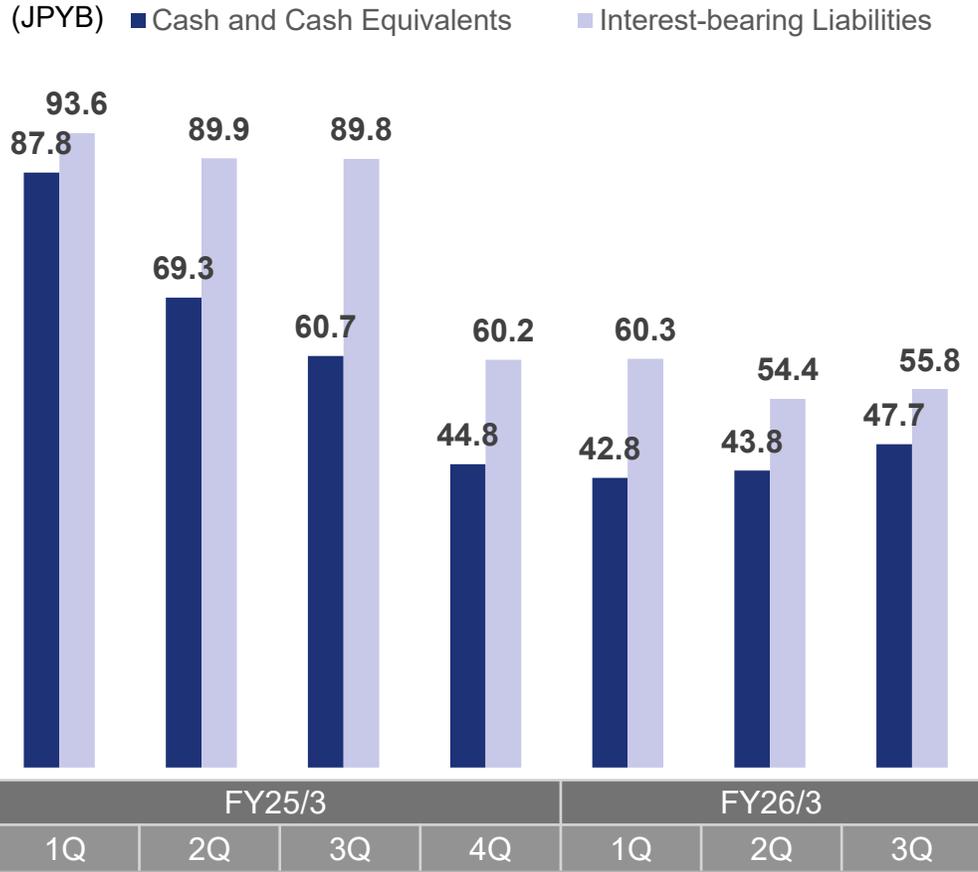
Quarterly Equity Ratio / Cash and Cash Equivalents / Interest-bearing Liabilities

The equity ratio at the end of 3Q was 60.4%, down 0.3 percentage points from the end of the previous quarter. Net debt at the end of 3Q decreased to JPY 8.1 bn, as planned.

Total Asset / Total Equity / Equity Ratio

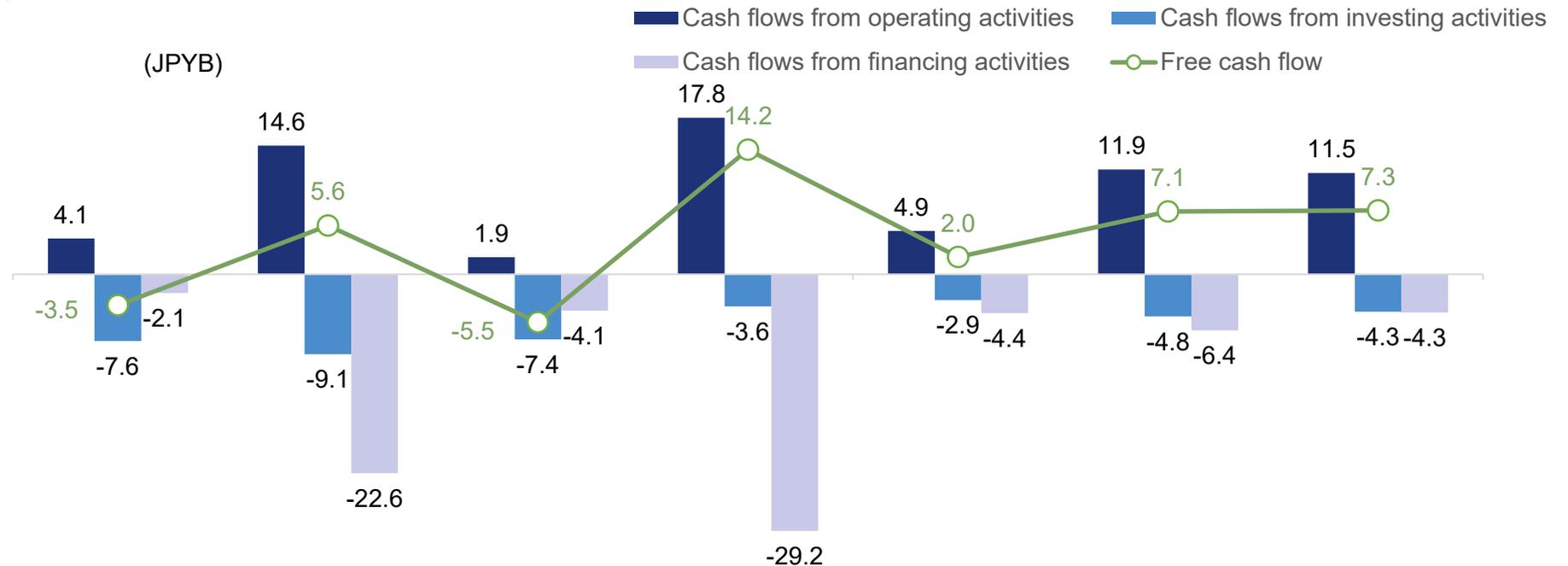


Cash and Cash Equivalents / Interest-bearing Liabilities



Quarterly Cash Flows

In 3Q, cash flows from operating activities exceeded cash flows from investing activities, resulting in free cash flow of JPY 7.3 bn. Cash outflow in financing activities amounted to JPY 4.3 bn due to payment of dividends.

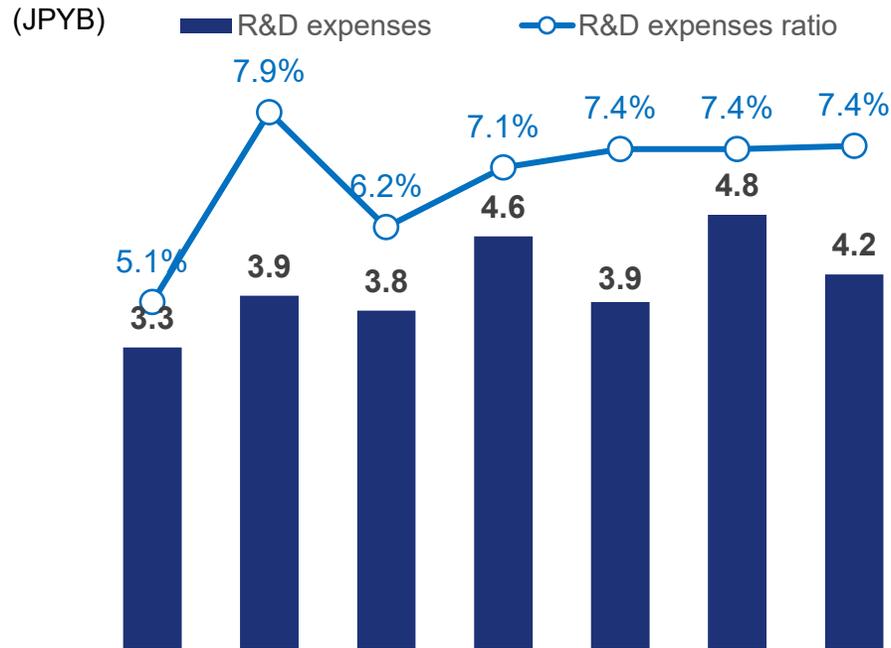


(JPYB)	FY25/3				FY26/3		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
CF from operating activities	4.1	14.6	1.9	17.8	4.9	11.9	11.5
CF from investing activities	-7.6	-9.1	-7.4	-3.6	-2.9	-4.8	-4.3
CF from financing activities	-2.1	-22.6	-4.1	-29.2	-4.4	-6.4	-4.3
Free CF	-3.5	5.6	-5.5	14.2	2.0	7.1	7.3
Cash and cash equivalents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

Quarterly R&D Expenses / Capital Expenditure / Depreciation Expense

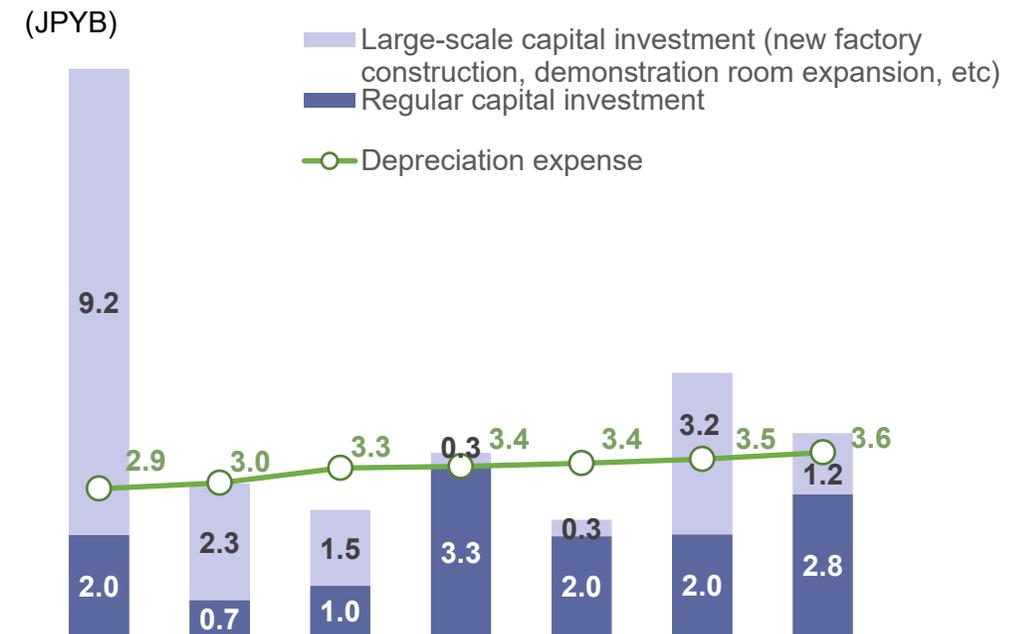
3Q R&D expenses were as planned, with the R&D expenses ratio of 7.4%.

R&D Expenses



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

Capital Expenditure / Depreciation Expense



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



Consolidated Earnings Forecast for FY26/3

Summary of Consolidated Results for 3Q FY26/3

- The semiconductor device market saw high levels of generation shift and capacity expansion investment, mainly in high-performance Logic and DRAM for generative AI applications. Investments for NAND are mainly focused on generation shift. The recovery in demand for consumer electronics, automobiles, and industrial equipment is moderate.
- Our 3Q results were in line with the earnings forecast revised at the release of 2Q results. Although service revenue increased mainly due to Non-China DRAM upgrade modifications, revenue and profits decreased due to decline equipment sales for China DRAM.

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

- **Our FY26/3, performance is in line with the full-year earnings forecast revised at the release of 2Q results, and there is no change to the earnings and dividend forecast.**
- **Non-China device manufacturers are expected to further increase capital investment to address generation shift and production capacity expansion in high-performance devices. China device manufacturers are expected to begin increasing capital investment, particularly among major manufacturers. Equipment sales and upgrade modification inquiries are trending upward ahead of FY27/3.**

FY26/3 Earnings Forecast / Dividend Forecast (No change)

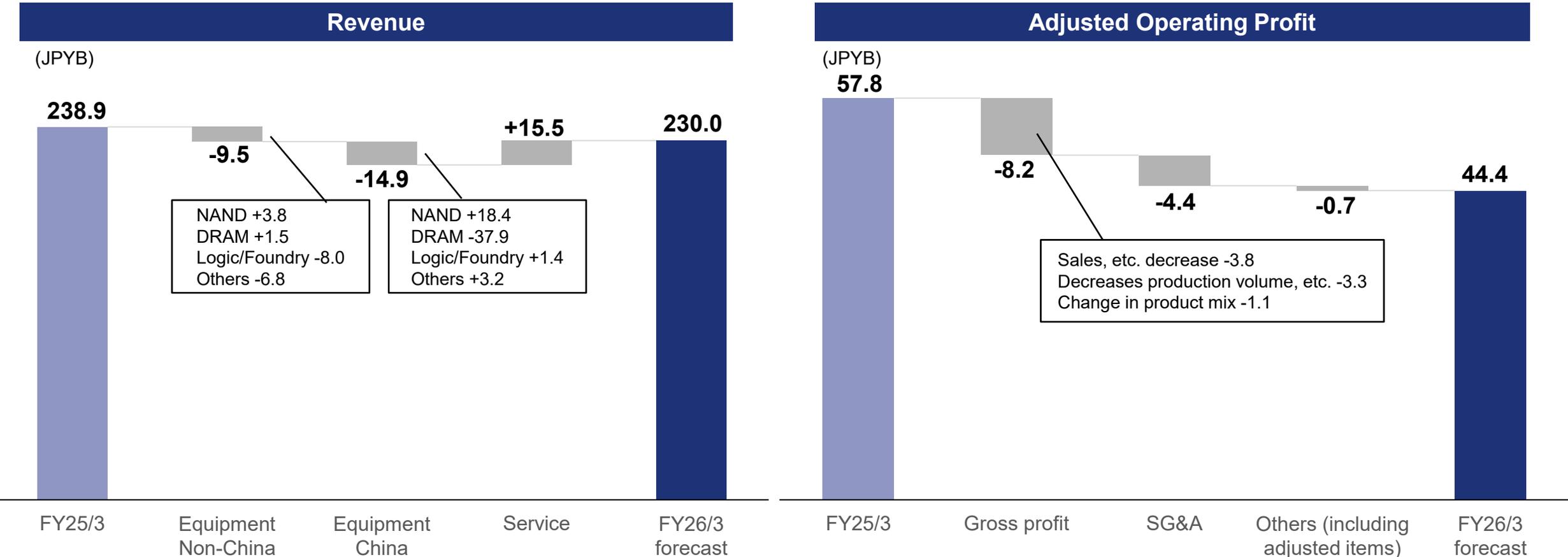
No change to the full-year earnings and dividend forecasts revised at the release of 2Q results.

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

FY26/3 Earnings Forecast: Factors for Change (No change)

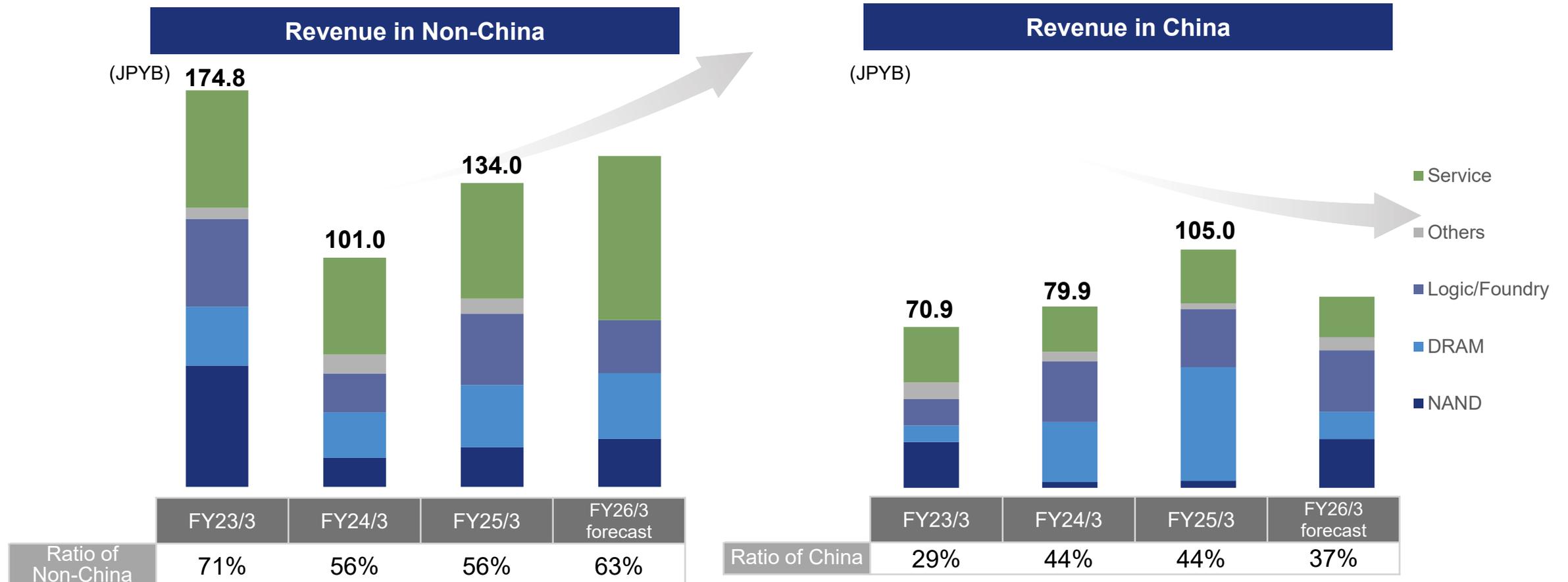
Although equipment sales for NAND are expected to increase YoY, equipment revenue is expected to decrease as a result of decreases for China DRAM and mature node Logic. Service revenue is expected to increase as a result of an increase in upgrade modifications for high-performance devices.

Adjusted operating profit is expected to decrease due to decreases in sales volume, production volume, and changes in product mix, etc., leading to decrease in gross profit.



FY26/3 Earnings Forecast: Revenues by Account*1 (No change)

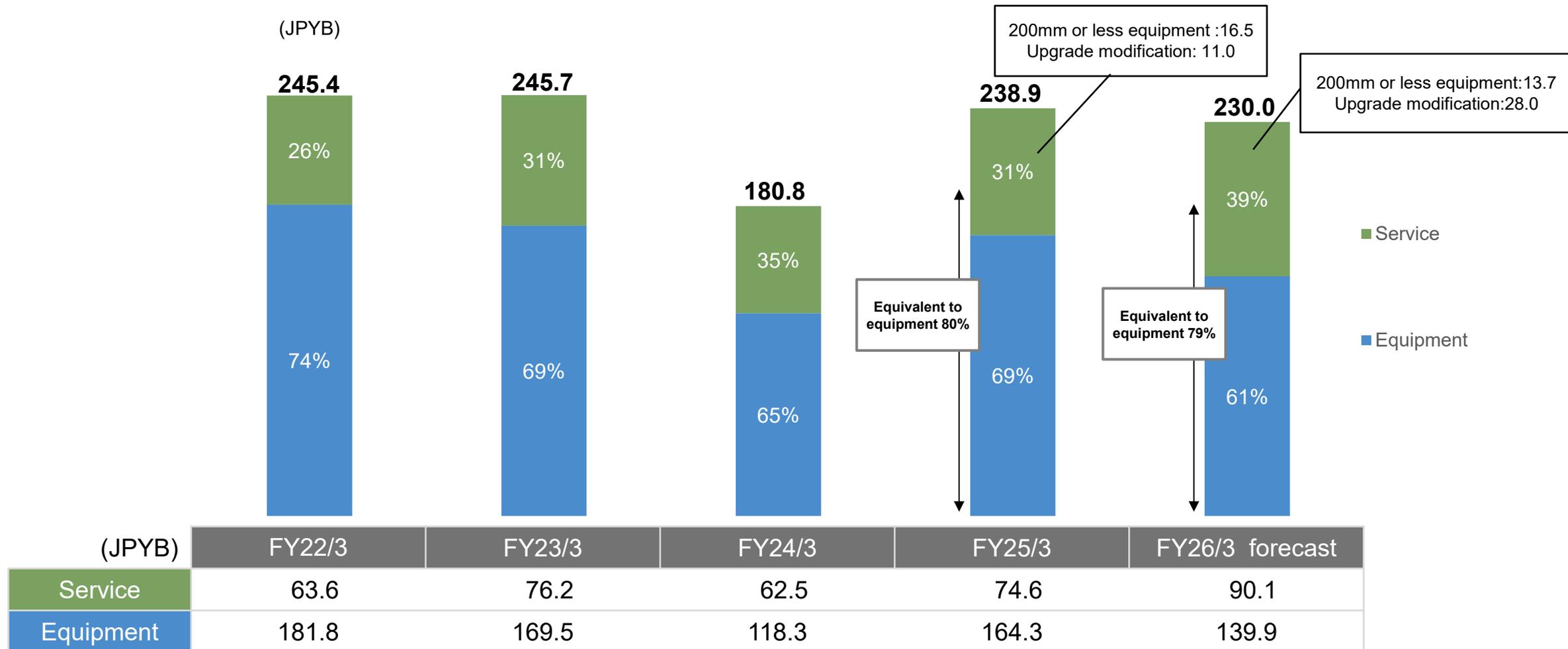
- Revenue in Non-China is expected to increase 9% YoY, because of increases in equipment sales for NAND and DRAM, and upgrade modifications (service) growth. Logic/Foundry revenue is expected to grow for GAA, despite weakness in mature nodes.
- Revenue in China is expected to decrease 20% YoY, owing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



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

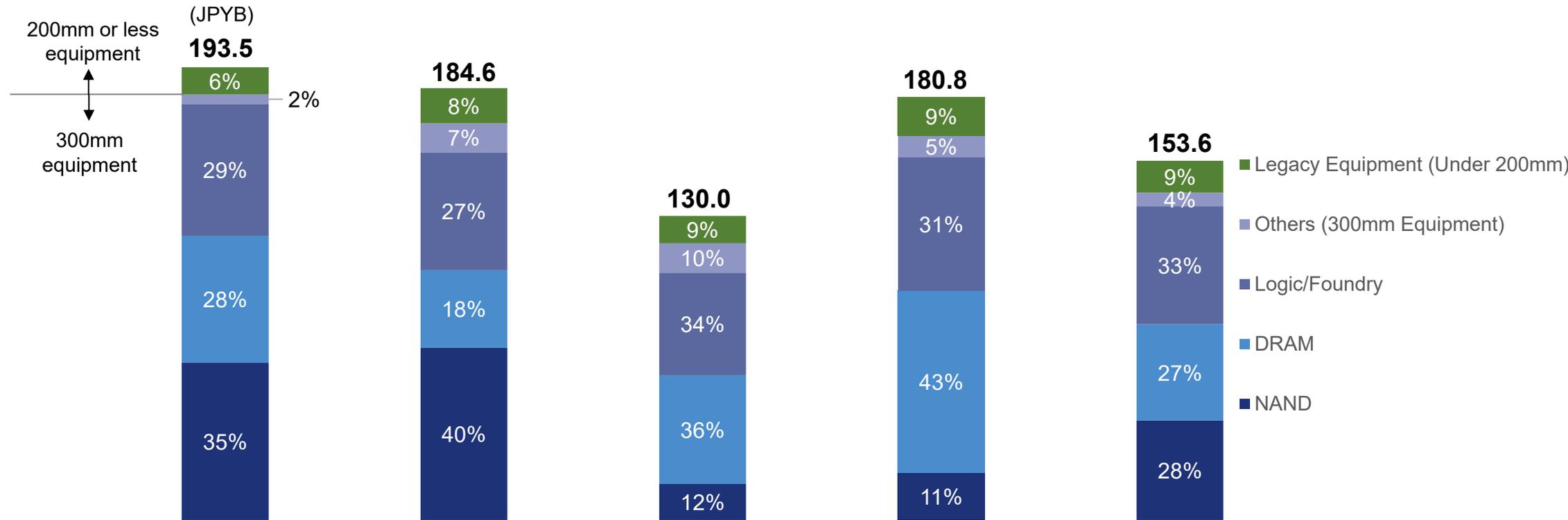
FY26/3 Earnings Forecast: Revenues by Business (No change)

The ratio of service revenue to total is expected to increase to 39% due to an increase in upgrade modifications (service) in place of new equipment sales.



FY26/3 Earnings Forecast: Revenues by Application*1 (No change)

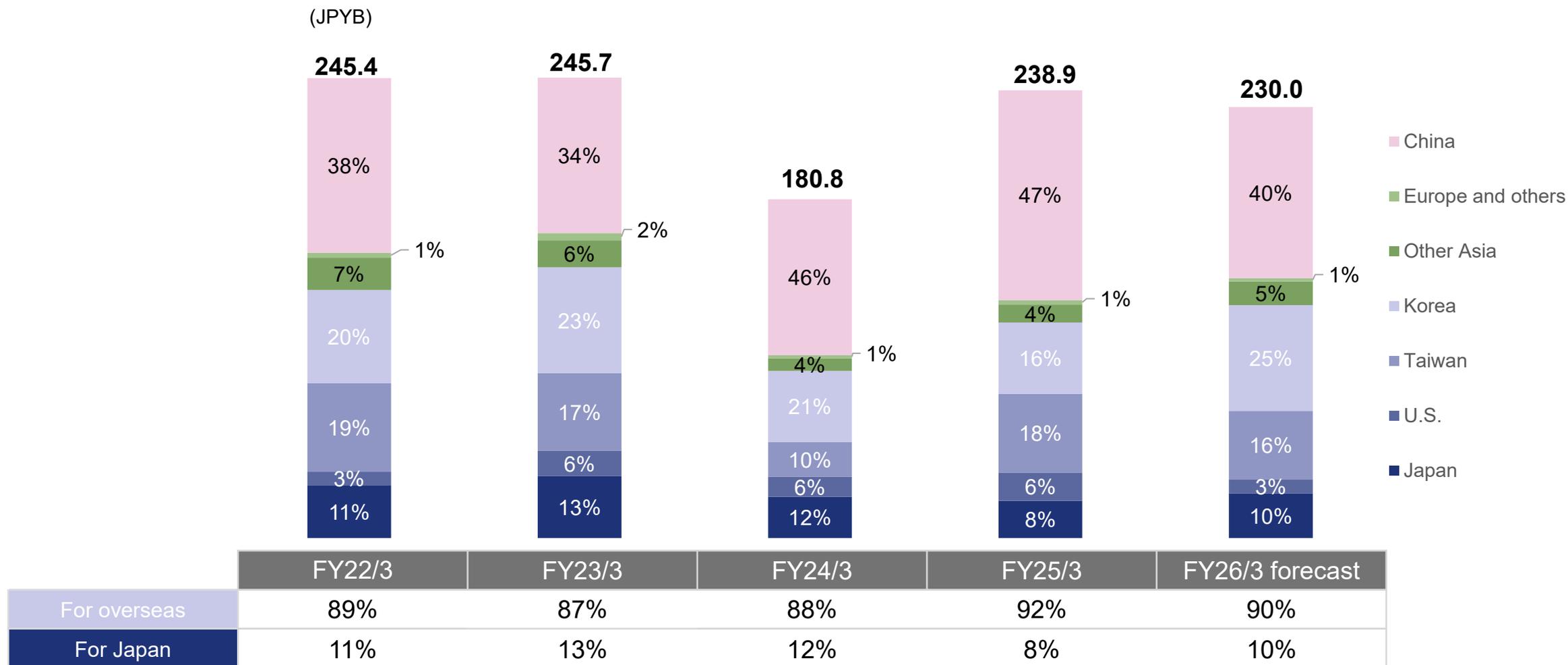
Revenue for NAND is expected to double YoY; DRAM is expected to decrease 47% (not including upgrade modifications), and Logic/Foundry is expected to decrease 11%. SiC/GaN power devices of under 200mm are expected to be at the same level as the previous year.



(JPYB)	FY22/3	FY23/3	FY24/3	FY25/3	FY26/3 forecast
200mm or Less Equipment	11.7	15.0	11.7	16.5	13.7
300mm Equipment	181.8	169.5	118.3	164.3	139.9

FY26/3 Earnings Forecast: Revenues by Destination (No change)

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





Future Outlook

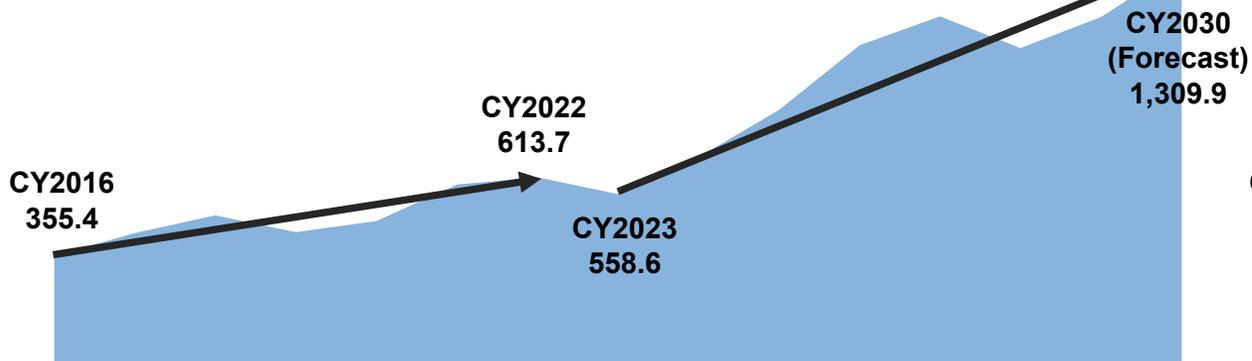
Business Environment

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

Outlook for Semiconductor Device Market

- Demand related to generative AI is expected to continue to drive market and demand for equipment for high-performance devices is expected to further strengthen.
- The recovery in capital investments for mature node Logic is expected to be delayed in Europe, the U.S., and Asia. The pace of capital investment is also expected to slow in China.
- In the medium to long term, significant growth is expected due to increasing demand for electronic equipment, expansion of data centers, and investment in green transformation, etc.

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



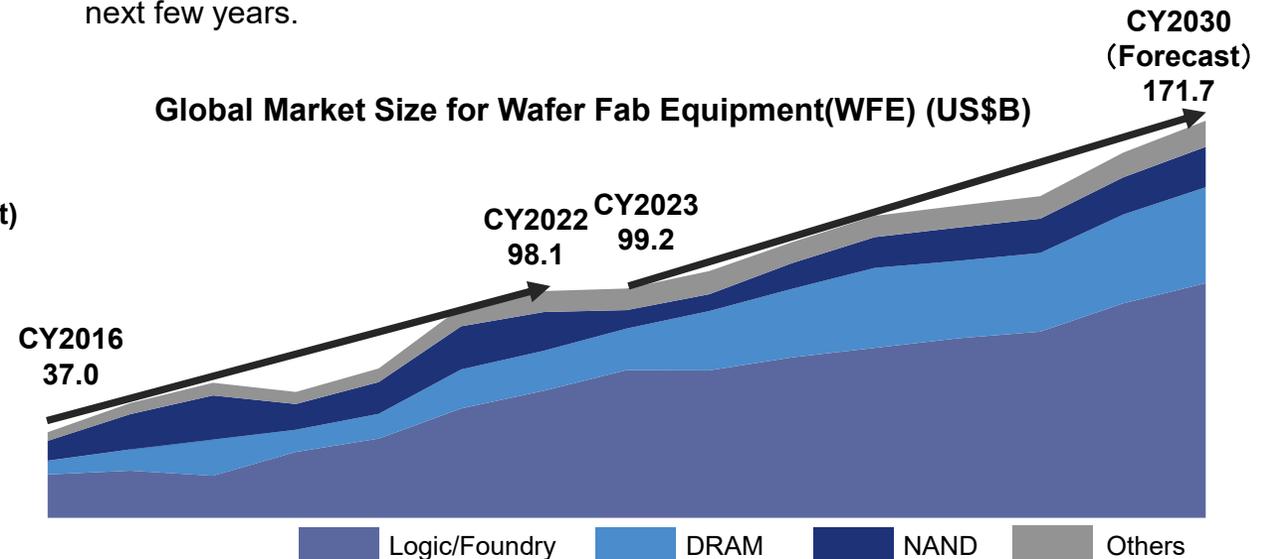
Source : Techinsights Inc. "Semiconductor Forecast" (Dec-2025)

Techinsights Inc-WAFER FAB EQUIPMENT (WFE) MARKET HISTORY AND FORECAST (2020 - 2030)_Dec-25

Wafer Fab Equipment (WFE) Market

- Demand for equipment for high-performance devices is expected to increase further. Mature node demand is expected to be sluggish. In China, demand from major device manufacturers is expected to continue.
- In CY25, WFE is expected to grow around 5% YoY. It is expected to grow around +10% YoY in CY26.
- WFE is expected to grow significantly in the medium to long term, and we do not change our assumption that the market will grow to around US\$120B in the next few years.

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

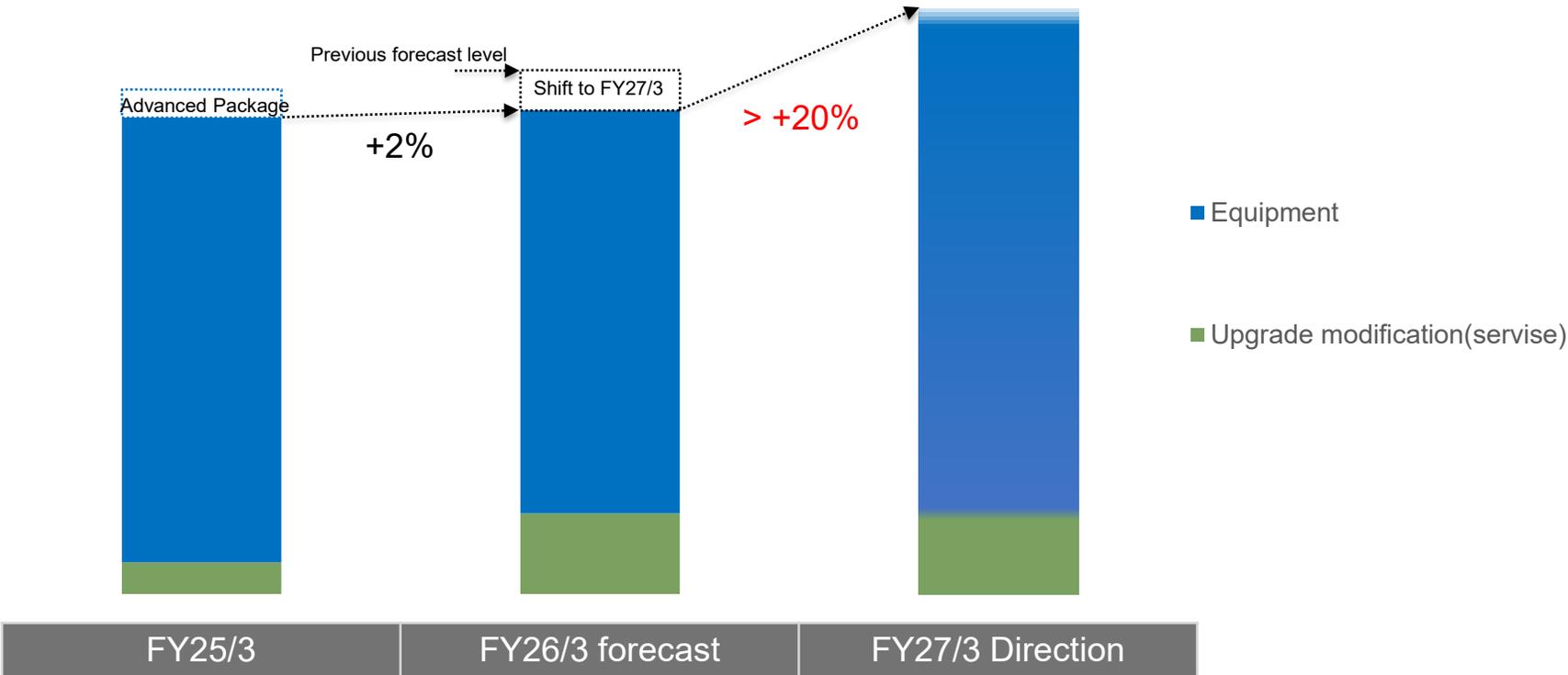


Direction for the FY27/3 (With changes)

WFE is expected to grow around 10% YoY in CY26.

We aim to increase revenue by at least 20% YoY, based on equipment + upgrade modification revenue in FY27/3, including sales that slip into FY27/3 from FY26/3.

Trends in revenue from equipment sales and upgrade modifications



Business environment by application and our status

Equipment and upgrade modification demand is expected to further increase to address generation shift and production capacity expansion in high-performance DRAM and Logic. For NAND, although generation shift demand continues, there is no change in the cautious outlook concerning production capacity expansion.

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

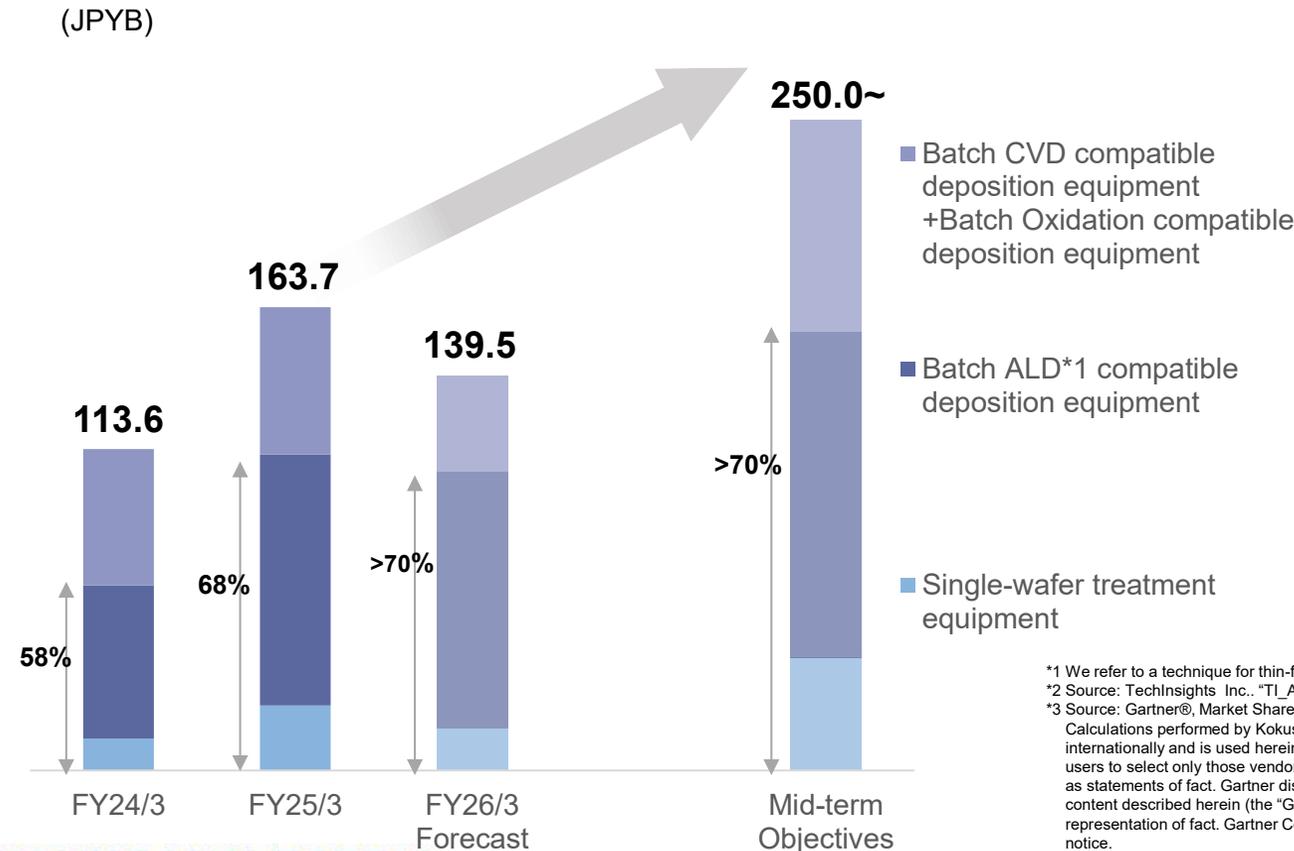
	Business Environment	Our Initiatives
NAND	<ul style="list-style-type: none"> -In Non-China, capital investment to address a shift in device generation is increasing, <u>but cautious investment continue.</u> -In China, <u>capital investment to address generation shift and production capacity expansion continues.</u> 	<ul style="list-style-type: none"> -Non-China <u>equipment sales are trending upward</u>, particularly to address generation shift. <u>Revenue growth is expected to continue in FY27/3.</u> -In China, <u>equipment sales have been recovering for the first time in three years</u>, as manufacturers address generation shift and production capacity expansion. In FY27/3 <u>We expect the 1H to be a transitional period for investment, with revenue concentrated in the 2H.</u>
DRAM	<ul style="list-style-type: none"> -Capital investment to address HBM device generation shift and production <u>capacity expansion is expected to increase further.</u> General purpose DRAM is also trending toward recovery. - In China, the transitional period for investment ended in 1H FY26/3, and demand has been recovering since 2H. 	<ul style="list-style-type: none"> -In Non-China, <u>sales of equipment and upgrade modifications are on an upward trend.</u> <u>We expect the growth rate in the FY27 to exceed that of the previous year.</u> -Revenue in China is <u>expected to recover equipment sales from FY26/3 2H onward.</u> <u>Revenue increase is expected for the FY27/3.</u>
Logic/Foundry	<ul style="list-style-type: none"> -Non-China major manufacturers continue to actively invest in advanced nodes. -For mature nodes, <u>major China device manufacturers continue to invest aggressively, while investment by emerging Chinese manufacturers is slowing,</u> and investment by European, U.S., and Asian manufacturers is stagnating. 	<ul style="list-style-type: none"> -<u>Equipment sales for the first-generation GAA is increasing.</u> <u>In FY27/3, an increase in equipment sales for FinFET 3nm generation devices is expected, along with a recovery in equipment sales for advanced package and mature nodes.</u> -In China, <u>revenue growth for major device manufacturers is expected to continue in FY27/3.</u>
SiC/GaN Power Devices (Service Business)	<ul style="list-style-type: none"> -Capital investment is slowing at both Non-China and China device manufacturers. -We expect capital investment for the transition to 200mm wafer size and trench gate technologies. 	<ul style="list-style-type: none"> -<u>POR share is increasing</u>, sales of existing products are steady products. In FY27/3 <u>an increase in sales of new products such as high-temperature activation annealing is expected.</u> -We are also focusing on developing new solutions related to ALD*¹.

*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 (No change)

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

Equipment revenue (excluding service revenue)



Batch processing equipment

- Batch ALD*1 compatible deposition equipment
- Worldwide Market Share No.1 (CY2024)*2**
- Batch CVD compatible deposition equipment
- Batch Oxidation compatible deposition equipment



Treatment equipment

- Plasma Gate Modification Tools
- Worldwide Market Share No.1 (CY2024)*3**
- Others

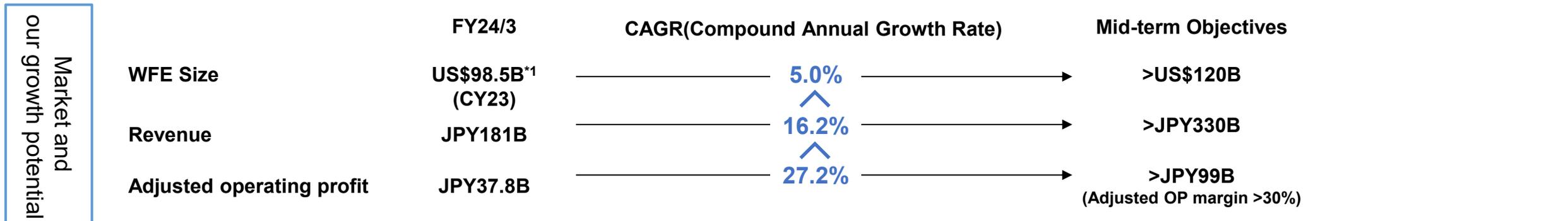
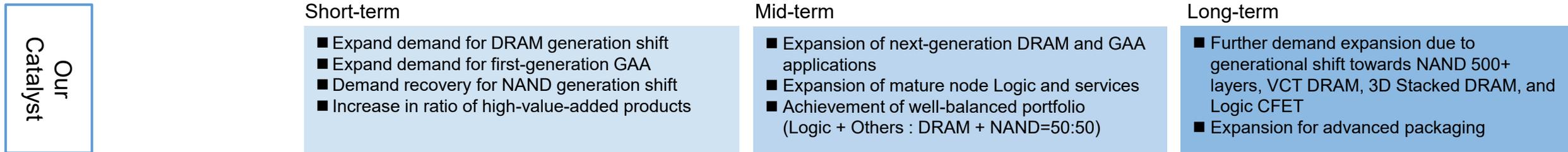
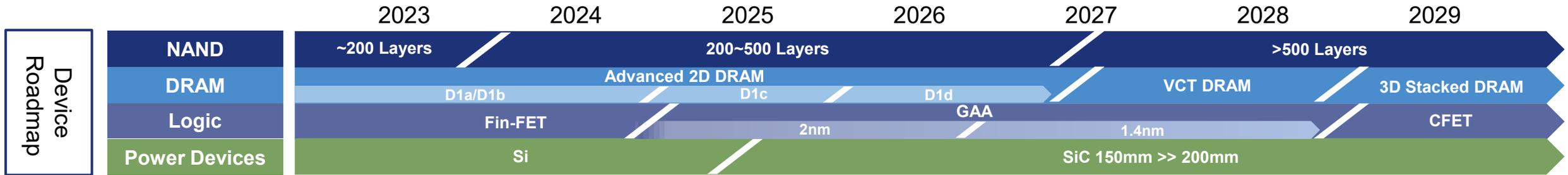


*1 We refer to a technique for thin-film deposition at an atomic layer level involving a process of cyclical supply of multiple gases as "ALD".
 *2 Source: TechInsights Inc., "TI_ALD Tools_YEARLY" (April 2025)
 *3 Source: Gartner®, Market Share: Semiconductor Wafer Fab Equipment, Worldwide, 2024, Bob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

Summary (Announced on May 13)

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

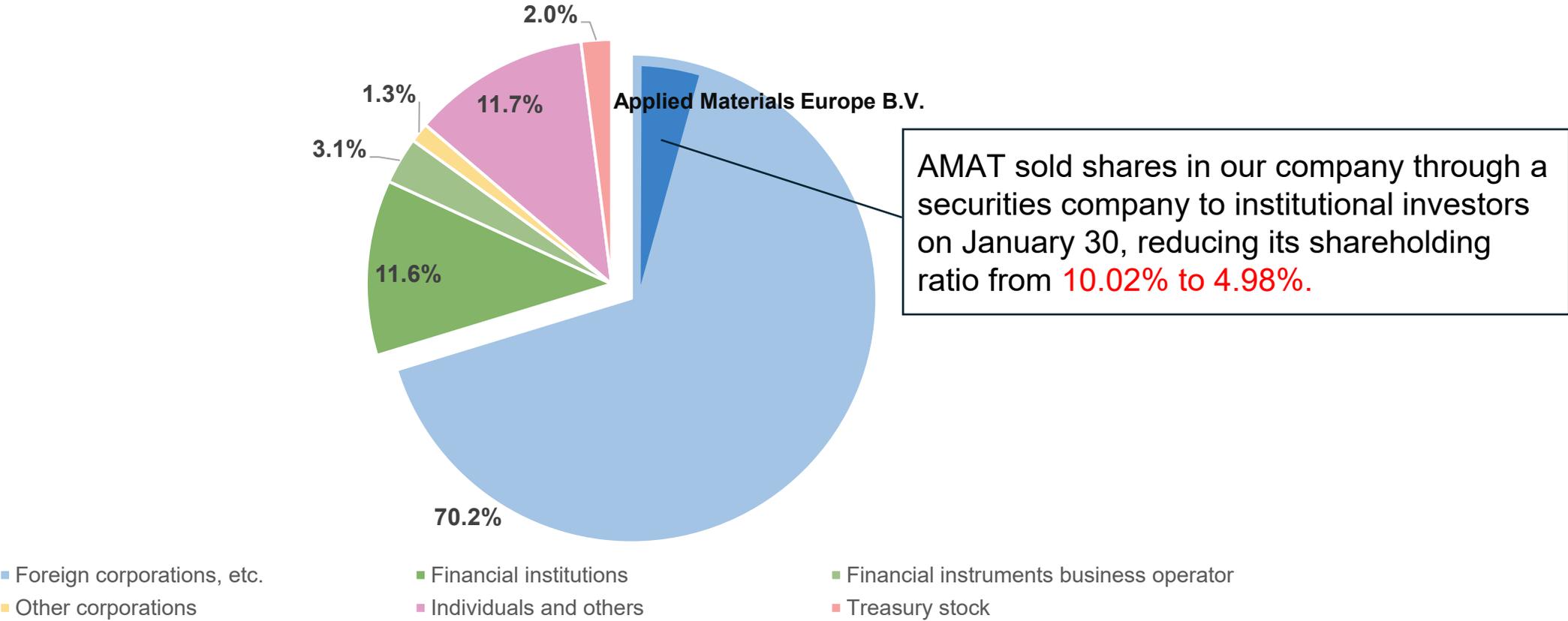
We aim to expand our business at a rate that exceeds market growth by leveraging our technological advantages.



Sale of a Portion of Shares Held by AMAT

AMAT sold a portion of its shares in our company to institutional investors, reducing its shareholding ratio to 5%. The largest and principal shareholder remains KKR.

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



Key Activities for 3Q FY26/3 Business Activities

Management and Business Activities

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



Received the Excellent Production Support Award from TSMC

ESG Initiatives

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



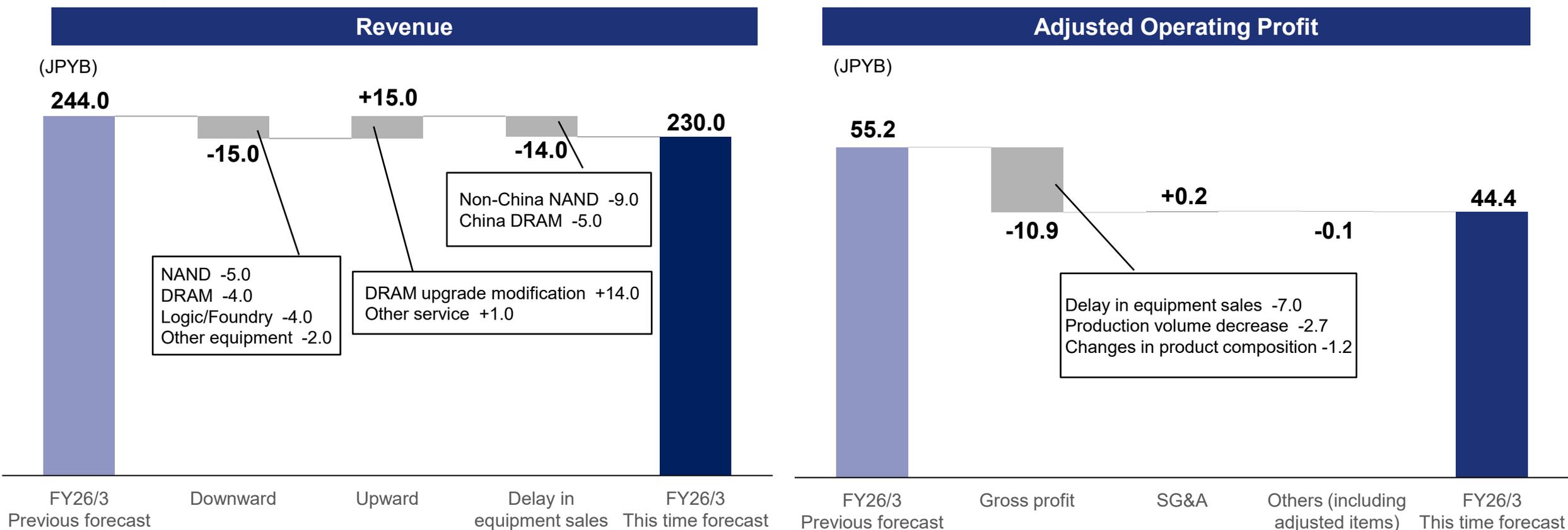
Received the "Platinum Kurumin Certification" and "Eruboshi Certification"



Appendix

FY26/3 Earnings Forecast: Factors for Change (No change)

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

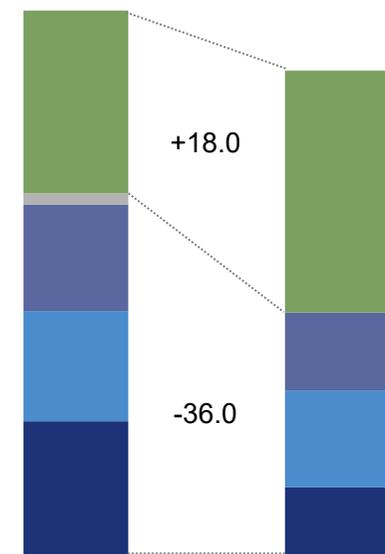


FY26/3 Earnings Forecast: Revenues by Account*1 (No change)

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

Revenue in Non-China

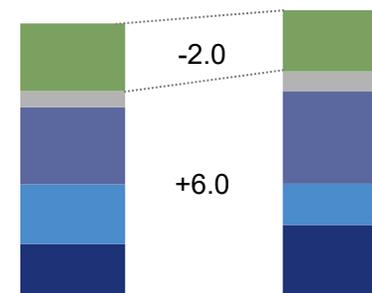
(JPYB)



	FY26/3 Previous forecast	FY26/3 This time forecast
Ratio of Non-China	67%	63%

Revenue in China

(JPYB)



	FY26/3 Previous forecast	FY26/3 This time forecast
Ratio of China	33%	37%



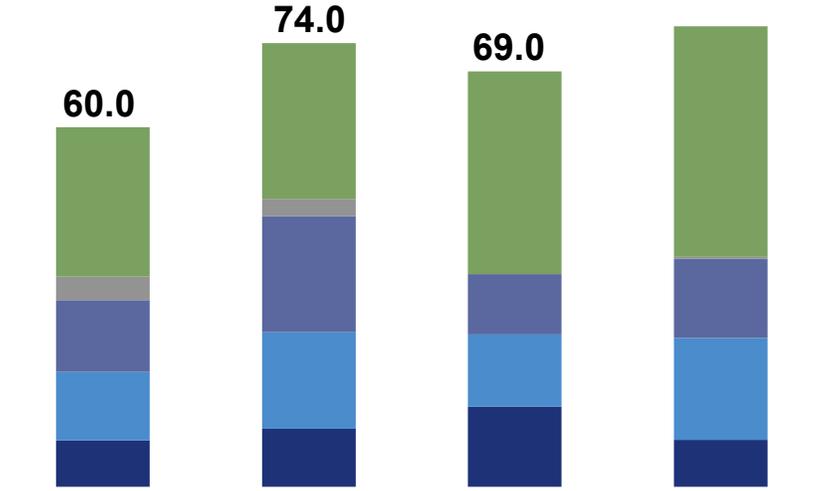
FY26/3 Earnings Forecast: 1H and 2H Revenue by Account*1 (No change)

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

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

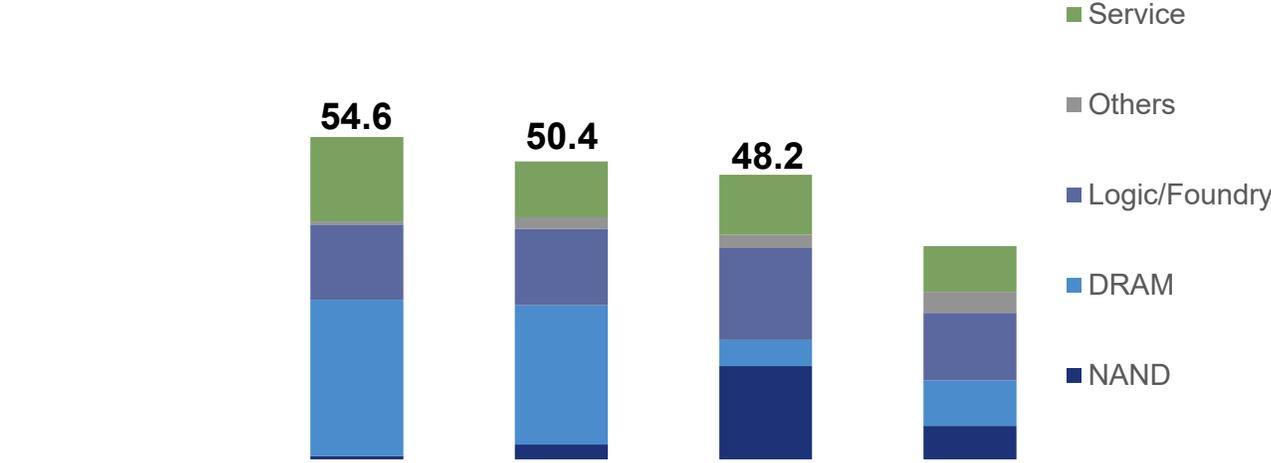
Revenue in Non-China

(JPYB)



Revenue in China

(JPYB)



Ratio of Non-China	FY25/3		FY26/3	
	1H	2H	1H	2H This time forecast
	52%	59%	59%	68%

Ratio of China	FY25/3		FY26/3	
	1H	2H	1H	2H This time forecast
	48%	41%	41%	32%

- Service
- Others
- Logic/Foundry
- DRAM
- NAND

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

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

(JPYM)	FY25/3						FY26/3			
	1Q	2Q	3Q	1-3Q	4Q	Full-year	1Q	2Q	3Q	1-3Q
Revenue	65,224	49,324	60,117	174,665	64,268	238,933	51,789	65,416	55,852	173,058
Gross profit	29,354	22,012	24,865	76,231	25,512	101,743	22,220	27,277	22,883	72,380
<i>Gross profit margin</i>	45.0%	44.6%	41.4%	43.6%	39.7%	42.6%	42.9%	41.7%	41.0%	41.8%
Adjusted operating profit	19,382	11,299	13,876	44,557	13,196	57,753	10,902	14,439	11,290	36,631
<i>Adjusted operating profit margin</i>	29.7%	22.9%	23.1%	25.5%	20.5%	24.2%	21.1%	22.1%	20.2%	21.2%
Adjusted net income	14,345	7,262	9,646	31,253	11,050	42,303	7,598	9,785	8,292	25,675
<i>Adjusted net income margin</i>	22.0%	14.7%	16.0%	17.9%	17.2%	17.7%	14.7%	15.0%	14.8%	14.8%
Operating profit	17,878	9,562	12,274	39,714	11,606	51,320	9,717	12,993	9,809	32,519
<i>Operating profit margin</i>	27.4%	19.4%	20.4%	22.7%	18.1%	21.5%	18.8%	19.9%	17.6%	18.8%
Income before income tax	17,747	10,195	11,241	39,183	11,606	50,789	9,322	12,840	9,412	31,574
<i>Income before income tax margin</i>	27.2%	20.7%	18.7%	22.4%	18.1%	21.3%	18.0%	19.6%	16.9%	18.2%
Net income	13,302	4,751	8,004	26,057	9,947	36,004	6,776	8,782	7,264	22,822
<i>Net income margin</i>	20.4%	9.6%	13.3%	14.9%	15.5%	15.1%	13.1%	13.4%	13.0%	13.2%
R&D expenses	3,348	3,920	3,755	11,023	4,581	15,604	3,851	4,821	4,159	12,831
Capital expenditures	11,215	3,015	2,494	16,724	3,624	20,348	2,302	5,208	4,015	11,525
Depreciation and amortization	2,914	3,027	3,328	9,268	3,357	12,625	3,417	3,498	3,629	10,544

Reconciliation of Adjusted Items

(JPYM)	FY25/3						FY26/3			
	1Q	2Q	3Q	1-3Q	4Q	Full-year	1Q	2Q	3Q	1-3Q
Operating profit	17,878	9,562	12,274	39,714	11,606	51,320	9,717	12,993	9,809	32,519
Other income	-92	-187	-28	-307	-41	-348	-304	-83	-70	-457
Other expenses	27	78	79	184	69	253	18	53	74	145
(Adjustments)										
Purchase price allocation amortization	1,479	1,477	1,475	4,431	1,476	5,907	1,476	1,476	1,477	4,429
Stand-alone related expenses	12	298	3	313	4	317	-	-	-	-
Stock-based compensation (except for performance-linked stock compensation)	78	71	73	222	82	304	-5	-	-	-5
Total adjustments	1,569	1,846	1,551	4,966	1,562	6,528	1,471	1,476	1,477	4,424
Adjusted Operating Profit	19,382	11,299	13,876	44,557	13,196	57,753	10,902	14,439	11,290	36,631
Net income	13,302	4,751	8,004	26,057	9,947	36,004	6,776	8,782	7,264	22,822
Other income	-92	-187	-28	-307	-41	-348	-304	-83	-70	-457
Other expenses	27	78	79	184	69	253	18	53	74	145
(Adjustments)										
Purchase price allocation amortization	1,479	1,477	1,475	4,431	1,476	5,907	1,476	1,476	1,477	4,429
Stand-alone related expenses	12	298	3	313	4	317	-	-	-	-
Stock-based compensation (except for performance-linked stock compensation)	78	71	73	222	82	304	-5	-	-	-5
Tax adjustment to total adjustments	-461	-531	-491	-1,483	-487	-1,970	-363	-443	-453	-1,259
One-time tax expense adjustment	-	1,305	531	1,836	-	1,836	-	-	-	-
Adjusted Net Income	14,345	7,262	9,646	31,253	11,050	42,303	7,598	9,785	8,292	25,675

Balance Sheet and Key Financial Indicators

		FY25/3				FY26/3					FY25/3				FY26/3						
		(JPYM)													(JPYM)						
		End of 1Q	End of 2Q	End of 3Q	End of 4Q	End of 1Q	End of 2Q	End of 3Q			End of 1Q	End of 2Q	End of 3Q	End of 4Q	End of 1Q	End of 2Q	End of 3Q				
Assets	Current Assets	Cash and cash equivalents	87,775	69,333	60,722	44,755	42,766	43,806	47,728	Liabilities	Current Liabilities	Loans payable + Lease liability	8,055	8,843	8,843	11,928	11,956	12,044	12,161		
		Trade and other receivables	42,444	33,979	42,369	42,835	39,087	38,066	36,152			Trade and other payables	38,657	31,275	30,328	23,606	24,574	25,658	26,361		
		Inventories	82,028	86,542	91,019	83,200	89,626	89,326	92,758			Contract liabilities	19,394	19,734	19,822	22,455	25,069	21,704	27,666		
		Other currents assets	2,787	1,923	1,923	2,062	2,038	2,065	2,905			Others	19,554	22,510	23,180	24,682	17,991	18,687	15,263		
		Total Current assets	215,034	191,777	196,033	172,852	173,517	173,263	179,543			Total current liabilities	85,660	82,362	82,173	82,671	79,590	78,093	81,451		
		Non-current Assets	Property, plant and equipment	45,696	46,714	47,341	46,904	47,220	50,214		51,916	Non-current Liabilities	Loans payable + Lease liability	85,555	81,059	80,982	48,256	48,339	42,365	43,681	
			Goodwill	59,065	59,065	59,065	59,065	59,065	59,065		59,065		Others	15,199	15,900	15,344	14,417	14,663	14,553	14,131	
			Intangible assets	55,480	54,073	52,652	54,139	53,182	52,013		51,321		Total non-current liabilities	100,754	96,959	96,326	62,673	63,002	56,918	57,812	
			Other non-currents assets	10,179	10,609	11,309	8,552	8,524	8,765		10,262	Total Liabilities		186,414	179,321	178,499	145,344	142,592	135,011	139,263	
			Total non-current assets	170,420	170,461	170,367	168,660	167,991	170,057		172,564	Total Equity		199,040	182,917	187,901	196,168	198,916	208,309	212,844	
Total Assets			385,454	362,238	366,400	341,512	341,508	343,320	352,107	Total Liabilities and Equity		385,454	362,238	366,400	341,512	341,508	343,320	352,107			
													FY25/3				FY26/3				
													End of 1Q	End of 2Q	End of 3Q	End of 4Q	End of 1Q	End of 2Q	End of 3Q		
Equity ratio													51.6%	50.5%	51.3%	57.4%	58.2%	60.7%	60.4%		
Debt equity ratio													0.5	0.5	0.5	0.3	0.3	0.3	0.3		
Net cash (JPYM)													-5,835	-20,569	-29,103	-15,429	-17,529	-10,603	-8,114		

Cash Flow Statement

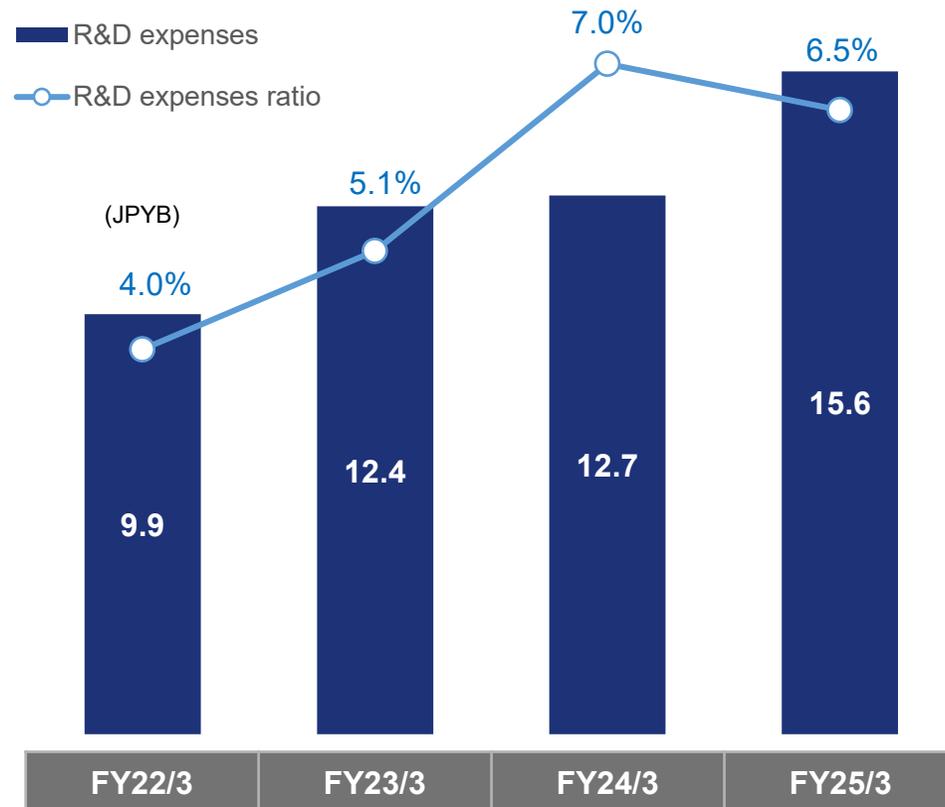
(JPYM)	FY25/3						FY26/3			
	1Q	2Q	3Q	1-3Q	4Q	Full-year	1Q	2Q	3Q	1-3Q
CF from operating activities	4,073	14,649	1,936	20,658	17,819	38,477	4,923	11,936	11,538	28,397
CF from investing activities	-7,582	-9,090	-7,393	-24,065	-3,641	-27,706	-2,942	-4,789	-4,263	-11,994
Free CF	-3,509	5,559	-5,457	-3,407	14,178	10,771	1,981	7,147	7,275	16,403
CF from financing activities	-2,143	-22,628	-4,128	-28,899	-29,207	-58,106	-4,423	-6,373	-4,339	-15,135
Cash and cash equivalents at beginning balance	92,619	87,775	69,333	92,619	60,722	92,619	44,755	42,766	43,806	44,755
Cash and cash equivalents at end of the quarter	87,775	69,333	60,722	60,722	44,755	44,755	42,766	43,806	47,728	47,728

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

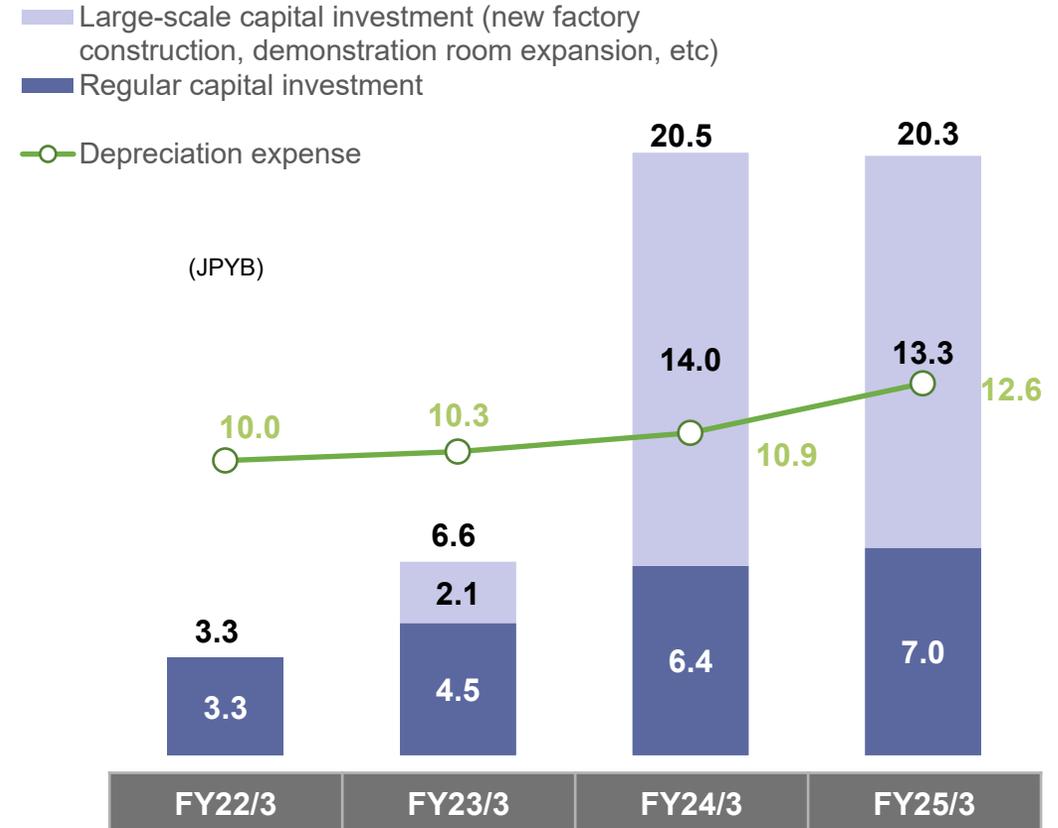
Continue to invest in R&D and capital equipment in line with our medium-term plan in anticipation of medium to long term demand expansion.

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.

R&D Expenses



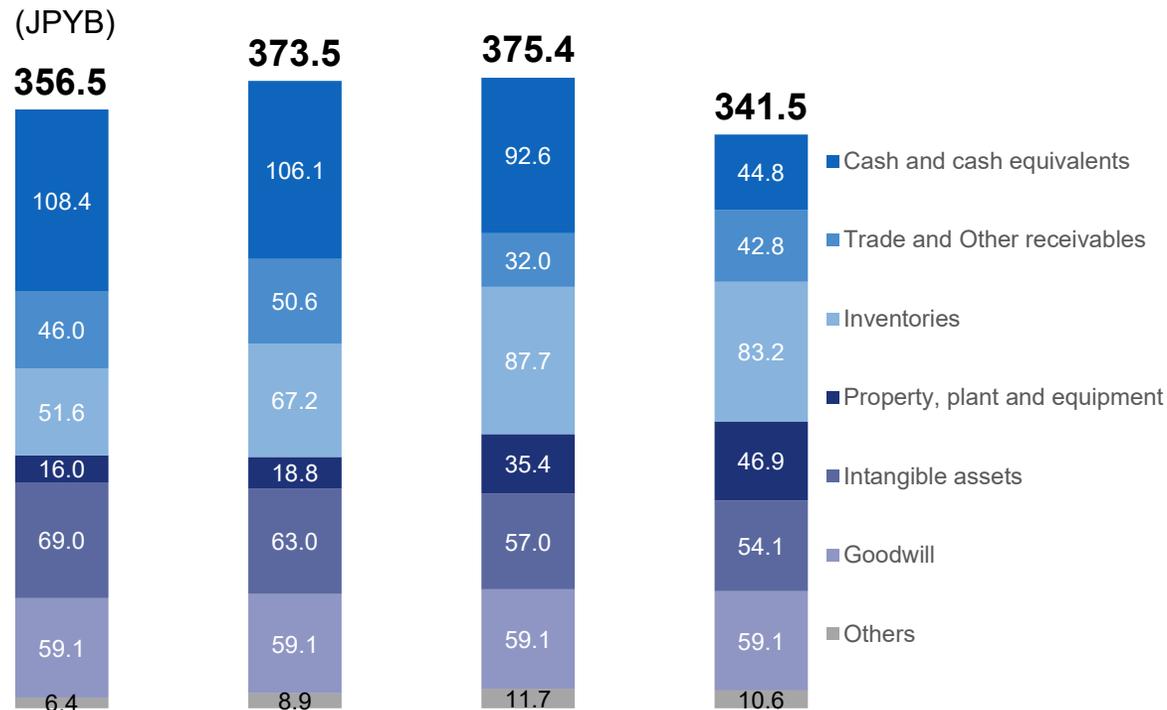
Capital Expenditure / Depreciation Expense



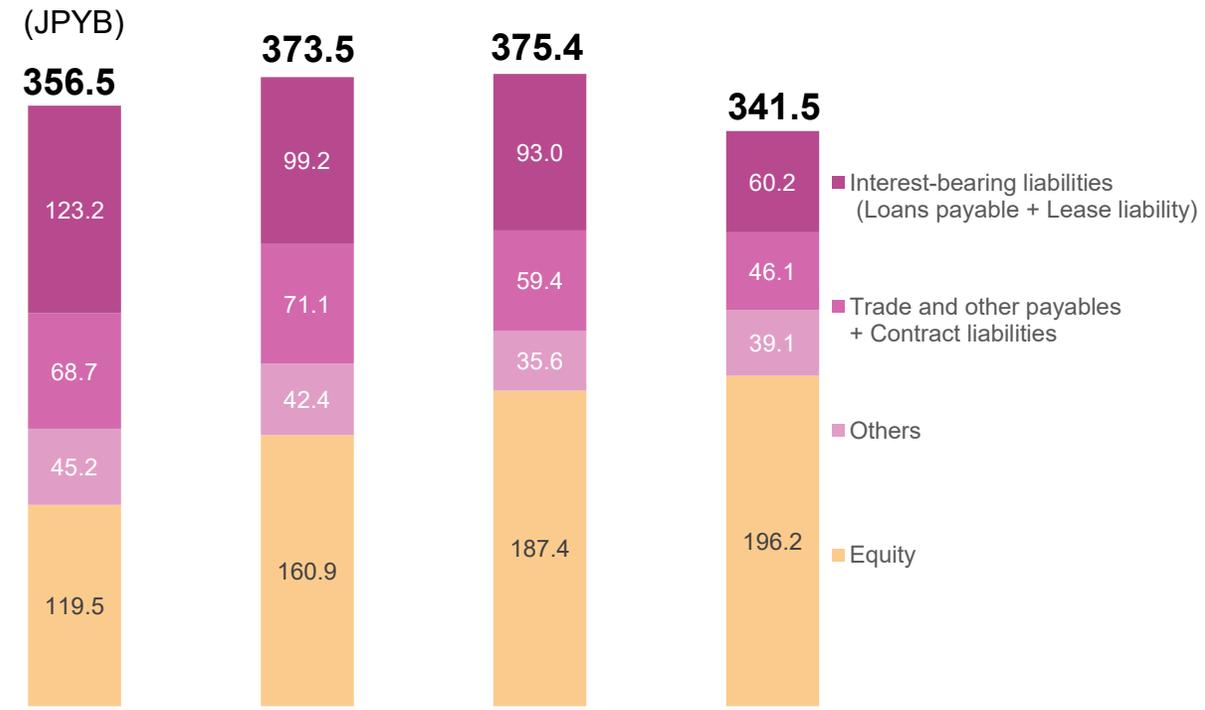
Balance Sheet (Announced on May 13)

Total assets decreased by JPY 33.9 bn 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 JPY 42.7 bn from the end of the previous fiscal year due to repayment of loans and decrease in trade and other payables. Total equity grew by JPY 8.8 bn from the end of the previous fiscal year due mainly to an increase in retained earnings.

Assets



Liabilities - Equity



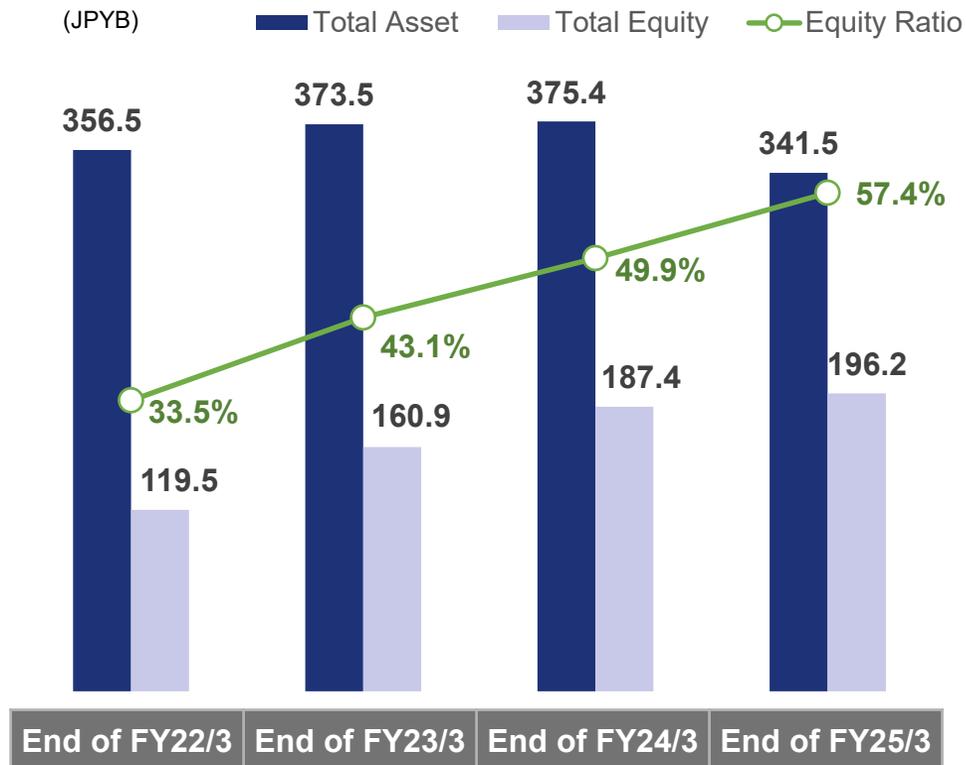
End of FY22/3 End of FY23/3 End of FY24/3 End of FY25/3

End of FY22/3 End of FY23/3 End of FY24/3 End of FY25/3

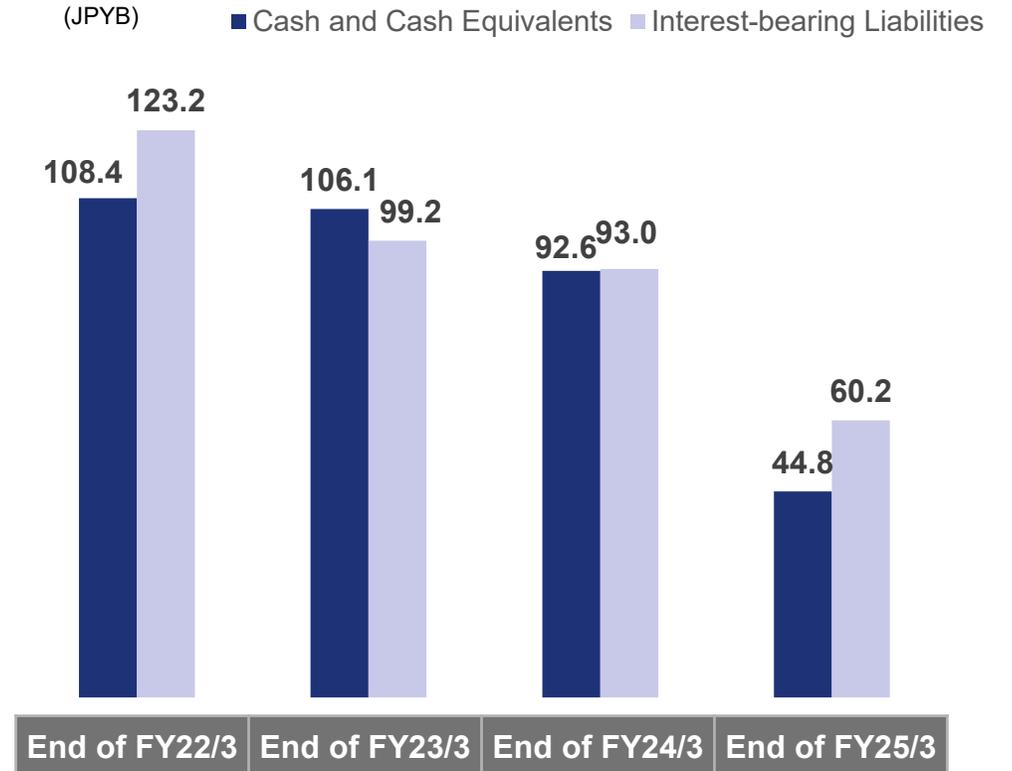
Equity Ratio / Cash and Cash Equivalents / Interest-bearing Liabilities (Announced on May 13)

The equity ratio rose to 57% at the end of FY25/3. Net debt at the end of FY25/3 increased to JPY15.4 bn due to cash payment for the acquisition of treasury stock, etc., but loans payable decreased by JPY 33.3bn due to early repayment.

Total Asset / Total Equity / Equity Ratio

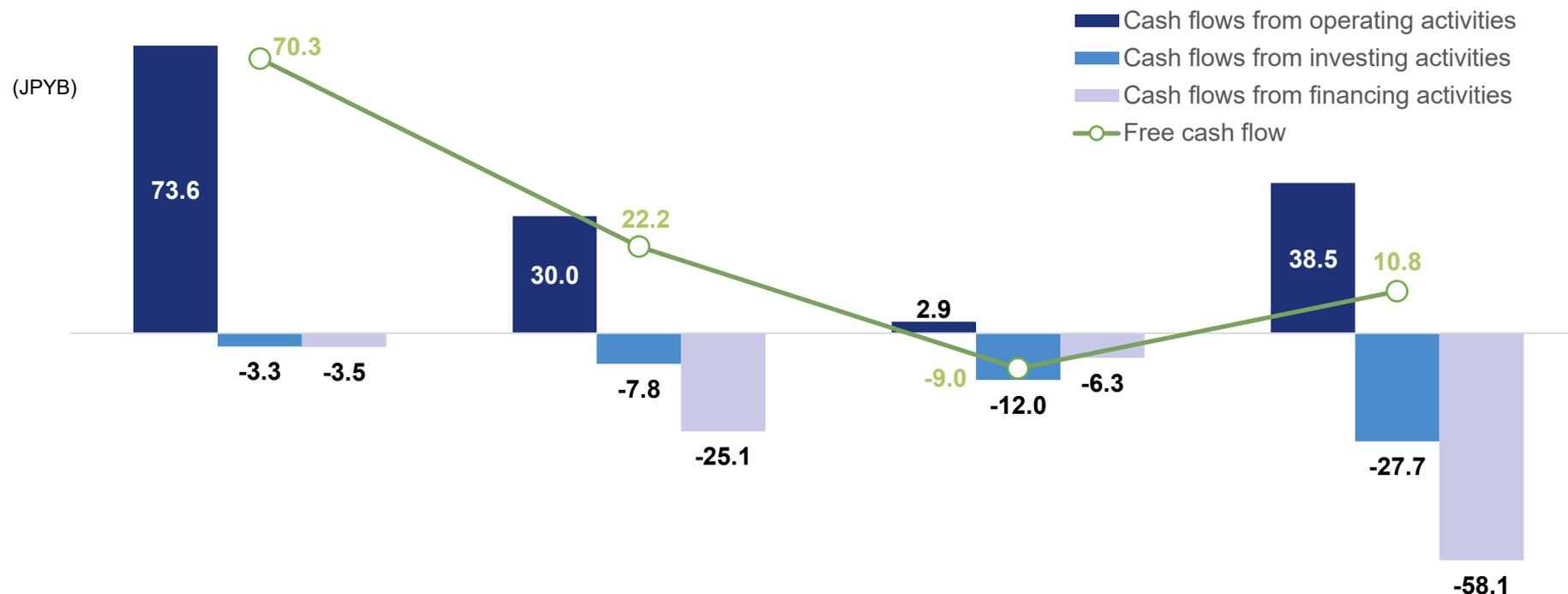


Cash and Cash Equivalents / Interest-bearing Liabilities



Cash Flows (Announced on May 13)

Free cash flow amounted to JPY10.8 bn, 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 JPY58.1 bn, due to early repayment of borrowings and acquisition of treasury stock.

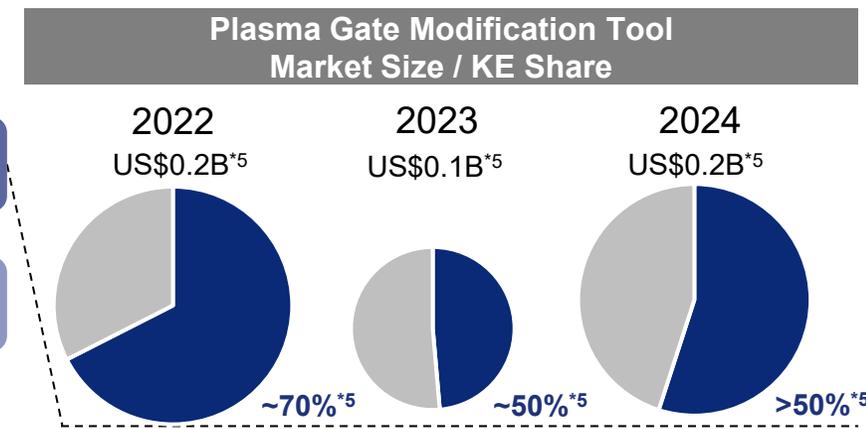
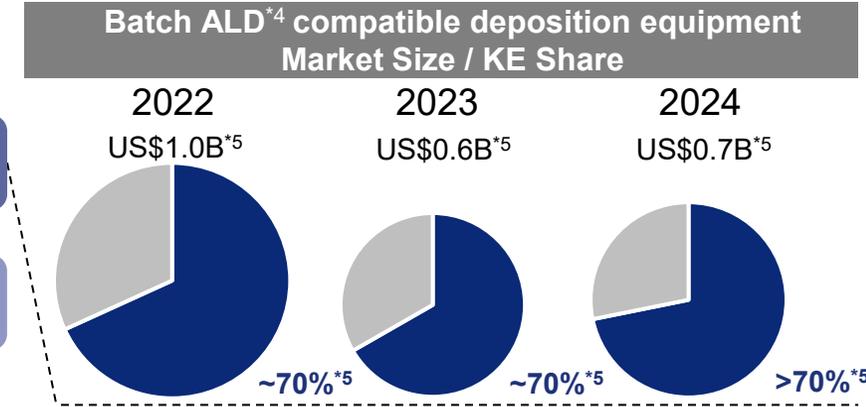
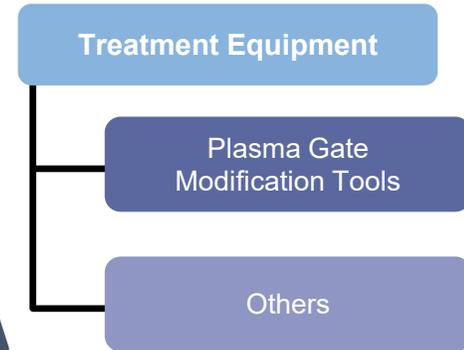
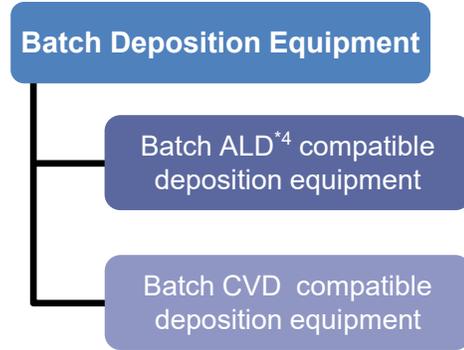
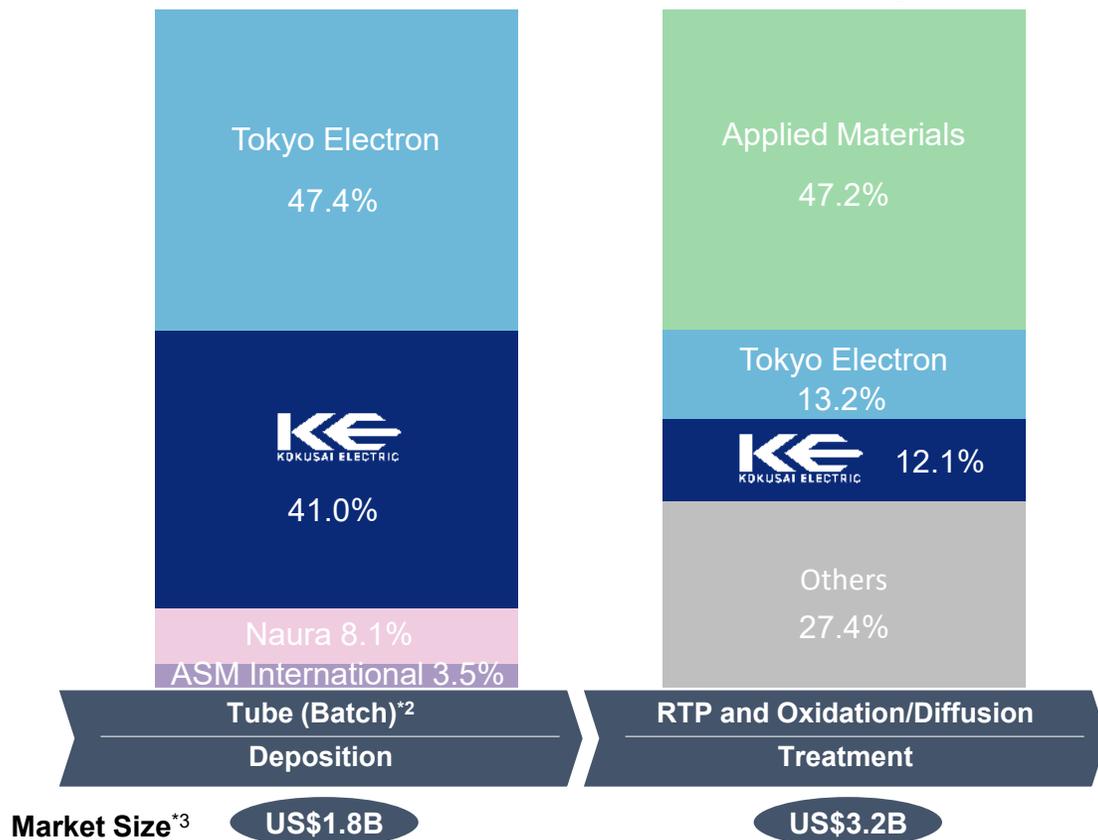


(JPYB)	FY22/3	FY23/3	FY24/3	FY25/3
CF from operating activities	73.6	30.0	2.9	38.5
CF from investing activities	-3.3	-7.8	-12.0	-27.7
CF from financing activities	-3.5	-25.1	-6.3	-58.1
Free CF	70.3	22.2	-9.0	10.8
Cash and cash equivalents	108.4	106.1	92.6	44.8

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^{*4} 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^{*1}



^{*1} 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. ^{*2} We define "Tube CVD" in Garner's WFE segmentation as "Tube (Batch)" in this chart (Calculations performed by KOKUSAI ELECTRIC CORPORATION) ^{*3} Total market in each of Gartner's category ^{*4} 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" ^{*5} Kokusai estimate based on public information and internal sales data

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

Management and Business Activities

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



Exhibited at SEMICON® TAIWAN



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

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

ESG Initiatives

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

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Sponsorship for
"Owara Kaze-no-Bon" Festival



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

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

