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KOKUSAI ELECTRIC

Financial Briefings for the Second Quarter of the Fiscal Year Ending March 2025 (April to September 2024)

November 11, 2024

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- **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.

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2Q FY25/3 Consolidated Financial Summary

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Highlight

Summary of Consolidated Results for 2Q FY25/3

- **DRAM is doing well due to the spread of generative AI. Logic/Foundry, capital investment for advanced nodes is on the rise.**
  Active capital investment for mature nodes in China has calmed down.
- **1H results saw an increase in revenue and profits, and profit margins were also higher YoY.**
  The QoQ decline in revenue and profits in 2Q was due to the moving forward of shipments to 1Q.

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

- **Expect Logic and NAND to recover following the strong DRAM performance.**
- **The Company's 3Q and 4Q results are expected to exceed the previous forecast, mainly for DRAM, and the Company has revised its full-year earnings and Dividend forecast.**

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Consolidated Results Summary

1H results exceeded previous forecasts, and profit margins were also higher YoY.

The QoQ decline in revenue and profits in 2Q was due to the moving forward of shipments to 1Q.

(JPY bn)	FY24/3			FY25/3					
	1Q	2Q	1H	1Q	2Q	YoY	QoQ	1H	YoY
Revenue	**32.7**	**45.0**	**77.7**	**65.2**	**49.3**	+9.6%	-24.4%	**114.5**	+47.4%
Gross profit	**14.3**	**19.9**	**34.2**	**29.4**	**22.0**	+10.7%	-25.0%	**51.4**	+50.3%
Gross profit margin	*43.6%*	*44.2%*	*44.0%*	*45.0%*	*44.6%*	*+0.4pts*	*-0.4pts*	*44.8%*	*+0.8pts*
Adjusted operating profit	**5.6**	**11.0**	**16.6**	**19.4**	**11.3**	+2.4%	-41.7%	**30.7**	+84.3%
Adjusted operating profit margin	*17.2%*	*24.5%*	*21.4%*	*29.7%*	*22.9%*	*-1.6pts*	*-6.8pts*	*26.8%*	*+5.4pts*
Adjusted net income	**3.8**	**7.3**	**11.1**	**14.3**	**7.3**	-0.6%	-49.4%	**21.6**	+94.9%
Adjusted net income margin	*11.6%*	*16.2%*	*14.3%*	*22.0%*	*14.7%*	*-1.5pts*	*-7.3pts*	*18.9%*	*+4.6pts*
Operating profit	**4.0**	**9.4**	**13.4**	**17.9**	**9.6**	+1.9%	-46.5%	**27.4**	+105.2%
Operating profit margin	*12.2%*	*20.9%*	*17.2%*	*27.4%*	*19.4%*	*-1.5pts*	*-8.0pts*	*24.0%*	*+6.8pts*
Income before income tax	**3.7**	**9.1**	**12.9**	**17.7**	**10.2**	+11.5%	-42.6%	**27.9**	+117.1%
Income before income tax margin	*11.4%*	*20.3%*	*16.6%*	*27.2%*	*20.7%*	*+0.4pts*	*-6.5pts*	*24.4%*	*+7.8pts*
Net income	**2.7**	**6.2**	**8.8**	**13.3**	**4.8**	-22.8%	-64.3%	**18.1**	+104.8%
Net income margin	*8.1%*	*13.7%*	*11.3%*	*20.4%*	*9.6%*	*-4.1pts*	*-10.8pts*	*15.8%*	*+4.5pts*
R&D expenses	**2.9**	**3.0**	**6.0**	**3.3**	**3.9**	+29.7%	+17.1%	**7.3**	+22%
Capital expenditures	**5.1**	**2.1**	**7.1**	**11.2**	**3.0**	+45.6%	-73.1%	**14.2**	+99.1%
Depreciation & amortization	**2.6**	**2.7**	**5.3**	**2.9**	**3.0**	+13.3%	+3.9%	**5.9**	+11.9%

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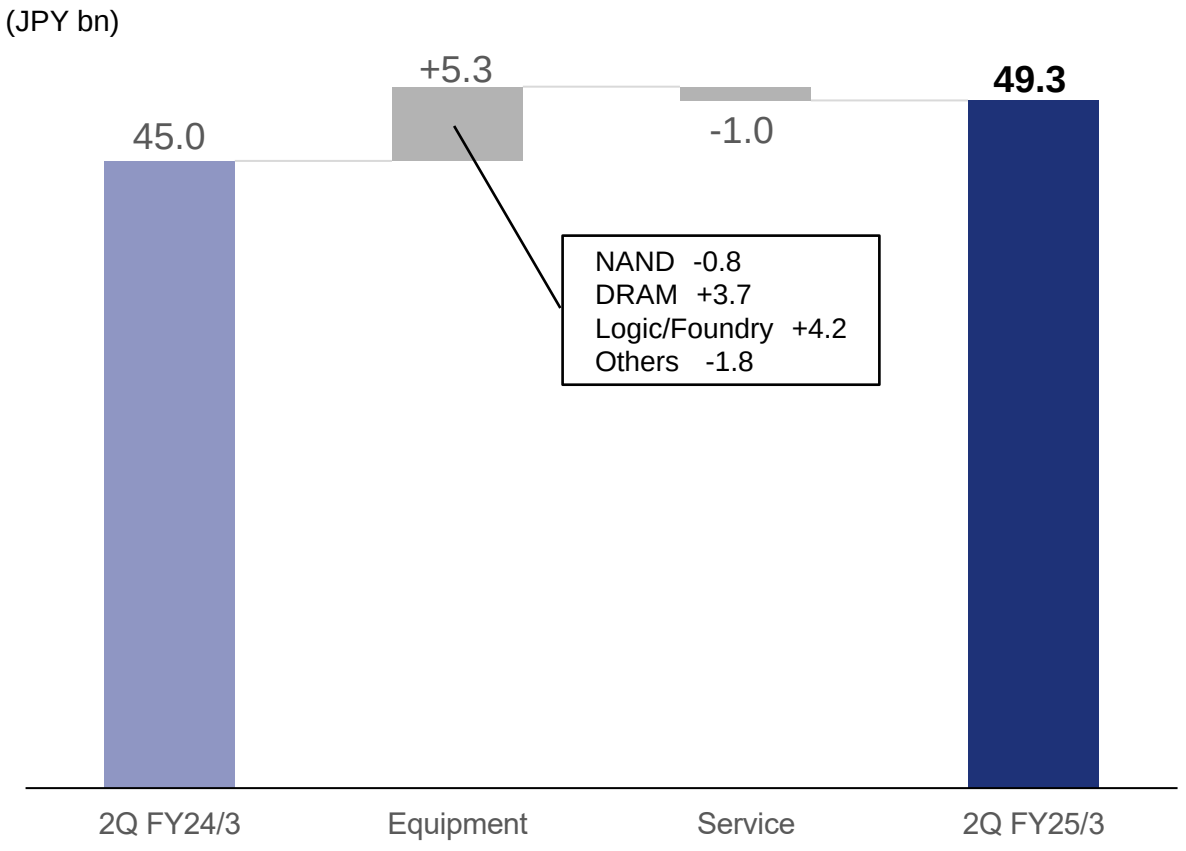
2Q FY25/3 Results: Factors for Changes

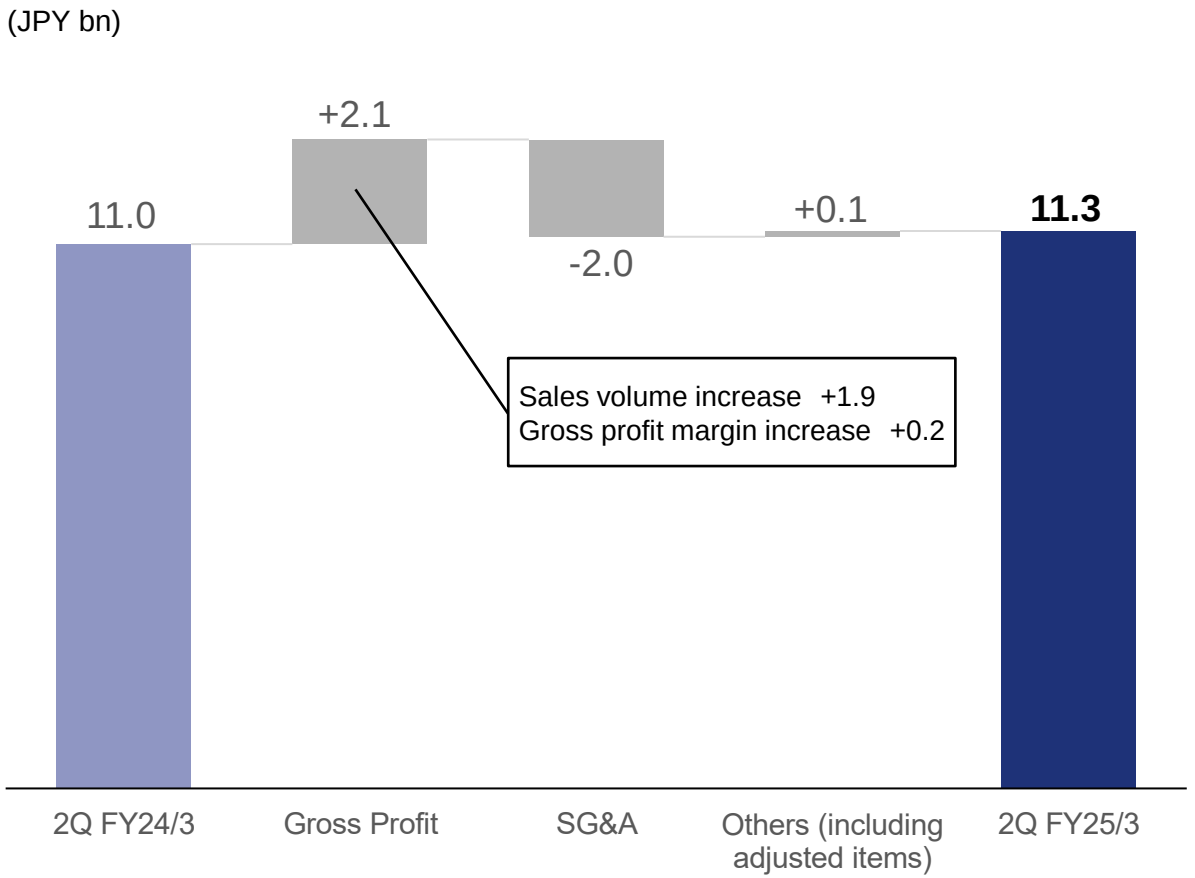
Revenue increased by JPY 4.3 bn YoY due to increased equipment sales for DRAM, Logic/Foundry.

Adjusted operating profit increased by JPY 0.3 bn YoY as the increase in gross profit from growing sales and higher gross profit margin offset the increase in SG&A expenses.

Revenue



Adjusted Operating Profit



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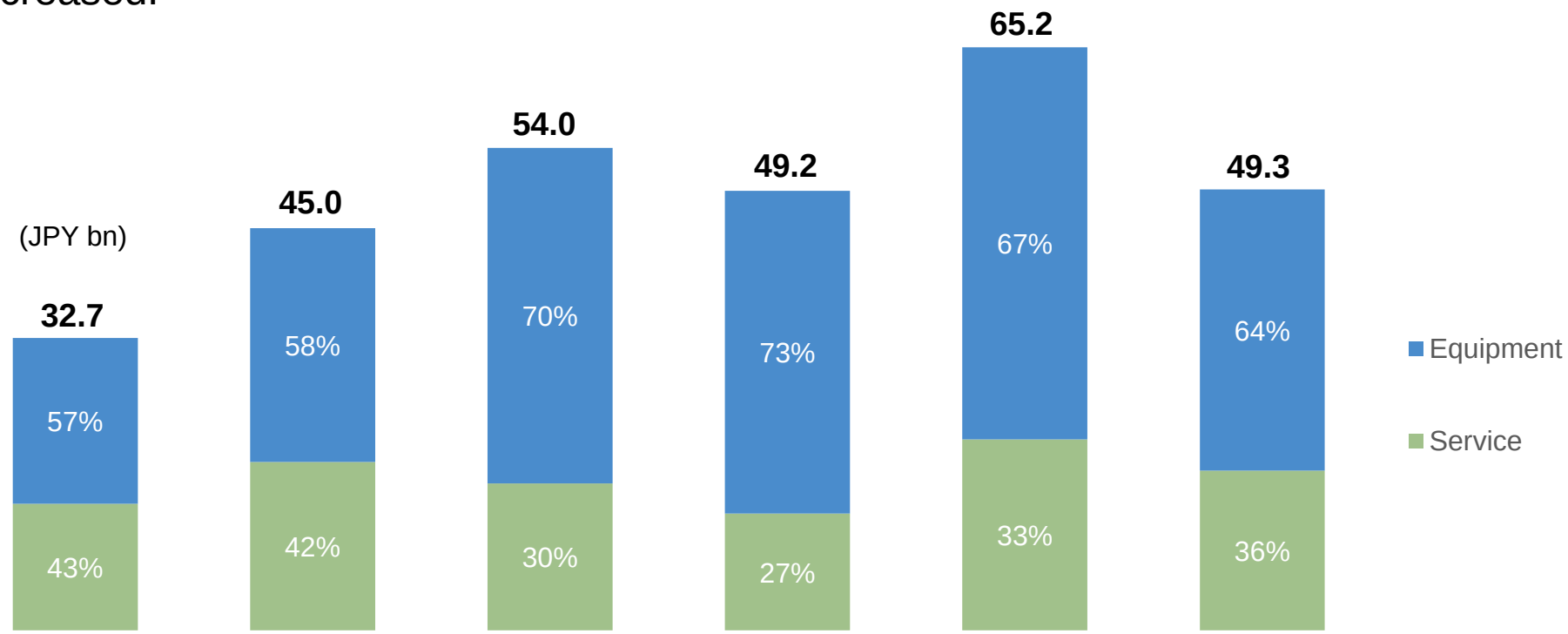
Quarterly Revenues by Business

In 2Q, stronger equipment sales resulted in a higher ratio of equipment revenue YoY.

Compared to QoQ, the equipment shipments moving forward of from 2Q to 1Q settled down, and the ratio of service revenue increased.



(JPY bn)	FY24/3				FY25/3	
	1Q	2Q	3Q	4Q	1Q	2Q
Equipment	18.5	26.2	37.5	36.1	43.9	31.5
Service	14.2	18.8	16.4	13.1	21.4	17.9

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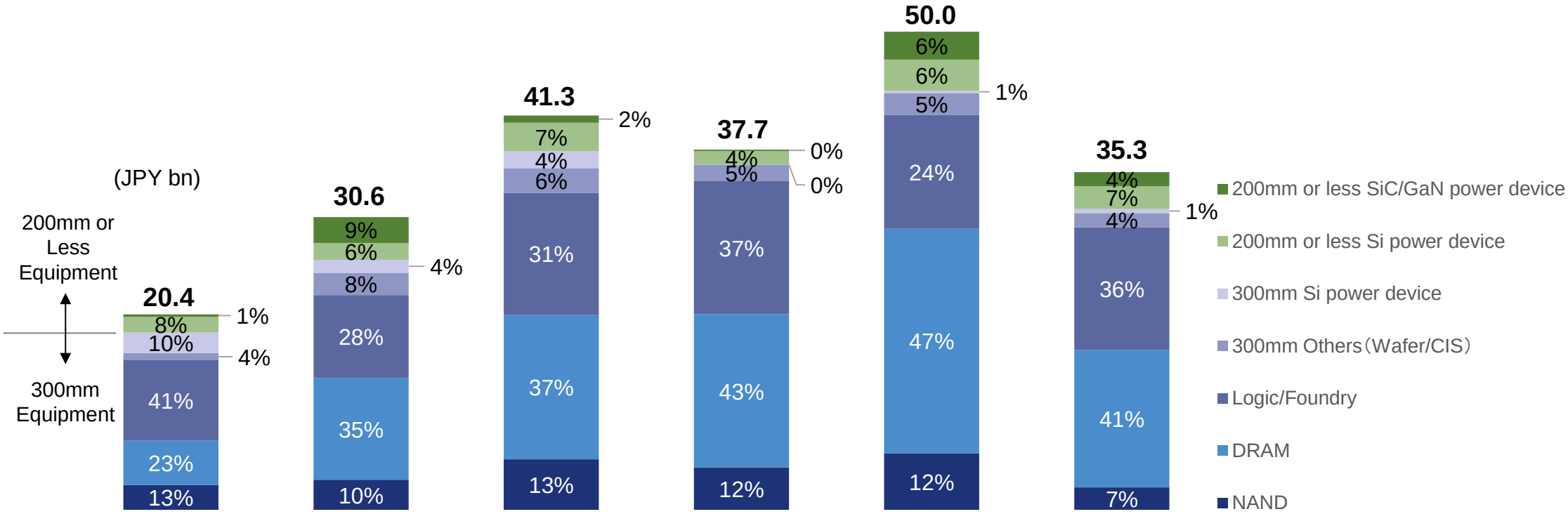
Quarterly Revenues By Application (300mm Equipment + 200mm or Less Equipment)

In 2Q, the ratio of DRAM and Logic/Foundry revenue expanded YoY.

QoQ, the ratio of Logic/Foundry revenue expanded as the moving forward of equipment shipments for DRAM settled down.



(JPY bn)	FY24/3 1Q	FY24/3 2Q	FY24/3 3Q	FY24/3 4Q	FY25/3 1Q	FY25/3 2Q
200mm or Less Equipment	1.9	4.5	3.7	1.6	6.2	3.9
300mm Equipment	18.5	26.2	37.5	36.1	43.9	31.5

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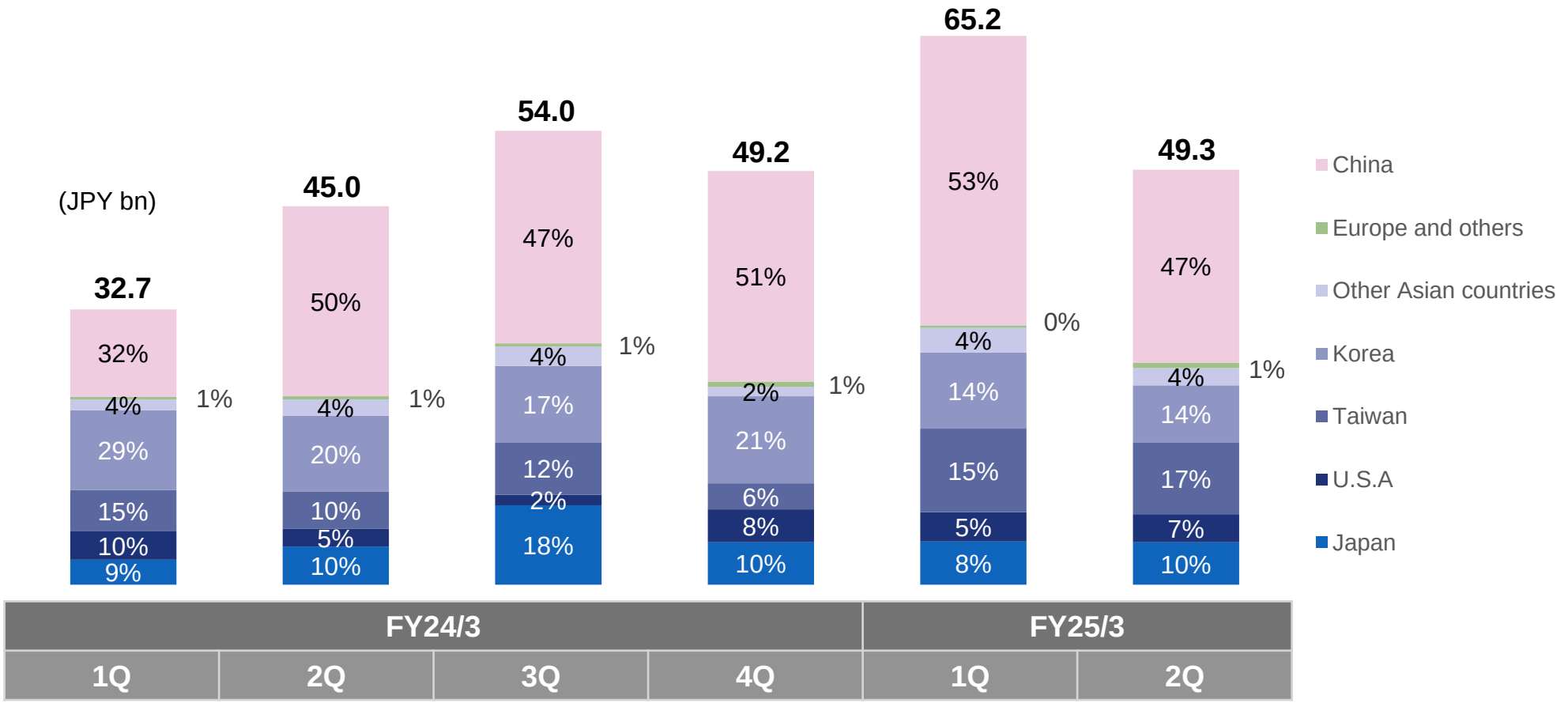
Quarterly Revenues by Region

In 2Q, equipment shipments to China that concentrated in 1Q settled down, and the ratio of Chinese sales declined.



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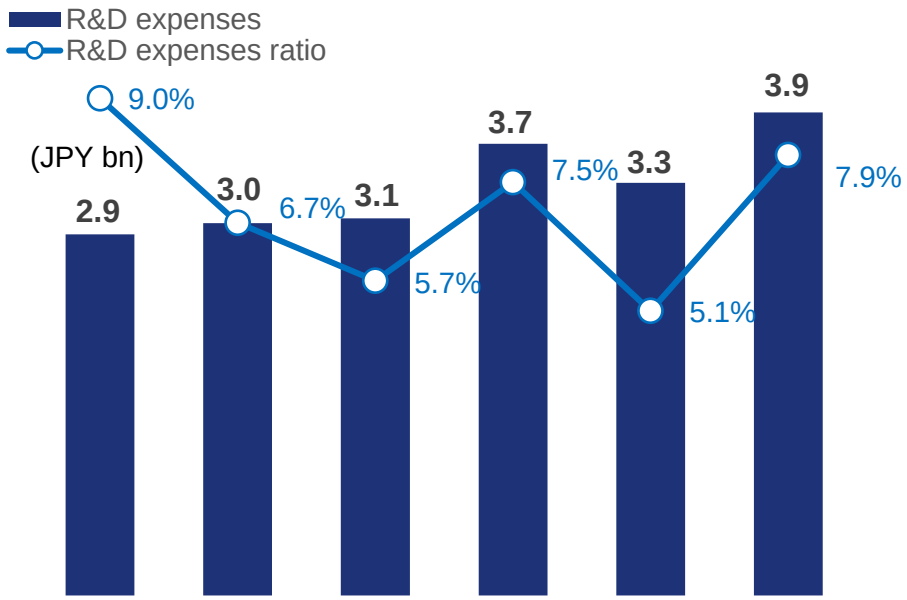
Quarterly R&D Expenses / Capital Expenditure / Depreciation Expense

2Q R&D expenses increased in line with plan for next-generation equipment development.

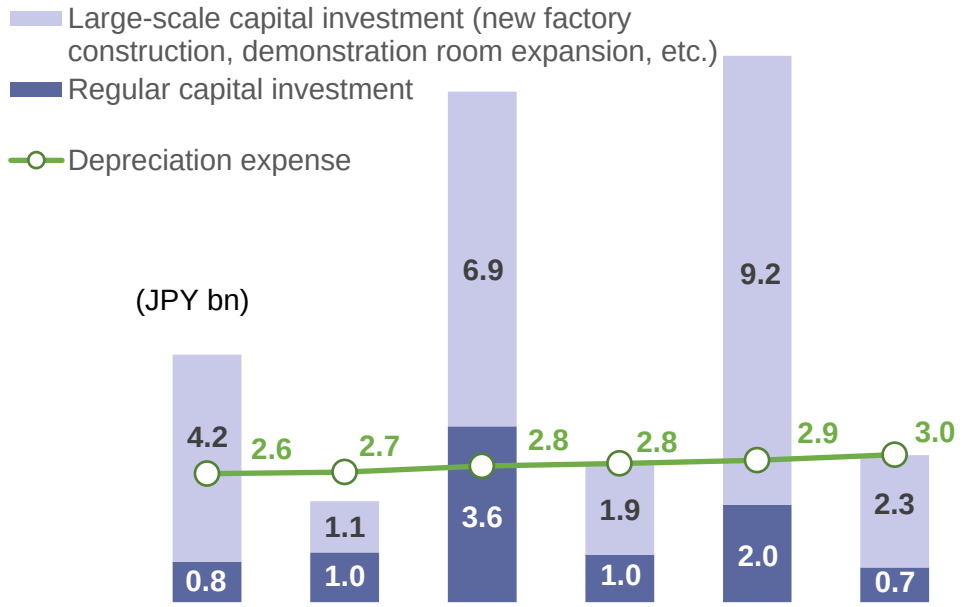
Large-scale capital investments with long-term amortization due to new factory construction settled down in 1Q, and capital investment is now normalizing.

R&D Expenses



(JPY bn)	FY24/3 1Q	FY24/3 2Q	FY24/3 3Q	FY24/3 4Q	FY25/3 1Q	FY25/3 2Q
R&D expenses	2.9	3.0	3.1	3.7	3.3	3.9
Ratio to revenue	*9.0%*	*6.7%*	*5.7%*	*7.5%*	*5.1%*	*7.9%*

Capital Expenditure / Depreciation Expense



(JPY bn)	FY24/3 1Q	FY24/3 2Q	FY24/3 3Q	FY24/3 4Q	FY25/3 1Q	FY25/3 2Q
Capex total	5.1	2.1	10.5	2.8	11.2	3.0
Ratio to revenue	*15.5%*	*4.6%*	*19.4%*	*5.8%*	*17.2%*	*6.1%*
Depreciation	2.6	2.7	2.8	2.8	2.9	3.0
Ratio to revenue	*8.1%*	*5.9%*	*5.2%*	*5.8%*	*4.5%*	*6.1%*

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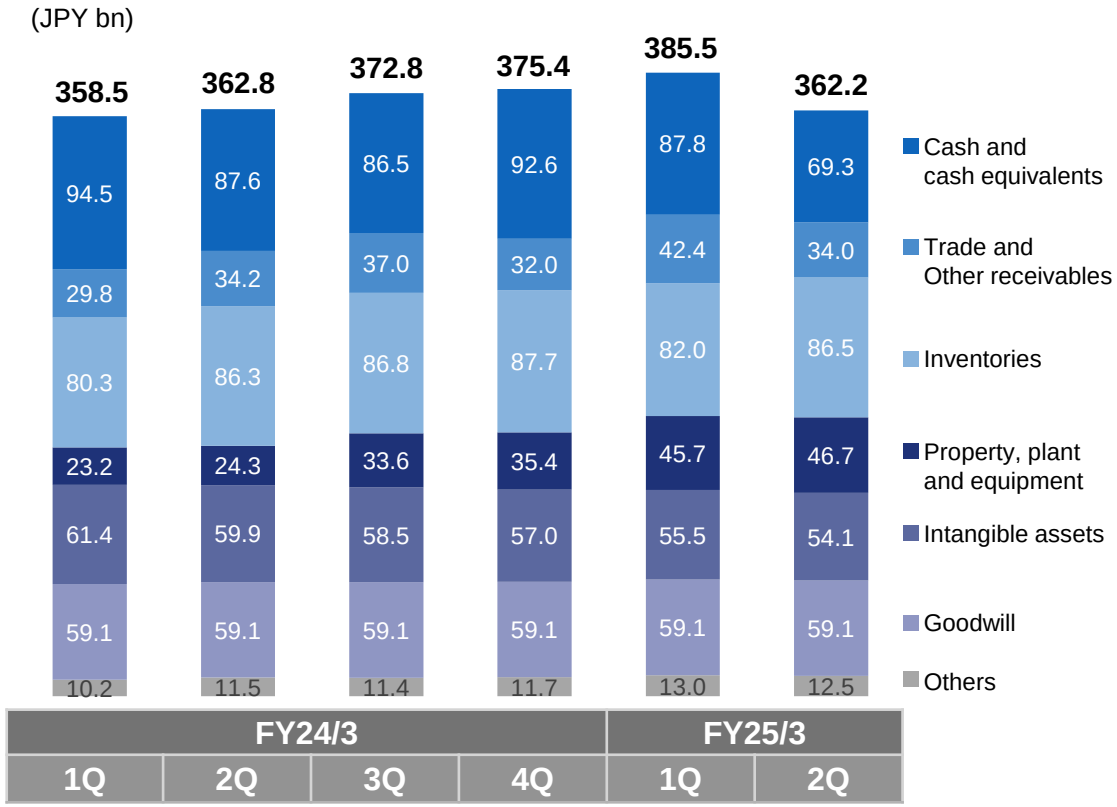
Quarterly Balance Sheet

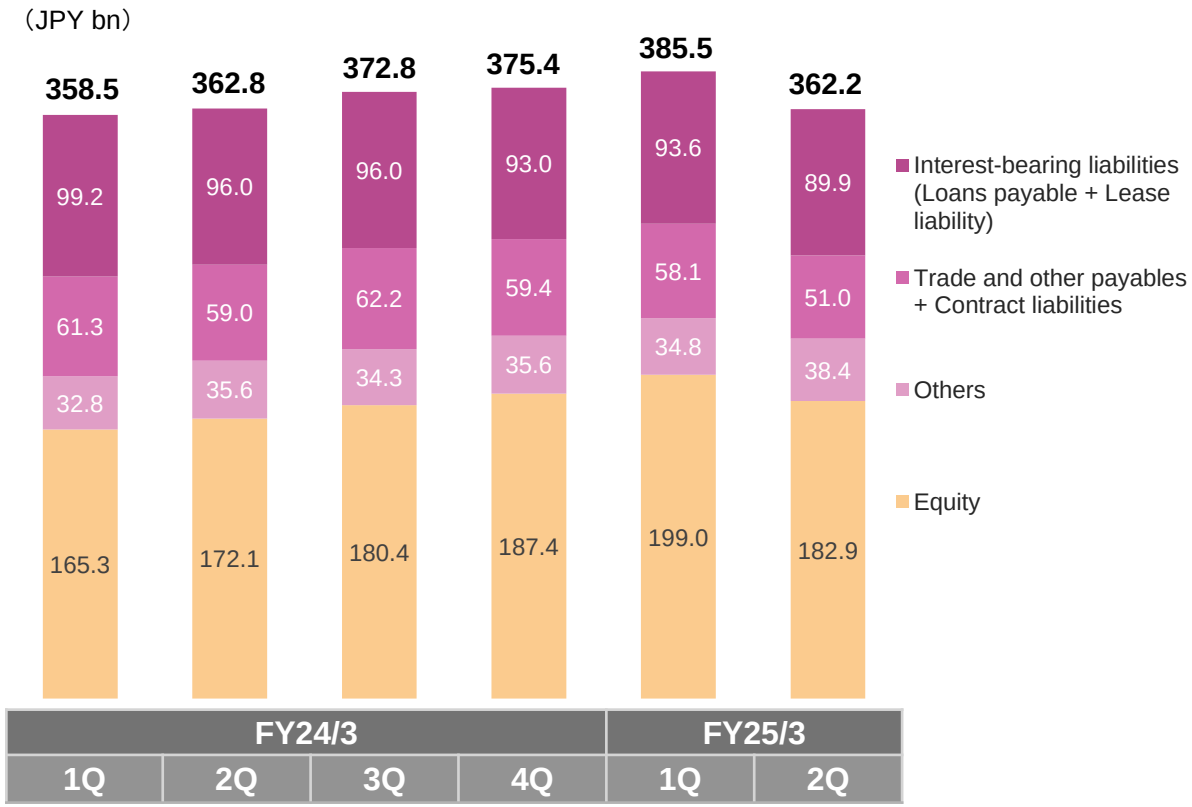
Total assets at the end of 2Q decreased by JPY 13.2 bn from the end of the previous fiscal year due to a decrease in cash and cash equivalents from the repurchase of own shares, despite an increase in property, plant and equipment from new factory construction.

Total equity decreased by JPY 4.5 bn from the end of the previous fiscal year as the effect of the repurchase of own shares exceeded an increase in retained earnings.

Assets



Liabilities / Equity



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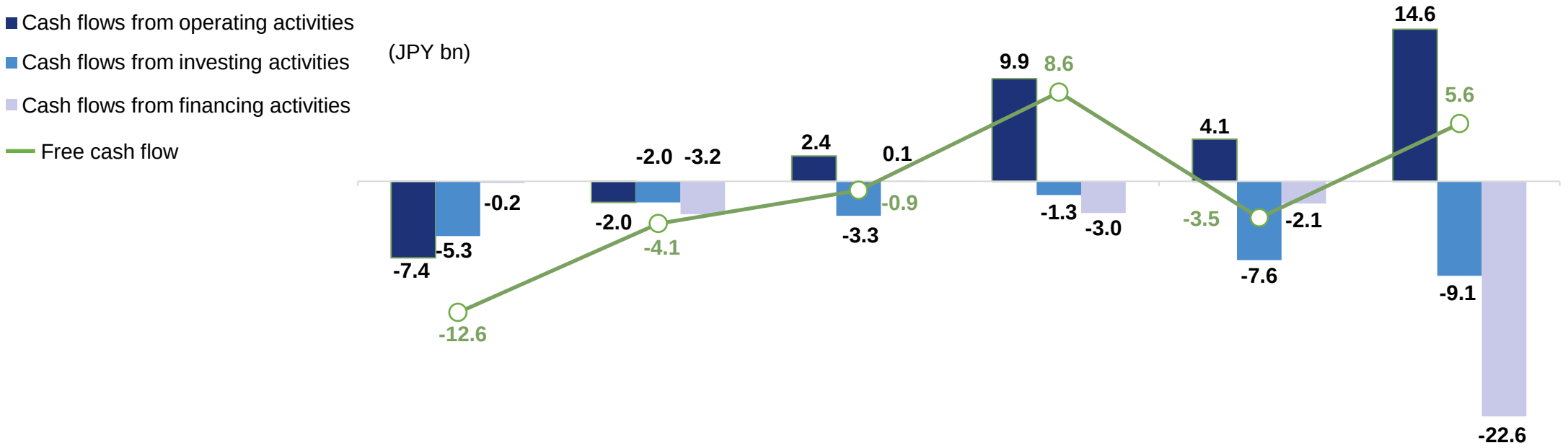
Quarterly Cash Flows

A net cash flow from operating activities recovered as revenue recovered from 1Q onward, and free cash flow turned positive in 2Q.
A Cash flow from financial activities increased due to the repurchase of own shares.



(JPY bn)	FY24/3				FY25/3	
	1Q	2Q	3Q	4Q	1Q	2Q
CF from operating activities	-7.4	-2.0	2.4	9.9	4.1	14.6
CF from investing activities	-5.3	-2.0	-3.3	-1.3	-7.6	-9.1
CF from financing activities	-0.2	-3.2	0.1	-3.0	-2.1	-22.6
Free CF	-12.6	-4.1	-0.9	8.6	-3.5	5.6
Cash and cash equivalents	94.5	87.6	86.5	92.6	87.8	69.3

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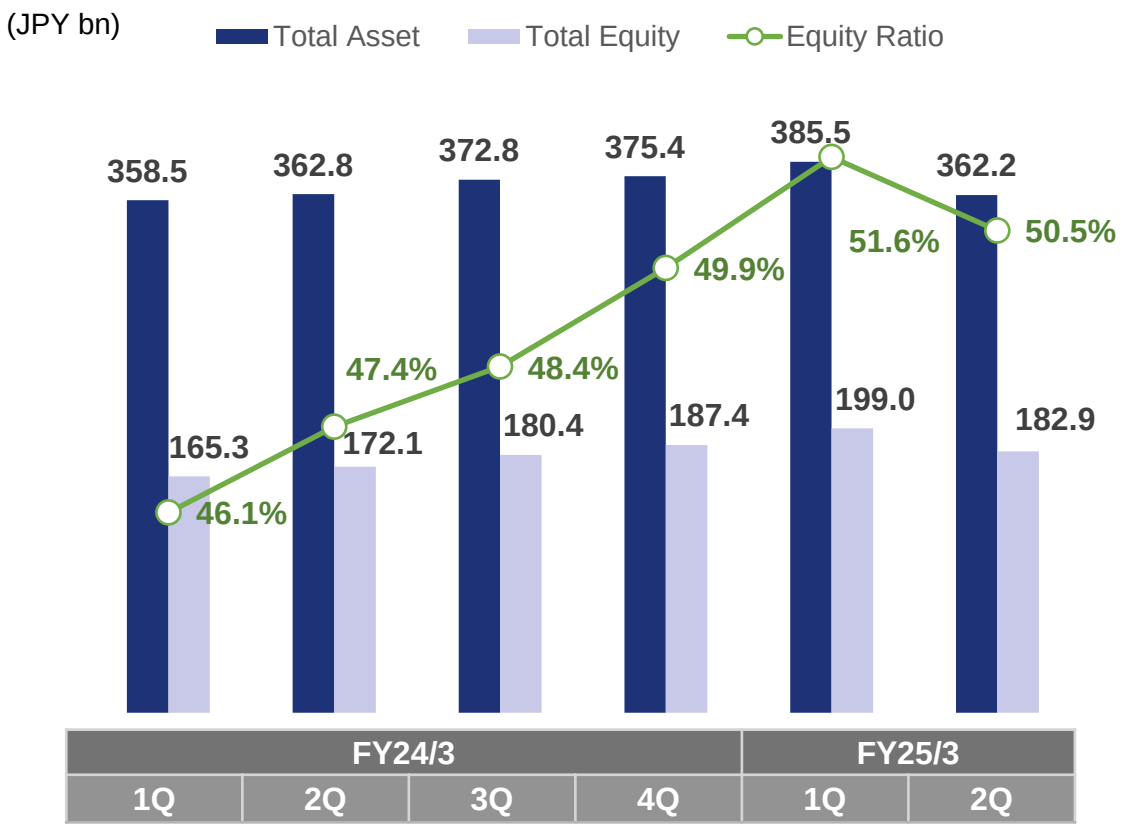
Quarterly Equity Ratio / Cash and Cash Equivalents / Interest-bearing Liabilities

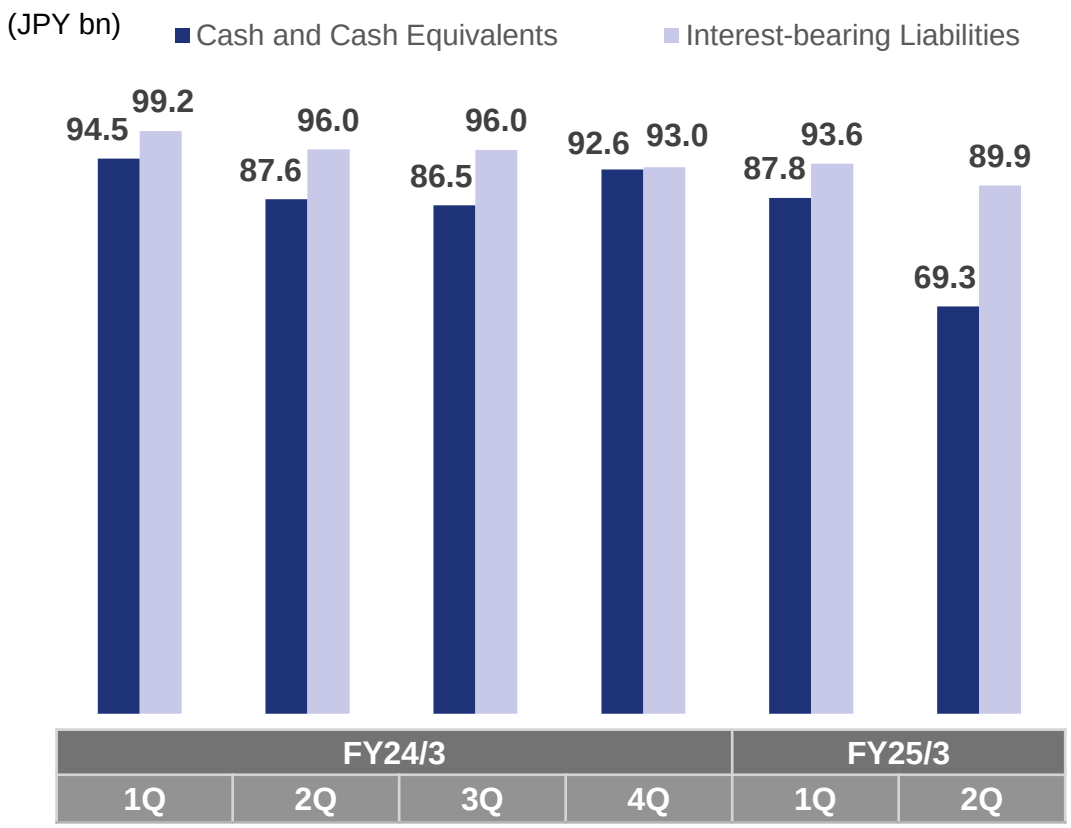
The equity ratio at the end of 2Q was 50.5%, up 0.6 percentage points from the end of the previous fiscal year.

Net debt at the end of 2Q increased to JPY 20.6 bn due to the effect of the repurchase of own shares.

Total Asset / Total Equity / Equity Ratio



Cash and Cash Equivalents / Interest-bearing Liabilities



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Consolidated Earnings and Dividend Forecast for FY25/3

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Highlight

Summary of Consolidated Results for 2Q FY25/3

- DRAM is doing well due to the spread of generative AI. Logic/Foundry, capital investment for advanced nodes is on the rise.
  Active capital investment for mature nodes in China has calmed down.
- 1H results saw an increase in revenue and profits, and profit margins were also higher YoY.
  The QoQ decline in revenue and profits in 2Q was due to the moving forward of shipments to 1Q.

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

- **Expect Logic and NAND to recover following the strong DRAM performance.**
- **The Company's 3Q and 4Q results are expected to exceed the previous forecast, mainly for DRAM, and the Company has revised its full-year earnings and Dividend forecast.**

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FY25/3 Earnings Forecast / Dividend Forecast (With Changes)

We forecast a 9% increase from previous forecast in revenue to up 32% YoY and an 11% increase in adjusted operating profit to up 50% YoY.

The annual dividend forecast was raised by JPY 4.0 to JPY 36.0 (dividend payout ratio of 21% based on adjusted net income).

(JPY bn)	FY24/3	FY25/3					
	Full year	1H	2H forecast (this time)	Full-year forecast (this time)	YoY	Compared with previous forecast	Full-year previous forecast
Revenue	**180.8**	**114.5**	**123.5**	**238.0**	*+31.6%*	*+9.4%*	**217.5**
Gross profit	**75.0**	**51.4**	**49.6**	**100.9**	*+34.6%*	*+8.8%*	**92.7**
Gross profit margin	*41.5%*	*44.8%*	*40.1%*	*42.4%*	*+0.9pts*	*-0.2pts*	*42.6%*
Adjusted operating profit	**37.8**	**30.7**	**26.0**	**56.6**	*+49.6%*	*+11.0%*	**51.0**
Adjusted operating profit margin	*20.9%*	*26.8%*	*21.0%*	*23.8%*	*+2.9pts*	*+0.4pts*	*23.4%*
Adjusted net income	**27.3**	**21.6**	**18.1**	**39.6**	*+45.1%*	*+11.2%*	**35.6**
Adjusted net income margin	*15.1%*	*18.9%*	*14.6%*	*16.7%*	*+1.6pts*	*+0.3pts*	*16.4%*
Operating profit	**30.7**	**27.4**	**22.8**	**50.2**	*+63.3%*	*+12.1%*	**44.8**
Operating profit margin	*17.0%*	*24.0%*	*18.5%*	*21.1%*	*+4.1pts*	*+0.5pts*	*20.6%*
Income before income tax	**29.8**	**27.9**	**22.2**	**50.1**	*+68.4%*	*+13.9%*	**44.0**
Income before income tax margin	*16.5%*	*24.4%*	*18.0%*	*21.1%*	*+4.6pts*	*+0.9pts*	*20.2%*
Net income	**22.4**	**18.1**	**15.3**	**33.3**	*+48.8%*	*+14.8%*	**29.0**
Net income margin	*12.4%*	*15.8%*	*12.4%*	*14.0%*	*+1.6pts*	*+0.7pts*	*13.3%*
Dividend per share (JPY)	**11**[*1]	**18**	**18**	**36**	**-**	*+12.5%*	**32**
Dividends payout ratio (based on adjusted net income)	*9.3%*	*19.2%*	*23.1%*	*21.0%*	**-**	*+0.1pts*	*20.9%*

*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.

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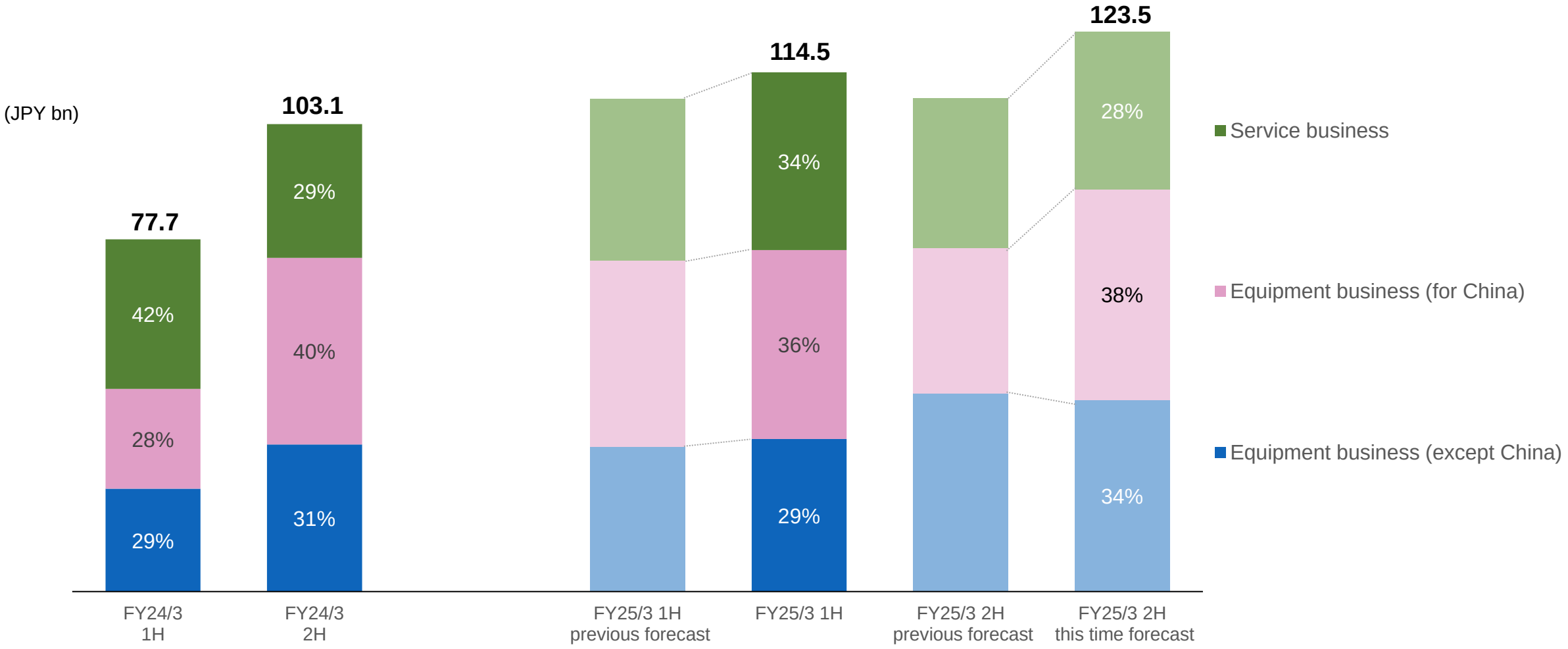
FY25/3 Earnings Forecast: 1H and 2H Revenue (With Changes)

In 1H, equipment sales for DRAM and parts sales were leading to an upswing in sales.

In 2H, equipment sales for DRAM and Logic/Foundry, and legacy equipment are expected to exceed previous forecasts.



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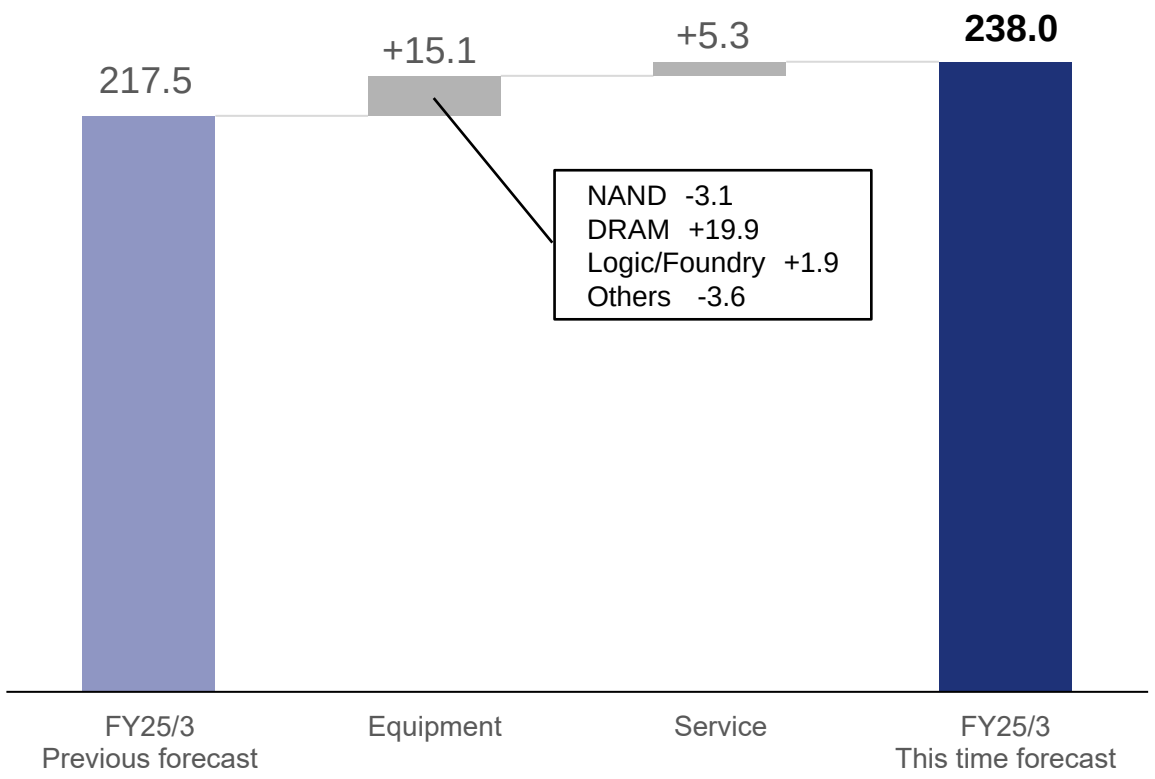
FY25/3 Earnings Forecast: Factors for Change (With Changes)

We expect an increase in adjusted operating profit due to increased equipment sales for DRAM and Logic/Foundry, parts sales and legacy equipment.

Gross profit margin is decline due to project mix and one-time costs, and SG&A expenses are expected to increase due to the impact of aggressive investments.

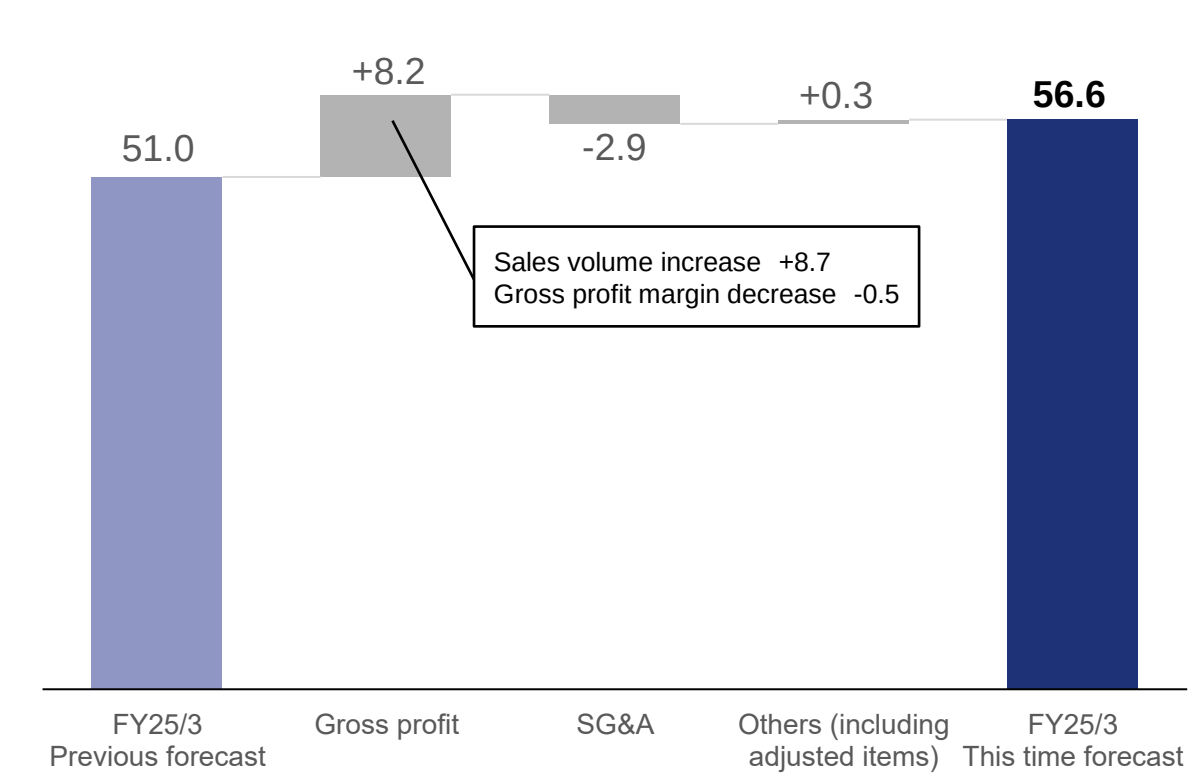
Revenue

(JPY bn)



Adjusted Operating Profit

(JPY bn)



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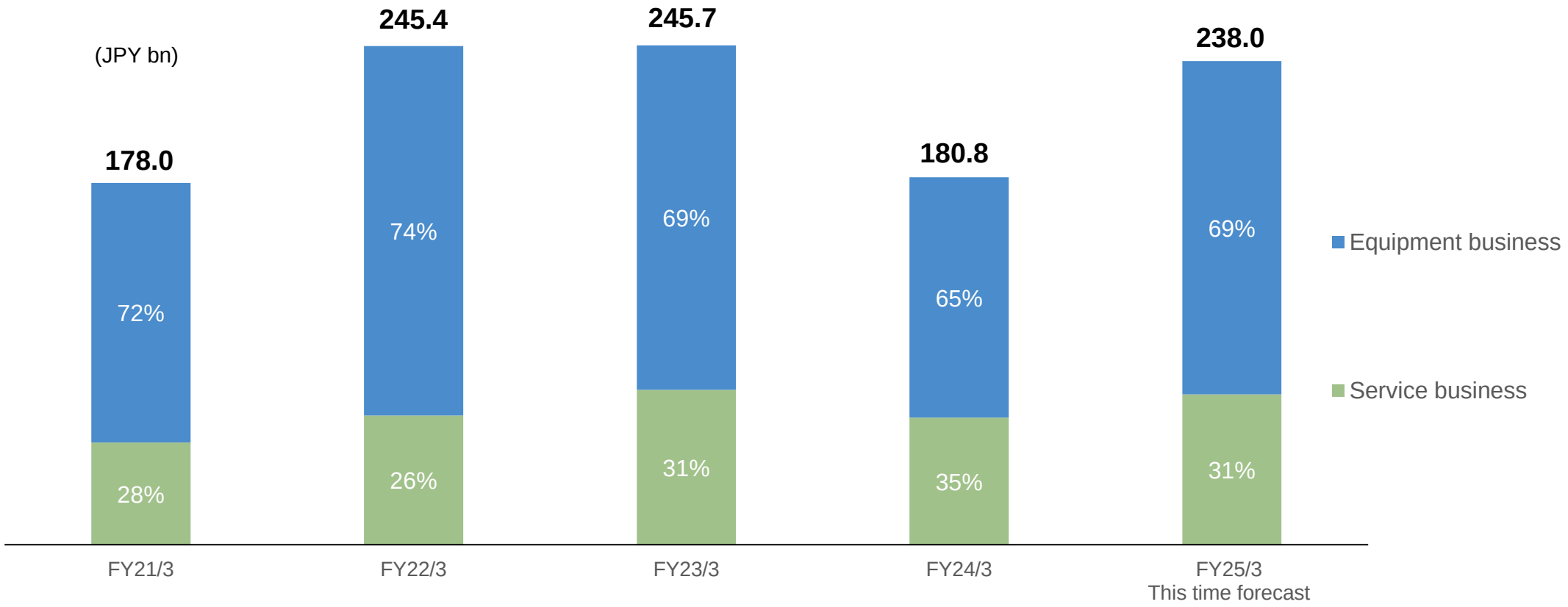
FY25/3 Earnings Forecast: Revenue Forecast by Business (With Changes)

The sales composition ratio by business normalized as the pace of equipment sales recovery quickened.

Equipment sales are expected to increase by 10%, YoY to JPY 164bn, up 39% from the previous fiscal year, and service revenue are expected to increase by 8%, YoY to JPY 74bn, up 18% from the previous fiscal year.



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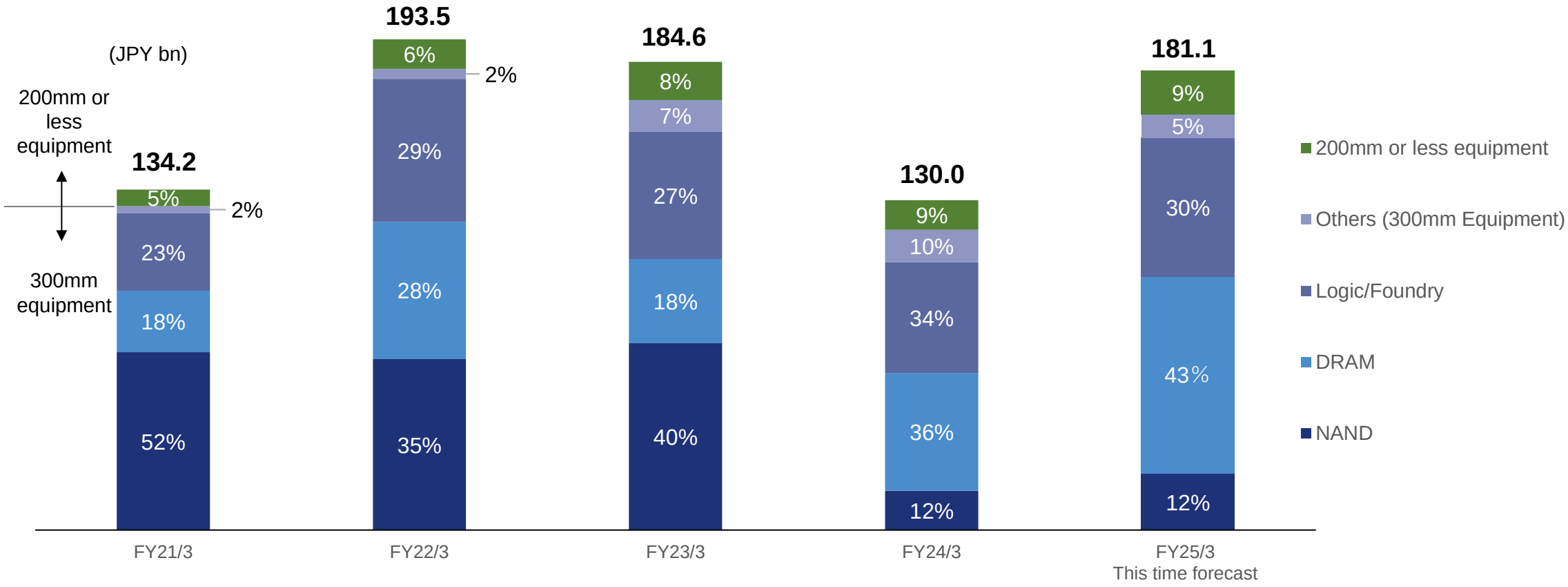
FY25/3 Earnings Forecast: Revenues By Application*1 (With Changes)

The sales ratio of DRAM, which is performing well globally, is expected to increase.

Although the sales ratios of Logic/Foundry and NAND are expected to decline relatively, sales of each equipment are expected to increase compared to YoY.



*1 300mm equipment +200mm or less equipment

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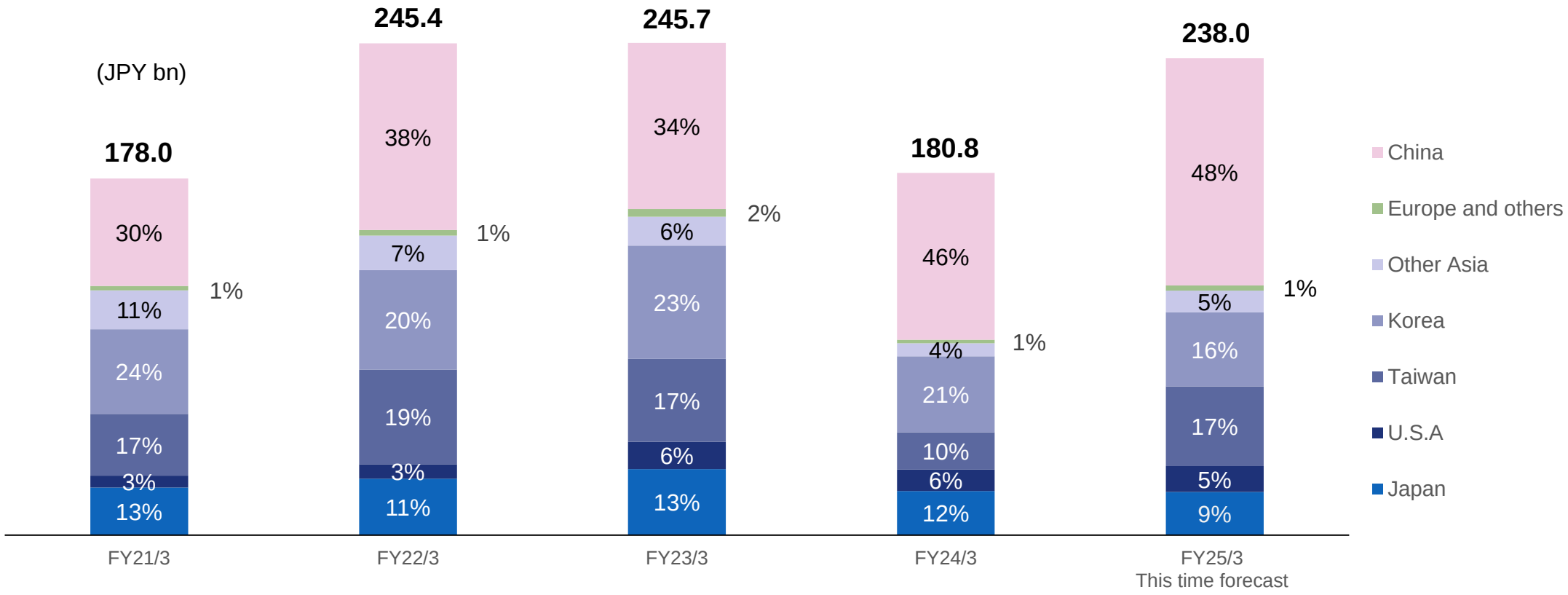
FY25/3 Earnings Forecast: Revenue by Region (With Changes)

While the ratio of sales to China is expected to increase in FY25/3, due to a recovery in investment in advanced devices around the world, the ratio of sales to China in FY26/3 is expected to settle at previous levels.



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Future Outlook

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Business Environment

We expect Logic and NAND to recover following DRAM. No change in the outlook for significant growth over the medium to long term.

Outlook for Semiconductor Device Market

- In the semiconductor device market, demand related to generative AI is growing, and in future, demand for other advanced devices will also increase.
- Active capital investment for mature nodes in China is expected to continue at a reasonable scale for the next few years, although it is calming down.
- 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).

Wafer Fab Equipment Market

- Following the increase in DRAM equipment sales, it is expected that sales of advanced node Logic and NAND equipment will begin to recover from the 2H of FY25/3.
- In the Chinese market, demand for equipment for DRAM increased more than expected. The deposition area is relatively stable, although there are signs of calming down for mature node logic.
- The WFE 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	926.7
Global market size for semiconductor manufacturing equipment	30.4	98.1	98.5	142.7

Source: TechInsights Inc. Semiconductor Forecast (September 2024)
Source: TechInsights Inc. IC MANUFACTURING EQUIPMENT MARKET HISTORY AND FORECAST (2019-2029) (September 2024)

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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 advanced packaging markets.

	Business Environment	Our Initiatives
DRAM	・The spread of generative AI is driving increased demand for HBM, leading to increase demand for advanced nodes equipment. ・Global demand for advanced nodes equipment is expected to fully recover from the 2H of FY25/3. ・Equipment demand for China remains strong.	・Acquired new POR with high-difficulty deposition and treatment for advanced nodes. ・TAM will expand with the progress of device, as we aim for further new POR acquisition. ・Aiming to expand our market share like with 3D NAND, as device structure become more complex in VCT DRAM and 3D Stacked DRAM.
Logic/Foundry	・In 2H of FY25/3, demand for equipment for advanced nodes equipment will recover, following that for DRAM. ・Demand for equipment for mature nodes in China is expected to settle down but continue at a reasonable level.	・Sales to GAA is increasing steadily. Aiming to expand sales in the medium to long term. ・Focus on expanding equipment sales for mature nodes in Europe and the US. ・Aiming for new sales growth for advanced packaging with highly difficult deposition technology.
NAND	・Currently, demand for development equipment is continuing. ・Global demand for equipment for advanced nodes began to recover from the 4Q of FY25/3, and is expected to fully recover in FY26/3.	・With our lineup of large batch/mini batch ALD compatible deposition equipment, and treatment equipment, we sustain a dominant market share in the 3D NAND deposition process. ・Sales will recover and expand as the market recovers and devices become increasingly multi-layered.
SiC Power Devices (Service Business)	・There is a growing need for high-temp activation annealing equipment. ・Demand is expected to increase as device wafer size shifts from 150mm to 200mm.	・In FY25/3, sales of existing products are expected to grow as new high-temp activation annealing products are introduced. ・Development of new solutions in ALD-SiO.

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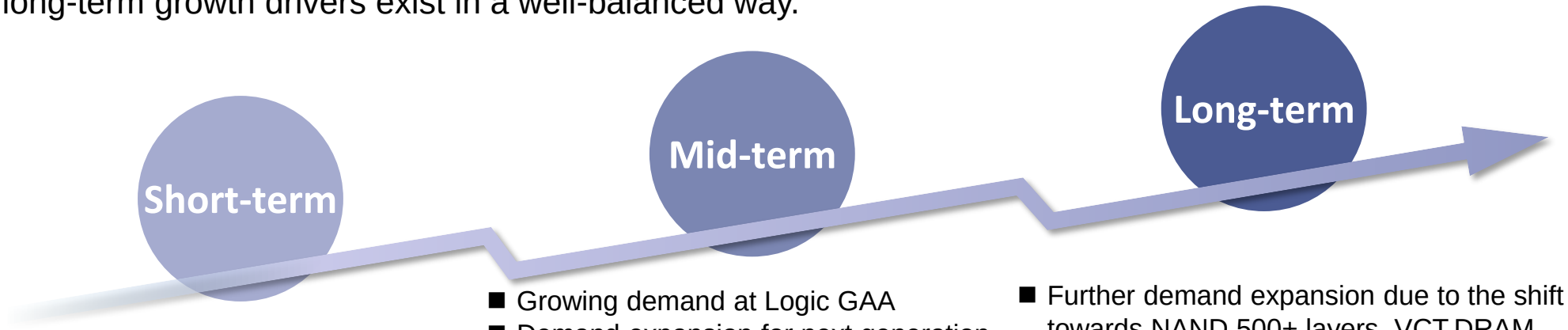
Summary

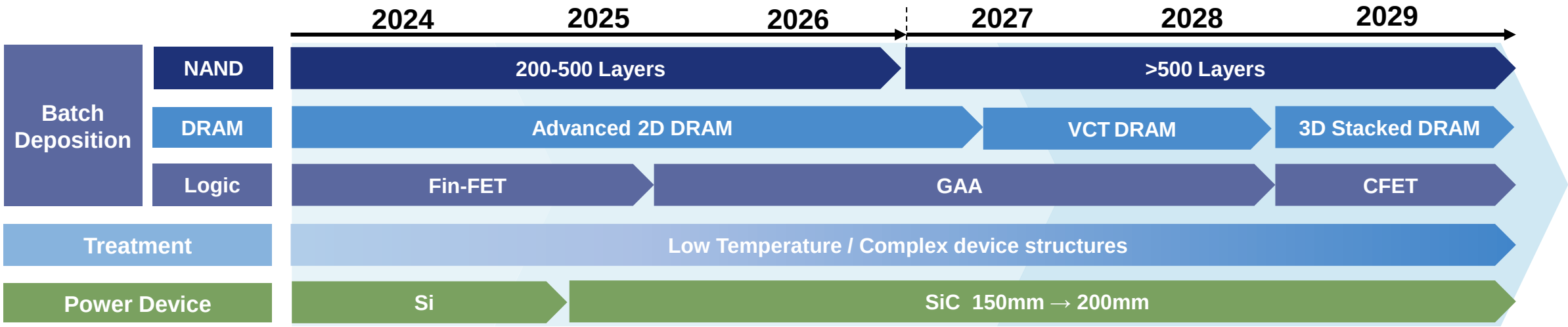
Short-, medium-, and long-term growth drivers exist in a well-balanced way.



- Increase of demand for DRAM
- Advanced Logic/Foundry and NAND markets recovery

- Growing demand at Logic GAA
- Demand expansion for next generation DRAM
- Growth for mature Logic, SiC power device and advanced packaging

- Further demand expansion due to the shift towards NAND 500+ layers, VCT DRAM, 3D Stacked DRAM, and Logic CFET
- Achieving more balanced portfolio



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Results of share buybacks and shareholding policy

Completed repurchasing our own shares in the amount of JPY 18.0 bn to mitigate the worsening supply-demand solution following the secondary offering.

The treasury stock that has already been acquired will be used for compensation systems, etc., and any treasury stock acquired in the future will, in principle, be cancelled.

Repurchase of Own Shares

- Repurchase period　From July 30 to September 10,2024
- Total number of shares repurchased　5,058,400 shares
- Total amount of repurchase　17,999,748,791 yen
- Repurchase method

  Market purchase on the Tokyo Stock Exchange, Inc.

(reference) As of September 30, 2024

Total number of issued shares	Number of own shares
236,049,790 shares	5,058,400 shares

Own Share Holding Policy

- Previous policy

On own shares is to set an upper limit on the number of shares held, with any shares exceeding this limit to be canceled.

- Future policy

Regarding own shares, plans to retain the treasury stock it has already acquired (5,058,400 shares) without canceling it, in order to utilize them for stock compensation plans, etc.

In principle, any treasury shares acquired in the future will be cancelled. However, the Company will hold up to 1% of the total number of issued shares expected to be utilized through stock compensation plans, etc.

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Appendix

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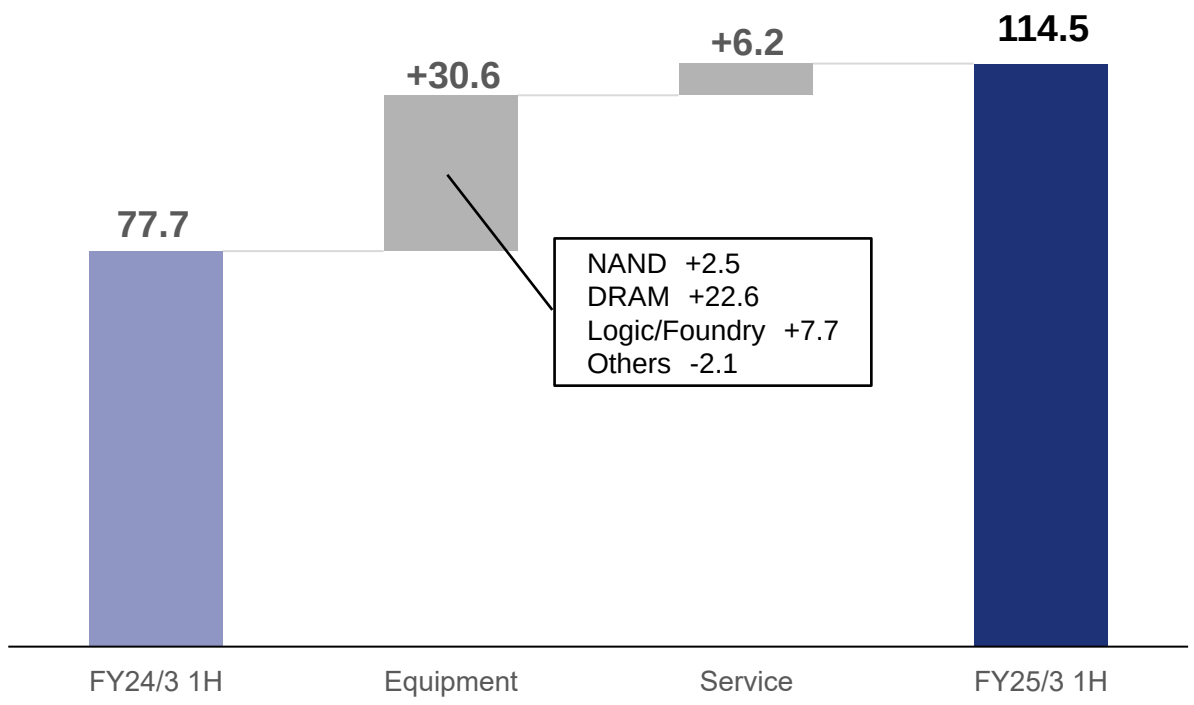
FY25/3 1H Results: Factors for Changes

Revenue increased YoY as equipment sales recovered for all applications.

Adjusted operating profit increased YoY due to stronger sales and higher gross profit margin.

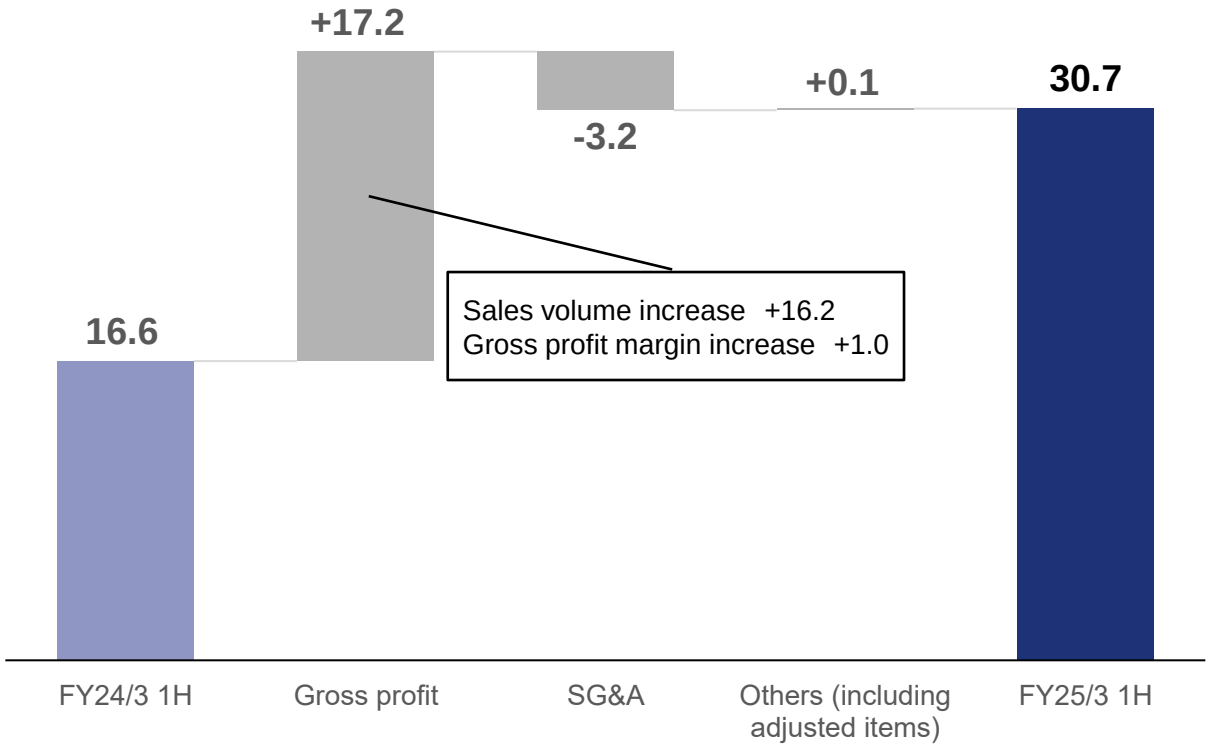
Revenue

(JPY bn)



Adjusted Operating Profit

(JPY bn)



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

(JPY mn)	FY24/3 1Q	FY24/3 2Q	FY24/3 3Q	FY24/3 4Q	FY24/3 Full Year	FY25/3 1Q	FY25/3 2Q
Revenue	**32,710**	**44,995**	**53,956**	**49,177**	**180,838**	**65,224**	**49,324**
Gross profit	**14,275**	**19,890**	**21,741**	**19,059**	**74,965**	**29,354**	**22,012**
Gross profit margin	*43.6%*	*44.2%*	*40.3%*	*38.8%*	*41.5%*	*45.0%*	*44.6%*
Adjusted operating profit	**5,614**	**11,035**	**12,400**	**8,790**	**37,839**	**19,382**	**11,299**
Adjusted operating profit margin	*17.2%*	*24.5%*	*23.0%*	*17.9%*	*20.9%*	*29.7%*	*22.9%*
Adjusted net income	**3,782**	**7,304**	**9,101**	**7,109**	**27,296**	**14,345**	**7,262**
Adjusted net income margin	*11.6%*	*16.2%*	*16.9%*	*14.5%*	*15.1%*	*22.0%*	*14.7%*
Operating profit	**3,990**	**9,383**	**10,689**	**6,683**	**30,745**	**17,878**	**9,562**
Operating profit margin	*12.2%*	*20.9%*	*19.8%*	*13.6%*	*17.0%*	*27.4%*	*19.4%*
Income before income tax	**3,727**	**9,145**	**10,742**	**6,143**	**29,757**	**17,747**	**10,195**
Income before income tax margin	*11.4%*	*20.3%*	*19.9%*	*12.5%*	*16.5%*	*27.2%*	*20.7%*
Net income	**2,655**	**6,158**	**7,914**	**5,647**	**22,374**	**13,302**	**4,751**
Net income margin	*8.1%*	*13.7%*	*14.7%*	*11.5%*	*12.4%*	*20.4%*	*9.6%*
R&D expenses	**2,932**	**3,023**	**3,062**	**3,666**	**12,683**	**3,348**	**3,920**
Capital expenditures	**5,077**	**2,071**	**10,478**	**2,828**	**20,454**	**11,215**	**3,015**
Depreciation and amortization	**2,637**	**2,671**	**2,792**	**2,845**	**10,945**	**2,914**	**3,027**

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Reconciliation of Adjusted Items

(JPY mn)	FY24/3 1Q	FY24/3 2Q	FY24/3 3Q	FY24/3 4Q	FY24/3 Full Year	FY25/3 1Q	FY25/3 2Q
Operating profit	**3,990**	**9,383**	**10,689**	**6,683**	**30,745**	**17,878**	**9,562**
Other income	-30	-110	-285	-254	-679	-92	-187
Other expenses	45	33	19	390	487	27	78
(Adjustments)							
Purchase price allocation amortization	1,592	1,592	1,593	1,592	6,369	1,479	1,477
Stand-alone related expenses	1	10	203	9	223	12	298
Stock-based compensation (except for performance-linked stock compensation)	16	127	181	370	694	78	71
Total adjustments	1,609	1,729	1,977	1,971	7,286	1,569	1,846
Adjusted Operating Profit	**5,614**	**11,035**	**12,400**	**8,790**	**37,839**	**19,382**	**11,299**
Net income	**2,655**	**6,158**	**7,914**	**5,647**	**22,374**	**13,302**	**4,751**
Other income	-30	-110	-285	-254	-679	-92	-187
Other expenses	45	33	19	390	487	27	78
(Adjustments)							
Purchase price allocation amortization	1,592	1,592	1,593	1,592	6,369	1,479	1,477
Stand-alone related expenses	1	10	203	9	223	12	298
Stock-based compensation (except for performance-linked stock compensation)	16	127	181	370	694	78	71
Tax adjustment to total adjustments	-497	-506	-524	-645	-2,172	-461	-531
One-time tax expense adjustment	-	-	-	-	-	-	1,305
Adjusted Net Income	**3,782**	**7,304**	**9,101**	**7,109**	**27,296**	**14,345**	**7,262**

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Balance Sheet and Key Financial Indicators

(JPY mn)			FY24/3	FY25/3	
			End of 4Q	End of 1Q	End of 2Q
Assets	Current Assets	Cash and cash equivalents	92,619	87,775	69,333
		Trade and other receivables	31,994	42,444	33,979
		Inventories	87,682	82,028	86,542
		Other currents assets	2,619	2,787	1,923
		Total Current assets	214,914	215,034	191,777
	Non-current Assets	Property, plant and equipment	35,382	45,696	46,714
		Goodwill	59,065	59,065	59,065
		Intangible assets	56,995	55,480	54,073
		Other non-currents assets	9,077	10,179	10,609
		Total non-current assets	160,519	170,420	170,461
Total Assets			375,433	385,454	362,238

(JPY mn)			FY24/3	FY25/3	
			End of 4Q	End of 1Q	End of 2Q
Liabilities	Current Liabilities	Loans payble + Lease liability	8,019	8,055	8,843
		Trade and other payables	36,667	38,657	31,275
		Contract liabilities	22,719	19,394	19,734
		Others	20,138	19,554	22,510
		Total current liabilities	87,543	85,660	82,362
	Non-current Liabilities	Loans payble + Lease liability	84,999	85,555	81,059
		Others	15,503	15,199	15,900
		Total non-current liabilities	100,502	100,754	96,959
Total Liabilities			188,045	186,414	179,321
Total Equity			187,388	199,040	182,917
Total Liabilities and Equity			375,433	385,454	362,238

	FY24/3	FY25/3	
	End of 4Q	End of 1Q	End of 2Q
Equity ratio	49.9%	51.6%	50.5%
Debt equity ratio	0.5	0.5	0.5
Net cash (JPY mn)	-399	-5,835	-20,569

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Cash Flow Statement

(JPY mn)	FY24/3					FY25/3		
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	1H
CF from operating activites	- 7,365	- 2,030	2,443	9,894	2,942	4,073	14,649	18,722
CF from investing activities	- 5,278	- 2,037	- 3,321	- 1,314	- 11,950	- 7,582	- 9,090	- 16,672
Free CF	- 12,643	- 4,067	- 878	8,580	- 9,008	- 3,509	5,559	2,050
CF from financing activites	- 167	- 3,171	70	- 3,044	- 6,312	- 2,143	- 22,628	- 24,771
Cash and cash equivalents at beginning balance	106,053	94,493	87,550	86,498	106,053	92,619	87,775	92,619
Cash and cash equivalents at end of the quarter	94,493	87,550	86,498	92,619	92,619	87,775	69,333	69,333

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Key Activities for 1H FY25/3 Management and Business Activities

- Held completion ceremony for the new factory: TONAMI MANUFACTURING CENTER (September 2024)
- Sponsored the 85th JSAP Autumn Meeting, ADMETA Plus 2024. (September 2024)
- Exhibited at SEMICON® TAIWAN 2024. (September 2024)
- Sponsored the 2024 International Conference on Solid State Devices and Materials as a platinum sponsor. (August 2024)
- Completed repurchasing our own shares (5,058,400 shares). (September 2024)
- Completed the secondary offering of the Company's common stock (60,381,700 shares). (July 2024)
- Exhibited at SEMICON® WEST 2024. (July 2024)
- Selected for stock market index "FTSE Global Equity Index Series" managed by FTSE Russell (June 2024)
- Awarded "10 BEST Suppliers" and "THE BEST Suppliers" in the TechInsights Customer Satisfaction Survey. (May 2024)
- Received certificate of gratitude at the opening ceremony of the new factory of PSMC (Powerchip Semiconductor Manufacturing Corporation). (May 2024)



Held a completion ceremony for TONAMI MANUFACTURING CENTER, which began operations in October



Exhibited at SEMICON® WEST 2024 and SEMICON® TAIWAN 2024

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Key Activities for 2Q FY25/3 Business Activities ESG Initiatives

- Recognized by Toyama Prefecture as a “Toyama Women’s Active Enterprise.” (September 2024)
- Sponsored “Owara Kaze-no-Bon” Festival in Yatsuomachi, Toyama City. (September 2024)
- Received the Minister of Health, Labor and Welfare’s Award for the Promotion of Blood Donation. (July 2024)
- Toyama Technology & Manufacturing Center achieved platinum status, the highest level in the RBA VAP audit. (June 2024)
- Held open-air environmental classes at nursery schools as part of local contribution activities. (May 2024)
- Our group company employee gave a guest presentation at “WOMEN IN SEMICONDUCTORS - WIS.” (May 2024)
- Sponsored “2024 Tonami Tulip Fair held in Tonami City”, Toyama Prefecture. (April 2024)





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Sponsored Owara Kaze-no-Bon Festival held in Yatsuomachi, Toyama City, where the Toyama Technology & Manufacturing Center is based

Certification mark of “Toyama Women’s Active Enterprise”



Received the Minister of Health, Labor and Welfare’s Award for the Promotion of Blood Donation

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Glossary

- Batch Deposition Equipment：Equipment that performs deposition by batch processing a large number of wafers.
- Treatment Equipment：Equipment that improves the quality of films after deposition by single wafer processing, which processes wafers by a single wafer unit.
- ALD：Atomic Layer Deposition

  We refer to a technique for thin-film deposition at an atomic layer level involving a process of cyclical supply of multiple gases as “ALD”.
- CVD:Chemical Vapor Deposition
- CFET:Complimentary Field Effect Transistor
- FinFET:Fin Field Effect Transistor
- GAA:Gate All Around
- HBM:High Bandwidth Memory
- POR：An abbreviation for Process of Record, which refers to the qualification of manufacturing equipment in a customer's semiconductor manufacturing process.
- TAM：Total Addressable Market
- VCT:Vertical Channel Transistor
- WFE：Wafer Fab Equipment

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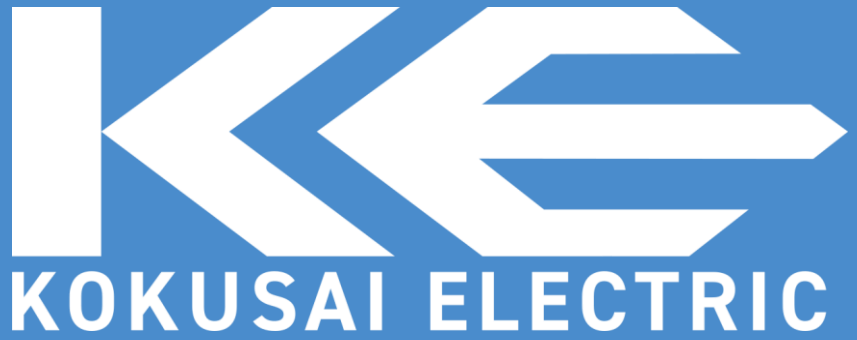
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