



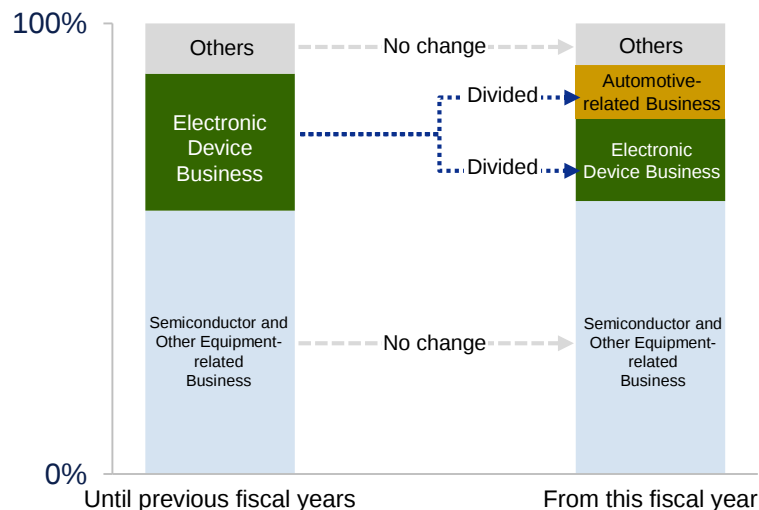
Results for the Fiscal Year Ended March 31, 2025

1. This fiscal year results cover period from January to December 31, 2024 of consolidated subsidiaries.
2. This presentation was prepared for the purpose of providing information regarding the company's results of operations for the fiscal year ended March 31, 2025 and is not a solicitation to purchase securities issued by the company. Please ensure that the decision on whether to make an investment in our company is made at your own risk.
3. These materials were prepared based on information available as of date of the disclosure. All opinions, forecasts and other forward-looking statements are based on management's judgments in accordance with materials available at that time and may be changed without prior notice.

Reference: Retroactive Adjustment of Figures in Previous Fiscal Years Due to the Change of Business Segments

- As the Automotive-related Business segment has been added this fiscal year, we have retroactively revised the figures in some segments in the previous fiscal year.
- According to the purposes of use of products, the figures of the previous Electronic Device Business segment have been divided into figures in the Electronic Device Business segment and those in the Automotive-related Business segment.

Change in sales composition through the retroactive adjustment of figures in the previous fiscal year



[Details]

- This fiscal year, the Automotive-related Business segment has been added.
 - The Automotive-related Business segment includes the sales of "thermo-electric modules," "power semiconductor substrates," and "sensors" for automotive systems, which had been included in the previous Electronic Device Business segment.
 - This fiscal year, the previous Electronic Device Business segment has been divided into the Electronic Device Business segment and the Automotive-related Business segment. Accordingly, we retroactively revised the figures in the previous fiscal year, to unify standards for comparison.
 - Due to the revision, the figures of the Electronic Device Business in the previous fiscal year have changed significantly.
- *Retroactive adjustment was conducted for the previous fiscal year, and not for FY3/23 or previous fiscal years.

Summary of business results

Semiconductor -related

Electronic and Automotive-related

Shareholder returns

- The consolidated net sales in FY3/25 were 274.4 billion yen, up 23% year on year, and operating income was 24.1 billion yen, down 3% year on year.
- The sales in each of the segments of Semiconductor and Other Equipment-related, Electronic Device, and Automotive-related grew, and thermo-electric modules for AI sold well.
- Operating income declined, due to the worsening of revenues from the commissioned manufacturing of crucibles for photovoltaic systems and photovoltaic wafers and the costs for enlarging production facilities.
- Among materials, the sales of ceramics grew 36% year on year, and the sales of silicon parts were stagnant due to the inventory of clients. Regarding quartz, the sluggish performance of machined products was covered by the good performance of fire-processed products.
- The sales from metal processing increased 49% year on year, as we met the demand in China. Profit margin decreased, due to the investment in manufacturing of new products.
- Quartz crucibles considerably contributed to profit, due to the increase of sales of products for photovoltaic systems in the previous fiscal year. This fiscal year, demand declined, so the profit in this segment dropped.
- The sales of thermo-electric modules for generative AI kept growing.
- The sales of power semiconductor substrates were sluggish as demand was on a plateau, but we started manufacturing substrate materials in house, medium/long-term growth is expected, and the operation of the Johor Factory was started in April 2025.
- For sensors, we promoted the development of a production system in Lishui, etc., marketing activities, and growth strategies.
- Revision to the shareholder return policy (March 19): Dividend on equity ratio (DOE) was adopted, and its lower limit was set at 3.5%. We discuss the acquisition of treasury stocks flexibly, and aim to achieve a total payout ratio of 50%.
- We increased the dividend amount from 100 yen per share for the previous fiscal year to 141 yen per share for FY3/25.

Consolidated Financial Summary

(Million yen)	FY3/24	FY3/25	YoY	
	Amount	Amount	Amount	Pct. change (%)
Net sales	222,430	274,390	51,960	23.4
Cost of sales	152,573	201,029	48,455	31.8
Gross profit	69,856	73,361	3,504	5.0
SG&A expenses	44,984	49,271	4,287	9.5
Operating income	24,872	24,089	-782	-3.1
Non-operating income	8,002	10,318	2,315	28.9
Non-operating expenses	6,337	8,850	2,512	39.7
Ordinary income	26,537	25,558	-979	-3.7
Extraordinary income	754	350	-404	-53.6
Extraordinary loss	1,145	862	-283	-24.7
Net income (loss) attributable to non-controlling interests	5,481	3,607	-1,874	-34.2
Net income attributable to owners of parent	15,154	15,692	538	3.6
Capital investment*	75,227	51,776	-23,451	-31.1
Depreciation	16,398	23,672	7,273	44.4
Exchange rate (average during the period)	US\$: 141.20 yen RMB: 19.87 yen	US\$: 154.24 yen RMB: 21.12 yen	-	-

Net sales: Up 23.4% year on year
 Gross profit: Up 5.0% year on year
 SG&A: Up 9.5% year on year
 Operating income: Down 3.1% or 780 million yen year on year in each segment, sales grew, but operating income dropped.
 ■Augmentation of depreciation due to the enlargement of factories, etc. (up 7.27 billion yen), and costs for establishment
 ■In the Semiconductor and Other Equipment-related Business, the market of quartz crucibles for photovoltaic systems was stagnant, and revenue dropped from the previous fiscal year.
 ■The profitability of automotive power semiconductor substrates declined, as demand was on a plateau.

Non-operating income: Up 2.32 billion yen year on year (Revenue from subsidies: up 1.8 billion yen; exchange gain: up 320 million yen)
 Non-operating expenses: Up 2.51 billion yen year on year (Equity in losses of wafer-affiliates, etc.: up 1.68 billion yen; interest paid: up 980 million yen)
 Extraordinary income: 350 million yen
 Extraordinary loss: 860 million yen (As the production of photovoltaic wafers was suspended, extraordinary loss of 780 million yen and inventory write-down of 340 million yen were posted.)
 Net income (loss) attributable to non-controlling interests: 3.61 billion yen (Silicon parts/quartz crucibles business: 630 million yen; power semiconductor substrate business: 2.38 billion yen; equipment parts cleaning business: 1.11 billion yen; wafer recycling business: -750 million yen)

*Capital investment = Total acquisition cost of property, plant, and equipment and intangible assets

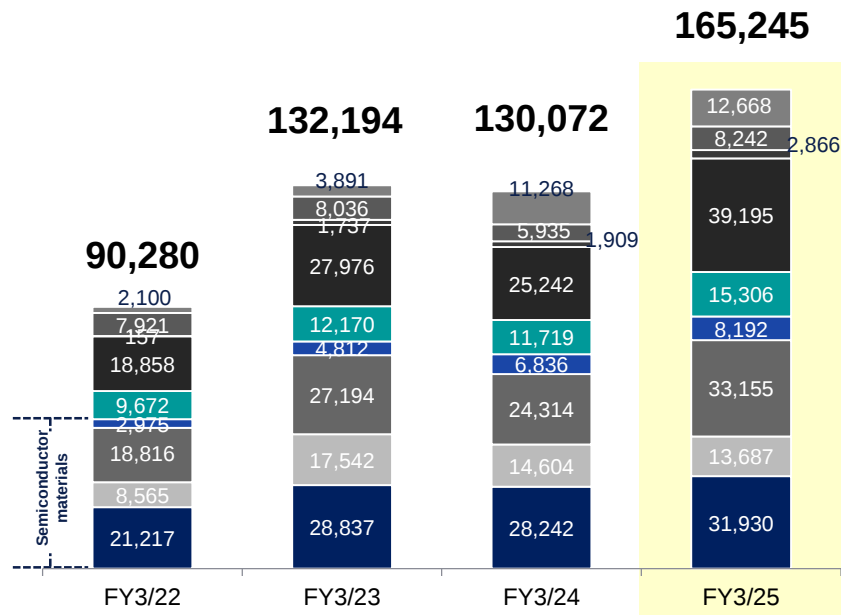
Sales and Operating Income by Segment

Net sales (¥ in millions)	FY3/24		FY3/25		YoY	
	Amount	Pct. of sales (%)	Amount	Pct. of sales (%)	Difference	Pct. change (%)
Semiconductor and Other Equipment-related	130,072	58.5	165,245	60.2	35,172	27.0
Electronic Device	41,727	18.8	50,487	18.4	8,759	21.0
Automotive-related	25,872	11.6	30,463	11.1	4,591	17.7
Others	24,757	11.1	28,194	10.3	3,436	13.9
Total	222,430	100.0	274,390	100.0	51,960	23.4

Operating income (¥ in millions)	FY3/24		FY3/25		YoY	
	Amount	Profit margin (%)	Amount	Profit margin (%)	Difference	Pct. change (%)
Semiconductor and Other Equipment-related	16,260	12.5	12,305	7.4	-3,954	-24.3
Electronic Device	6,829	16.4	8,250	16.3	1,420	20.8
Automotive-related	4,060	15.7	3,599	11.8	-460	-11.4
Others	-1,197	-	843	3.0	2,041	-
Adjustment	-1,080	-	-909	-	170	-
Total	24,872	11.2	24,089	8.8	-782	-3.1

Transition of sales

- Quartz crucibles
- Wafer processing and recycling
- Equipment parts cleaning
- Ceramics
- Quartz
- EB-gun
- Vacuum feedthroughs and metal processing
- CVD-SiC
- Silicon parts



Overview of this segment

- The demand in the U.S. was on a recovery trend as a whole, but the performance of some products was affected by the inventory of clients. The demand in China was met by new products, increasing sales.
- We incurred costs for enlarging factories and starting new transactions. The y/y decrease in operating income is due to the decline in revenue from quartz crucibles for photovoltaic systems.

Vacuum feedthroughs & metal processing, wafer recycling

- Vacuum feedthroughs and metal processing: Up 14 billion yen; Sales increased considerably as we met the demand for semiconductor equipment in China, although we incurred some costs at the beginning.

Semiconductor materials, Cleaning business, quartz crucibles

[Semiconductor materials (quartz, silicon parts, ceramics, and CVD-SiC)]

- Quartz: Up 3.7 billion yen; Sales grew, as we met the demand for fire-processed products from Chinese clients, despite the effect of inventory of clients.
- Silicon parts: Down 900 million yen; Sales declined considerably due to the effect of inventory of clients.
- Ceramics: Up 8.8 billion yen; The demand in the U.S. was healthy, and the demand in China grew, contributing to our performance.
- CVD-SiC: Up 1.4 billion yen; Sales grew, thanks to the increase in production output of the Okayama Factory.

[Equipment parts cleaning]

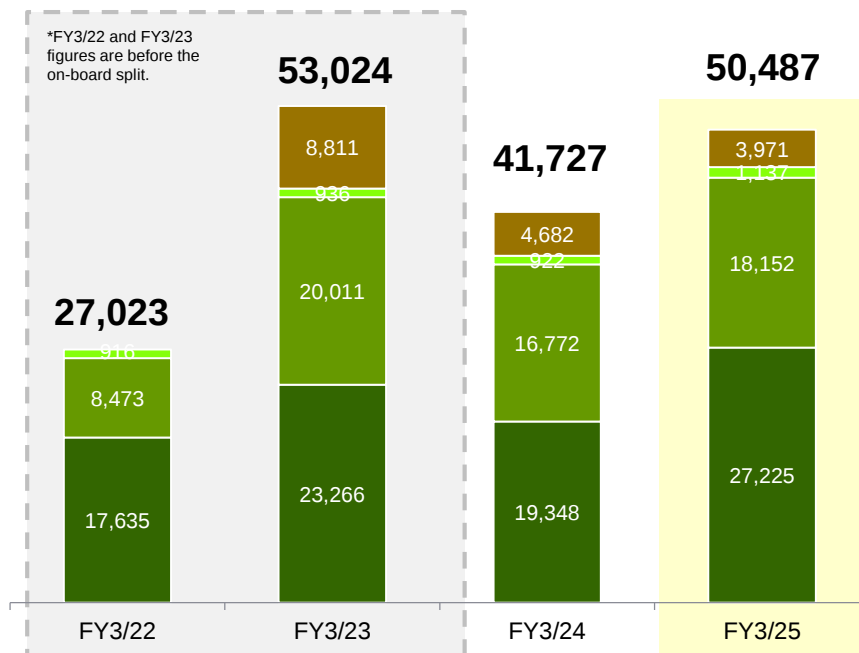
- Up 3.6 billion yen year on year; The operation of Chinese factories for semiconductors and liquid crystal recovered steadily.

[Quartz crucibles]

- Up 1.4 billion yen year on year; The demand for PB declined rapidly, and revenue dropped. The demand for products for photovoltaic systems shrank.

Transition of sales

- Sensor
- Power semiconductor substrates
- Ferrofluid, others
- Thermo-electric module



Overview of this segment

- The sales of thermo-electric modules kept growing, as products for AI contributed.
- The sales of power semiconductor substrates kept growing although the growth rate decreased, as demand was on a plateau.
- The sales of sensors decreased, due to the change of the accounting period of Ohizumi Mfg.

By product

[Thermo-electric modules]

- Up 7.9 billion yen year on year: Micro modules for optical transceivers related to the investment in generative AI servers contributed to sales and profit.

[Power semiconductor substrates]

- Up 1.4 billion yen year on year: Sales growth due to the increase of sales of products for industrial machinery, etc.

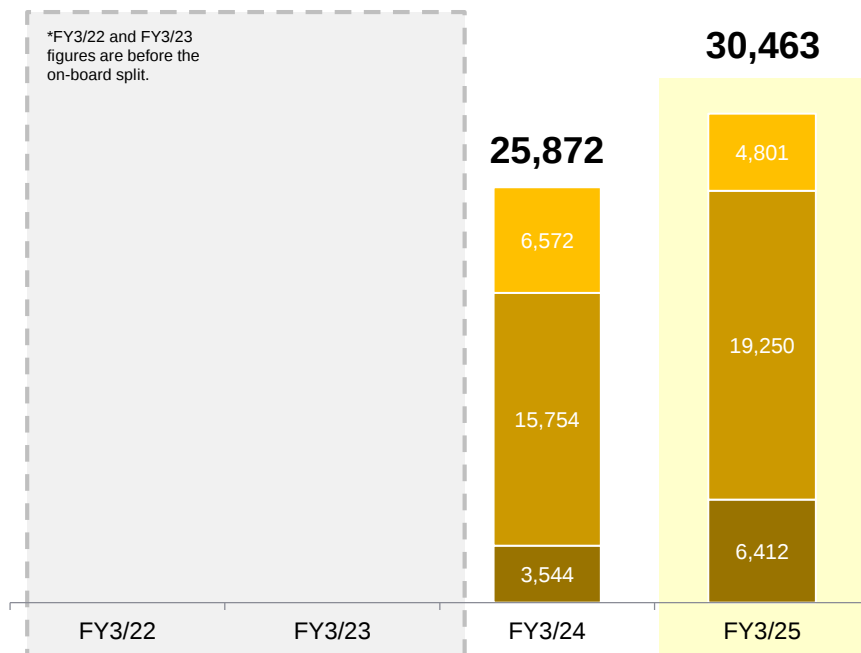
[Sensors]

- 9-month accounting period due to the change of the account closing month of Ohizumi Mfg. from March to December

Segment Information: Automotive-related Business

Transition of sales

■ Sensor ■ Power semiconductor substrate ■ Thermo-electric module



Overview of this segment

- The sales of power semiconductor substrates grew, thanks to the growth of sales of AMB substrates.
- The sales of thermo-electric modules grew, as products for EVs in China contributed.
- The sales of sensors dropped, as the accounting period of Ohizumi Mfg. was changed.

By product

[Thermo-electric modules]

- Up 2.9 billion yen year on year: The sales of automotive refrigerators, cup holders and temperature-controlled automobile seats for EVs in China increased.

[Power semiconductor substrates]

- Up 3.5 billion yen year on year: The sales of AMB substrates increased, but demand was on a plateau, and profitability declined.

[Sensors]

- Down 1.8 billion yen year on year: Due to the change of the accounting period of Ohizumi Mfg.

Consolidated Balance Sheet -Assets-

(Million yen)	FY3/24 Year-end	FY3/25 Year-end	Difference
Current assets	248,408	295,367	46,959
Cash & deposits	117,254	117,727	472
Note & accounts receivable	61,940	92,608	30,667
Inventories	56,909	72,078	15,168
Fixed assets	261,618	305,226	43,608
Tangible fixed assets	201,339	245,064	43,724
Buildings and structures (net)	66,583	90,505	23,921
Equipment and machinery (net)	59,533	87,549	28,015
Tools, furniture, and fixture (net)	7,468	8,637	1,168
Land	4,660	4,669	8
Leased assets (net)	12,018	14,852	2,834
Construction in progress	51,075	38,850	-12,225
Intangible fixed assets	6,611	6,166	-445
Goodwill	2,010	1,861	-149
Investments & other assets	53,666	53,996	330
Total assets	510,026	600,593	90,567

[Major factors for increase in current assets]

- Notes and accounts receivable: Up 30.7 billion yen

- Inventories: Up 15.2 billion yen

Accounts receivable and inventory increased, due to sales growth before the end of the fiscal year.

- Cash and deposits: Up 500 million yen

About half of the remaining amount (117.7 billion yen) will be used for increasing the capital stocks of companies engaging in businesses of equipment parts cleaning, power semiconductor

[Major reasons for the increase in Major factors for increase in tangible fixed assets and intangibles]

- Property, plant, and equipment: Up 43.7 billion yen

(FTMM in Malaysia: up 8.5 billion yen; power semiconductor substrates in Malaysia: up 9.2 billion yen; ceramics, etc. in Changshan: up 3.5 billion yen; sensors in Lishui: up 5 billion yen; FTMT and FTHD in Japan: up 6.1 billion yen, etc.)

Consolidated Balance Sheet -Liabilities and Net Assets-

(Million yen)	FY3/24 Year-end	FY3/25 Year-end	Difference
Current assets	122,148	151,750	29,602
Notes and accounts payable	38,334	55,394	17,059
Short-term debt	26,454	34,482	8,028
Current portion of long-term borrowings + bonds	21,022	24,592	3,570
Fixed assets	109,712	125,292	15,580
Bonds	320	-	-320
Convertible bond-type bonds with share acquisition rights	25,000	25,000	-
Long-term debt	62,364	78,222	15,858
Total liabilities	231,860	277,043	45,183
Net assets	278,166	323,549	45,383
Shareholder's equity	177,638	188,595	10,957
Total accumulated other comprehensive income	26,771	48,235	21,464
Non-controlling interests	73,756	86,718	12,961
Total liabilities & net assets	510,026	600,593	90,566
Equity ratio	40.1%	39.4%	-0.7pt
Exchange rate (year-end rate)	US\$: 141.83 yen RMB: 19.93 yen	US\$: 158.18 yen RMB: 21.67 yen	-

[Major factors for changes in current and fixed liabilities]

Figures in parentheses are year-on-year changes.

- Short-term debt + Current portion of long-term borrowings/bonds: 59.1 billion yen, up 11.6 billion yen
- Long-term debt + Bonds/convertible bonds: 103.2 billion yen, up 15.9 billion yen
- Total interest-bearing debt: 162.3 billion yen (up 27.5 billion yen)

[Major factors for changes in net assets]

- Shareholders' equity: Up 11 billion yen (Retained earnings: up 10.6 billion yen)
- Total accumulated other comprehensive income: Up 21.5 billion yen (Foreign currency translation adjustment: up 21.5 billion yen)
- Non-controlling interests: Up 13 billion yen (Power semiconductor substrates: up 4.5 billion yen; silicon parts/crucibles: up 2.1 billion yen; equipment parts cleaning: up 2.5 billion yen)

[Equity ratio]

- Equity ratio: 39.4%

Consolidated Cash Flow

(Million yen)	FY3/24	FY3/25
Cash flow from operating activities	28,720	26,066
Income before income tax	26,146	25,046
Depreciation	16,398	23,672
Foreign exchange loss (-: gain)	-798	-643
Changes in notes & accounts receivable (-: increase)	-4,919	-22,550
Changes in inventories (-: increase)	-5,177	-10,500
Changes in notes and accounts payable-trade (-: decrease)	-4,472	11,684
Loss on changes in equity (-: gain)	-710	-349
Others	2,254	-292
Cash flow from investing activities	-92,400	-39,627
Payments for purchase of tangible fixed assets	-74,489	-51,239
Proceeds from sale of property, plant and equipment	259	238
Payments for purchase of intangible fixed assets	-737	-537
Payments for purchase of investment securities	-2,098	-1,136
Others	-15,333	13,047
Cash flow from financing activities	60,419	18,965
Changes in short-term debt	5,314	6,360
Proceeds from long-term borrowings	57,734	39,593
Payments of long-term borrowings	-16,860	-19,102
Proceeds from issuance of convertible-bond-type bonds with share acquisition rights	24,898	-
Proceeds from share issuance to non-controlling shareholders	5,183	2,997
Others	-15,850	-10,883
Changes in cash and cash equivalents	901	12,092
Cash and cash equivalents, beginning of year	95,905	96,806
Cash and cash equivalents, end of year	96,806	108,899

[Operating cash flow]

- Depreciation: 23.7 billion yen, up 7.3 billion yen year on year
The augmentation of depreciation in FTMM in Malaysia and the new factory for manufacturing ceramics, etc. in Changshan
- Increase/decrease in notes and accounts receivable, inventories, and notes and accounts payable-trade: Down 21.4 billion yen

[Investing cash flow]

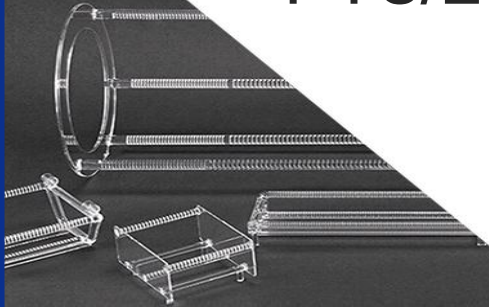
- Purchase of property, plant, and equipment: Down 51.2 billion yen
- Net increase/decrease in time deposits: 13.9 billion yen

[Financial cash flow]

- Proceeds from long-term borrowings: 39.6 billion yen
- Proceeds from share issuance to non-controlling shareholders: 3 billion yen (sensors in Lishui: 3 billion yen)



FY3/26 Full-year Business Forecasts

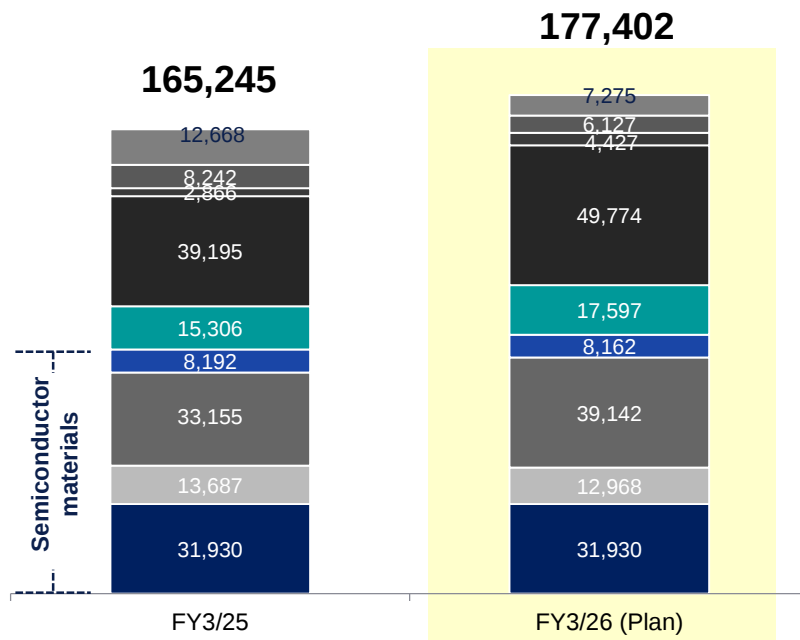


FY3/26 Full-year Business Forecasts

(Million yen)	FY3/25	FY3/26 (Plan)	YoY (%)	Details and assumptions of the plan
Net sales	274,390	285,000	3.9%	•The sales of semiconductor-related VF and ceramics will keep growing. For quartz, silicon parts, etc., it is assumed that the inventory of clients will keep affecting business performance. - Regarding quartz crucibles, the output of products for photovoltaic systems will decrease, but profit/loss will improve. •Regarding electronic devices, the demand for TE is steady and will contribute to business performance. •Depreciation will augment year on year from 23.7 billion yen to 27 billion yen, but FTMM in Malaysia will be established and made profitable, and operating income is expected to grow. •The revenue from subsidies is projected to drop year on year from 5.3 billion yen to 3.7 billion yen. •Exchange gain (1.7 billion yen in the previous fiscal year) is not forecast. Ordinary income is forecast to be unchanged. •Extraordinary income/loss is not expected to be posted. •Depreciation will augment, due to the establishment of new factories.
Operating income	24,089	28,000	16.2%	
Ordinary income	25,558	26,000	1.7%	
Net income attributable to owners of parent	15,692	16,000	2.0%	
Depreciation and amortization	23,672	27,000	14.1%	
EBITDA	47,761	55,000	15.2%	-
Investment amount	51,776	65,000	25.5%	Investment in FTMM in Malaysia, power semiconductor substrates in Malaysia, ceramics and CVD-SiC in Changshan, etc.
Assumed exchange rate (average for the period)	US\$: 152.24 yen RMB: 21.12 yen	US\$: 146 yen RMB: 20 yen	-	The yen appreciation is expected in the second half, but the account closing month of the business company is December, so this level is forecast.

Transition of sales

- Quartz crucibles
- Wafer processing and recycling
- Equipment parts cleaning
- Ceramics
- Quartz
- EB-gun
- Vacuum feedthroughs and metal processing
- CVD-SiC
- Silicon parts



Overview of this segment

- The sales of vacuum feedthroughs, metal processing, ceramics, and equipment parts cleaning will increase. For quartz and silicon parts, the inventory of clients is forecast to keep affecting business performance.
- Regarding quartz crucibles, the output of products for photovoltaic systems will decrease, so sales are projected to decline, but profit/loss is expected to improve.

Vacuum feedthroughs/Metal processing, recycled wafer

- Vacuum feedthroughs and metal processing: Up 6.8 billion yen; The sales of products for the U.S. are recovering, and those for China will remain healthy.

Semiconductor materials/Cleaning business

[Semiconductor materials (quartz, silicon parts, ceramics, and CVD-SiC)]

- Quartz: Unchanged; The inventory of clients is forecast to keep affecting performance.
- Silicon parts: Down 700 million yen; The effect of clients' inventory is significant.
- Ceramics: Up 6 billion yen; The sales of products for the U.S. are recovering, and those for China will grow.
- CVD-SiC: Unchanged; Expected to be flat, but we receive many business inquiries, so we will keep increasing production capacity.

[Equipment parts cleaning business]

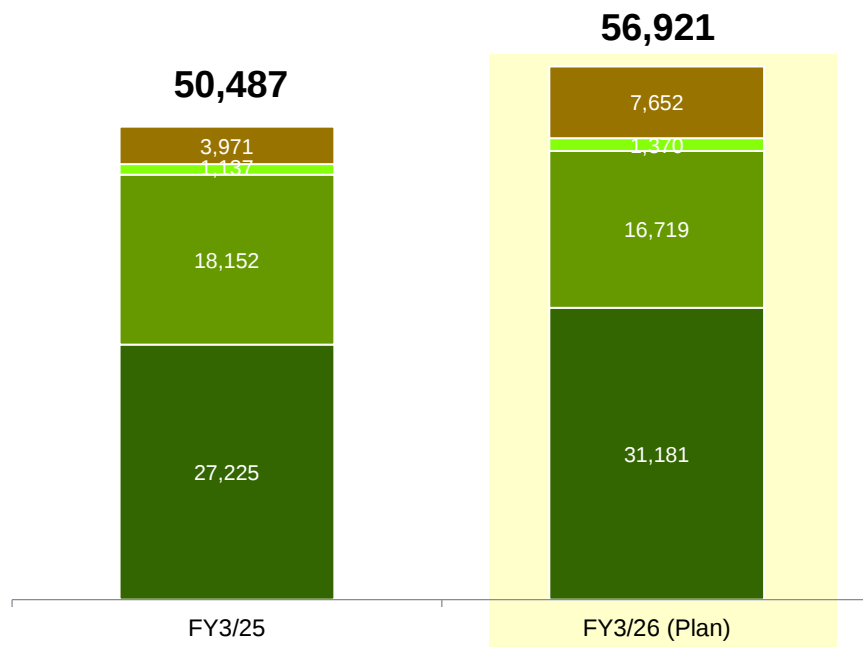
- Up 2.3 billion yen year on year: The semiconductor manufacturing in China is steady.

[Quartz crucibles]

- Down 5.4 billion yen year on year: While reducing the output of products for photovoltaic systems, we will concentrate on products for semiconductors.

Transition of sales

- Sensor
- Power semiconductor substrates
- Ferrofluid, others
- Thermo-electric module



Overview of this segment

- The sales of thermo-electric modules for AI will keep increasing, contributing to overall business performance.
- The sales of sensors are expected to recover, and the change of the accounting period in the previous fiscal year produced some effects.

By product

[Thermo-electric modules]

- Up 4 billion yen year on year: AI-related demand will keep growing.

[Power semiconductor substrates]

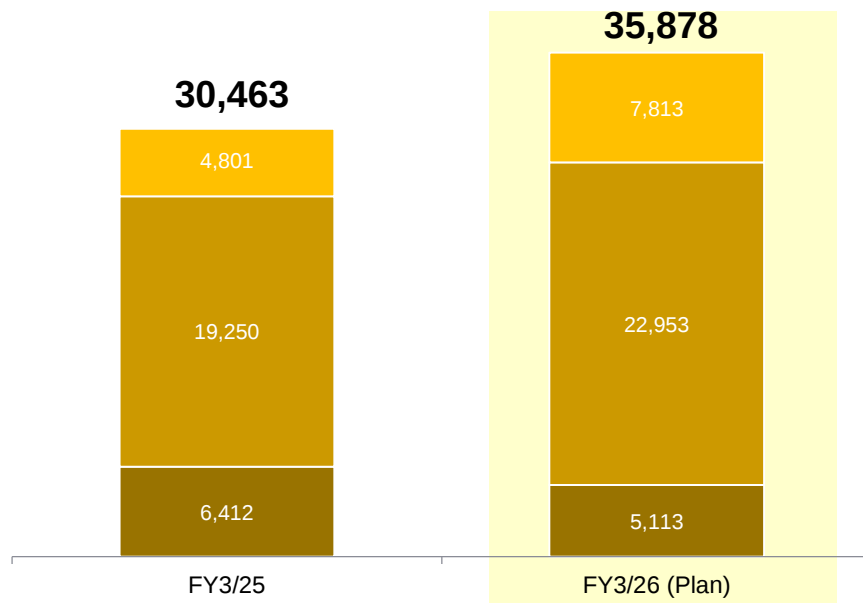
- Down 1.4 billion yen year on year: Our medium-term outlook for growth is unchanged, but short-term demand recovery is not expected.

[Sensors]

- Up 3.7 billion yen year on year: Sales are expected to grow, and the 9-month accounting period due to the change of the account closing month produced some effects in the previous fiscal year.

Transition of sales

■ Sensor ■ Power semiconductor substrate ■ Thermo-electric module



Overview of this segment

- The number of business inquiries about power semiconductor substrates is healthy, so sales are expected to grow.
- The sales of sensors are expected to recover, and to increase after the change of the accounting period in the previous fiscal year.

By product

[Thermo-electric modules]

- Down 1.3 billion yen year on year: The sales of products for temperature-controlled automobile seats, etc. are projected to decline.

[Power semiconductor substrates]

- Up 3.7 billion yen year on year: We receive a healthy number of business inquiries about products for vehicles fueled by new energy.

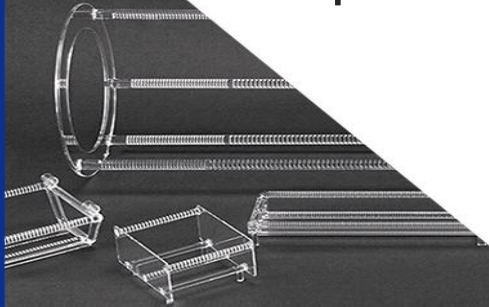
[Sensors]

- Up 3 billion yen year on year: Sales are expected to grow, and the 9-month accounting period due to the change of the account closing month produced some effects in the previous fiscal year.



Update of Medium-Term Management Plan

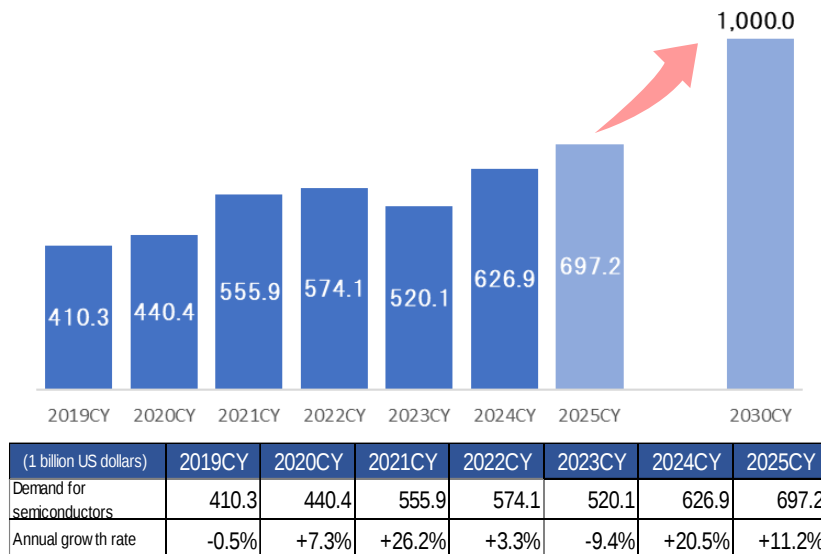
FY3/26-FY3/28



In 2025, the semiconductor market will grow, but the WFE market will be almost unchanged.

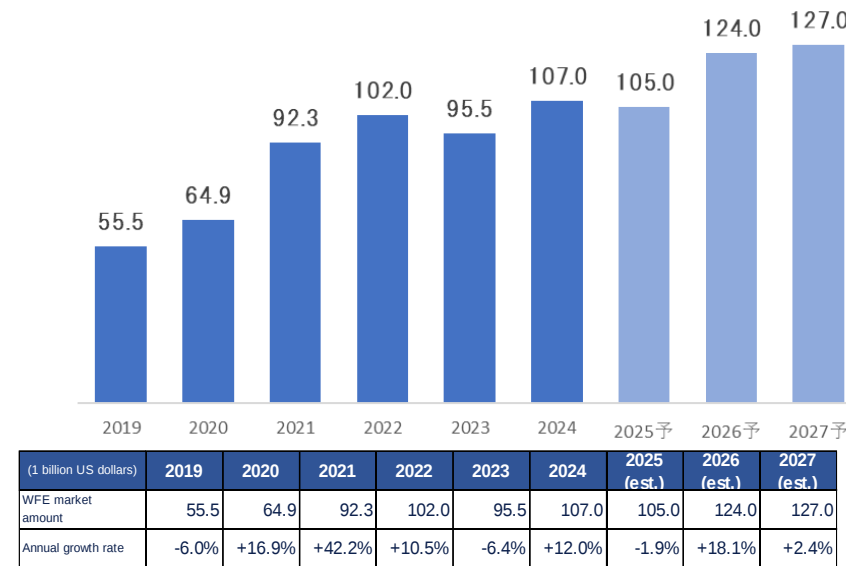
- The scale of the WFE market will be unchanged, due to the decline in export to China, etc. The short-term outlook is unclear due to the U.S. policy, but the market is expected to grow in the medium/long term.

Forecast of the semiconductor market



*Reference document released by WSTS

Forecast of WFE (Wafer Fab Equipment) market



*Partially modified statistical data of a securities firm

Business growth

- Consolidated net sales: 274.4 billion yen, up 23.4% year on year; operating income: 24.1 billion yen, down 3.1% year on year
The sales in each of the segments of Semiconductor and Other Equipment-related, Electronic Device, and Automotive-related grew. Operating income declined, despite the favorable performance of thermo-electric modules for AI, as the revenues from the commissioned manufacturing of crucibles for photovoltaic systems and photovoltaic wafers decreased and we incurred the costs for enlarging production facilities.
- We promoted the investment in the sensor business, including the construction of a new factory in Lishui.

Strengthening of production efficiency and competitiveness

- The operation of a factory for semiconductors in Kulim, Malaysia began, and it was recognized by clients.
- A factory for power semiconductor substrates in Johor, Malaysia was completed in April, and we have received many inquiries from clients.
- We automated the inspection process, adopted AI for inspection, and automated warehousing and processing. Digitalization and automation progressed.
- The development of materials for power semiconductor substrates, the expansion of the product line-up of semiconductor ceramics, etc. progressed.

Strengthening of personnel and corporate culture

- While considering the emphasis on human resources as an important management strategy, we concentrated on the recruitment of executive personnel and enriched training systems.
- Upholding the slogan of "respecting clients, employees, diligence, and trust, taking action steadily, and pursuing innovation," we diffused our corporate culture.

Finance/Shareholder return

- Shareholder return was enriched, and DOE was adopted with its lower limit being 3.5%. We adopted the policy of considering the acquisition of treasury stocks flexibly and aiming to achieve a total payout ratio of 50%.
- We disclosed a plan of having the subsidiary FTSVA engaging in the equipment parts cleaning business listed in China acquire FLH, a subsidiary manufacturing power semiconductor substrates.

Progress of initiatives for realizing business administration conscious of capital cost and share price

Classification	Item	Progress
Profit margin	Digitization, automation, AI adoption, and visualization of production sites	Automation of inspection and warehousing processes, and adoption of AI for inspection progressed. We aim to increase production output while curbing the increase of workers.
Profit margin, total asset turnover, etc.	Selection and concentration of businesses (sale of businesses and exclusion of some subsidiaries from the scope of consolidation)	Progress of exclusion of some businesses from the scope of consolidation (under negotiation) The commissioned manufacturing of photovoltaic wafers was suspended, and the business of photovoltaic crucibles shrank.
Profit margin, total asset turnover, etc.	Management of ROIC of each business and each company, investment control, and reduction of working capital	Monthly control of ROIC and in-company diffusion progressed. We promoted the monthly management and reduction of inventory and working capital.
Financial leverage, etc.	Improvement of cash flows by starting the operation of new factories early	We concentrated on the early start of operation of the Kulim Factory, and earned a monthly profit. The Johor Factory was completed in April.
Financial leverage	Diversification of the fund procurement	The equipment parts cleaning subsidiary (FTSVA) listed in China has acquired the power semiconductor substrate manufacturing subsidiary (FLH).
Capital cost	Discussion on diversification of shareholder return methods, such as share buyback Enhancement of sustainability and IR activities	We enriched shareholder return, adopting DOE, whose lower limit was set at 3.5%. We gauged GHG (CO ₂) emissions from our corporate group.
Expected EPS growth rate	Expansion of manufacturing sites outside China in response to the US-China semiconductor friction	The operation of the Kulim Factory began, and it was recognized by clients. We met the requests from clients in the U.S., etc. and started constructing the second factory in Kulim.

Business growth

- Expanding the Semiconductor and Other Equipment-related, Electronic Device, and Automotive-related businesses, and pursue growth.
- While enhancing the manufacturing outside China, such as in Malaysia, to meet the needs for manufacturing outside China (Ex-China) in the wake of the US-China trade friction, we will strive to satisfy semiconductor-related needs in China.

Strengthening of production efficiency and competitiveness

- Raising earning rate by increasing production output and efficiency in factories in Kulim and Johor, Malaysia.
- Pursuing the improvement in production efficiency and competitiveness through digitalization, automation, and adoption of AI.
- Promoting and enhancing the development of new products and technologies, and continue thoroughgoing quality management under the belief that "quality is the most important."

Strengthening of personnel and corporate culture

- Considering the emphasis on human resources as an important management strategy, we will recruit and develop personnel.
- Corporate culture is the base of the corporation, so we will make continuous efforts to diffuse the slogan "respecting clients, employees, diligence, and trust, taking action steadily, and pursuing innovation."

Finance/Shareholder return

- After the merger between the equipment parts cleaning subsidiary FTSVA listed in China and the power semiconductor substrate manufacturing subsidiary FLH, share price is expected to rise, so we will discuss utilization methods.
- In accordance with the new shareholder return policy, we adopted DOE and will consider flexibly acquiring treasury stocks.

Progress of Factory Establishment: Factories in Kulim, Malaysia

- The first factory in Kulim, Malaysia was completed in Jan. 2024. It was recognized by clients steadily, and we earned monthly profit in Q1 of 2025. Its profitability is expected to be improved through the increase in output and streamlining in 2025.
- In the wake of the US-China semiconductor friction, U.S. clients and others requested us to increase production output in Malaysia, so we decided to construct the second factory.

Factory	Subject business	2025	2026	2027	2028	2029	Current production capacity [100 million yen]	Expected maximum production capacity [100 million yen]
1 st factory in Kulim, Malaysia	Metal processing Quartz Ceramics Equipment assembly	Full-scale production → Full-capacity utilization					150	190
2 nd factory in Kulim, Malaysia		Start of operation → Full-scale production → Full-capacity utilization					0	240



First factory in Kulim, Malaysia



Computer-rendered bird's-eye view of the second factory in Kulim, Malaysia

Progress of Factory Establishment: Power semiconductor substrates

- A factory for manufacturing power semiconductor substrates in Neijiang, China was completed in July 2023, and small-lot manufacturing was started in Q4 of 2023.
- At the Johor Factory in Malaysia, equipment installation began in Q4 of 2024, trial manufacturing was started in January 2025, and the first shipment was conducted in March.

Subject business	Factory	2025	2026	2027	2028	2029	Current production capacity [100 million yen]	Expected maximum production capacity [100 million yen]
Power semiconductor substrates	Dongtai and Neijiang, China	Full-scale production Full-capacity utilization					570	600
Power semiconductor substrates	Malaysia	Start of operation Full-scale production Full-capacity utilization					70	130



Neijiang Factory in Sichuan, China

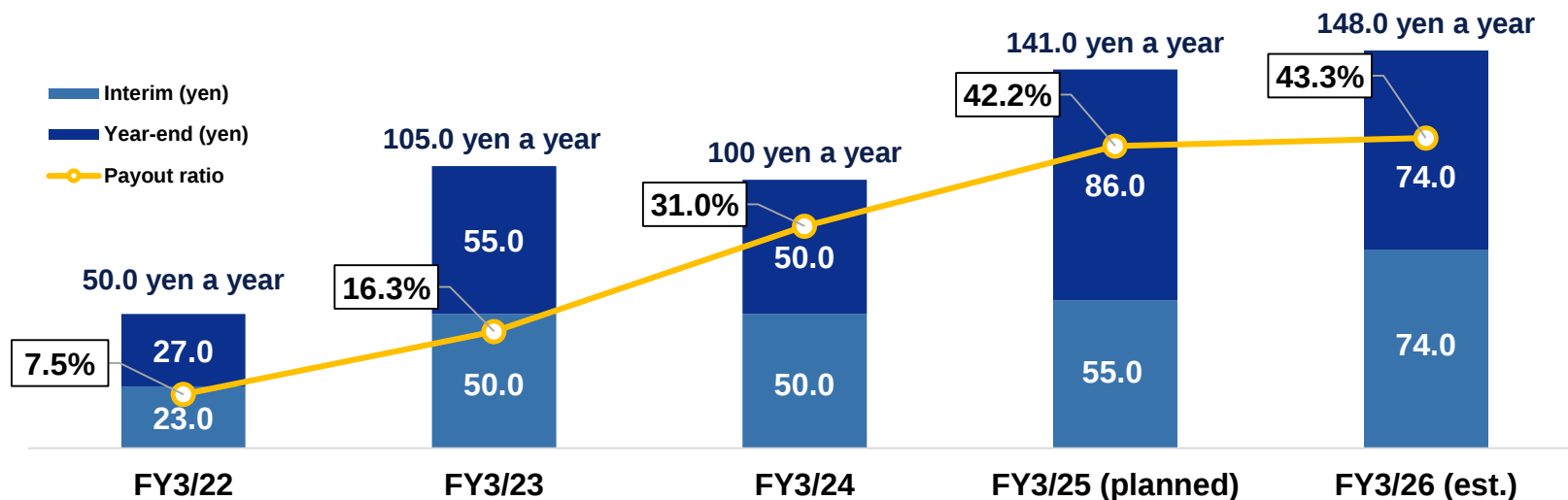


Johor Factory in Malaysia

- [Shareholder return policy] Revision to the policy in March 19

In order to enrich shareholder return, we have adopted dividend on equity ratio (DOE) and set its lower limit at 3.5%. We aim to raise the dividend level by increasing revenues sustainably. While considering the financial situation, etc., we will flexibly consider acquiring treasury stocks, and strive to enrich shareholder return with the aim of achieving a total payout ratio of 50%.

Variation of dividend per share



- We plan to invest a total of 140 billion yen in equipment in 3 years.
- We plan to sell group assets (such as the shares in subsidiaries) worth over 50 billion yen from FY3/26 to FY3/28.
- We plan to allocate proceeds to capital investment and shareholder return, including the acquisition of treasury stocks.

Capital investment plan (FY3/26 to FY3/28)

- Total capital investment: 140 billion yen

(Major projects)

Investment in machinery and equipment in the first factory in
Kulim, Malaysia

Investment in the second factory in Kulim, Malaysia

Investment in the Johor Factory in Malaysia

KPIs of the Medium-term Management Plan

We have revised the medium-term plan, while considering the recent sluggish growth of semiconductor-related demand, investment, etc.

(Million yen)	FY3/25 (actual)	FY3/26 (forecast)	FY3/27 (plan)	FY3/28 (plan)
Net sales	274,390	285,000	340,000	400,000
Operating income	24,089	28,000	35,000	47,000
Operating margin	8.8%	9.8%	10.3%	11.8%
Net income	15,692	16,000	20,000	29,000
ROE	7.1%			15%
ROIC*	3.9%			8%
Equity ratio	39.4%	40%		
Capital investment	51,776	65,000	45,000	30,000
Annual dividend per share	141.0 yen	148.0 yen	Adopt DOE (consolidated dividends on equity ratio **) and set the lower limit at 3.5% Flexibly consider share buybacks, aiming for a total return ratio of 50%	

*ROIC = Net income attributable to owners of parent/ (Interest-bearing debt + Net asset). Net asset does not include share acquisition rights or non-controlling interests' equity.

**Consolidated shareholders' equity = Capital + Capital surplus + Retained earnings - Treasury stocks

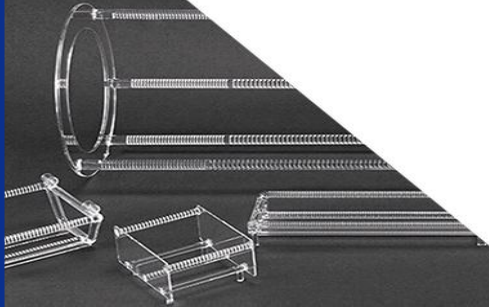
Dividend on equity ratio = Total dividend amount ÷ Consolidated shareholders' equity



FerroTec
Ferrotec Holdings Corporation

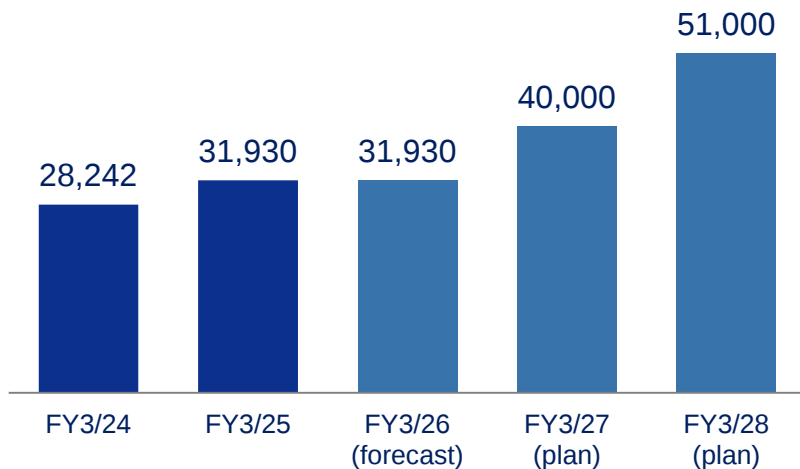


Strategy for Each Priority Product



Strategy for Each Product: Quartz

Variation in net sales



Second Factory in Changshan (Zhejiang, China)



Summary

- Demand for spares as consumables is stagnant due to the inventory of users. We tried to increase sales by meeting the demand for fire-processed products, but profitability declined.
- The first factory in Kulim, Malaysia made a good start, earning profit.
- Streamlining progressed, thanks to digitalization and automation.

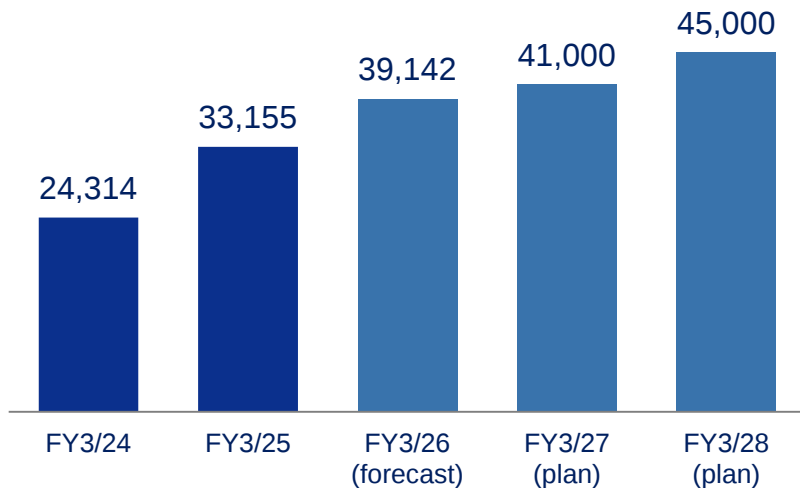
Outlook for medium/long-term performance

- Demand is expected to grow in the medium term, although full-scale recovery is expected in the second half of 2025 or later, as it is considered that the effects of inventory of users in Europe and the U.S. will partially linger in 2025.
- We will make the Kulim Factory more profitable, enrich production, and improve efficiency, to increase revenue.

Statuses of capital investment and production capacity

- To construct the second factory in Kulim, as demand from clients in Europe and the U.S. is expected to grow in the medium term and there are needs for the increase in production output.
- To meet the growing demand from Chinese clients with factories in China

Variation in net sales



Third Factory in Changshan (Zhejiang, China)



Summary

- Steady demand and the growth of the Chinese market contributed, and sales grew.
- The first factory in Kulim, Malaysia made a good start, earning profit.
- Streamlining progressed, thanks to digitalization and automation.

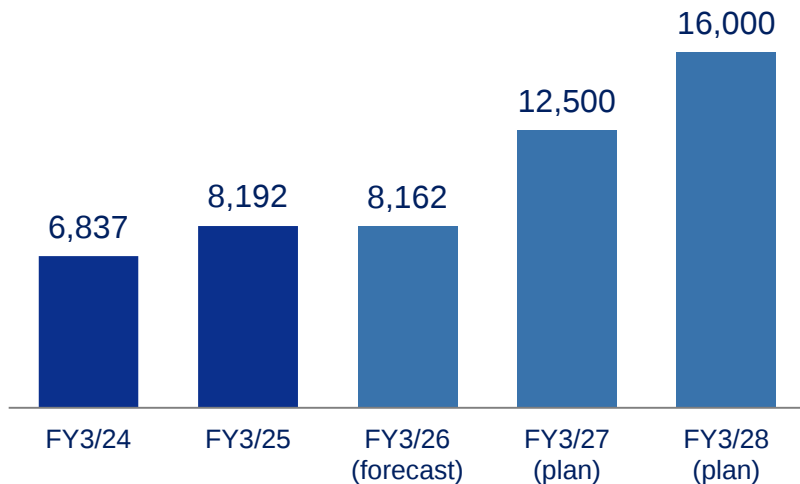
Outlook for medium/long-term performance

- The demand from clients in Europe and the U.S. is expected to grow in the second half of 2025, and medium-term demand is projected to grow.
- The Chinese market, too, is expected to grow in the medium term.

Statuses of capital investment and production capacity

- To construct the second factory in Kulim, as demand from clients in Europe and the U.S. is expected to grow in the medium term and there are needs for the increase in production output.
- To meet the growing demand from Chinese clients with factories in China

Variation in net sales



Third Factory in Changshan (Zhejiang, China)



Summary

- We increased the production capacity of the Okayama Factory to meet demand, and sales growth continued.
- The Changshan Factory is under development.

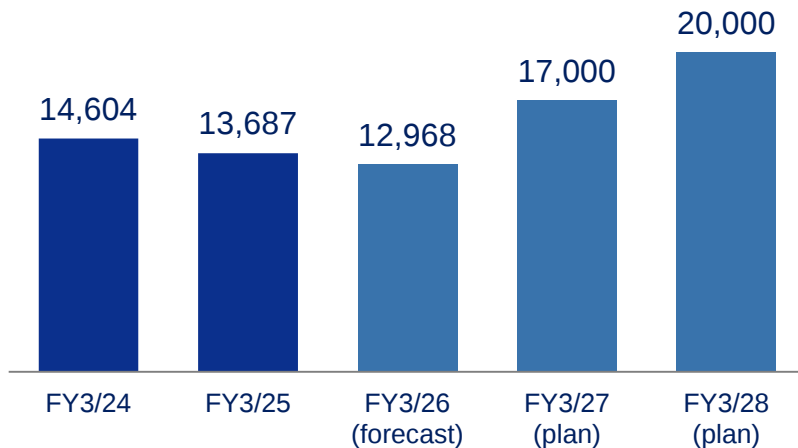
Outlook for medium/long-term performance

- The demand for CVD-SiC is forecast to keep growing.
- We will make efforts to expand sales by increasing the production capacity of the Okayama Factory and establishing the Changshan Factory.

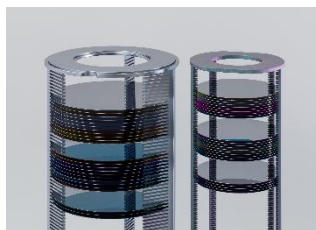
Statuses of capital investment and production capacity

- The production line of the Changshan Factory is under development. By boosting its production capacity, we will strive to meet demand further.

Variation in net sales



Third Factory in Changshan (Zhejiang, China)



Summary

- In 2024, sales dropped year on year, due to the significant effect of inventory of users.
- Streamlining progressed, thanks to digitalization and automation.

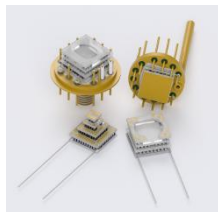
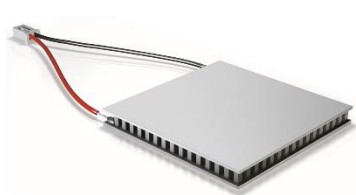
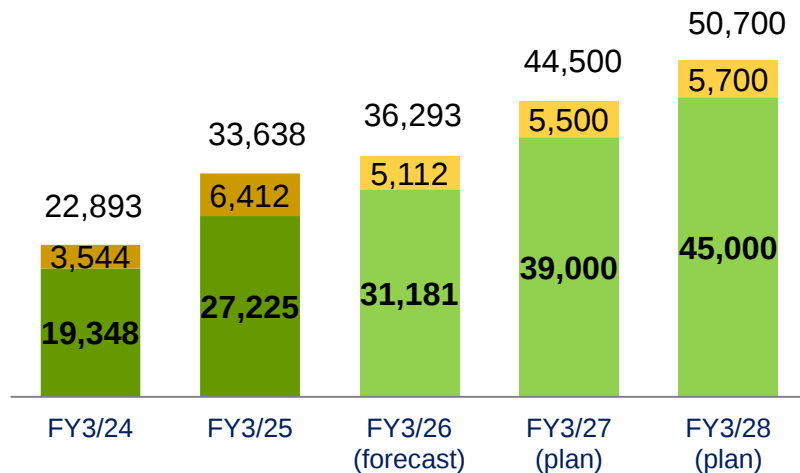
Outlook for medium/long-term performance

- Full-scale recovery is expected in 2026 or later, as the effect of inventory of users is forecast to linger.
- Medium/long-term demand is expected to be healthy.

Statuses of capital investment and production capacity

- To meet the needs for manufacturing outside China from clients in Europe and the U.S., we are constructing the Johor Factory in Malaysia in 2025, and plan to start manufacturing in the factory in the second half of 2025 (the building rented).

Variation in net sales



Summary

- AI-related demand contributed, and sales kept growing.
- Profitability improved, thanks to the use of AI and automation for inspection, automated warehousing, etc.

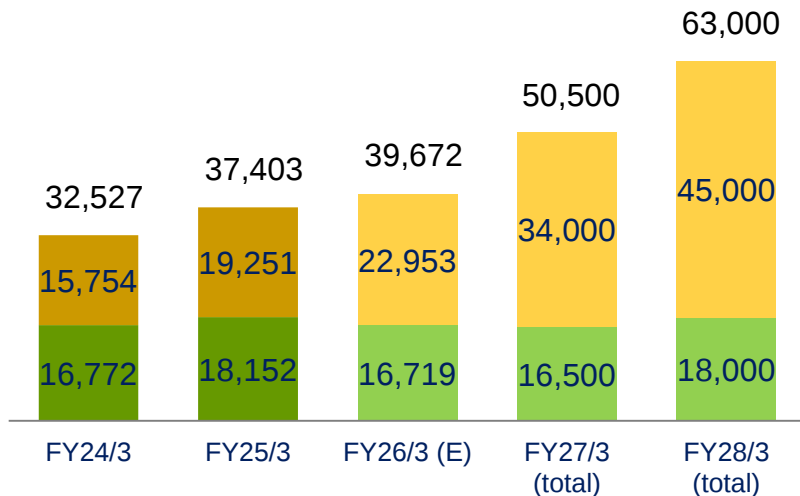
Outlook for medium/long-term performance

- Growth is expected to continue as we will meet the demand related to AI.
- We aim to expand the chiller business.

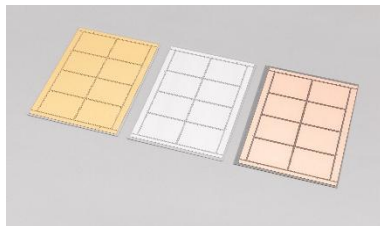
Statuses of capital investment and production capacity

- We will further proceed with the automation and streamlining of production processes.
- We will consider manufacturing outside China.

Variation in net sales



Neijiang Factory (Sichuan, China)



Summary

- Although the demand in the power semiconductor market and sales growth rate are on a plateau, our market share will grow.
- We strove to improve profitability by manufacturing substrate materials in house, adopting AI for inspection, automating inspection and warehousing processes, etc.

Outlook for medium/long-term performance

- The medium/long-term demand for power semiconductor substrates is expected to keep growing.
- We will fortify the business base by enriching the lineup of products, such as DPC, manufacturing materials in house, and automating processes.

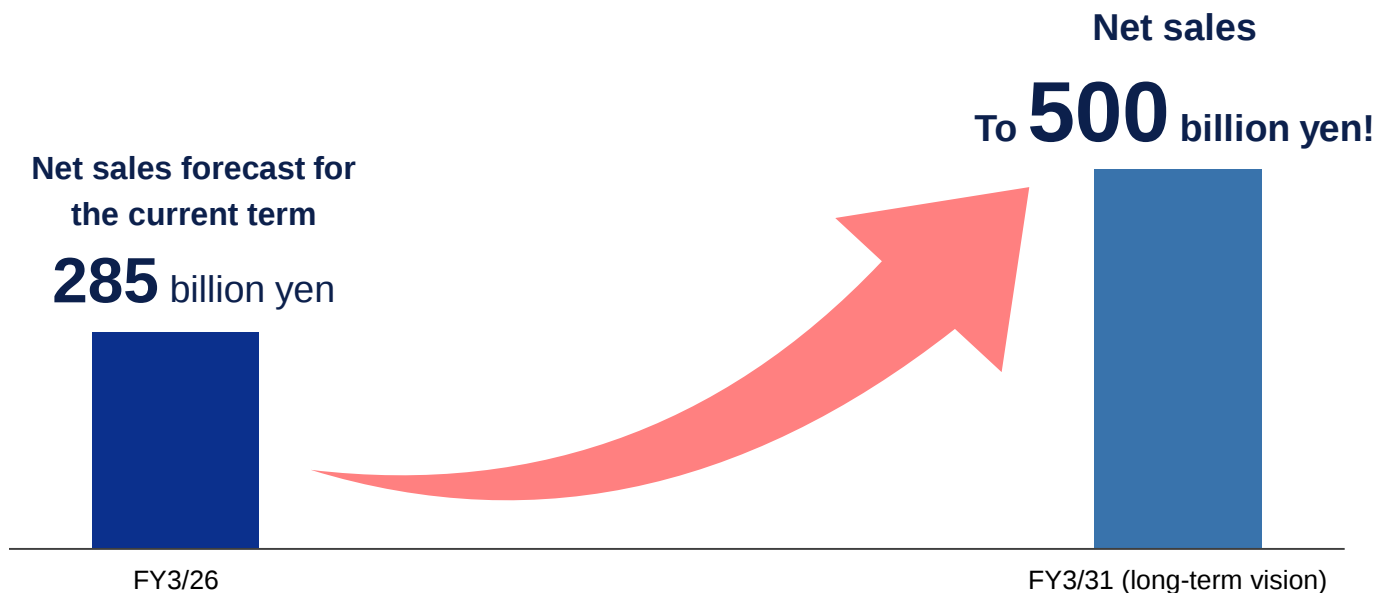
Statuses of capital investment and production capacity

- The Sichuan Factory is expected to contribute to revenues as production output will increase.
- The Johor Factory in Malaysia started manufacturing in April 2025, and demand from clients is healthy. Production output is expected to increase stepwise.

Long-term goals are net sales of 500 billion yen and net income of 50 billion yen.

We aim to achieve the long-term goals, while improving cash flows, ROE, and ROIC.

Net sales of **500** billion yen and net income of **50** billion yen in **FY2030**

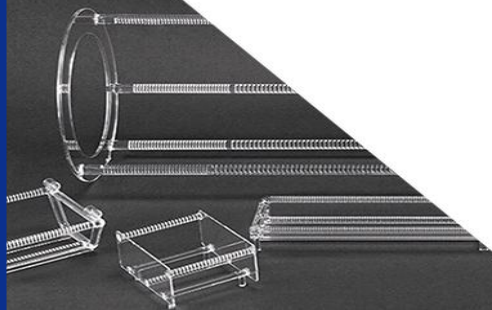




Ferrotec
Ferrotec Holdings Corporation



Appendix



Sales by Product for FY3/25 (First and Second Half)

(Million yen)	FY3/24 Results			FY3/25 Results					
	Full-year	1 st half	2 nd half	Full-year	YoY	1 st half	YoY	2 nd half	YoY
Semiconductor and Other Equipment-related	130,072	60,257	69,814	165,245	27.0%	84,042	39.5%	81,202	16.3%
Vacuum feedthroughs	25,242	11,730	13,512	39,195	55.3%	19,347	64.9%	19,848	46.9%
Quartz	28,242	11,584	16,657	31,930	13.1%	16,134	39.3%	15,795	-5.2%
Silicon parts	14,604	7,712	6,892	13,687	-6.3%	7,172	-7.0%	6,514	-5.5%
Ceramics	24,314	11,657	12,656	33,155	36.4%	15,448	32.5%	17,707	39.9%
CVD-SiC	6,836	2,999	3,837	8,192	19.8%	3,992	33.1%	4,199	9.4%
EB-Gun, LED	5,935	3,011	2,923	8,242	38.9%	4,076	35.3%	4,166	42.5%
Wafer processing	129	43	86	10	-92.2%	10	-75.4%	△0	-100.5%
Wafer recycling	1,780	752	1,027	2,856	60.5%	1,251	66.2%	1,605	56.3%
Equipment parts cleaning	11,719	5,424	6,294	15,306	30.6%	7,061	30.2%	8,245	31.0%
Quartz crucibles	11,268	5,341	5,927	12,668	12.4%	9,547	78.7%	3,121	-47.3%
Electronic Device	41,727	18,834	22,893	50,487	21.0%	23,085	22.6%	27,401	19.7%
Thermo-electric modules	19,348	8,844	10,504	27,225	40.7%	12,431	40.6%	14,794	40.8%
Power semiconductor substrates	16,772	7,245	9,526	18,152	8.2%	8,692	20.0%	9,460	-0.7%
Ferrofluid, others	922	398	524	1,137	23.3%	575	44.3%	562	7.3%
Sensor	4,682	2,344	2,338	3,971	-15.2%	1,387	-40.8%	2,584	10.5%
Automotive-related	25,872	14,006	11,866	30,463	17.7%	14,304	2.1%	16,159	36.2%
Thermo-electric modules	3,544	1,795	1,748	6,412	80.9%	3,108	73.1%	3,304	89.0%
Power semiconductor substrates	15,754	8,857	6,896	19,250	22.2%	9,628	8.7%	9,621	39.5%
Sensors	6,572	3,352	3,220	4,801	-27.0%	1,567	-53.2%	3,233	0.4%
Others	24,757	12,396	12,361	28,194	13.9%	13,723	10.7%	14,470	17.1%
Total	222,430	105,494	116,936	274,390	23.4%	135,157	28.1%	139,233	19.1%

Business Forecasts of Each Segment/Product for FY3/26 (First and Second Half)

(Million yen)	FY3/25 Results			FY3/26 Results					
	Full-year	1 st half	2 nd half	Full-year	YoY	1 st half	YoY	2 nd half	YoY
Semiconductor and Other Equipment-related	165,245	84,042	81,202	177,402	7.4%	84,210	0.2%	93,192	14.8%
Vacuum feedthroughs	39,195	19,347	19,848	49,774	27.0%	24,395	26.1%	25,379	27.9%
Quartz	31,930	16,134	15,795	31,930	0.0%	15,634	-3.1%	16,296	3.2%
Silicon parts	13,687	7,172	6,514	12,968	-5.3%	6,485	-9.6%	6,483	-0.5%
Ceramics	33,155	15,448	17,707	39,142	18.1%	17,647	14.2%	21,495	21.4%
CVD-SiC	8,192	3,992	4,199	8,162	-0.4%	3,728	-6.6%	4,434	5.6%
EB-Gun, LED	8,242	4,076	4,166	6,127	-25.7%	2,737	-32.9%	3,390	-18.6%
Wafer processing	10	10	-0	0	-	0	-	0	-
Wafer recycling	2,856	1,251	1,605	4,427	55.0%	2,137	71.0%	2,290	42.5%
Equipment parts cleaning	15,306	7,061	8,245	17,597	15.0%	8,247	16.8%	9,350	13.4%
Quartz crucibles	12,668	9,547	3,121	7,275	-42.6%	3,199	-66.5%	4,076	30.6%
Electronic Device	50,487	23,085	27,401	56,921	12.7%	27,150	17.6%	29,771	8.6%
Thermo-electric modules	27,225	12,431	14,794	31,181	14.5%	14,858	19.5%	16,323	10.3%
Power semiconductor substrates	18,152	8,692	9,460	16,719	-7.9%	8,680	-0.1%	8,039	-15.0%
Ferrofluid, others	1,137	575	562	1,370	20.4%	608	5.7%	762	35.3%
Sensor	3,971	1,387	2,584	7,652	92.7%	3,005	116.7%	4,647	79.8%
Automotive-related	30,463	14,304	16,159	35,878	17.8%	16,338	14.2%	19,540	20.9%
Thermo-electric modules	6,412	3,108	3,304	5,113	-20.3%	2,539	-18.3%	2,574	-22.1%
Power semiconductor substrates	19,250	9,628	9,621	22,953	19.2%	10,546	9.5%	12,407	28.9%
Sensors	4,801	1,567	3,233	7,813	62.7%	3,252	107.5%	4,561	41.0%
Others	28,194	13,723	14,470	14,799	-47.5%	7,303	-46.8%	7,497	-48.2%
Total	274,390	135,157	139,233	285,000	3.9%	135,000	-0.1%	150,000	7.7%

Situation of Major Factory Construction and Production Capacity Improvement

- We are expanding production capacity by gradually building new factories and adding floor space.
The following are our main plans at present.

Business	Location	2025	2026	2027	2028	2029	Current production capacity (Billions of yen)	Assumed production capacity (100 million yen)
Power semiconductor substrates	Dongtai and Neijiang, China						570	600
Power semiconductor substrates	Malaysia						70	130
Ceramics	Ishikawa, Japan						100	140
Ceramics Silicon parts	Changshan, China						100	170
Quartz crucibles	Yinchuan, China						150	430
Metal processing, quartz, ceramics	Malaysia						0	20

Construction of a Factory in Malaysia

- To meet the growing demand, we decided to construct the second factory in northern Malaysia.
- We aim to meet the growing needs for manufacturing outside China due to the rise in geopolitical risk.



Computer-rendered second factory in Kulim, Malaysia

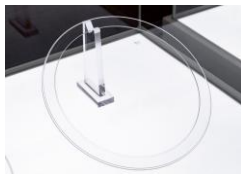
Details of the new factory in Malaysia

Investment amount	226.4 million dollars (about 33.3 billion yen)
Products to be manufactured	Quartz, ceramics, and commissioned metal processing
Factory area	Site area: About 80,900 m ² Factory area: About 90,800 m ²
Schedule	Start of construction: Apr. 2025 Completion of the building: Jun. 2026 Start of operation: Sep. 2026

Capital investment plan

	FY3/26	FY3/27	FY3/28	FY3/29	Total
Investment amount	4.5 billion yen	15.6 billion yen	10.6 billion yen	2.6 billion yen	33.3 billion yen

Jigs and consumables for semiconductor manufacturing equipment (our mainstay material products)



Quartz



Silicon parts



Ceramics



CVD-SiC

Our strengths: Not only capital investment-linked products (vacuum feedthroughs), but also a lineup of **repeat consumables (materials)** and services (cleaning and wafer recycling) **linked to the production and operation of semiconductor device manufacturers**



Vacuum feedthroughs

*Semiconductor and FPD production equipment parts (Market share: 65% (largest))



Metal precision machining

*Growth forecast due to increase in future customers (factories) in China



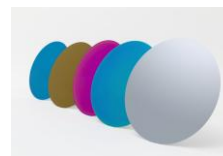
Equipment parts cleaning

*Focus on the Chinese market



Quartz crucibles

*For semiconductors, solar cells, and Photovoltaic



Wafer recycling

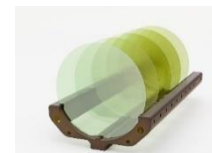
*Focus on the Chinese market (New business launched in FY3/22)

Businesses at equity-method affiliates



Silicon wafers

*Monthly production capacity: 6-inch: 420 thousand, 8-inch: 450 thousand, 12-inch: 250 thousand

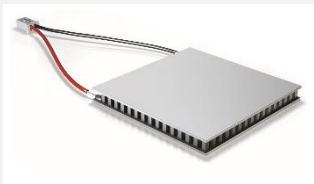


SiC wafers

*Development and mass-production (New business launched in FY3/22)

Our Lineup of Electronic Device Products

Thermo-electric modules



As temperature adjustment devices, thermo-electric modules are increasingly used in the fields of automobiles, semiconductor manufacturing equipment, communications, medical biotechnology, consumer products, etc.



Chiller

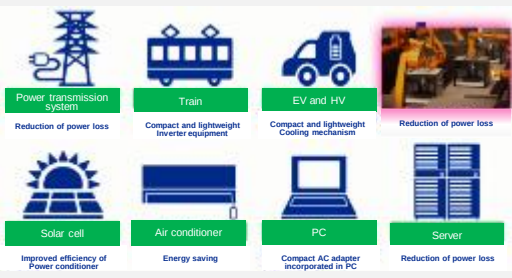
A chiller (constant-temperature water circulation equipment) is equipment for circulating liquid, such as water, while cooling or heating it to keep a predetermined temperature. It is used for keeping the temperature of objects, such as heat sources of facilities and equipment, constant.

Insulating substrates for power semiconductors*



In response to **the global trend of power consumption reduction**, the demand from clients needing power semiconductors is growing. (DIRECT COPPER BONDING technology for bonding a copper circuit to an alumina ceramics substrate)

Application of power semiconductors



Ferrofluid



Used in a wider range of fields, including automobile speakers, high quality sound TV speakers, and smartphone vibration

Temperature sensors (thermistors) *OHZUMI MFG. CO., LTD.



Thermistors are semiconductor ceramics that change resistance significantly according to temperature changes. They are broadly used as temperature sensors for automotive devices, home appliances, optical communications, etc. The demand for them is growing thanks to the electrification of vehicles and digitalization.

Products in the Automotive Segment

[Main products] Power semiconductor substrate application

DCB substrate
This is a substrate mounted on the power semiconductor unit, mainly used for inverters controlling a room lamp, AV equipment, accessories, etc. This substrate is made of alumina ceramics.



AMB substrate
This substrate is mainly used for applications requiring significant power, such as controlling batteries and motors. Made of silicon nitride and aluminum nitride, this substrate is often combined with SiC substrates.



[Main product] Thermistor application

Thermistor
A thermistor is the semiconductor ceramics which demonstrate significant resistance change to fluctuations in temperature. Mounted as a temperature sensor, a thermistor is an essential element for controlling air conditioners, batteries, fuel injection, etc.



OHIZUMI



Power semiconductor

Headlight control

Room lamp control

AV equipment/
accessory control

Steering control

Motor control

Transmission
control

Brake control



Thermistor

For intake air vol.
For intake air temp.

For room temp.

For diesel fuel temp.
For radiator water temp.

Thermo-electric module



[Main products] Thermo-electric module application

Laser radar
Laser beams are irradiated toward objects to measure the distance and identify characteristics of the object. Thermo-electric modules suppress the effect of heat, thereby stabilizing measurement precision.



Temperature-controlled automobile seats
They can warm up and cool down the driver's seat, passenger seat and rear seats, providing a comfortable driving environment.



Cooler
A wide array of EVs are relatively spacious enough to accommodate coolers. We are currently engaging in joint development with a manufacturer.



Cup holder
Thermo-electric modules are also used for conventional cup holders. Equipped with moisture-retaining and cooling functions, cup holders can provide a comfortable driving experience.



Laser radar

Head-up display

ADAS
GPU cooler
CMOS cooler

Laser headlight

Seat cooling system

Steering wheel heater/cooler

Cooler

Cup holder

Heater/air conditioner

Battery cooling

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<Inquiries>

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