

# Results for the 1st Half of the Fiscal Year Ending March 31, 2026

**Ferrotec Corporation**

1. This fiscal year results cover period from January 1 to June 30, 2025 of consolidated subsidiaries.
2. This presentation has been prepared for the purpose of providing information regarding the company's results of operations for the 1st half of the fiscal year ending March 31, 2026 and does not constitute 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.



# Progress of the Medium-Term Management Plan

## Performance

- First-half results for FY3/26: Net sales of 141.0 billion yen, operating profit of 14.3 billion yen, and profit attributable to owners of parent of 6.3 billion yen.
- Full-year forecasts for FY3/26: Net sales of 285.0 billion yen, operating profit of 30.0 billion yen, and profit attributable to owners of parent of 16.0 billion yen.

## Capital Investment (Malaysia)

- The Kulim Factory No.1 in Malaysia has entered full-scale operation. Construction of Kulim Factory No.2 commenced in June, with completion scheduled for the second half of FY3/26.
- The Johor Factory (power semiconductor substrates) has started operations, while the Kumamoto Factory (parts cleaning) and Ishikawa Factory No.3 (ceramics) have been completed.

## Customer Trends and Strategy

- We meet the needs for manufacturing outside China (Ex-China) from U.S. customers, with high customer expectations expected to contribute to future growth.
- Semiconductor investment and production demand within China remain robust. We will continue to pursue growth by effectively utilizing its manufacturing facilities in China.

## Shareholder Returns, etc.

- We strengthened shareholder returns through the adoption of DOE, with a minimum level set at 3.5%. The annual dividend is planned at 148 yen per share.
- We continue to consider initiatives including a potential IPO of our subsidiaries in China and the sale of group assets amounting to approximately 50 billion yen.

## Topic (1): Ex-China Strategy (Malaysia)

- Accelerating the development of its production platform as a future mass production base serving European and U.S. customers.

### Malaysia – Kulim Factory No.1



- Following the start of mass production, output has increased steadily and utilization rates have improved. The factory achieved monthly profitability earlier than initially expected.
- Going forward, we will further advance certification processes to enhance supply capabilities for existing customers while also aiming to acquire new customers.

### Malaysia – Kulim Factory No.2



- After groundbreaking in June, foundation work has been completed and construction has moved to the building phase. A topping-out ceremony is scheduled for December.
- The project is progressing as planned toward completion in the second half of FY3/26.



## Topic (2): Ex-China Strategy (Japan)

- “Reshoring to Japan”—The development of domestic manufacturing bases in Japan (Ishikawa Factory No.3 and the Kumamoto Factory) was completed in the current fiscal year.
- We will further accelerate the capture of demand from customers in Europe, the United States, and Japan.

### Ishikawa Factory No.3

Ceramics



Products Manufactured	Fine ceramics, machinable ceramics
Factory Area	Building area: 13,000m <sup>2</sup> (Site area: 30,000m <sup>2</sup> )
Major Equipment	Firing furnaces, heat treatment furnaces, Machining centers, cleaning equipment, coordinate measuring machines and optical measuring systems (Cleanroom class: 10,000 / 1,000)

### Kumamoto Factory

Parts cleaning



Products Manufactured	Refurbishment and regeneration of semiconductor manufacturing equipment and related components, as well as precision component regeneration and parts cleaning service businesses
Factory Area	Building area: 13,000m <sup>2</sup> 、 (Site area: 30,000m <sup>2</sup> )
Major Equipment	Regeneration and cleaning systems for PVD, CVD, and etching equipment components, Plasma spraying systems, Arc spraying systems, Ultrasonic microscopes and coordinate measuring machines (Cleanroom class: 100)

## Topic (3): Developments of Chinese Subsidiaries (Listed Subsidiaries)

### FTSVA – Completion of consolidation of FLH



Listing Market      Shenzhen Stock Exchange ChiNext

Security Name      富乐德

Security Code      301297

- Ferrotec (Anhui) Technology Development Co., Ltd. (FTSVA), a China-listed subsidiary engaged in parts cleaning services, completed the acquisition of Jiangsu Ferrotec Semiconductor Technology Co., Ltd. (FLH), a manufacturer of power semiconductor substrates, through a share exchange, thereby making FLH a consolidated subsidiary.
- In addition, a third-party allotment totaling approximately 780 million CNY (16.1 billion yen) was conducted to support the development of power semiconductor substrates.

### CCMC – OTC Registration and Commencement of Trading



Listing Market      National Equities Exchange and Quotations (New Third Board)

Security Abbreviation      中欣晶圆

Security Code      874810

- Shares of Hangzhou Semiconductor Wafer Co., Ltd. (CCMC), an equity-method affiliate engaged in the semiconductor wafer business, were registered on China's OTC market, the New Third Board, with trading commencing on October 22.
- At the same time, a third-party allotment totaling approximately 610 million CNY (12.9 billion yen) was conducted through the New Third Board, with the proceeds intended for purposes including the acquisition of fixed assets and the repayment of interest-bearing debt.



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# 1. Consolidated Financial Summary

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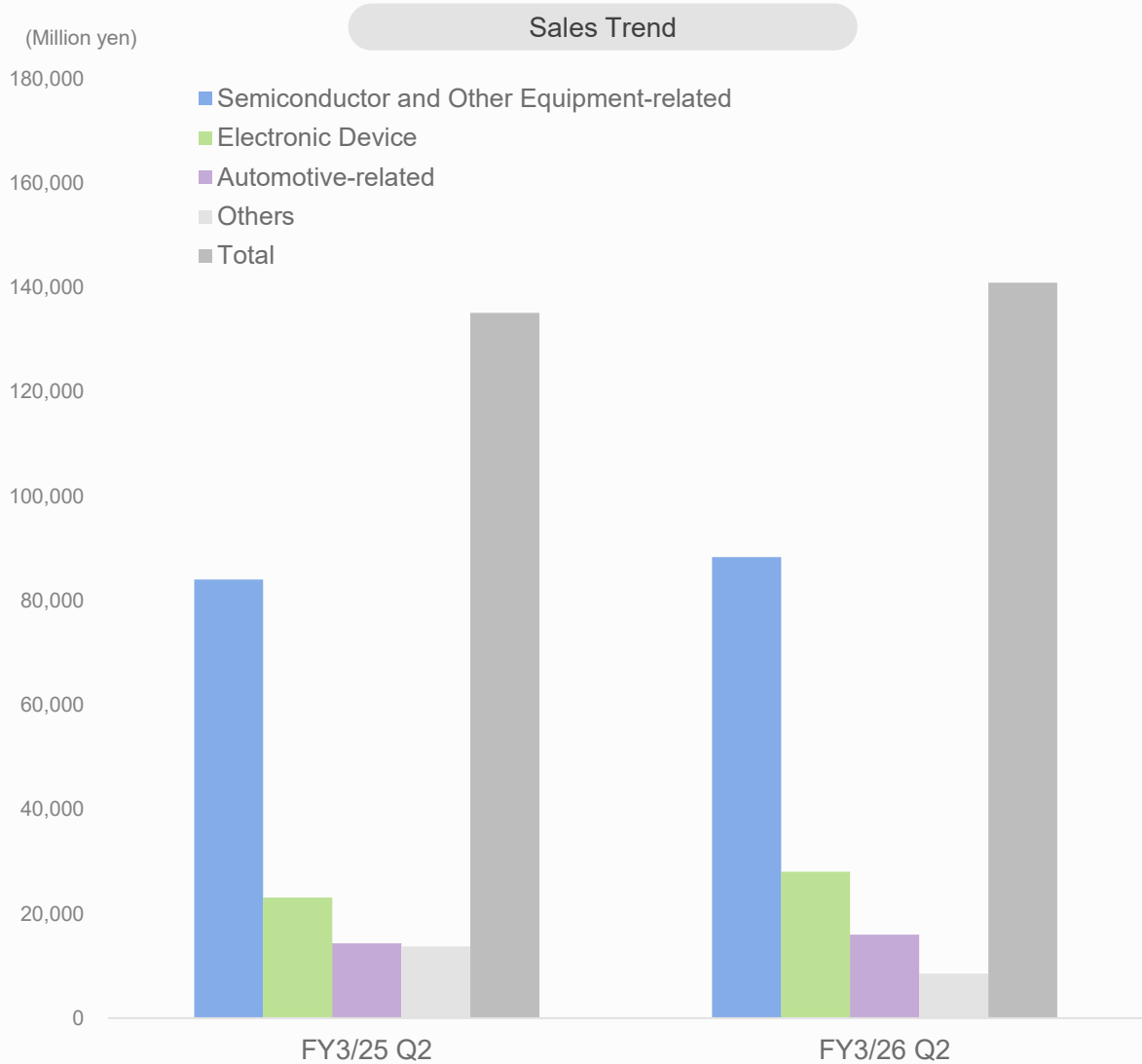
# Consolidated Financial Summary

(Million yen)		FY3/25 Q2	FY3/26 Q2	Year-on-year		Key Factors
		Amount	Amount	Amount	Pct. change	
Net sales		135,157	140,980	5,823	4.3%	In the Semiconductor Equipment-related segment, higher sales from the ceramics business and the parts cleaning business contributed to results.
Cost of sales		97,046	100,200	3,154	3.3%	
Gross profit		38,111	40,780	2,669	7.0%	In the Electronic Device segment, continued growth in thermoelectric modules for optical communication modules drove overall group performance.
SG&A expenses		23,859	26,446	2,587	10.8%	
Operating profit		14,251	14,333	81	0.6%	Operating profit remained flat, reflecting higher personnel expenses and the burden of start-up costs for new factories.
Non-operating profit		5,324	4,010	-1,313	-24.7%	
Non-operating expenses		4,105	5,420	1,314	32.0%	Ordinary profit declined, mainly due to a deterioration in foreign exchange gains and losses of 2.0 billion yen (a decrease in foreign exchange gains of 0.74 billion yen and an increase in foreign exchange losses of 1.26 billion yen), as well as a decrease in subsidy income of 0.63 billion yen.
Ordinary profit		15,470	12,923	-2,546	-16.5%	
Extraordinary income		5	-	-5	-	A loss on disposal of non-current assets was recorded as production was transferred and consolidated from the Kansai Factory to the Ishikawa Factory.
Extraordinary loss		-	493	493	-	
Profit (loss) attributable to non-controlling interests		2,228	1,895	-333	-15.0%	Power semiconductor substrates 1.1 billion yen Silicon parts and crucibles 0.5 billion yen Parts cleaning 0.6 billion yen
Profit attributable to owners of parent		9,190	6,308	-2,881	-31.4%	
Capital investment*		22,882	27,376	4,493	19.6%	
Depreciation		11,241	13,249	2,008	17.9%	
Exchange rate (average during the period)	USD	154.06	147.48			
	RMB	21.25	20.34			

\*Capital investment is the total acquisition cost of property, plant, and equipment and intangible assets



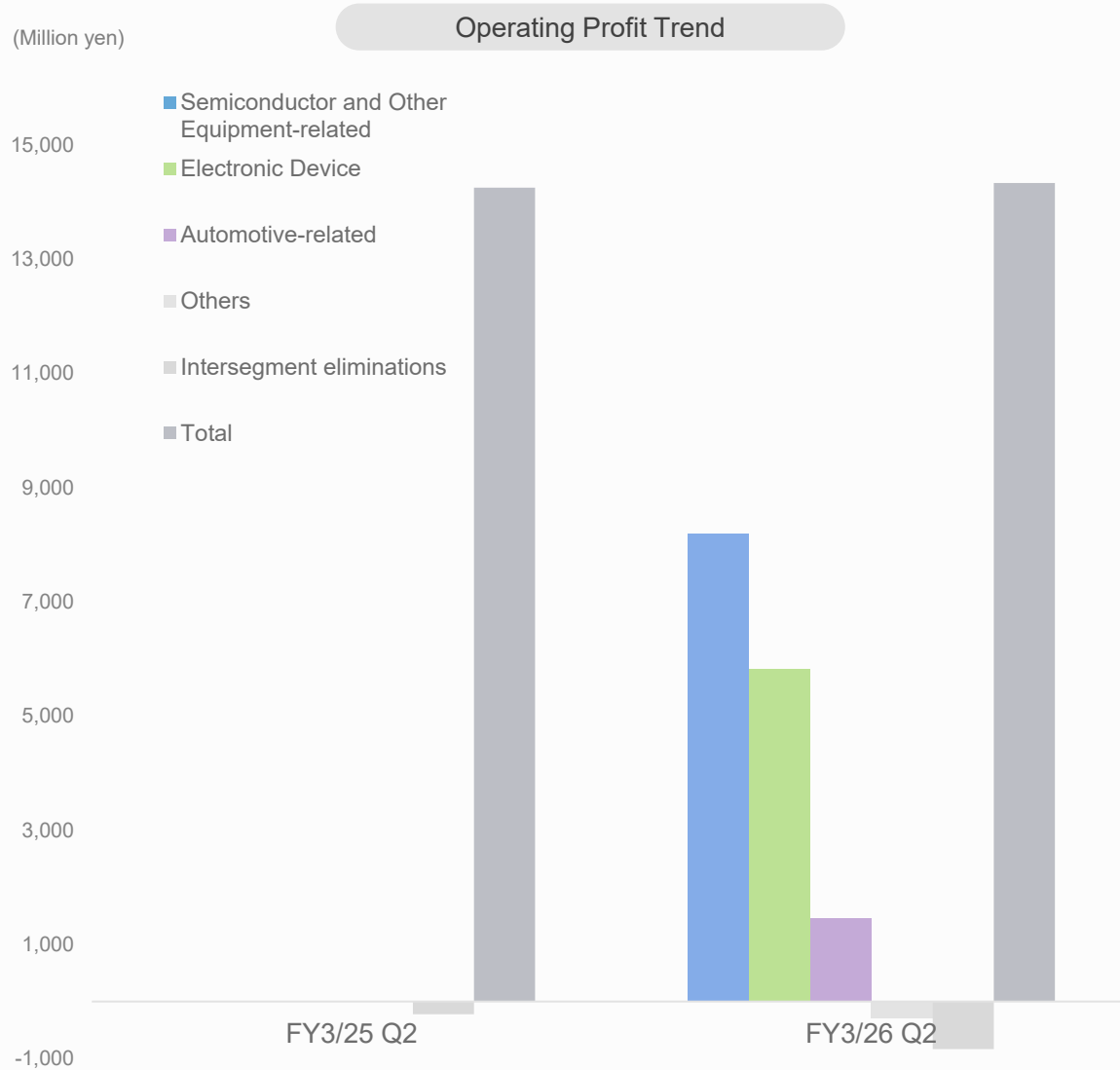
# Sales by Segment



- Operations at semiconductor manufacturing equipment, semiconductor, and FPD factories remained strong, leading to higher sales amid steady demand.
- Automotive-related demand showed limited growth due to changes in the EV market environment.

Sales (Million yen)	FY3/25 Q2		FY3/26 Q2		Year-on-year	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Pct. change
Semiconductor Equipment-related	84,042	62.2%	88,378	62.7%	4,335	5.2%
Electronic Device	23,085	17.1%	28,090	19.9%	5,004	21.7%
Automotive-related	14,304	10.6%	15,991	11.3%	1,686	11.8%
Others	13,723	10.2%	8,520	6.0%	-5,202	-37.9%
Total	135,157	100.0%	140,980	100.0%	5,823	4.3%

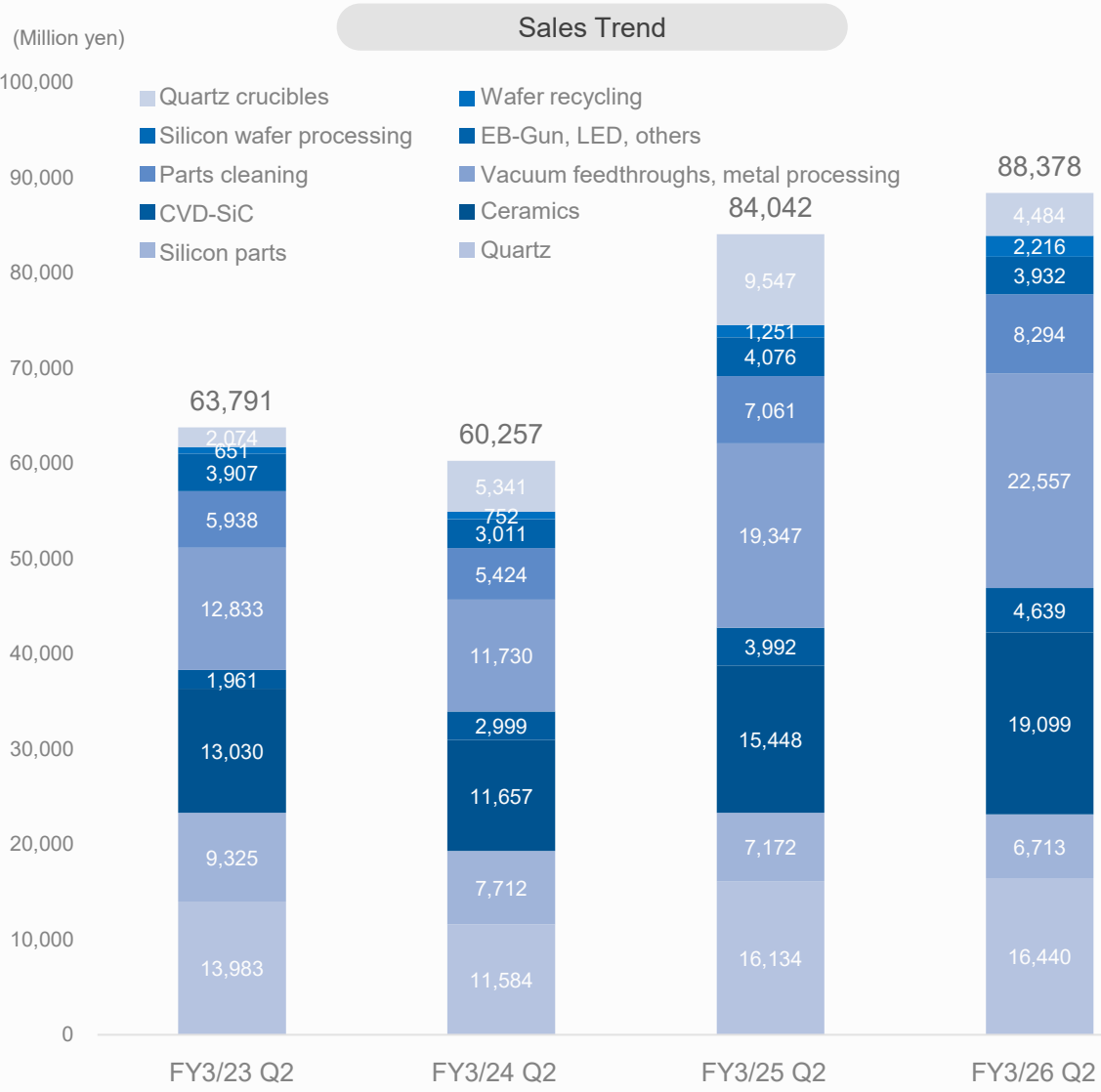
# Operating Profit by Segment



➤ Depreciation expenses and costs associated with the start-up of new factories put downward pressure on profits.

Operating profit (Million yen)	FY3/25 Q2		FY3/26 Q2		Year-on-year	
	Amount	Pct. of sales	Amount	Pct. of sales	Amount	Pct. change
Semiconductor Equipment-related	8,363	10.0%	8,190	9.3%	-172	-2.1%
Electronic Device	3,992	17.3%	5,823	20.7%	1,830	45.9%
Automotive-related	1,323	9.3%	1,454	9.1%	130	9.9%
Others	793	5.8%	-301	-	-1,094	-138.0%
Intersegment eliminations	-220	-	-833	-	-613	278.0%
<b>Total</b>	<b>14,251</b>	<b>10.5%</b>	<b>14,333</b>	<b>10.2%</b>	<b>81</b>	<b>0.6%</b>

# Semiconductor Equipment-related



## Overview of this segment

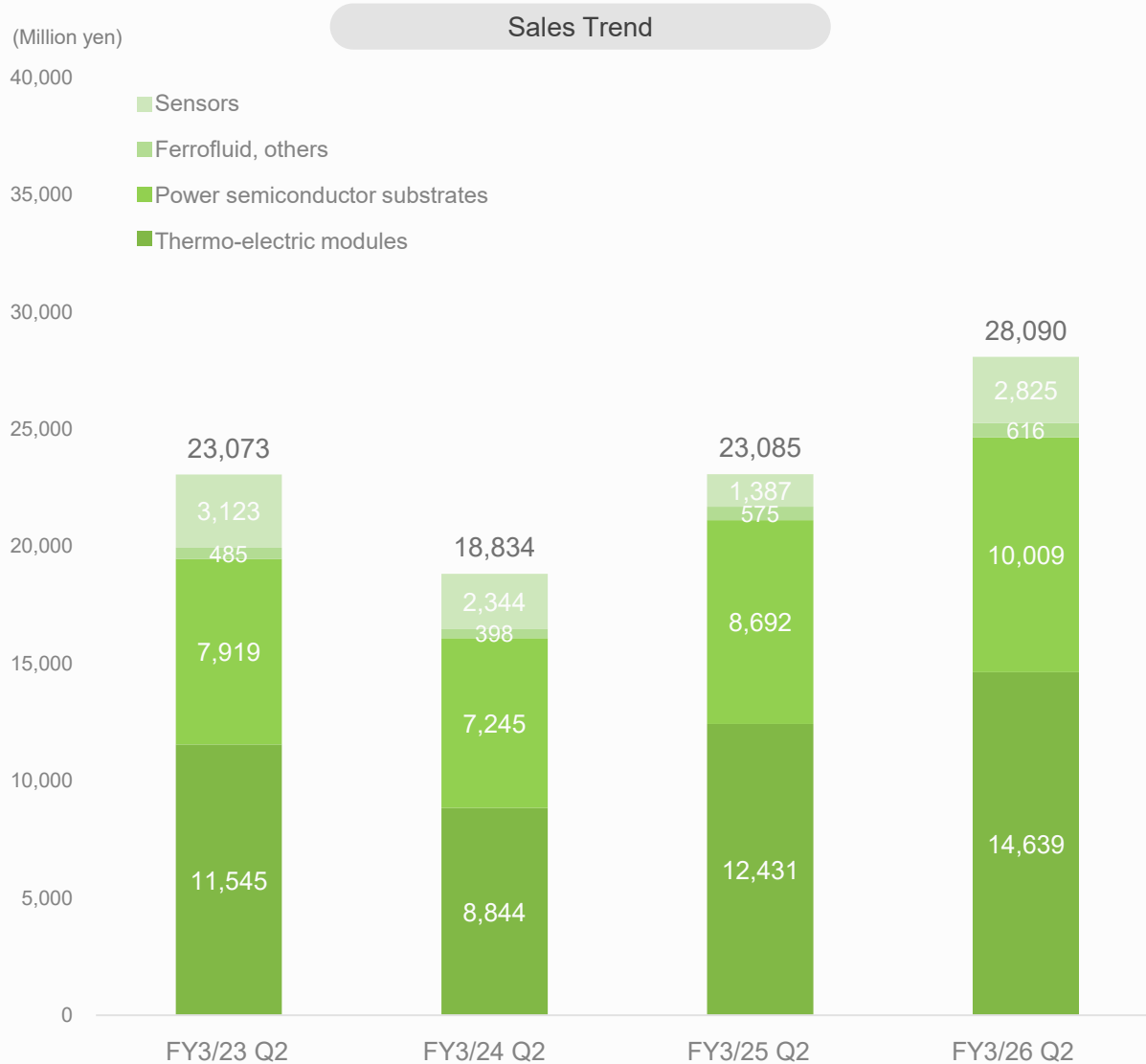
- **Ceramics for semiconductor materials led performance, while quartz products and silicon parts were affected by inventory adjustments.**
- **The parts cleaning business continued to grow. Although sales of quartz crucibles for PV applications declined, profitability improved.**

## Product-level Details

Quartz crucibles	PV-related demand declined, with increased focus on semiconductor applications, resulting in improved profitability.
Wafer recycling	Demand capture in China, where the market continues to expand, progressed steadily, contributing to higher sales.
Parts cleaning	Growing demand in China was steadily captured, supporting continued growth.
Vacuum feedthroughs, metal processing	Demand for metal processing in the United States and China remained solid, with an increase in inquiries and continued growth.

## Semiconductor materials

Ceramics	Demand in the United States and China was steadily captured, contributing to Group performance.
CVD-SiC	Demand for specific Company products declined, resulting in sluggish growth.
Silicon parts	Sales remained weak due to customer inventory adjustments, although cost reductions and profitability improvements are underway.
Quartz	The impact of customer inventory adjustments persisted, continuing to constrain sales growth.



## Overview of this segment

- Against the backdrop of strong generative AI server investment, shipments for optical transceivers increased. As a result, performance of thermoelectric modules expanded, driving overall company results.
- Sensors recorded YoY growth, as no sales were recorded in Q1 of the previous fiscal year due to a change in the fiscal year-end at OHIZUMI MFG. CO., LTD.

## Product-level Details

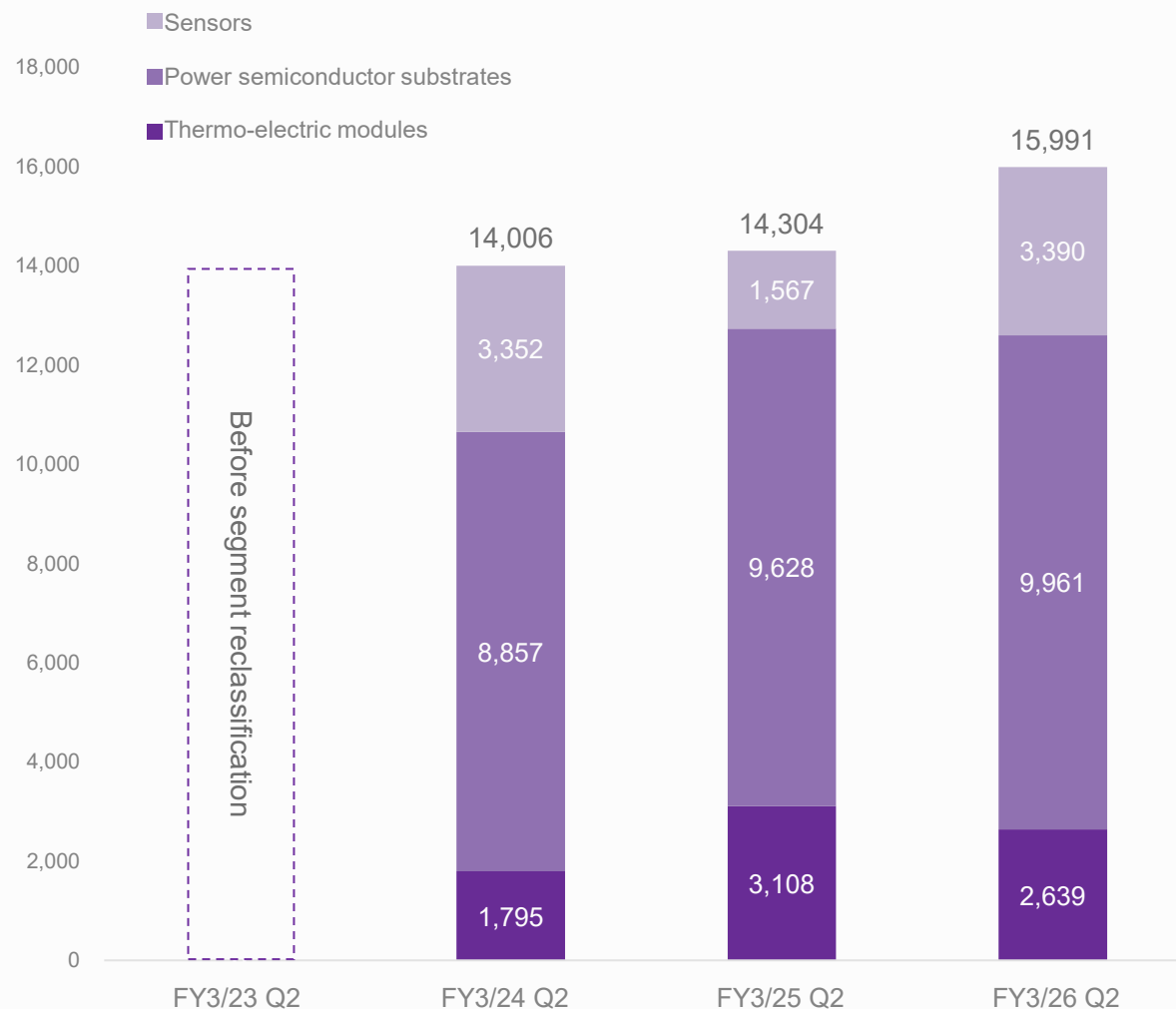
- |                                |  |
|--------------------------------|--|
| Thermo-electric modules        | <ul style="list-style-type: none"> <li>Shipments for optical transceivers increased in response to demand driven by generative AI. Performance expanded, serving as a key driver of company results.</li> </ul>  |
| Power semiconductor substrates | <ul style="list-style-type: none"> <li>Despite sluggish near-term demand and intensifying competition, sales were maintained at a level comparable to the previous year.</li> </ul>  |
| Sensors                        | <ul style="list-style-type: none"> <li>Due to the change in the fiscal year-end at OHIZUMI MFG. CO., LTD., no sales were recorded in Q1 of the previous fiscal year, resulting in YoY growth.</li> <li>Demand for air conditioner applications, among others, contributed to results.</li> </ul> |



# Automotive-related

(Million yen)  
20,000

## Sales Trend



## Overview of this segment

- As growth in EV demand slowed, sales of power semiconductor substrates for automotive applications remained flat.
- Reflecting a deterioration in market conditions, sales of thermoelectric modules declined YoY.

## Product-level Details

- |                                |  |
|--------------------------------|--|
| Thermo-electric modules        | <ul style="list-style-type: none"><li>Sales for temperature control sheet applications, among others, declined due to worsening market conditions, resulting in a YoY decrease in sales</li></ul>      |
| Power semiconductor substrates | <ul style="list-style-type: none"><li>With EV demand growth slowing and price competition intensifying amid weak demand, sales were maintained at a level comparable to the previous year.</li></ul>   |
| Sensors                        | <ul style="list-style-type: none"><li>Due to the change in the fiscal year-end at OHIZUMI MFG. CO., LTD., no sales were recorded in Q1 of the previous fiscal year, resulting in YoY growth.</li></ul> |

## 2. Consolidated Balance Sheet and Cash Flow

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# Assets – Consolidated Cash Flow

(Million yen)	FY3/25 Year-end	FY3/26 End-Sep.	Difference	Key Factors
Current assets	295,367	<b>296,468</b>	1,101	
Cash & deposits	117,727	<b>115,700</b>	-2,027	Approximately 60% of the increase was attributable to companies with external investments, including the parts cleaning business, power semiconductor substrates, and Lishui-based sensor company, as well as an increase in funds from capital increase for the cleaning business.
Note & accounts receivable	92,608	<b>88,909</b>	-3,698	
Inventories	72,078	<b>77,119</b>	5,040	
Fixed assets	305,226	<b>303,095</b>	-2,131	
Tangible fixed assets	245,064	<b>242,351</b>	-2,712	Compared with the end of FY3/25, balances decreased due to yen appreciation, as the translation rate at the end of September FY3/25 (end of June for subsidiaries) was stronger than the year-end rate.
Buildings and structures	90,505	<b>95,224</b>	4,719	
Equipment and machinery	87,549	<b>83,039</b>	-4,509	Other factors affecting changes from the end of FY3/25
Tools, furniture, and fixture	8,637	<b>8,360</b>	-276	
Land	4,669	<b>4,671</b>	1	
Leased assets (net)	14,852	<b>13,757</b>	-1,095	
Construction in progress	38,850	<b>37,299</b>	-1,551	
Intangible fixed assets	6,166	<b>5,496</b>	-669	
Goodwill	1,861	<b>1,769</b>	-92	
Investments & other assets	53,996	<b>55,247</b>	1,250	
Total assets	600,593	<b>599,563</b>	-1,029	

Approximately 60% of the increase was attributable to companies with external investments, including the parts cleaning business, power semiconductor substrates, and Lishui-based sensor company, as well as an increase in funds from capital increase for the cleaning business.

Inventories of semiconductor materials increased in line with higher sales.

Compared with the end of FY3/25, balances decreased due to yen appreciation, as the translation rate at the end of September FY3/25 (end of June for subsidiaries) was stronger than the year-end rate.

Other factors affecting changes from the end of FY3/25

Former FTTH (Kumamoto Factory / parts cleaning) +2.3 billion yen

Former FTTH (Ishikawa Factory No.3 / ceramics, etc.) +2.8 billion yen

Malaysia (power semiconductor substrates) +2.2 billion yen

Changshan Phase 4 (metal processing) +2.3 billion yen

# Liabilities and Net Assets – Consolidated Cash Flow

(Million yen)	FY3/25 Year-end	FY3/26 End-Sep.	Difference	Key Factors
Current assets	151,750	<b>150,376</b>	-1,374	Balances as of September 30, FY3/26
Notes and accounts payable	59,592	<b>52,602</b>	-6,990	Short-term borrowings + current portion of long-term borrowings and bonds 65.6 billion yen
Short-term debt	34,482	<b>37,255</b>	2,773	Long-term borrowings and bonds 114.1 billion yen
Current portion of long-term borrowings and bonds	24,592	<b>28,400</b>	3,807	Total interest-bearing debt 179.7 billion yen
Fixed assets	125,292	<b>135,616</b>	10,323	The decrease in trade payables was attributable to one-off factors, with no changes to settlement terms.
Bonds	-	<b>6,288</b>	6,288	
Convertible bond-type bonds with share acquisition rights	25,000	<b>25,000</b>	-	
Long-term debt	78,222	<b>82,806</b>	4,583	
Total liabilities	277,043	<b>285,993</b>	8,949	Factors affecting changes from the end of FY3/25
Net assets	323,549	<b>313,570</b>	-9,979	Of the above, foreign currency translation adjustments (reflecting yen appreciation compared with the end of FY3/25) -18.0 billion yen
Shareholder's equity	188,595	<b>191,195</b>	2,600	
Total accumulated other comprehensive income	48,235	<b>30,536</b>	-17,698	
Non-controlling interests	86,718	<b>90,860</b>	4,141	Balances as of September 30, FY3/26
Total liabilities & net assets	600,593	<b>599,563</b>	-1,029	Power semiconductors 30.8 billion yen
Equity ratio	39.4%	<b>37.0%</b>	-2.3P	Silicon parts and crucibles 17.6 billion yen
Exchange rate (year-end rate)	US\$	158.18	<b>144.81</b>	Parts cleaning 23.7 billion yen
	RMB	21.67	<b>20.19</b>	



# Consolidated Cash Flow

(Million yen)	FY3/25 Q2	FY3/26 Q2	Key Factors	
Cash flow from operating activities	4,151	12,405		
Income before income tax	15,475	12,430		
Depreciation	11,241	13,249	Capital expenditures increased mainly in Malaysia (Kulim) and Changshan (ceramics).	
Foreign exchange loss (-: gain)	-417	826		
Changes in notes & accounts receivable (-: increase)	-17,544	-4,162	Former FTHD (Kumamoto Factory / parts cleaning, etc.) 2.6 billion yen	
Changes in inventories (-: increase)	-5,963	-9,354	Former FTMT (Ishikawa Factory No.3 / ceramics, etc.) 4.5 billion yen	
Changes in notes and accounts payable-trade (-: decrease)	4,400	-1,096	Changshan (ceramics) 2.4 billion yen	
Loss on changes in equity (- : gain)	2,560	2,263	Malaysia (power semiconductor substrates) 2.0 billion yen	
Others	-5,601	-1,751	Changshan Phase 4 (metal processing) 2.1 billion yen	
Cash flow from investing activities	-17,736	-32,596	Malaysia – Kulim (quartz, ceramics, metals) 2.4 billion yen	
Payments for purchase of tangible fixed assets	-22,781	-27,225	Lishui (sensors) 2.2 billion yen	
Payments for purchase of intangible fixed assets	-101	-150		
Payments for purchase of investment securities	-1,107	-752		
Others	6,253	-5,028	Additional acquisition of shares in an affiliated company (CCMC) 4.1 billion yen	
Cash flow from financing activities	12,169	25,061		
Changes in short-term debt	4,192	4,333		
Proceeds from long-term borrowings	20,031	24,681	Funding primarily by the Company (FTJ)	
Payments of long-term borrowings	-8,888	-13,739		
Payment for redemption of bonds	-3,423	-320		
Payment for issuance of convertible bond-type bonds with share acquisition rights	-	-		
Proceeds from share issuance to non-controlling shareholders	2,997	14,653	Capital increase at the parts cleaning subsidiary (FTSVA)	
Others	-2,741	-4,546		
Changes in cash and cash equivalents	7,562	-596		
Cash and cash equivalents, beginning of year	96,806	108,899		
Cash and cash equivalents, end of year	104,368	108,302		

## 3. FY3/26 Full-year Business Forecasts

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# FY3/26 Full-year Business Forecasts

➤ Upward revision of operating profit and ordinary profit reflecting near-term performance of the Semiconductor Equipment-related Business etc.

(Million yen)		FY3/25 Year-end		FY3/26 Year-end		
		Results	Initial forecast	Revised forecast	Initial forecast vs. revised forecast	Year-on-year
Net sales		274,390	285,000	<b>285,000</b>	0.0%	3.9%
Operating profit		24,089	28,000	<b>30,000</b>	7.1%	24.5%
Ordinary profit		25,558	26,000	<b>28,000</b>	7.7%	9.6%
Profit attributable to owners of parent		15,692	16,000	<b>16,000</b>	0.0%	2.0%
Investment amount*		51,776	65,000	<b>65,000</b>	0.0%	25.5%
Depreciation and amortization		23,672	27,000	<b>27,000</b>	0.0%	14.1%
EBITDA		47,761	55,000	<b>55,000</b>	0.0%	15.2%
Exchange rate (average during the period)	USD	152.24	146	<b>148</b>		
	RMB	21.12	20	<b>20</b>		

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

# Semiconductor Equipment-related: FY3/26 Full-year Business Forecasts



## Overview of this segment

- **Ceramics sales continue to drive performance, while the impact of quartz inventory adjustments is expected to gradually diminish.**
- **The parts cleaning business remains steady. Although sales of quartz crucibles for PV applications declined, profitability improved.**

## Product-level Details

Quartz crucibles	PV-related demand declined amid weaker market conditions, with increased focus on semiconductor applications, resulting in improved profitability.
Wafer recycling	Demand capture in China, where the market continues to expand, progressed steadily, contributing to growth.
Parts cleaning	Demand in China remains on an upward trend, with steady demand capture supporting growth.
Vacuum feedthroughs, metal processing	Demand for metal processing in the United States and China remained solid, with an increase in inquiries and continued growth.

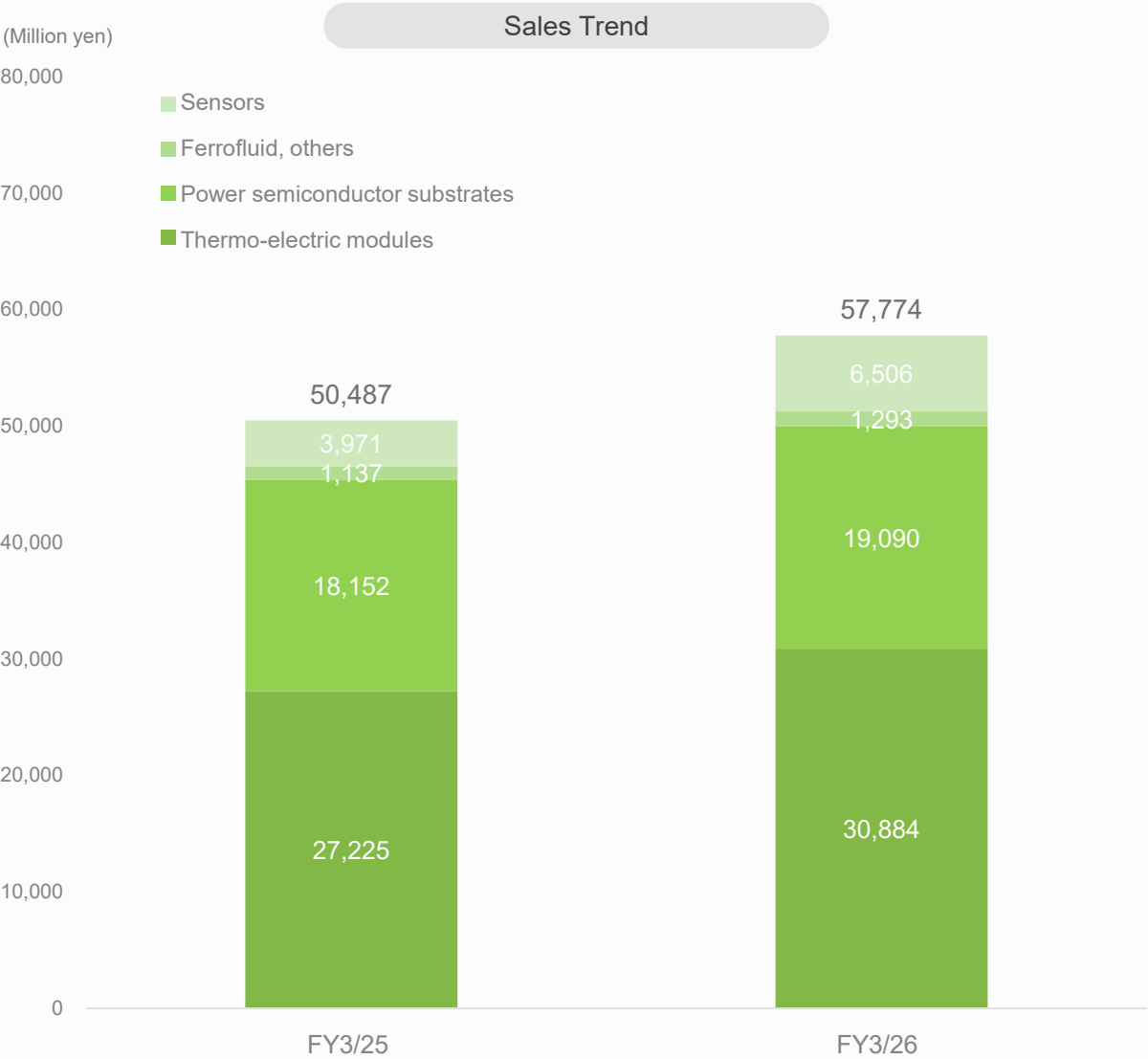
## Semiconductor materials

Ceramics	Demand in the United States and China was steadily captured, contributing to Group performance.
CVD-SiC	Demand for specific Company products declined, resulting in lower sales.
Silicon parts	Sales remained sluggish due to customer inventory adjustments, while cost reductions and profitability improvements are underway.
Quartz	The impact of customer inventory adjustments is expected to gradually ease, with sales trending upward.





# Electronic Device: FY3/26 Full-year Business Forecasts



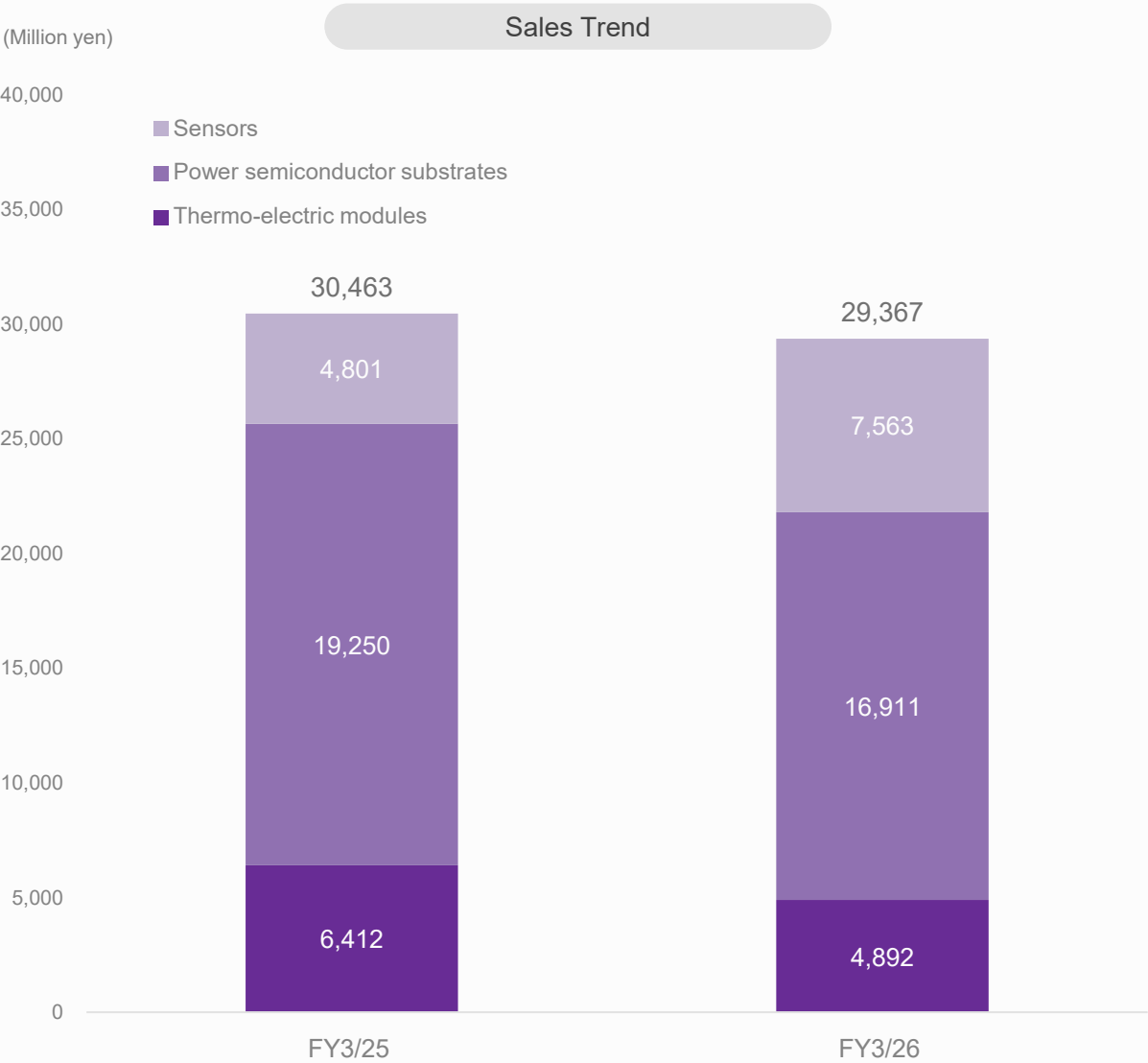
## Overview of this segment

- Against the backdrop of robust generative AI server investment, shipments for optical transceivers increased, leading to continued growth in thermoelectric modules, which drove overall company performance.
- Sensors sales posted YoY growth, as no sales were recorded in Q1 of the previous fiscal year due to a change in the fiscal year-end at OHIZUMI MFG. CO., LTD.

## Product-level Details

- |                                |   |
|--------------------------------|---|
| Thermo-electric modules        | <ul style="list-style-type: none"><li>Driven by generative AI demand, shipments for optical transceivers increased and performance growth continued, serving as a key driver of company-wide results.</li></ul>   |
| Power semiconductor substrates | <ul style="list-style-type: none"><li>Despite sluggish demand growth and intensifying competition, sales growth is expected to be secured, leading to an upward revision of the full-year forecast.</li></ul>   |
| Sensors                        | <ul style="list-style-type: none"><li>Due to the change in the fiscal year-end at OHIZUMI MFG. CO., LTD., no sales were recorded in Q1 of the previous fiscal year, resulting in YoY growth.</li><li>Contributions from air conditioner applications, among others.</li></ul> |

# Automotive-related: FY3/26 Full-year Business Forecasts



## Overview of this segment

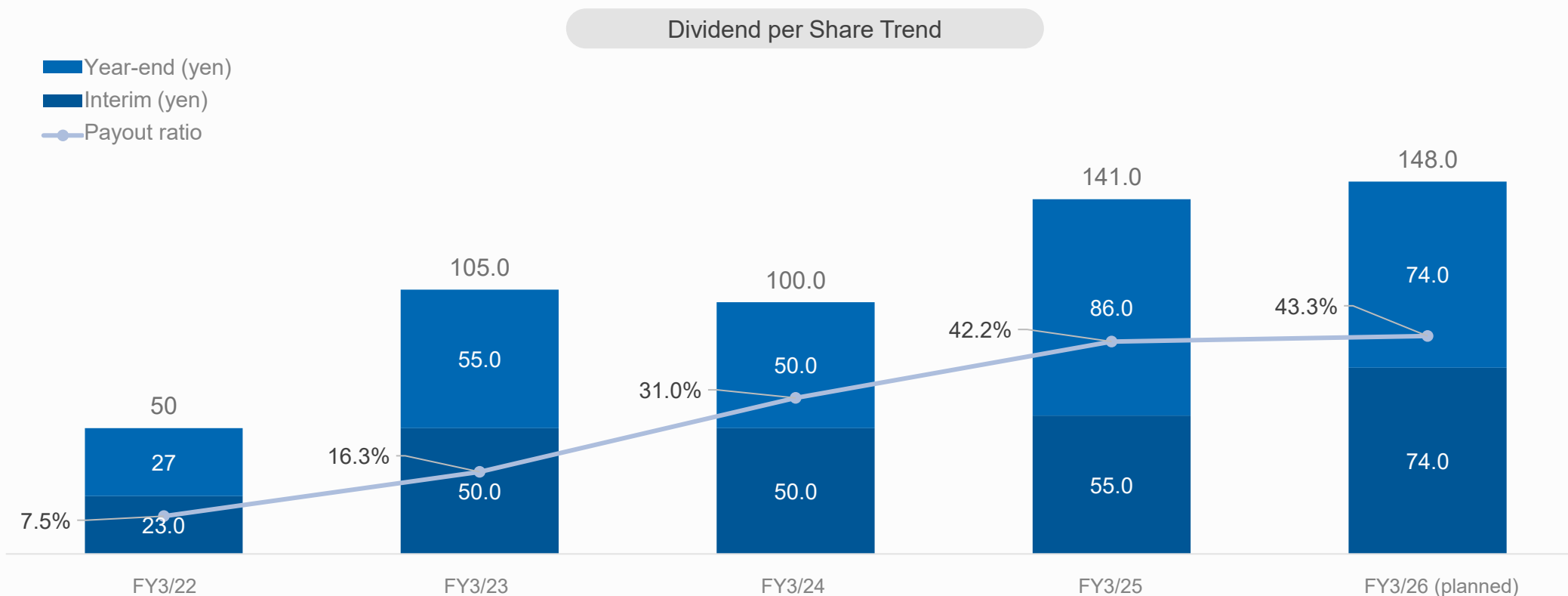
- As growth in EV demand slowed, sales of power semiconductor substrates for automotive applications trended below expectations.
- Sensors recorded YoY growth, as no sales were recorded in Q1 of the previous fiscal year due to a change in the fiscal year-end at OHIZUMI MFG. CO., LTD.

## Product-level Details

- |                                |   |
|--------------------------------|---|
| Thermo-electric modules        | <ul style="list-style-type: none"><li>Reflecting weaker market conditions, sales of automotive thermoelectric (TE) modules are expected to decline YoY.</li></ul>   |
| Power semiconductor substrates | <ul style="list-style-type: none"><li>Amid slowing EV demand and intensifying price competition under subdued demand, both DCB and AMB are facing challenging conditions, with sales expected to decline YoY.</li></ul>           |
| Sensors                        | <ul style="list-style-type: none"><li>Sensors are expected to increase YoY for the same reason, as no sales were recorded in Q1 of the previous fiscal year due to the fiscal year-end change at OHIZUMI MFG. CO., LTD.</li></ul> |

# Shareholder Return Policy

- To strengthen shareholder returns, we have adopted a DOE policy with a minimum level set at 3.5%, while maintaining its existing target of a total payout ratio of 50%.
- The annual dividend is forecast at 148 yen per share (payout ratio: 43.3%).



## 4. Medium-term Management Plan

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# KPIs of the Medium-term Management Plan

➤ The above reflects the revision to the full-year consolidated business forecasts (revised figures shown in bold).

	(Million yen)	FY3/25 Results	FY3/26 Forecast	FY3/27 Plan	FY3/28 Plan
Performance	Net sales	274,390	285,000	340,000	400,000
	Operating profit	24,089	<b>30,000</b>	35,000	47,000
	Operating margin	8.8%	<b>10.5%</b>	10.3%	11.8%
	Profit	15,692	16,000	20,000	29,000
Capital efficiency	ROE	7.1%			15.0%
	ROIC <sup>*1</sup>	3.9%			8.0%
Financial standing	Equity ratio	39.4%	40.0%	40.0%	40.0%
	Capital investment	51,777	65,000	45,000	30,000
Shareholder return	Annual dividend per share <sup>*2</sup>	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%	

\*1 ROIC is the profit attributable to owners of parent/ (Interest-bearing debt + Net asset). Net asset does not include share acquisition rights or non-controlling interests' equity.

\*2 Consolidated shareholders' equity = Capital + Capital surplus + Retained earnings - Treasury stocks

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



# Medium-Term Management Plan – Basic Policy

➤ No changes from the Medium-Term Management Plan disclosed on May 30, 2025.

## Business growth

- Expanding the Semiconductor 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."

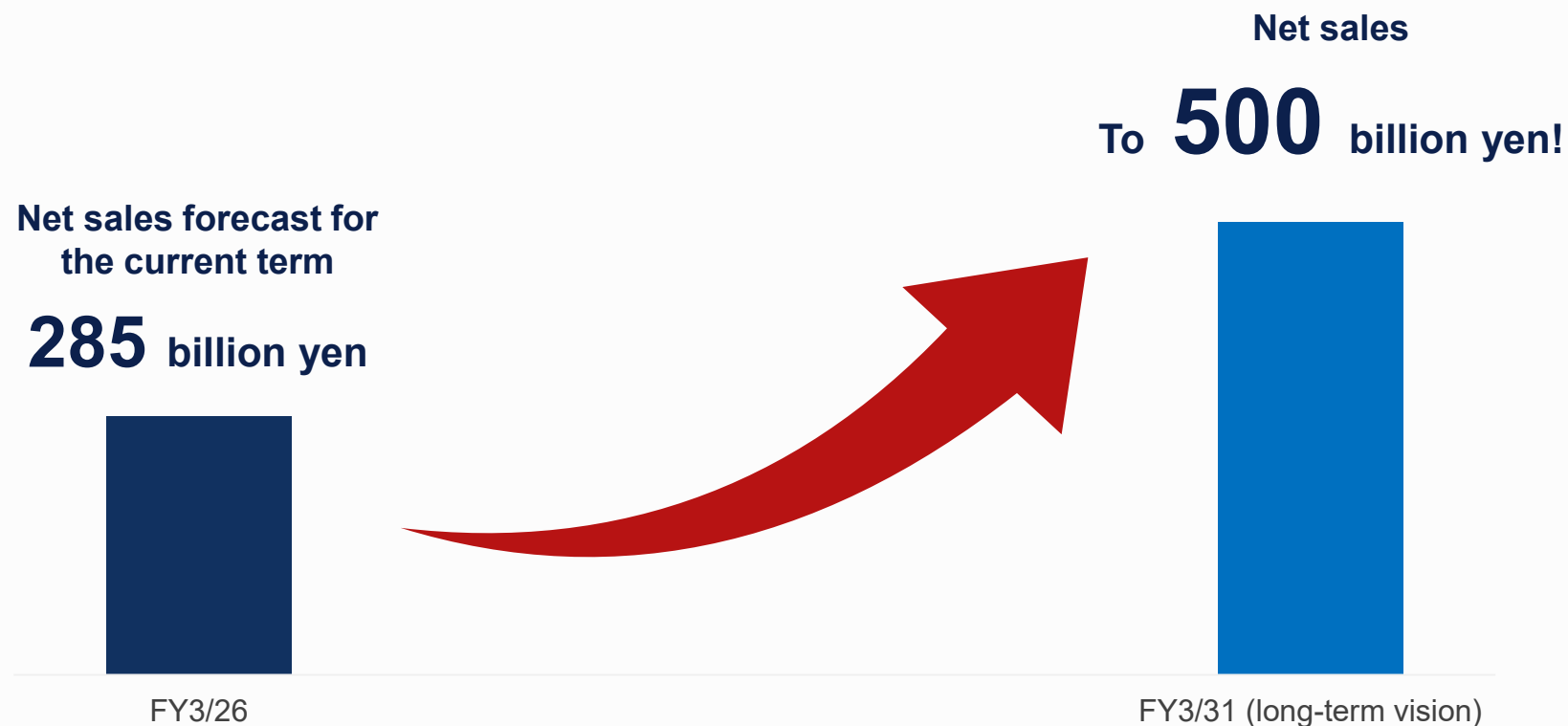
## Finance/Shareholder return

- After the merger between the 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.

# Basic Policy of the Medium-Term Management Plan

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

Net sales of **500** billion yen and profit of **50** billion yen in **FY2030**



# Appendix

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# FY3/26 First-Half Results and Second-Half Plan



- Reflecting improved profitability in the Semiconductor Equipment-related Business, operating profit and ordinary profit were revised upward.
- In light of special losses recorded in the first half, profit attributable to owners of parent remains unchanged.

(Million yen)	FY3/26 1 <sup>st</sup> half		FY3/26 2 <sup>nd</sup> half			
	Results	Pct. of sales	Estimate	Pct. of sales	Difference	Pct. change
Net sales	140,980	100.0%	144,019	100.0%	3,038	2.2%
Gross profit	40,780	28.9%	42,683	29.6%	1,902	4.7%
SG&A expenses	26,446	18.8%	27,016	18.8%	570	2.2%
Operating profit	14,333	10.2%	15,667	10.9%	1,332	9.3%
Ordinary profit	12,923	9.2%	15,076	10.5%	2,153	16.7%
Profit	6,308	4.5%	9,691	6.7%	3,382	53.6%

# FY3/26 First-Half Results and Second-Half Plan: Sales by Product



(Million yen)	FY3/25 Results			FY3/26 Q2					
	1 <sup>st</sup> half	2 <sup>nd</sup> half	Full-year	1 <sup>st</sup> (results)	Year-on year	2 <sup>nd</sup> (forecast)	Year-on year	Full-year (forecast)	Year-on year
Semiconductor Equipment-related	84,042	81,202	165,245	88,378	5.2%	92,122	13.4%	180,500	9.2%
Vacuum feedthroughs, metal processing	19,347	19,848	39,195	22,557	16.6%	29,274	47.5%	51,831	32.2%
Quartz	16,134	15,795	31,930	16,440	1.9%	16,500	4.5%	32,940	3.2%
Silicon parts	7,172	6,514	13,687	6,713	-6.4%	6,407	-1.6%	13,121	-4.1%
Ceramics	15,448	17,707	33,155	19,099	23.6%	19,100	7.9%	38,199	15.2%
CVD-SiC	3,992	4,199	8,192	4,639	16.2%	3,125	-25.6%	7,764	-5.2%
EB-Gun, LED, others	4,076	4,166	8,242	3,932	-3.5%	2,103	-49.5%	6,036	-26.8%
Wafer processing (out of scope of consolidation)	10	0	10	-	-	-	-	-	-
Wafer recycling	1,251	1,605	2,856	2,216	77.2%	2,581	60.8%	4,798	68.0%
Parts cleaning	7,061	8,245	15,306	8,294	17.5%	8,832	7.1%	17,126	11.9%
Quartz crucibles	9,547	3,121	12,668	4,484	-53.0%	4,196	34.4%	8,681	-31.5%
Electronic device	23,085	27,401	50,487	28,090	21.7%	29,684	8.3%	57,774	14.4%
Thermo-electric modules	12,431	14,794	27,225	14,639	17.8%	16,244	9.8%	30,884	13.4%
Power semiconductor substrates	8,692	9,460	18,152	10,009	15.2%	9,080	-4.0%	19,090	5.2%
Ferrofluid, others	575	562	1,137	616	7.2%	677	20.5%	1,293	13.7%
Sensors	1,387	2,584	3,971	2,825	103.7%	3,681	42.5%	6,506	63.8%
Automotive related	14,304	16,159	30,463	15,991	11.8%	13,376	-17.2%	29,367	-3.6%
Thermo-electric modules	3,108	3,304	6,412	2,639	-15.1%	2,253	-31.8%	4,892	-23.7%
Power semiconductor substrates	9,628	9,621	19,250	9,961	3.5%	6,949	-27.8%	16,911	-12.2%
Sensors	1,567	3,233	4,801	3,390	116.2%	4,173	29.1%	7,563	57.5%
Others	13,723	14,470	28,194	8,520	-37.9%	8,836	-38.9%	17,357	-38.4%
<b>Total</b>	<b>135,157</b>	<b>139,233</b>	<b>274,390</b>	<b>140,980</b>	<b>4.3%</b>	<b>144,019</b>	<b>3.4%</b>	<b>285,000</b>	<b>3.9%</b>

# About the New Third Board (China OTC Market)

- The New Third Board is a nationwide OTC trading platform established in accordance with China's Securities Law with approval from the State Council. It is operated by the National Equities Exchange and Quotations Co., Ltd., supervised by the China Securities Regulatory Commission, with detailed rules formulated by the Securities Association of China.
- Trading on the New Third Board is limited to institutional investors and qualified investors (professional individual investors).

## Issuer Registration Requirements

- While less stringent than those for stock exchanges, issuers must meet the following six requirements regarding business model, management policy, and corporate governance:
  - 1 A corporation established for at least two years  
(If converted from a limited liability company, the period is calculated from the date of establishment of the LLC)
  - 2 Clearly defined business operations and sustainable management capability
  - 3 Sound corporate governance and compliance with laws and regulations
  - 4 Clearly defined shareholder rights, with share issuance and transfer in compliance with laws
  - 5 Recommendation by a sponsoring securities firm and acceptance of ongoing supervision and guidance
  - 6 Fulfillment of other requirements set by the operator of the National Equities Exchange and Quotations

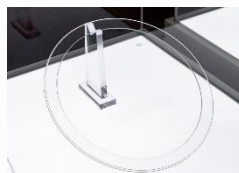
## "Innovation Tier" Registration Requirements

- CCMC is registered in the Innovation Tier of the New Third Board.
- Registration in the Innovation Tier requires meeting one of the following criteria, with CCMC qualifying under Item 3:
  - 1 Positive profit in each of the past two years totaling at least CNY 8 million, or profit of at least CNY 6 million in the most recent year
  - 2 Average sales of at least CNY 30 million over the past two years with sales growth of at least 20% in the most recent year, or average sales of at least CNY 50 million over the past two years with positive operating cash flow in both years
  - 3 Sales of at least CNY 30 million in the most recent year, with cumulative R&D investment over the past two years accounting for at least 5% of sales over the same period
  - 4 Cumulative R&D investment of at least CNY 10 million over the past two years, and equity investment of at least CNY 20 million from professional institutional investors within the past 24 months or at the time of listing



# Our Lineup of Semiconductor Equipment-related Products

## 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



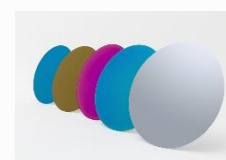
Parts cleaning

\*Focus on the Chinese market



Quartz crucibles

\*For semiconductors, solar cells, and Photovoltaic



Wafer recycling

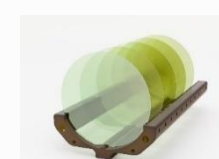
\*Focus on the Chinese market (New business launched in FY3/22)

## Businesses at equity-method affiliates



Silicon wafers

\*Monthly production capacity: 6-inch: 420 thousand, 8-inch: 450 thousand, 12-inch: 300 thousand

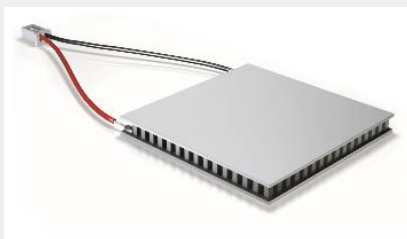


SiC wafers

\*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

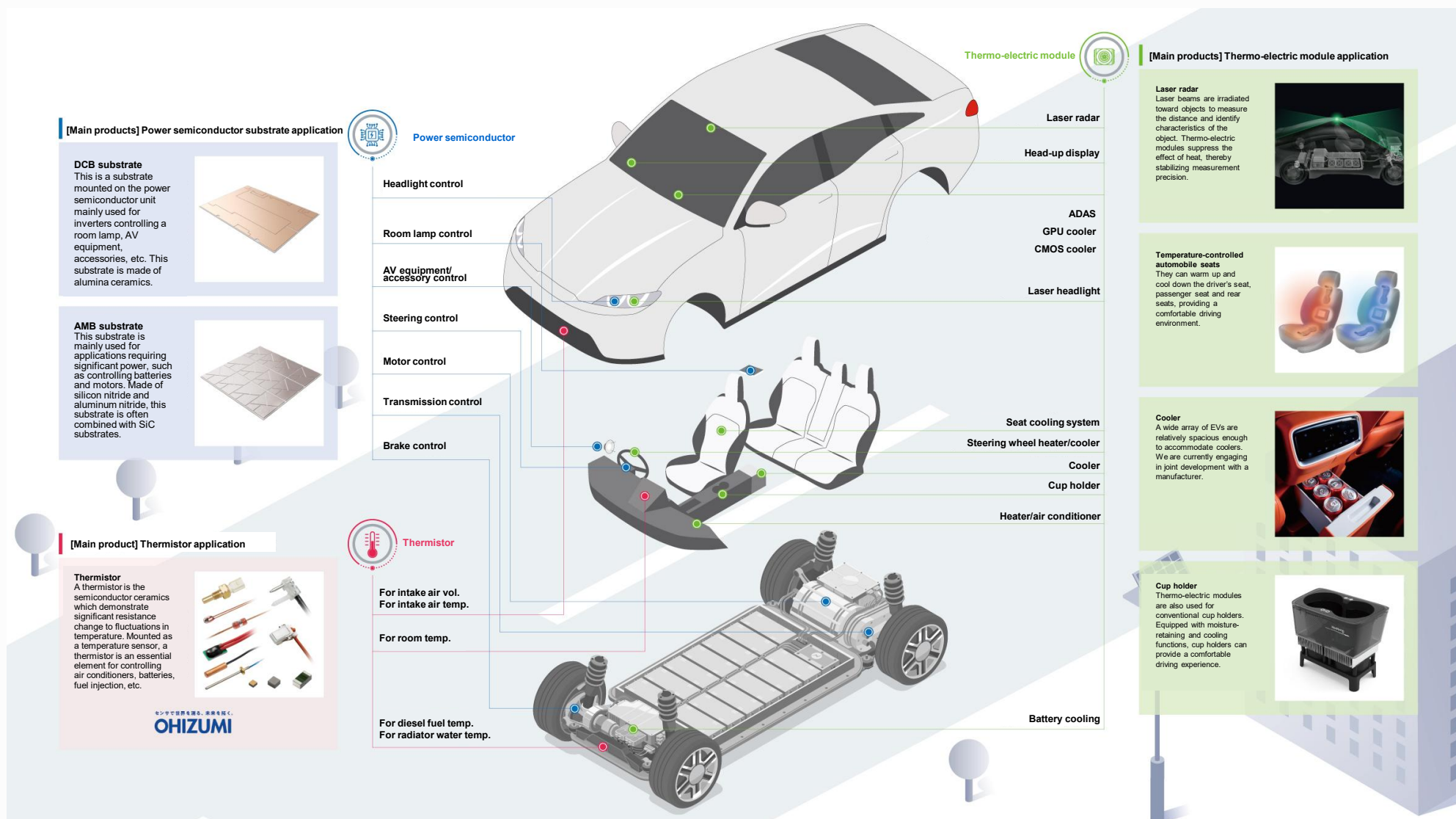


## Temperature sensors (thermistors)

\*OHIZUMI 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



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