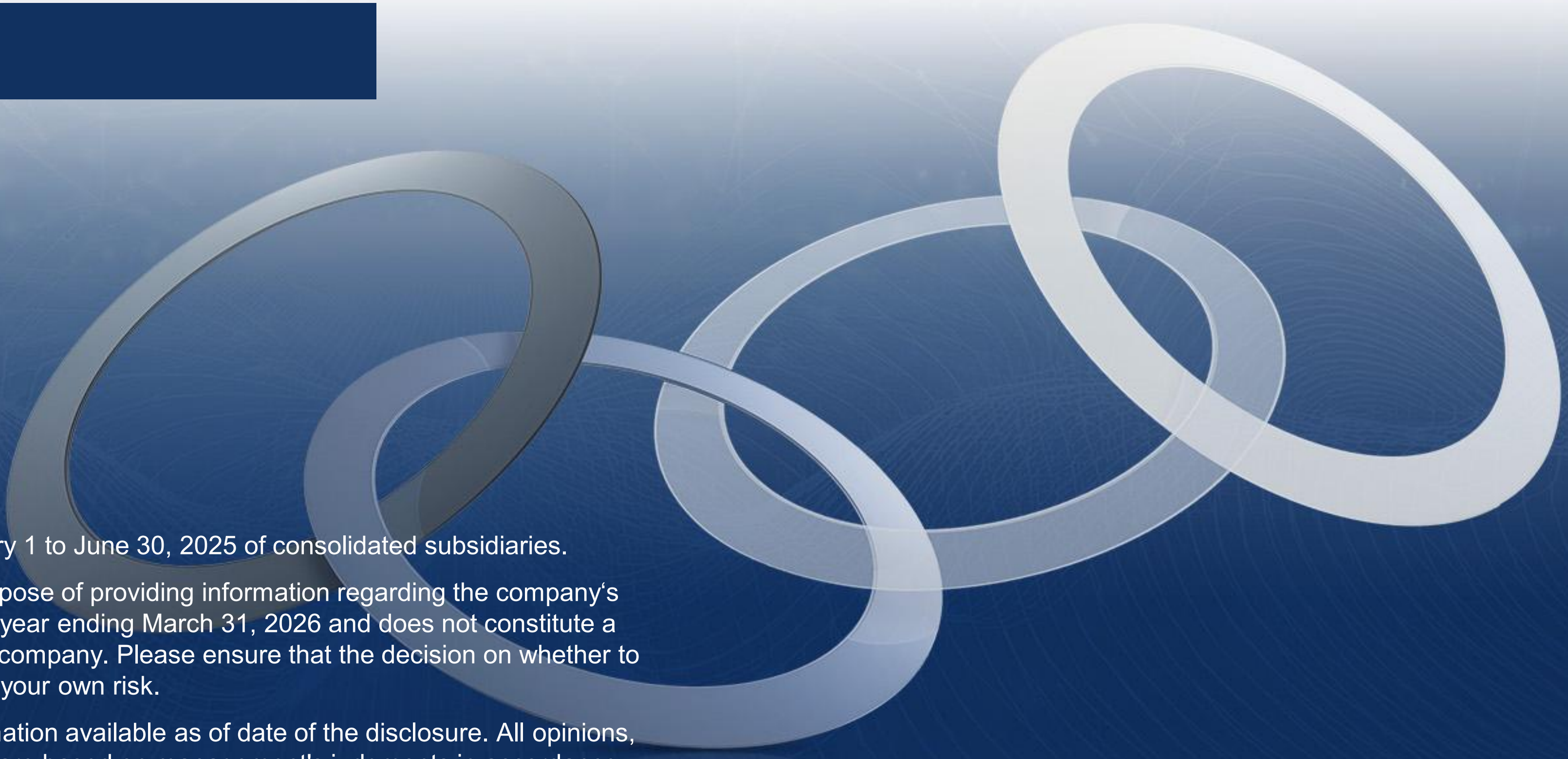
Results for the 1st Half of the Fiscal Year Ending March 31, 2026

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: 13,000㎡ (Site area: 30,000㎡)
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: 13,000㎡、（Site area: 30,000㎡）
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


Parts cleaning

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Power semiconductor substrates

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


Silicon wafers

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.**

Table of Contents

1. Consolidated Financial Summary

Consolidated Financial Summary

(Million yen)		FY3/25 Q2	FY3/26 Q2	Year-on-year	
		Amount	Amount	Amount	Pct. change
Net sales		135,157	140,980	5,823	4.3%
Cost of sales		97,046	100,200	3,154	3.3%
Gross profit		38,111	40,780	2,669	7.0%
SG&A expenses		23,859	26,446	2,587	10.8%
Operating profit		14,251	14,333	81	0.6%
Non-operating profit		5,324	4,010	-1,313	-24.7%
Non-operating expenses		4,105	5,420	1,314	32.0%
Ordinary profit		15,470	12,923	-2,546	-16.5%
Extraordinary income		5	-	-5	-
Extraordinary loss		-	493	493	-
Profit (loss) attributable to non-controlling interests		2,228	1,895	-333	-15.0%
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

Key Factors

In the Semiconductor Equipment-related segment, higher sales from the ceramics business and the parts cleaning business contributed to results.

In the Electronic Device segment, continued growth in thermoelectric modules for optical communication modules drove overall group performance.

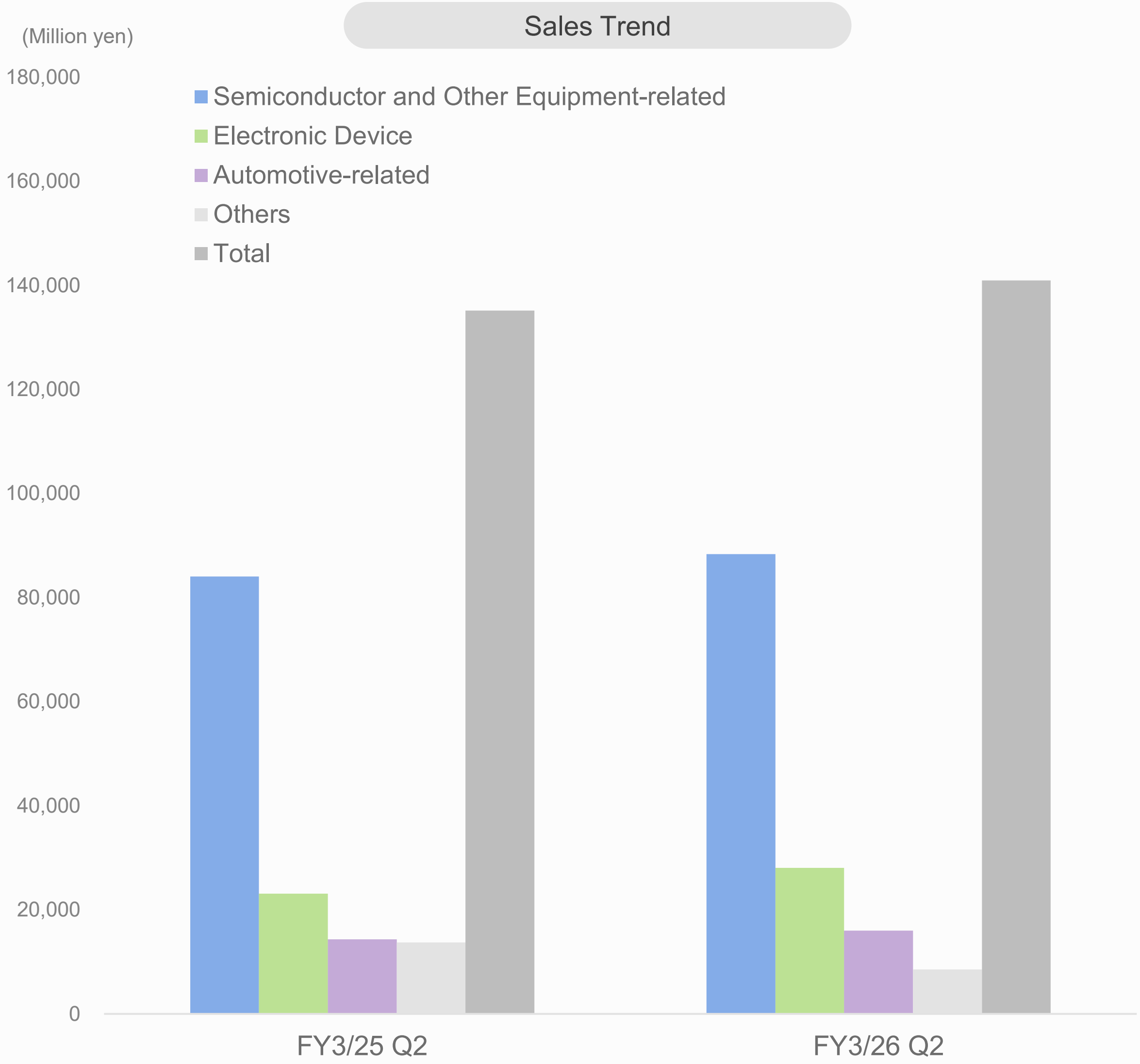
Operating profit remained flat, reflecting higher personnel expenses and the burden of start-up costs for new factories.

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.

A loss on disposal of non-current assets was recorded as production was transferred and consolidated from the Kansai Factory to the Ishikawa Factory.

Power semiconductor substrates	1.1 billion yen
Silicon parts and crucibles	0.5 billion yen
Parts cleaning	0.6 billion yen

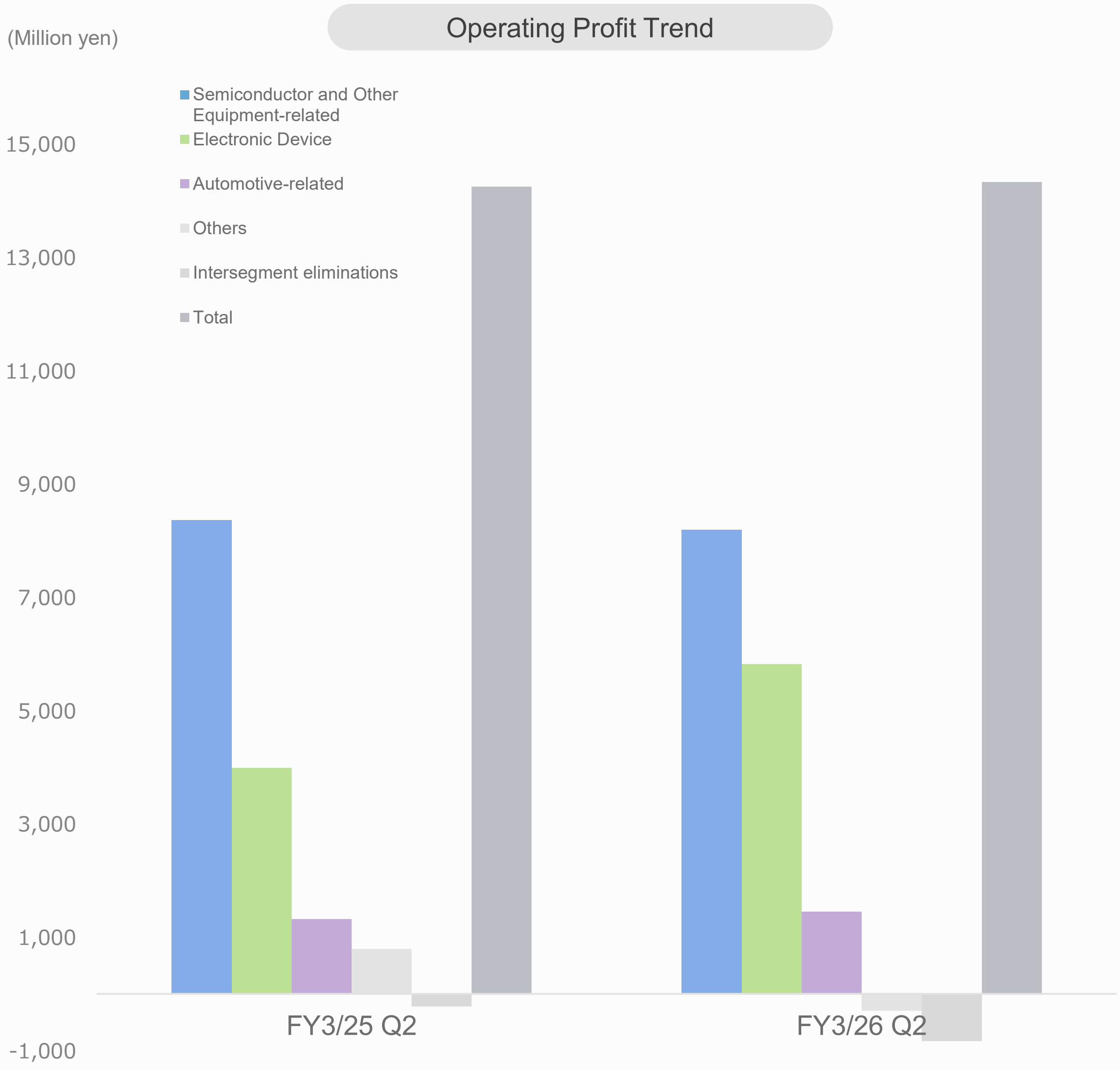
Sales by Segment



- **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%

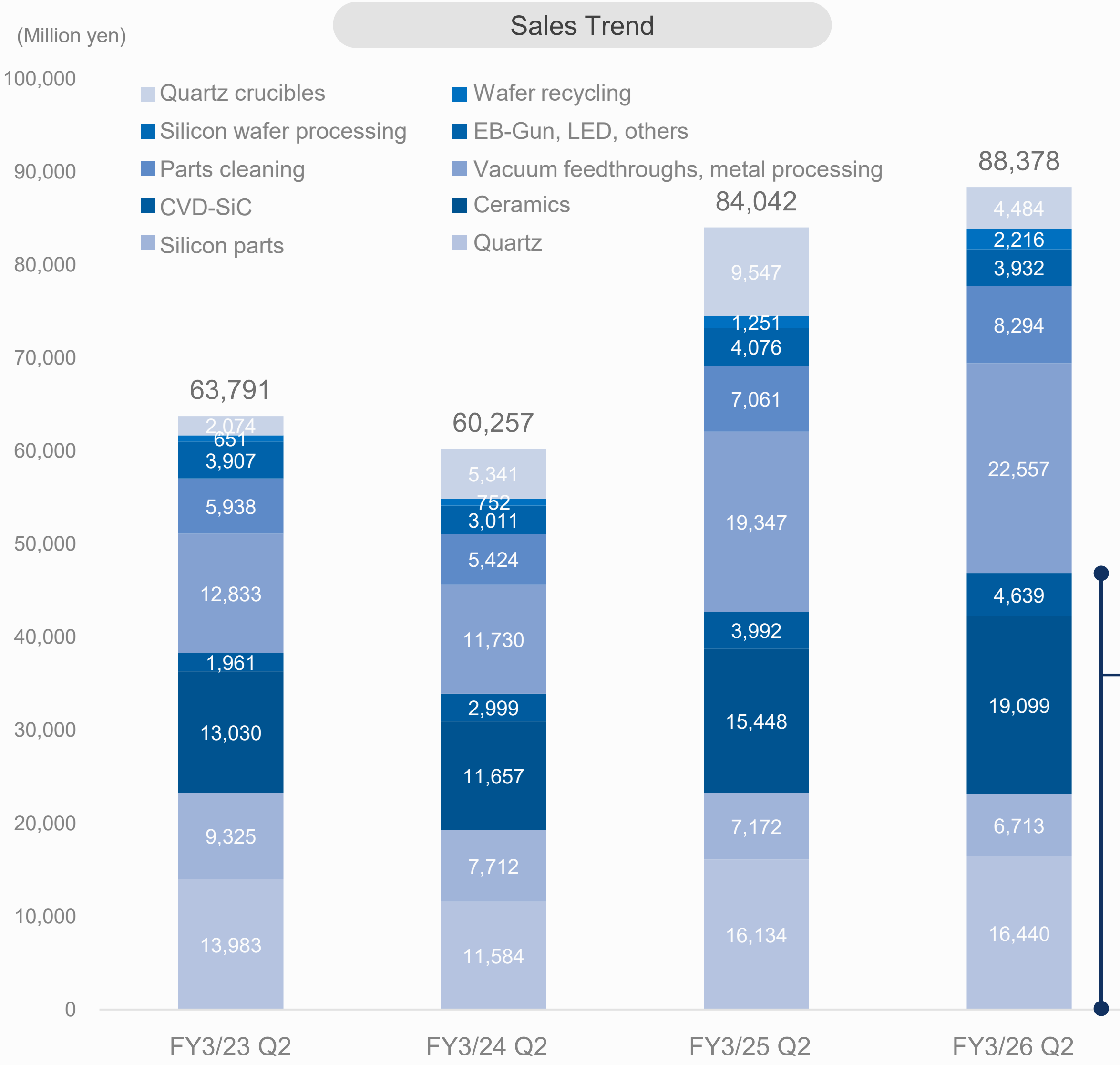
Operating Profit by Segment



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%
Total	14,251	10.5%	14,333	10.2%	81	0.6%

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.**

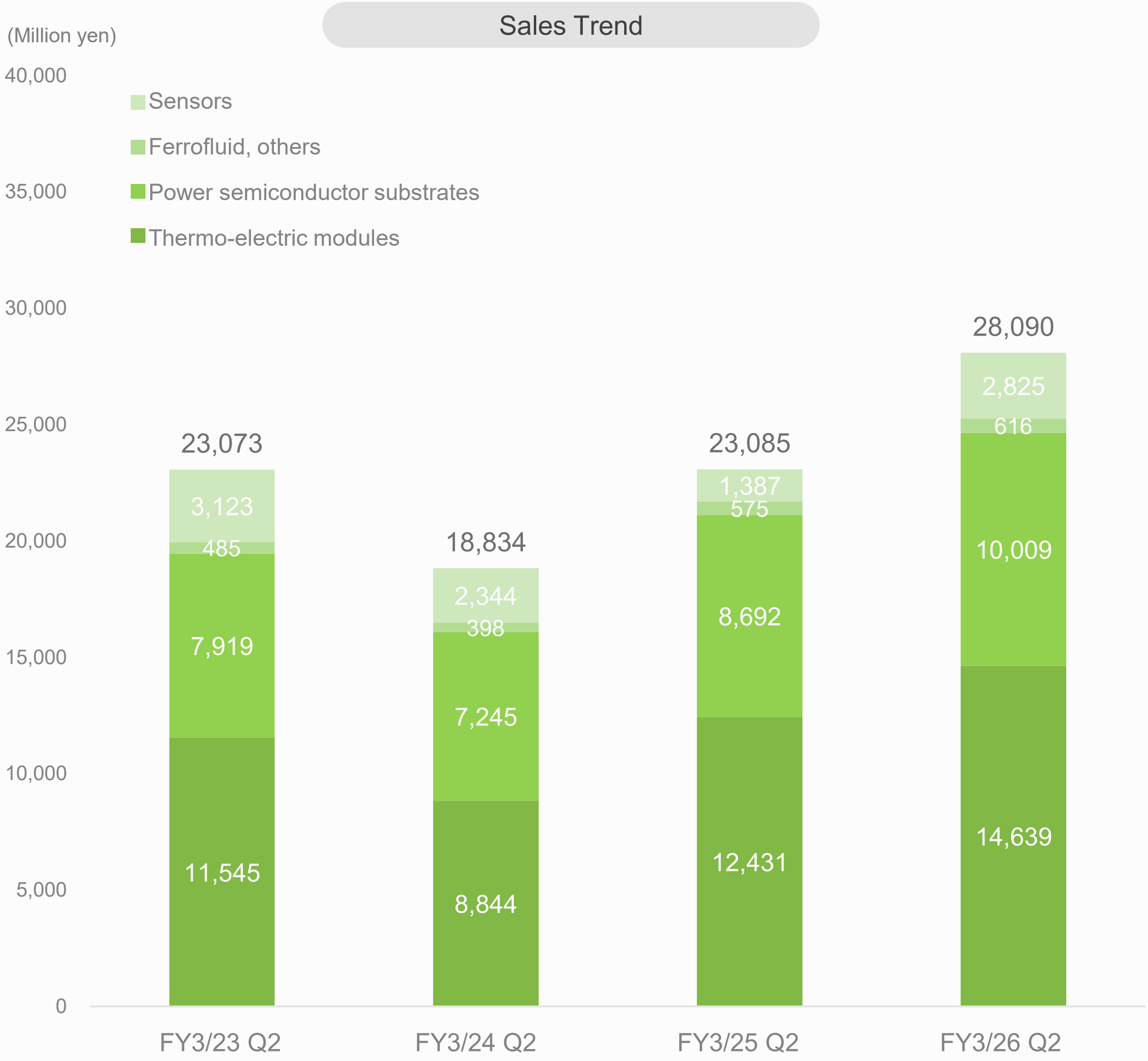
Product-level Details

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.

Electronic Device



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	• Shipments for optical transceivers increased in response to demand driven by generative AI. Performance expanded, serving as a key driver of company results.
Power semiconductor substrates	• Despite sluggish near-term demand and intensifying competition, sales were maintained at a level comparable to the previous year.
Sensors	• 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. • Demand for air conditioner applications, among others, contributed to results.

Automotive-related

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	• Sales for temperature control sheet applications, among others, declined due to worsening market conditions, resulting in a YoY decrease in sales
Power semiconductor substrates	• With EV demand growth slowing and price competition intensifying amid weak demand, sales were maintained at a level comparable to the previous year.
Sensors	• 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.

2. Consolidated Balance Sheet and Cash Flow

Assets – Consolidated Cash Flow

(Million yen)	FY3/25 Year-end	**FY3/26 End-Sep.**	Difference
Current assets	295,367	**296,468**	1,101
Cash & deposits	117,727	**115,700**	-2,027
Note & accounts receivable	92,608	**88,909**	-3,698
Inventories	72,078	**77,119**	5,040
Fixed assets	305,226	**303,095**	-2,131
Tangible fixed assets	245,064	**242,351**	-2,712
Buildings and structures	90,505	**95,224**	4,719
Equipment and machinery	87,549	**83,039**	-4,509
Tools, furniture, and fixture	8,637	**8,360**	-276
Land	4,669	**4,671**	1
Leased assets (net)	14,852	**13,757**	-1,095
Construction in progress	38,850	**37,299**	-1,551
Intangible fixed assets	6,166	**5,496**	-669
Goodwill	1,861	**1,769**	-92
Investments & other assets	53,996	**55,247**	1,250
Total assets	600,593	**599,563**	-1,029

Key Factors

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 FTHD (Kumamoto Factory / parts cleaning)	+2.3 billion yen
Former FTMT (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
Current assets		151,750	**150,376**	-1,374
Notes and accounts payable		59,592	**52,602**	-6,990
Short-term debt		34,482	**37,255**	2,773
Current portion of long-term borrowings and bonds		24,592	**28,400**	3,807
Fixed assets		125,292	**135,616**	10,323
Bonds		-	**6,288**	6,288
Convertible bond-type bonds with share acquisition rights		25,000	**25,000**	-
Long-term debt		78,222	**82,806**	4,583
Total liabilities		277,043	**285,993**	8,949
Net assets		323,549	**313,570**	-9,979
Shareholder’s equity		188,595	**191,195**	2,600
Total accumulated other comprehensive income		48,235	**30,536**	-17,698
Non-controlling interests		86,718	**90,860**	4,141
Total liabilities & net assets		600,593	**599,563**	-1,029
Equity ratio		39.4%	**37.0%**	-2.3P
Exchange rate (year-end rate)	US$	158.18	**144.81**	-
	RMB	21.67	**20.19**	-

Key Factors

Balances as of September 30, FY3/26

Short-term borrowings + current portion of long-term borrowings and bonds	65.6 billion yen
Long-term borrowings and bonds	114.1 billion yen
Total interest-bearing debt	179.7 billion yen

The decrease in trade payables was attributable to one-off factors, with no changes to settlement terms.

Factors affecting changes from the end of FY3/25

Of the above, foreign currency translation adjustments (reflecting yen appreciation compared with the end of FY3/25)	-18.0 billion yen

Balances as of September 30, FY3/26

Power semiconductors	30.8 billion yen
Silicon parts and crucibles	17.6 billion yen
Parts cleaning	23.7 billion yen

Consolidated Cash Flow

(Million yen)	FY3/25 Q2	**FY3/26 Q2**
Cash flow from operating activities	4,151	**12,405**
Income before income tax	15,475	**12,430**
Depreciation	11,241	**13,249**
Foreign exchange loss (-: gain)	-417	**826**
Changes in notes & accounts receivable (-: increase)	-17,544	**-4,162**
Changes in inventories (-: increase)	-5,963	**-9,354**
Changes in notes and accounts payable-trade (-: decrease)	4,400	**-1,096**
Loss on changes in equity (-： gain)	2,560	**2,263**
Others	-5,601	**-1,751**
Cash flow from investing activities	-17,736	**-32,596**
Payments for purchase of tangible fixed assets	-22,781	**-27,225**
Payments for purchase of intangible fixed assets	-101	**-150**
Payments for purchase of investment securities	-1,107	**-752**
Others	6,253	**-5,028**
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**
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**
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**

Key Factors

Depreciation: Capital expenditures increased mainly in Malaysia (Kulim) and Changshan (ceramics).

Payments for purchase of tangible fixed assets:

Former FTHD (Kumamoto Factory / parts cleaning, etc.)	2.6 billion yen
Former FTMT (Ishikawa Factory No.3 / ceramics, etc.)	4.5 billion yen
Changshan (ceramics)	2.4 billion yen
Malaysia (power semiconductor substrates)	2.0 billion yen
Changshan Phase 4 (metal processing)	2.1 billion yen
Malaysia – Kulim (quartz, ceramics, metals)	2.4 billion yen
Lishui（sensors）	2.2 billion yen

Others (investing): Additional acquisition of shares in an affiliated company (CCMC) 4.1 billion yen

Proceeds from long-term borrowings: Funding primarily by the Company (FTJ)

Proceeds from share issuance to non-controlling shareholders: Capital increase at the parts cleaning subsidiary (FTSVA)

3. FY3/26 Full-year Business Forecasts

FY3/26 Full-year Business Forecasts

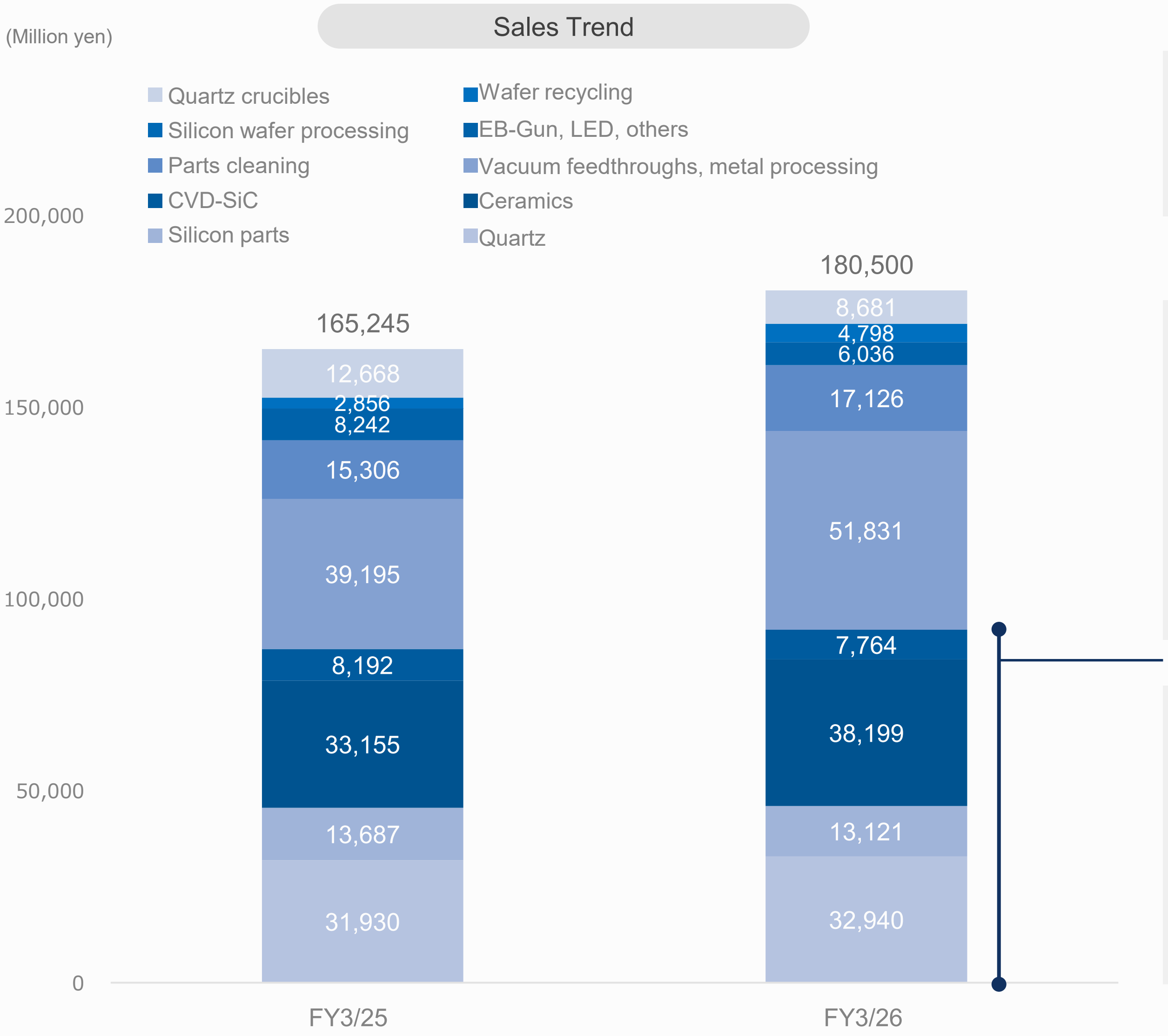
- **Upward revision of operating profit and ordinary profit reflecting near-term performance of the Semiconductor Equipment-related Business etc.**

(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	**285,000**	0.0%	3.9%
Operating profit		24,089	28,000	**30,000**	7.1%	24.5%
Ordinary profit		25,558	26,000	**28,000**	7.7%	9.6%
Profit attributable to owners of parent		15,692	16,000	**16,000**	0.0%	2.0%
Investment amount*		51,776	65,000	**65,000**	0.0%	25.5%
Depreciation and amortization		23,672	27,000	**27,000**	0.0%	14.1%
EBITDA		47,761	55,000	**55,000**	0.0%	15.2%
Exchange rate (average during the period)	USD	152.24	146	**148**		
	RMB	21.12	20	**20**		

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

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

Sales Trend



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

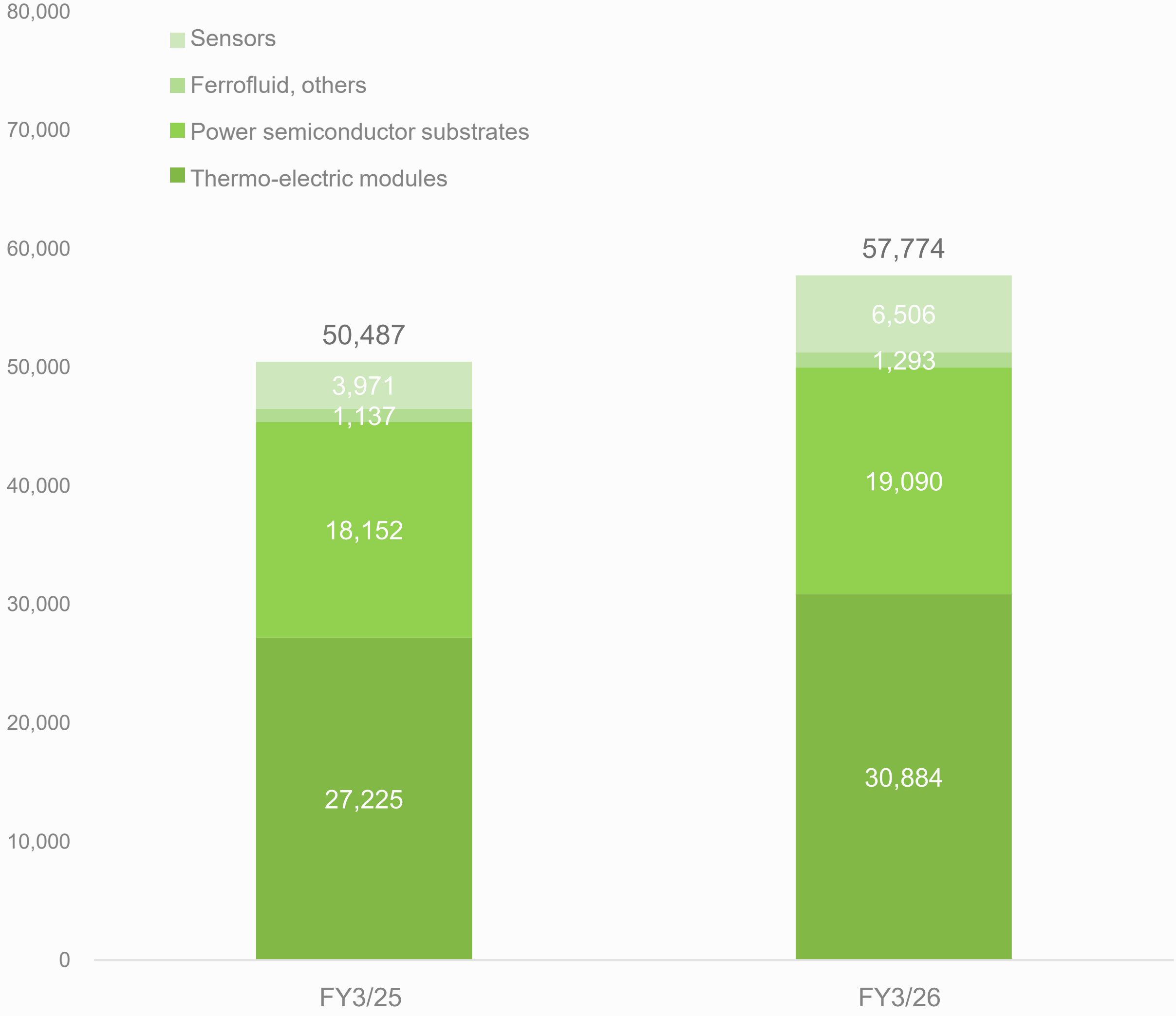
Quartz crucibles	PV-related demand declined amid weaker market conditions, with increased focus on semiconductor applications, resulting in improved profitability.
Wafer recycling	Demand capture in China, where the market continues to expand, progressed steadily, contributing to growth.
Parts cleaning	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

Sales Trend



Overview of this segment

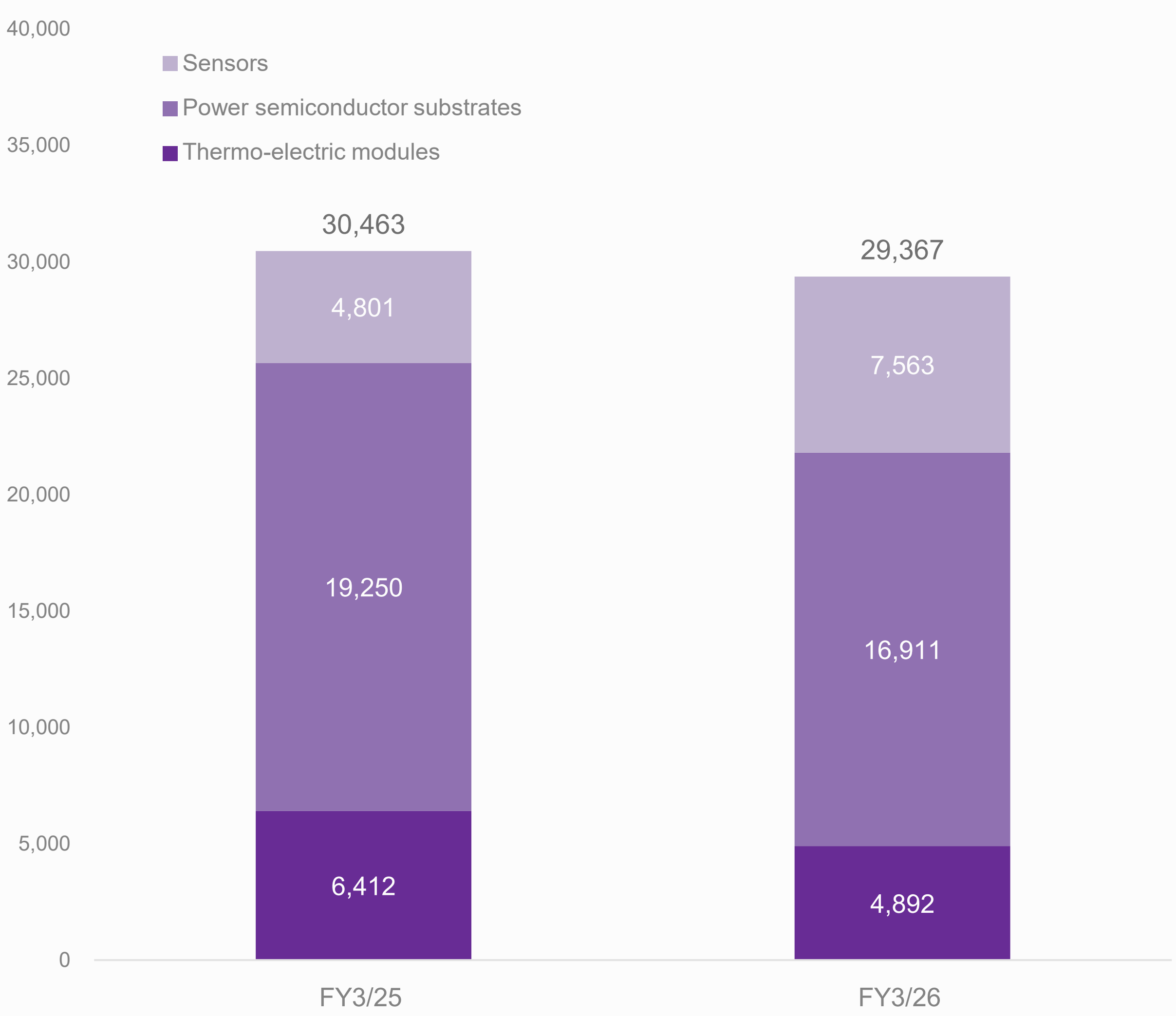
- **Against the backdrop of robust generative AI server investment, shipments for optical transceivers increased, leading to continued growth in thermoelectric modules, which drove overall company performance.**
- **Sensors sales posted YoY growth, as no sales were recorded in Q1 of the previous fiscal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

Product-level Details

Thermo-electric modules	• Driven by generative AI demand, shipments for optical transceivers increased and performance growth continued, serving as a key driver of company-wide results.
Power semiconductor substrates	• Despite sluggish demand growth and intensifying competition, sales growth is expected to be secured, leading to an upward revision of the full-year forecast.
Sensors	• 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. • Contributions from air conditioner applications, among others.

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

Sales Trend



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.**

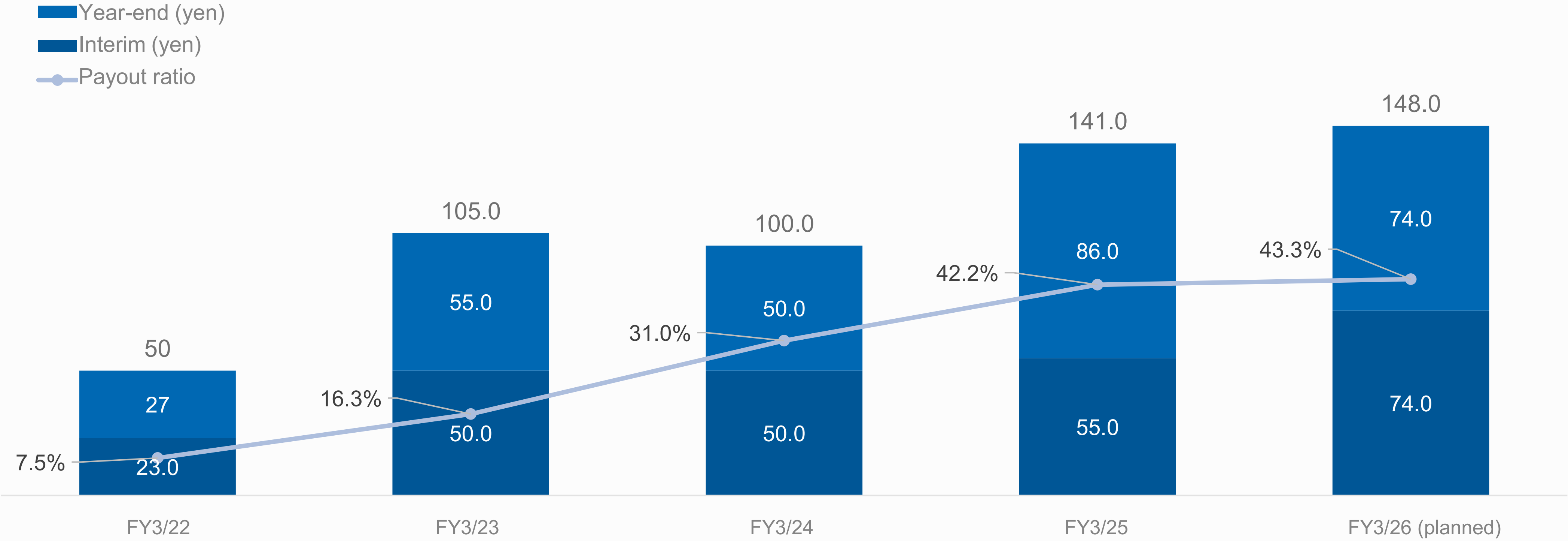
Product-level Details

Thermo-electric modules	• Reflecting weaker market conditions, sales of automotive thermoelectric (TE) modules are expected to decline YoY.
Power semiconductor substrates	• 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.
Sensors	• 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.

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%).**

Dividend per Share Trend



4. Medium-term Management Plan

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	**30,000**	35,000	47,000
	Operating margin	8.8%	**10.5%**	10.3%	11.8%
	Profit	15,692	16,000	20,000	29,000
Capital efficiency	ROE	7.1%	→		15.0%
	ROIC[*1]	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[*2]	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

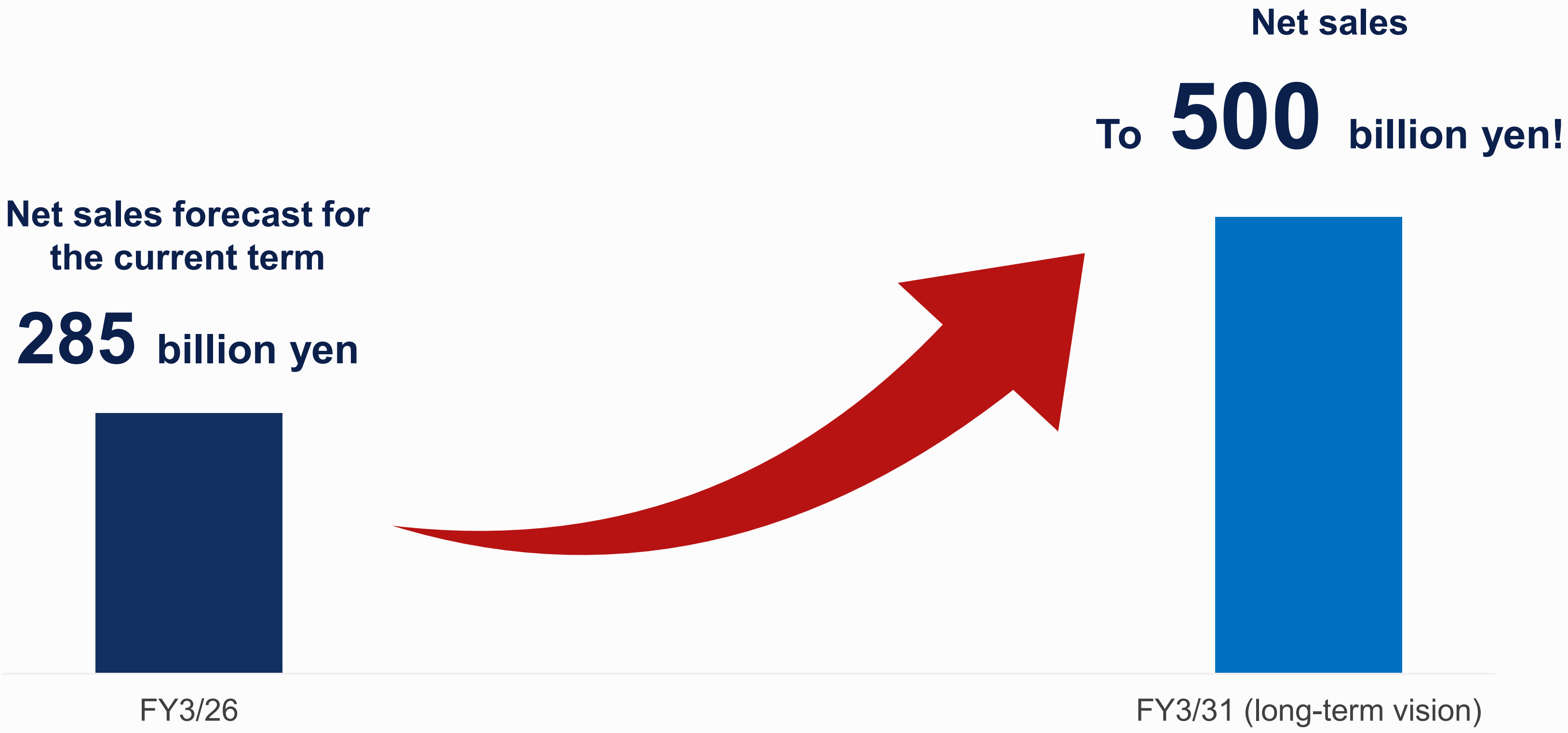
No changes from the Medium-Term Management Plan disclosed on May 30, 2025.

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

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 1st half		FY3/26 2nd 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					
	1st half	2nd half	Full-year	1st (results)	Year-on year	2nd (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%
Total	135,157	139,233	274,390	140,980	4.3%	144,019	3.4%	285,000	3.9%

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

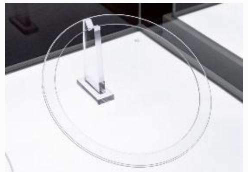
2 Average sales of at least CNY 30 million over the past two years with sales growth of at least 20% in the most recent year, or average sales of at least CNY 50 million over the past two years with positive operating cash flow in both years

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

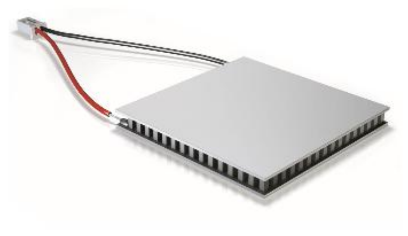
*Monthly production capacity: 6-inch: 420 thousand, 8-inch: 450 thousand, 12-inch: 300 thousand

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.

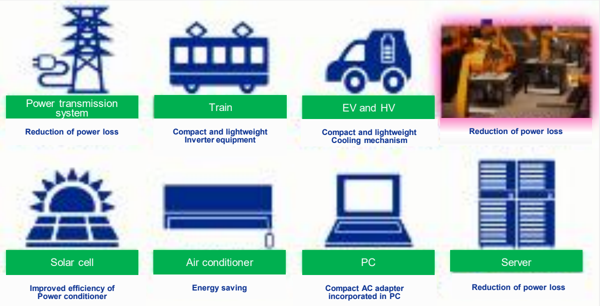
Chiller

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*

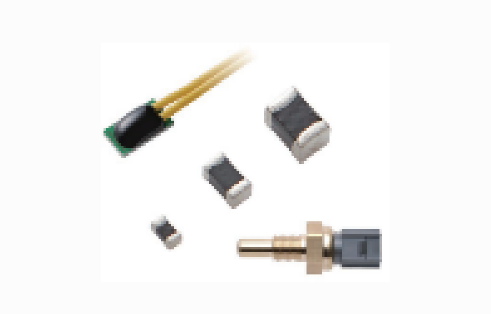
In response to **the global trend of power consumption reduction**, the demand from clients needing power semiconductors is growing. (DIRECT COPPER BONDING technology for bonding a cooper circuit to an alumina ceramics substrate)

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)

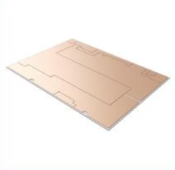
***OHIZUMI MFG. CO., LTD.**

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

[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.

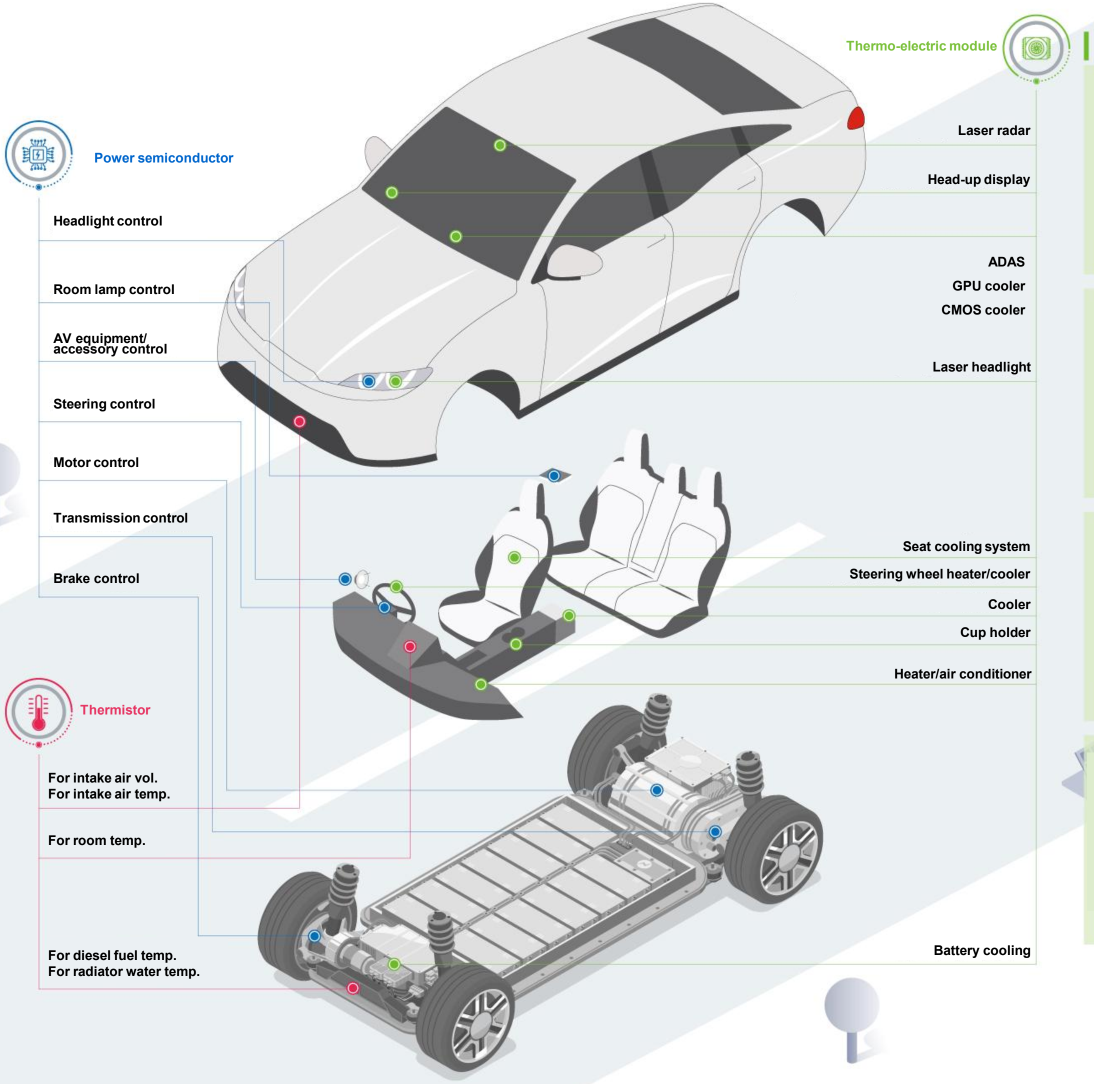


AMB substrate
This substrate is mainly used for applications requiring significant power, such as controlling batteries and motors. Made of silicon nitride and aluminum nitride, this substrate is often combined with SiC substrates.

[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

- 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

[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.

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- Actual results may differ materially from these forecasts due to various factors. Such factors include, but are not limited to, international conditions, economic conditions, product supply and demand trends, raw material prices, market conditions, and exchange rates.
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