

Disclosure of Financial Results Presentation and Mid-Term Management Plan (Rolling Plan)

Ferrotec Corporation (Representative Director: He Xian Han; hereinafter "the Company") hereby announces that it has today disclosed the outline (including target figures) of its Mid-Term Management Plan (Rolling Plan) as set forth in the attached materials.

1. Trends in Key Target Figures

(million yen)	FY26/3		FY26/12		FY27/12		FY28/12
	Forecast	Actual	Previous	Revised	Previous	Revised	Newly Set
Net Sales	285,000	288,933	340,000	350,000	400,000	400,000	450,000
OP	30,000	27,561	35,000	38,000	47,000	48,000	57,000
OP Margin	10.5%	9.5%	10.3%	10.9%	11.8%	12.0%	12.7%
Profit	16,000	14,886	20,000	23,000	29,000	30,000	38,000
CapEx	65,000	54,598	45,000	65,000	30,000	55,000	40,000

*As the Company plans to change its fiscal year-end from March 31 to December 31, effective from fiscal year 2026, subject to approval at the Ordinary General Meeting of Shareholders scheduled for June 26, 2026, the full-year performance forecast for the fiscal year ending December 2026 covers a nine-month period (April 1, 2026 to December 31, 2026). However, as the Company's consolidated subsidiaries have a December fiscal year-end and their net sales and profits from January through December will be included in the consolidated financial results for the fiscal year ending December 2026, the impact of the nine-month fiscal period on consolidated net sales and profits is expected to be limited.

2. Background to Target-Setting

- External factors: The targets reflect the current state of generative AI investment, growth in the wafer fabrication equipment (WFE) market for semiconductor front-end processes, and expectations for adjustment and recovery in the electric vehicle (EV) market.
- Internal factors: The targets incorporate increases in depreciation and start-up costs associated with efforts to improve capacity utilization at existing factories and to expand production outside China in response to U.S.-China semiconductor trade tensions.

3. Notes

- Please refer to the attached materials for further details.
- The attached materials are also available on the Company's website.

*As of the date of this announcement, materials are available in Japanese only. An English version is planned for future release.

URL: https://www.ferrotec.co.jp/ir/ir_company_info_session.php

Results for the Fiscal Year Ending March 31, 2026 and Mid-Term Management Plan - Outline

Ferrotec Corporation

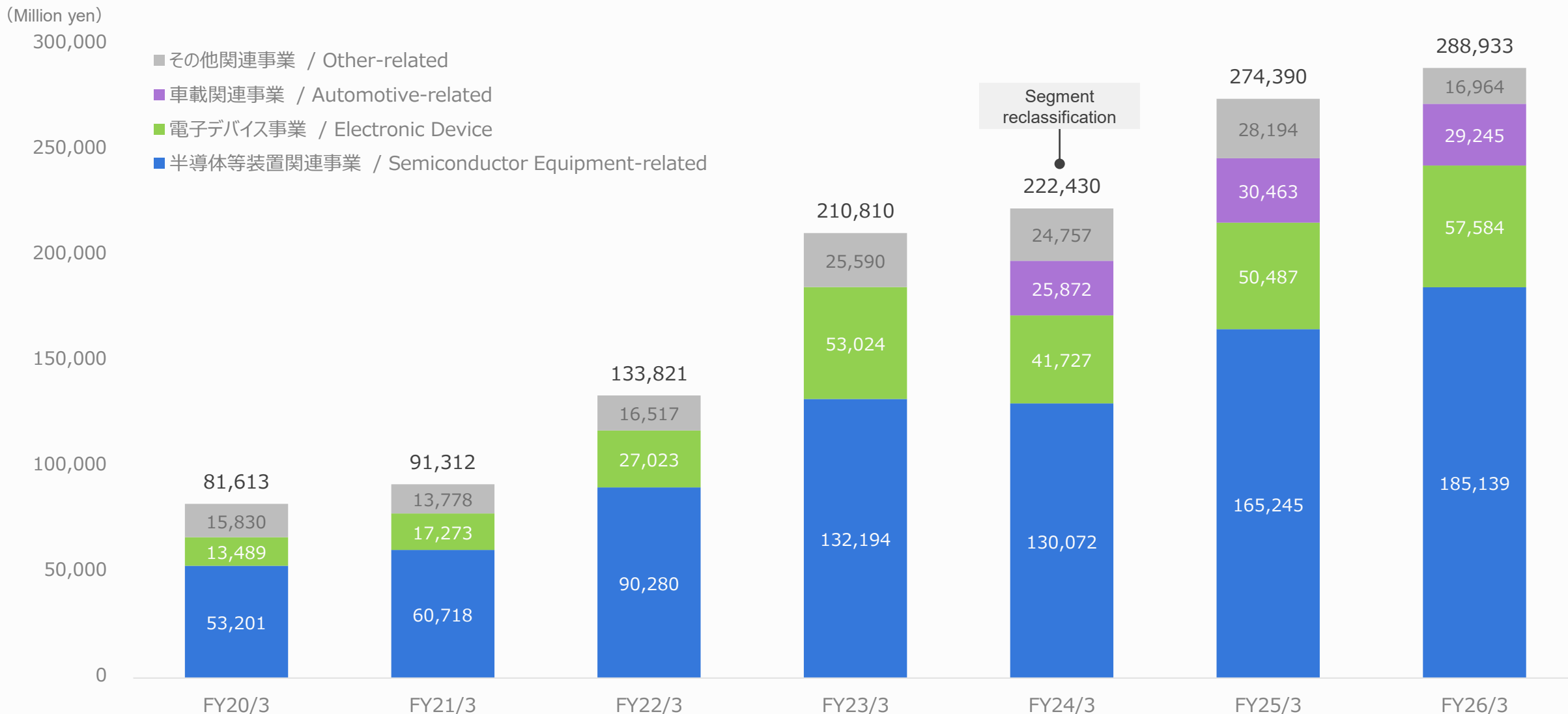
1. This fiscal year results cover period from January 1 to December 31, 2025 of consolidated subsidiaries
2. This presentation has been prepared for the purpose of providing information regarding the company's results of operations for the fiscal year ending March 31, 2026 and does not constitute a solicitation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



Consolidated Financial Summary

(Million yen)	FY25/3 Q4		FY26/3 Q4		QoQ		FY25/3 Q3		YoY	
	Amount		Amount	Amount	Pct. change	Amount	Amount	Pct. change		
Net sales	77,287		70,665	6,622	109.4%	72,025	5,262	107.3%		
Cost of sales	57,874		49,541	8,332	116.8%	55,146	2,727	104.9%		
Gross profit	19,413		21,123	-1,709	91.9%	16,878	2,534	115.0%		
SG&A expenses	13,691		13,616	74	100.6%	12,485	1,206	109.7%		
Operating profit	5,721		7,506	-1,784	76.2%	4,393	1,328	130.2%		
Ordinary profit	6,426		6,713	-286	95.7%	5,041	1,385	127.5%		
Profit (loss) attributable to non controlling interests	871		773	97	112.6%	591	280	147.4%		
Profit attributable to owners of parent	4,740		3,837	903	123.5%	3,080	1,660	153.9%		
Depreciation and amortization	7,490		6,685	805	112.0%	6,376	1,114	117.5%		
Exchange rate (average during the period)		USD	149.78	147.78		152.24				
		RMB	20.87	20.48		21.12				

Net Sales by Segment



Performance

- FY26/3 net sales ¥288.9B, OP ¥27.6B, profit attributable to owners of the parent ¥14.9B. Profit growth was constrained due to increased inventory write-downs at new factories and other factors.
- FY26/12 full-year forecast: net sales ¥350.0B, OP ¥38.0B, profit attributable to owners of the parent ¥23.0B.

Trends

- As AI-driven semiconductor investment and production continue to gain momentum, progress has been made in addressing Ex-China production needs of U.S. SPE customers, with strong inquiries and capacity expansion requests from customers.
- Increased investment and production in Chinese SPE are driving growing inquiries for metal OEM, ceramics, and other products, as advance customer engagement.
- In thermo-electric modules, inquiries for optical communication module applications remain robust.

CapEx

- The customer qualification and ramp-up at the Kulim, Malaysia factory are progressing smoothly. The second factory (ceramics, quartz, and metal OEM) is scheduled to commence operations in 2026. Given strong demand and further capacity expansion requests from customers, additional expansion is under consideration.
- A new Beijing factory (parts cleaning, metal OEM, and ceramics) is being established to strengthen customer engagement.

Shareholder Returns

- Plan to carry out share buybacks of up to ¥25.0B over the period from FY26/12 through FY28/12.
- For FY26/12, an increased dividend is planned, with a full-year dividend of ¥200 per share (ordinary dividend: ¥150, special dividend: ¥50).

FY26/12 Full-Year Earnings Forecast

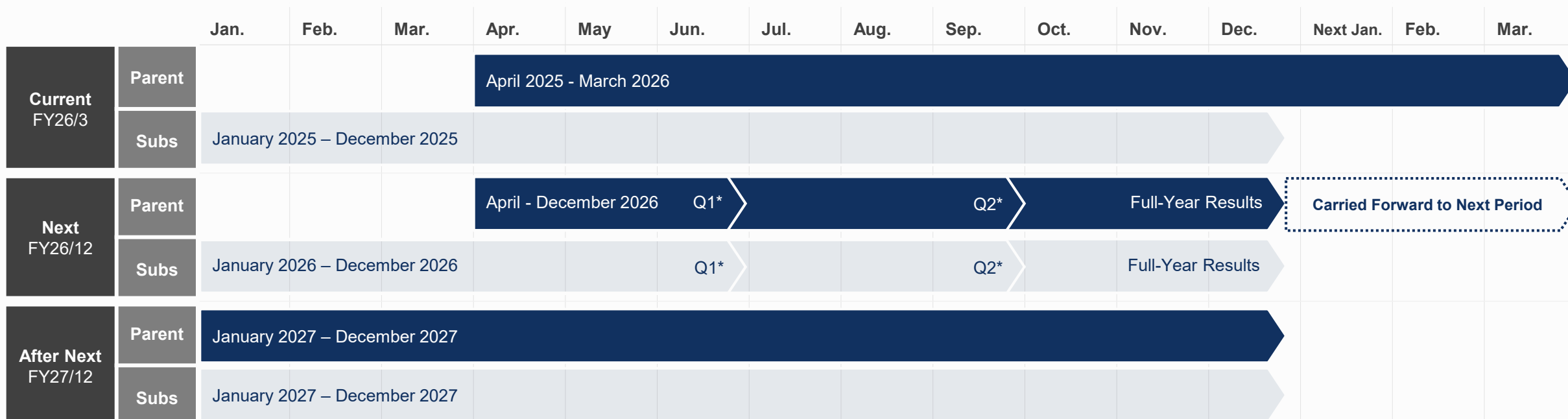
(Million yen)	FY26/3 Full-Year		FY26/12 Full-Year	
	Actual	Forecast	YoY(Ref.)	
Net sales	288,933	350,000	121.1%	
Operating profit	27,561	38,000	137.9%	
Ordinary profit	26,063	36,000	138.1%	
Profit attributable to owners of parent	14,886	23,000	154.5%	
CapEx*	54,598	65,000	119.1%	
Depreciation and amortization	27,426	32,172	117.3%	
EBITDA	54,988	70,172	127.6%	
Exchange rate (average during the period)	USD	149.8	150.0	
	RMB	20.87	21.00	

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

Change in Fiscal Year End (April–March → January–December)

- ▶ The Board of Directors resolved on May 15 to change the fiscal year end from March to December starting from the next fiscal year, subject to approval at the General Shareholders' Meeting on June 26.
- ▶ The next fiscal year will be a 9-month fiscal period (April–December 2026). However, since our consolidated subsidiaries have a December fiscal year end, their results will cover January–December (12 months), while the parent company alone will record April–December (9 months). Therefore, the impact of the 9-month fiscal period on consolidated financial results will be limited.
- ▶ From the fiscal year after next, both the parent company and subsidiaries will operate on a January–December 2027 (12-month) fiscal year.

Schedule Following the Change in Fiscal Year End



*Q1 results for the next fiscal year will cover April–June 2026 for the parent company (January–June 2026 for subsidiaries), and Q2 results will cover April–September 2026 (January–September 2026 for subsidiaries).

Mid-Term Management Plan KPIs

▶ Performance forecasts and plans for FY26/12 onwards have been revised upward. ROE and ROIC targets through FY28/12 have been lowered from 15% and 8%, respectively.

(Million yen)		FY26/3 Actual	FY26/12 Forecast	FY27/12 Plan	FY28/12 Plan
Performance	Net sales	288,933	350,000	400,000	450,000
	Operating profit	27,561	38,000	48,000	57,000
	OP margin	9.5%	10.9%	12.0%	12.7%
	Profit	14,886	23,000	30,000	38,000
Capital efficiency	ROE	6.0%	→		11.0%
	ROIC ^{*1}	3.2%	→		7.0%
Financial	Equity Ratio	37.6%	40.0%	40.0%	40.0%
	CapEx.	54,598	65,000	55,000	40,000
Returns	DPS ^{*2} (Annual)	148.0円	200.0円	Adopting DOE (Dividend on Equity, based on consolidated shareholders' equity*2), with a minimum floor of 3.5%. Flexible share buybacks will be considered, targeting a total shareholder return payout ratio of 50%.	

*1. Net profit attributable to owners of parent / (Interest-bearing debt + Net assets), excluding share subscription rights and non-controlling interests from net assets.

*2. Consolidated shareholders' equity = Share capital + Capital surplus + Retained earnings – Treasury shares. DOE = Total dividends paid ÷ Consolidated shareholders' equity.

▶ Rolling Update to the Mid-Term Management Plan Disclosed on May 30, 2025

Business Growth

- Expand production in Malaysia and other locations to address Ex-China manufacturing needs of Japanese, U.S., and European customers, while strengthening customer engagement in China to drive growth, as demand for semiconductor-related products continues to grow.
- With a particular focus on AI and data center-related businesses, pursue growth by expanding semiconductor-related, electronic devices, and automotive-related businesses.

Improving Profitability & Production Efficiency

- Increase profitability through production and efficiency improvements at the Malaysia (Kulim, Johor Bahru) factories.
- Drive group-wide cost management and reduction through PDCA cycles.
- Pursue improved production efficiency and enhanced competitiveness through digitalization, automation, and AI adoption.
- Advance and strengthen the development of new products and technologies, maintaining rigorous quality control under the principle that "Quality is Everything."

Strengthening Human Capital & Corporate Culture

- Recognize corporate culture as the foundation of the Company, and continue to promote the guiding principles of "Respect for customers, respect for employees, value for diligence and integrity, steadfast action, and pursuit of innovation."
- Prioritize human capital as a key management strategy, driving recruitment and development of talent.

Financial Strategy & Shareholder Returns

- To strengthen shareholder returns, adopt DOE with a minimum floor of 3.5%, flexibly consider share buybacks taking into account financial conditions and other factors, and aim for a total return ratio of 50% — unchanged.
- Plan to divest group assets of ¥50.0B over the period from FY26/3 through FY27/12.
- Plan to carry out share buybacks of up to ¥25.0B over the period from FY26/12 through FY28/12.

- ▶ **Establishing a Large-Scale Mass Production Facility in Malaysia to Meet Ex-China Production Needs of European and American Customers**

Malaysia – Kulim Factory No.1

Quartz / Ceramics / Metal OEM



- Customer qualification and mass production ramp-up are progressing steadily, with production volumes increasing on track.
- Further advances in customer qualification and production volume growth are expected to contribute to earnings going forward.

Malaysia – Kulim Factory No.2

Quartz / Ceramics / Metal OEM



- Groundbreaking commenced in June; building construction is scheduled for completion in August.
- Production is expected to commence within 2026.

Topics ② Scaling Up Production for Semi Demand - China

► **Strengthening Customer Coverage in the Chinese Semiconductor Market by Establishing a New Production Facility in Beijing, Capturing Domestic Substitution Demand and Expanding Sales of High-Value-Added Products in China**



Beijing Factory



- Construction commenced in March 2026, with building completion targeted for December 2026.
- Operations are scheduled to begin in June 2027.

Shaoxing Factory



- Scheduled to commence operations in summer 2027

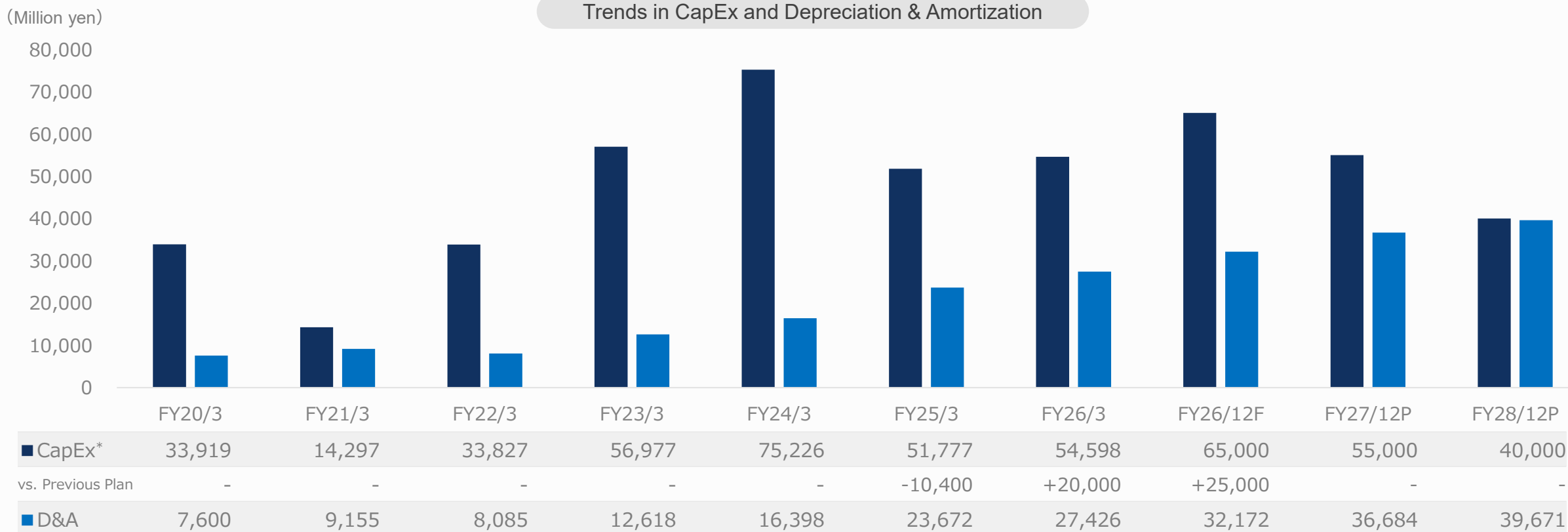
Wuhan Factory



- Equipped with state-of-the-art cleaning lines.
- Scheduled to commence operations in summer 2027

Capital Expenditure Plan & Other

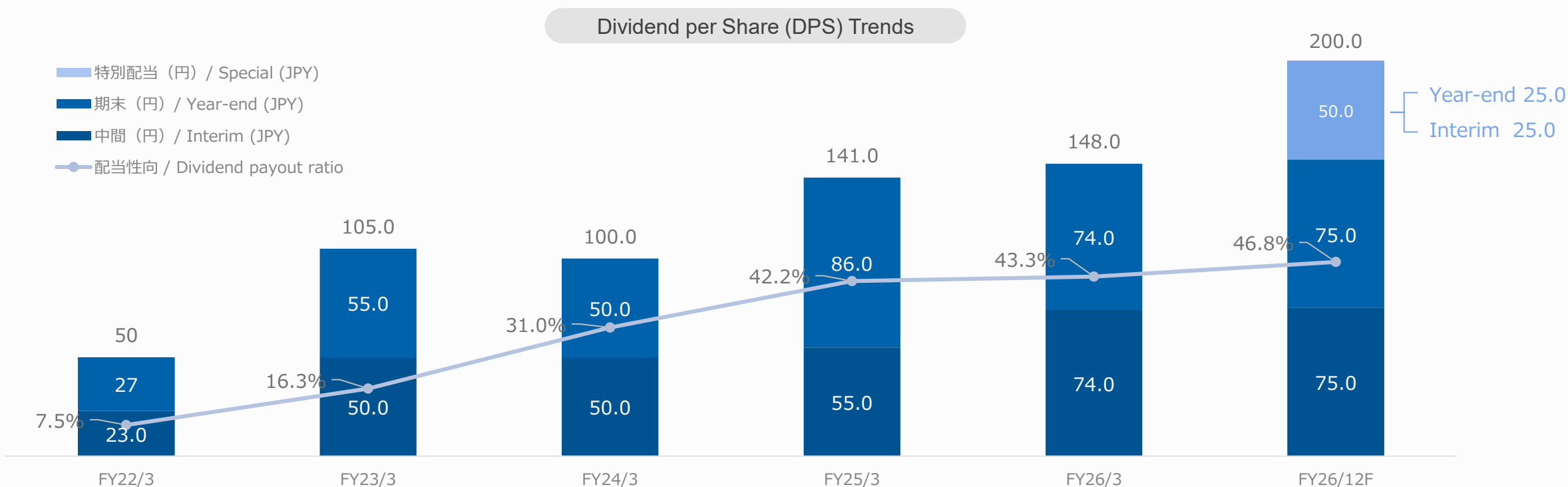
- ▶ Reflecting the establishment of the new Beijing Factory (parts cleaning etc.), additional capacity investment in ceramics and others, and further investment in the Malaysia Factory in response to growing semi demand and customer requests, the CapEx plan for FY26/3–FY27/12 is now set at ¥174.6B.
- ▶ Asset disposals of ¥50.0B are planned for the Group during FY26/3–FY27/12 (unchanged from the previous plan).



*Total acquisition of property, plant & equipment and intangible assets

- ▶ To strengthen shareholder returns, adopt DOE with a minimum floor of 3.5%, flexibly consider share buybacks taking into account financial conditions, and aim for a total return ratio of 50% (Unchanged from the previous plan)
- ▶ Dividends will be increased, with a full-year dividend of ¥200 per share planned (ordinary dividend of ¥150 + special dividend of ¥50, payout ratio of 46.8%).

*For the interim dividend for FY2026/12, the record date will be changed from September 30 to June 30.



Semiconductor Equipment-related Segment



Vacuum Feedthrough



Metal OEM



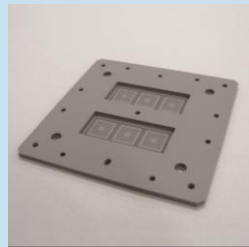
Quartz



Silicon Parts



Fine Ceramics



Machinable Ceramics



CVD-SiC



Parts Cleaning



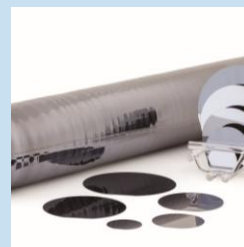
EB-Gun



Crucible

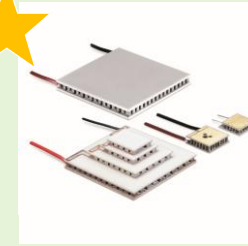


Reclaim Wafers



Silicon Wafers*

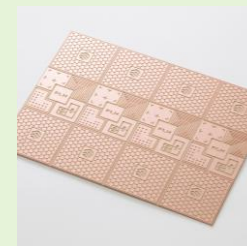
Electronic Device Segment



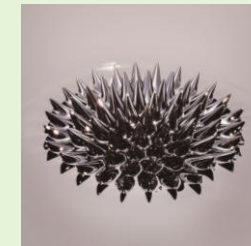
Thermo-Electric Modules



Chiller



Power Semiconductor Substrates



Ferrofluid



Thermistor Sensor

Automotive-related



Power Semiconductor Substrates



Thermistor Sensor

Other-related



Blades, etc.

*Non-consolidated



EUROPE

- Frankfurt (Germany)**
- Stuttgart (Germany)**
- Moscow (Russia)**
- Nizhny Novgorod (Russia)**

United States

- Bedford, NT**
- Livermore**
- San Jose**

CHINA

- Hangzhou** Thermo-Electric Modules, Vacuum Feedthrough, Quarts, Ceramics, Si Parts, Metal OEM, Blades, Si Wafer
- Shanghai** Power Semi Substrates, Si Wafer, Parts Cleaning
- Yinchuan** Crucible, Semiconductor Ingots, Si Parts
- Tongling** Parts Cleaning, Reclaim Wafer, SiC Wafer
- Dongtai** Power Semi Substrates, Quarts
- Changshan** Quarts, Thermo-Electric Modules, Metal OEM
- Lishui** Thermistor Sensor, Semiconductor Wafer
- Jiaxing** Thermo-Electric Modules
- Tianjin** Parts Cleaning
- Dailian** Parts Cleaning
- Guangzhou** Parts Cleaning
- Qingdao** Parts Cleaning

JAPAN

- Tokyo [HQ]**
- Chiba** Vacuum Feedthrough, Ferrofluid
- Ishikawa** Ceramics
- Okayama** CVD-SiC
- Yamagata** Quarts
- Kumamoto** Parts Cleaning
- Sendai**
- Osaka**
- Kumamoto**

Other (ASIA)

- Kulim (Malaysia)** Metal OEM, Quarts, Ceramics
- Johor Bahru (Malaysia)** Si Parts
- Kuala Lumpur (Malaysia)**
- Singapore**
- Hsinchu (Taiwan)**
- Uiwang (South Korea)**
- New Delhi (India)**

Factory

Sales Office

R&D Center

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Japanese



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English



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- ▶ **The forward-looking statements contained in this material are based on information available as of the date of this presentation and on assumptions regarding uncertain factors that may affect future performance.**
- ▶ **Actual results may differ materially from those projected due to various factors. Factors that may affect performance include, but are not limited to, international conditions, economic conditions, supply and demand trends for products, raw material prices and market conditions, and foreign exchange rates.**
- ▶ **Figures in this material have been rounded to the nearest million yen or hundred million yen. Accordingly, figures may not exactly match those disclosed in financial statements such as the Summary of Financial Results (Kessan Tanshin) or Annual Securities Reports.**
- ▶ **Quantitative targets and other forward-looking information in this material are intended solely to illustrate medium-to-long-term strategies and vision, and do not constitute earnings forecasts. The Company assumes no obligation to update such information.**
- ▶ **For official earnings forecasts, please refer to the Summary of Financial Results (Kessan Tanshin) disclosed in accordance with Tokyo Stock Exchange regulations.**