



Results for the 1st Half of the Fiscal Year Ending March 31, 2025

1. The consolidated financial results for the 1st half of FY2025 are composed of the results of Ferrotec Holdings in the period from April to the end of September 2024 and the results of consolidated subsidiaries and equity-method affiliates in the period from January to the end of June 2024.
2. This presentation was 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, 2024 and is not a solicitation to purchase securities issued by the company. Please ensure that the decision on whether to make an investment in our company is made at your own risk.
3. These materials were prepared based on information available as of date of the disclosure. All opinions, forecasts and other forward-looking statements are based on management's judgments in accordance with materials available at that time and may be changed without prior notice.

Business results

- The consolidated net sales in Q2 were 135.2 billion yen, up 28% year on year, and operating income was 14.3 billion yen, up 9.3% year on year.
- The semiconductor market has been on a recovery trend. We actively conducted marketing, met demand from clients, and increased sales continuously.
- We strengthened automation, product development and market cultivation, and promoted the growth of the sensor business.

Semiconductor -related

- Our factory in Kulim, Malaysia started operation to process metal, manufacture quartz and ceramics, and assemble devices. We met the needs of U.S. clients and others for production outside China (Ex-China), and certification by clients has progressed steadily. The Ishikawa Factory No. 3 is scheduled to start operation in 2025.
- A new factory for ceramics in Changshan, China started operation. The development of new products, such as ESC and SiSiC, progressed.

Electronic and Automotive related

- The market of power semiconductor substrates is stagnant, but is expected to keep growing in the medium/long term. The Johor Factory is scheduled to start operation in 2025.
- Thermo-electric modules sold well, thanks to the sales of products for generative AI. We plan to manufacture them in Johor, Malaysia.
- We strengthened marketing activities for sensors, and promoted a growth strategy such as enhanced automation.

Shareholder returns

- FTSVA, which operates the equipment parts cleaning business and is listed on a Chinese stock market, plans to acquire FLH, which manufactures power semiconductors, through the exchange of shares. The market capitalization of shares held by our company are expected to increase. We will discuss diverse options for fund procurement and methods for utilizing funds.
- We will enhance and diversify shareholder returns by raising the interim dividend amount and conducting share buyback.

Sales by Product

(Million yen)	Q2 FY3/24	Q2 FY3/25	YoY (%)
Semiconductor and other equipment-related	60,257	84,042	39.5
Vacuum feedthroughs	11,730	19,347	64.9
Quartz	11,584	16,134	39.3
Silicon parts	7,712	7,172	-7.0
Ceramics	11,657	15,448	32.5
CVD-SiC	2,999	3,992	33.1
EB-Gun, LED	3,011	4,076	35.4
Wafer processing (out of scope of consolidation)	43	11	-74.4
Wafer recycling	752	1,251	66.4
Equipment parts cleaning	5,424	7,061	30.2
Quartz crucibles	5,341	9,547	78.7
Electronic device	18,834	23,085	22.6
Thermo-electric modules	8,844	12,431	40.6
Power semiconductor substrates	7,245	8,692	20.0
Ferrofluid, others	398	575	44.5
Sensor	2,344	1,387	-40.8
Automotive related	14,006	14,304	2.1
Thermo-electric modules	1,795	3,108	73.1
Power semiconductor substrates	8,857	9,628	8.7
Sensor	3,352	1,567	-53.3
Others	12,396	13,723	10.7
Total	105,494	135,157	28.1

Factories in Each Country

- We have established bases in Changshan, China for processing metal and manufacturing quartz, thermo-electric modules, ceramics, and SiPs, and proceeded with automation and streamlining.
- Our factory in Kulim, Malaysia started operation to process metal, manufacture quartz and ceramics, and assemble devices. Certification by clients has progressed, and we met the needs of U.S. clients and others for production outside China. The plans for manufacturing power semiconductor substrates, thermo-electric modules, and SiPs in Johor have progressed.

Changshan, China



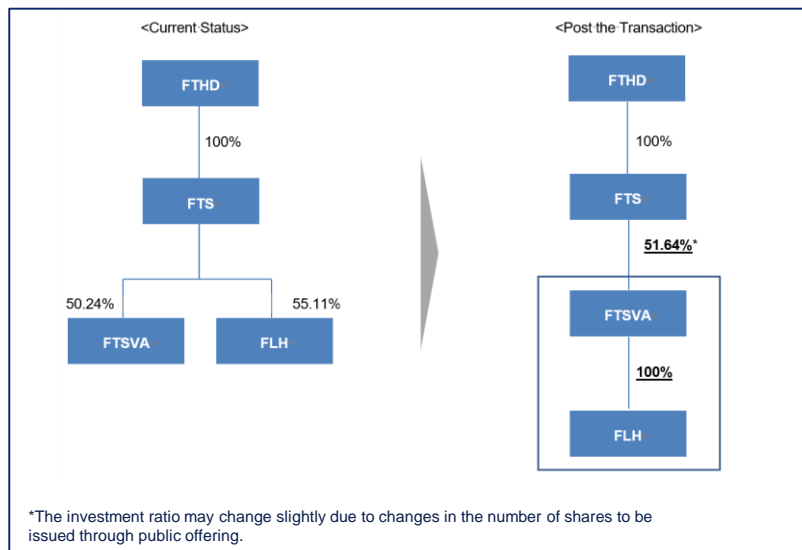
Kulim, Malaysia



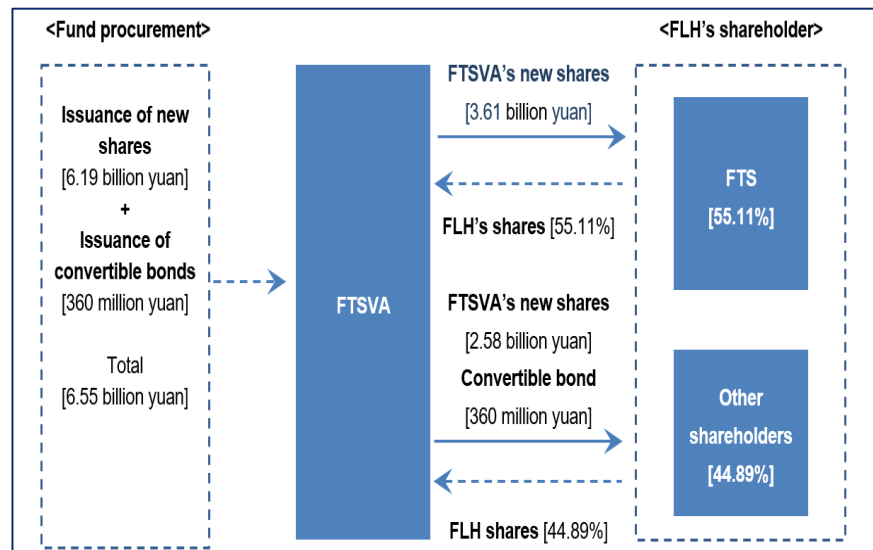
FTSVA's Plan to Acquire FLH as a Subsidiary

- FTSVA plans to acquire FLH as a subsidiary through the exchange of shares (purchasing the shares of FLH and issuing the shares and convertible bonds of FTSVA to the shareholders of FLH), and also increase capital through public offering.

Capital structure (underlined areas subject to change)



Acquisition structure



[Legend]

FTTH: Ferrotec Holdings (our company), FTS: Shanghai Shenhe Investment Co., Ltd., a company for managing Chinese subsidiaries
 FTSVA: Ferrotec (Anhui) Technology Development Co., Ltd., a subsidiary for the equipment parts cleaning business, listed on ChiNext
 FLH: Jiangsu Ferrotec Semiconductor Technology Co., Ltd., a subsidiary for manufacturing power semiconductor substrates

Enhancement of Shareholder Returns (Dividend Increase and Share Buyback) **FerroTec**

- We have announced the two measures for shareholder returns: (1) acquisition of treasury stocks, and (2) increase of the annual dividend amount.
- The revised policy for shareholder returns is “to put importance on the increase of shareholder returns, flexibly purchase treasury stocks while aiming to increase the dividend amount through continuous revenue growth, and return profit for achieving a total payout ratio of 30%.”

Acquisition of treasury stocks

Upper limit: **500 million yen**

*Up to 0.42% of the number of outstanding
shares

Period: Nov. 15, 2024 to Mar. 31, 2025

Dividend increase (FY3/25)

Annual dividend: ~~100 yen~~



Annual dividend: **110 yen**

Consolidated Financial Summary

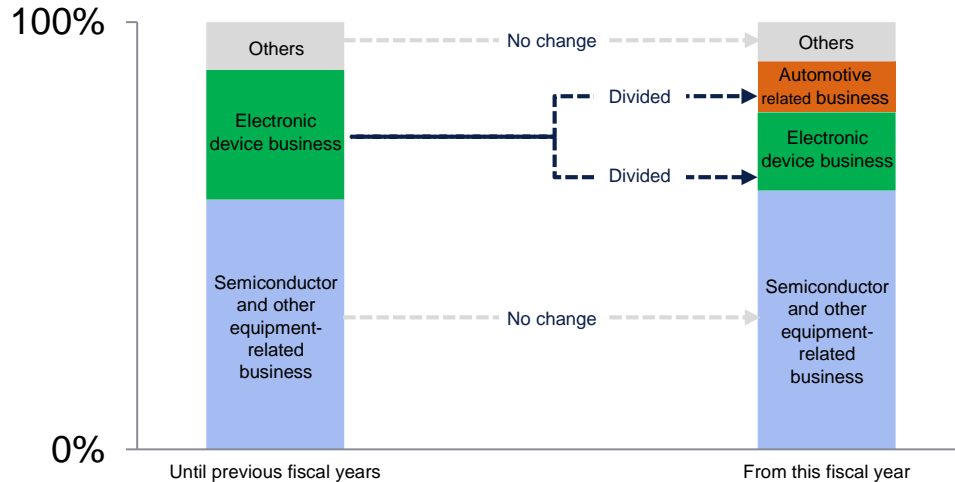


(Million yen)	FY3/24 Q2	FY3/25 Q2	YoY		
	Amount	Amount	Amount	Pct. change (%)	
Net sales	105,494	135,157	29,662	28.1	Net sales: Up 28.1% year on year
Cost of sales	71,182	97,046	25,863	36.3	Gross profit: Up 11.1% year on year
Gross profit	34,311	38,111	3,799	11.1	•The decrease in gross profit margin is due to the augmentation of depreciation in new factories, etc., the decline in profitability of quartz crucibles caused by the downturn of the PV market, etc.
SG&A expenses	21,276	23,859	2,583	12.1	SG&A: Up 12.1% year on year, due to the augmentation of costs for testing, research, labor, etc.
Operating income	13,035	14,251	1,216	9.3	Operating income: Up 9.3% year on year
Non-operating income	4,621	5,324	702	15.2	Non-operating income: Up 15.2% year on year, due to an exchange gain of 980 million yen, a revenue from subsidies of 1.56 billion yen, etc.
Non-operating expenses	2,438	4,105	1,666	68.4	Non-operating expenses: Up 68.4% year on year, as equity in losses of wafer-affiliates, etc. increased 1.23 billion yen.
Ordinary income	15,217	15,470	252	1.7	Ordinary income: Up 1.7% year on year
Extraordinary income	24	5	-19	-79.2	Net income (loss) attributable to non-controlling interests: 2.23 billion yen
Extraordinary loss	495	-	-495	-	•1.1 billion yen from power semiconductor substrates
Net income (loss) attributable to non-controlling interests	2,923	2,228	-695	-23.8	•630 million yen from silicon parts and crucibles
Net income attributable to owners of parent	8,390	9,190	799	9.5	•540 million yen from equipment parts cleaning
Capital investment*	33,423	22,882	-10,540	-31.5	•Negative 250 million yen from wafer recycling
Depreciation	7,913	11,241	3,328	42.1	Net income: Up 9.5% year on year
Exchange rate (average during the period)	US\$: 136.54 yen RMB: 19.55 yen	US\$: 154.06 yen RMB: 21.25 yen	-	-	

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

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

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



[Details]

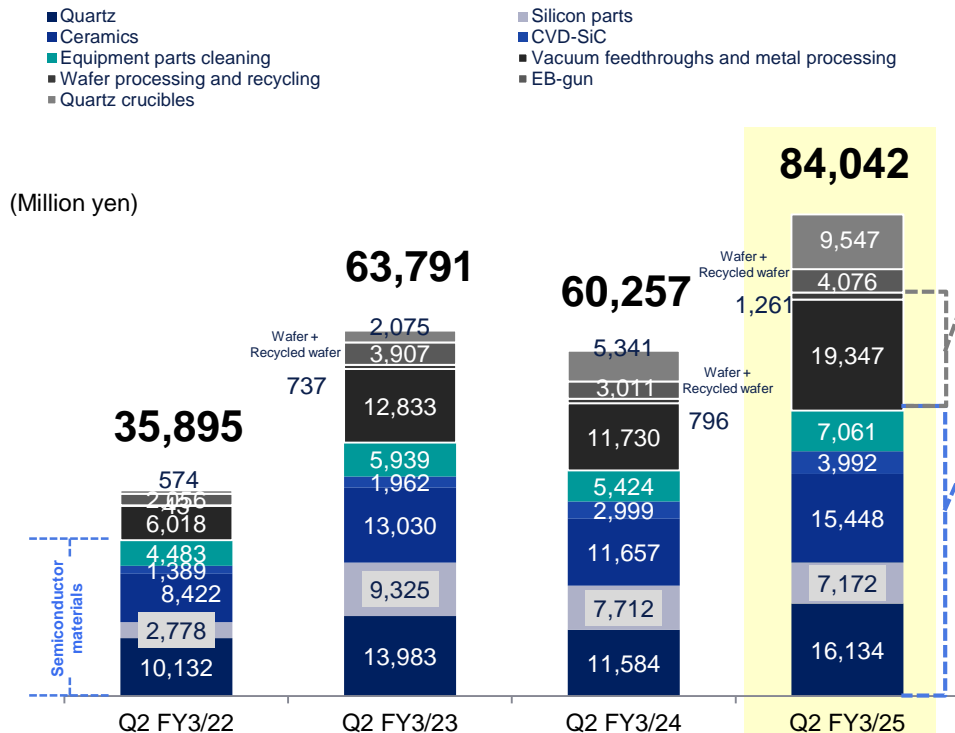
- This fiscal year, the Automotive related business segment has been added.
- The Automotive related business segment includes the sales of “thermo-electric modules,” “power semiconductor substrates,” and “sensors” for in-vehicle systems, which had been included in the previous electronic device business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

Sales and Operating Income by Segment

Net sales (¥ in millions)	FY3/24 Q2		FY3/25 Q2		YoY	
	Amount	Pct. of sales (%)	Amount	Pct. of sales (%)	Difference	Pct. change (%)
Semiconductor and other equipment-related	60,257	57.1	84,042	62.2	23,785	39.5
Electronic device	18,834	17.9	23,085	17.1	4,251	22.6
Automotive related	14,006	13.3	14,304	10.6	298	2.1
Others	12,396	11.8	13,723	10.2	1,327	10.7
Total	105,494	100.0	135,157	100.0	29,662	28.1

Operating income (¥ in millions)	FY3/24 Q2		FY3/25 Q2		YoY	
	Amount	Profit margin (%)	Amount	Profit margin (%)	Difference	Pct. change (%)
Semiconductor and other equipment-related	7,788	12.9	8,363	10.0	574	7.4
Electronic device	3,335	17.7	3,992	17.3	656	19.7
Automotive related	2,745	19.6	1,323	9.2	-1,421	-51.8
Others	-179	-	793	5.8	972	-
Adjustment	-654	-	-220	-	434	-
Total	13,035	12.4	14,251	10.5	1,216	9.3

Transition of sales



Overview of this segment

- As the semiconductor market is recovering, semiconductor and other equipment-related sales increased. In particular, the sales from metal processing grew considerably. The market of quartz crucibles for PV is forecast to decline.

Vacuum feedthroughs & metal processing and wafer processing & recycling

- The sales of vacuum feedthroughs & metal processing grew considerably by 6.8 billion yen, or up 80%, year on year. The number of orders from manufacturing equipment manufacturers rose rapidly.

Semiconductor materials, Cleaning business

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

- Quartz:** Up 39% year on year, thanks to the recovery of performance of machined products
 - Silicon parts:** Down 7% year on year, due to the effects of clients' inventory, etc.
 - Ceramics:** Up 33% year on year, due to the recovery of the number of orders from device makers and the start of operation of a new factory in Changshan
 - CVD-SiC:** Up 33% year on year, thanks to the improvement of the Okayama Factory
- [Cleaning]

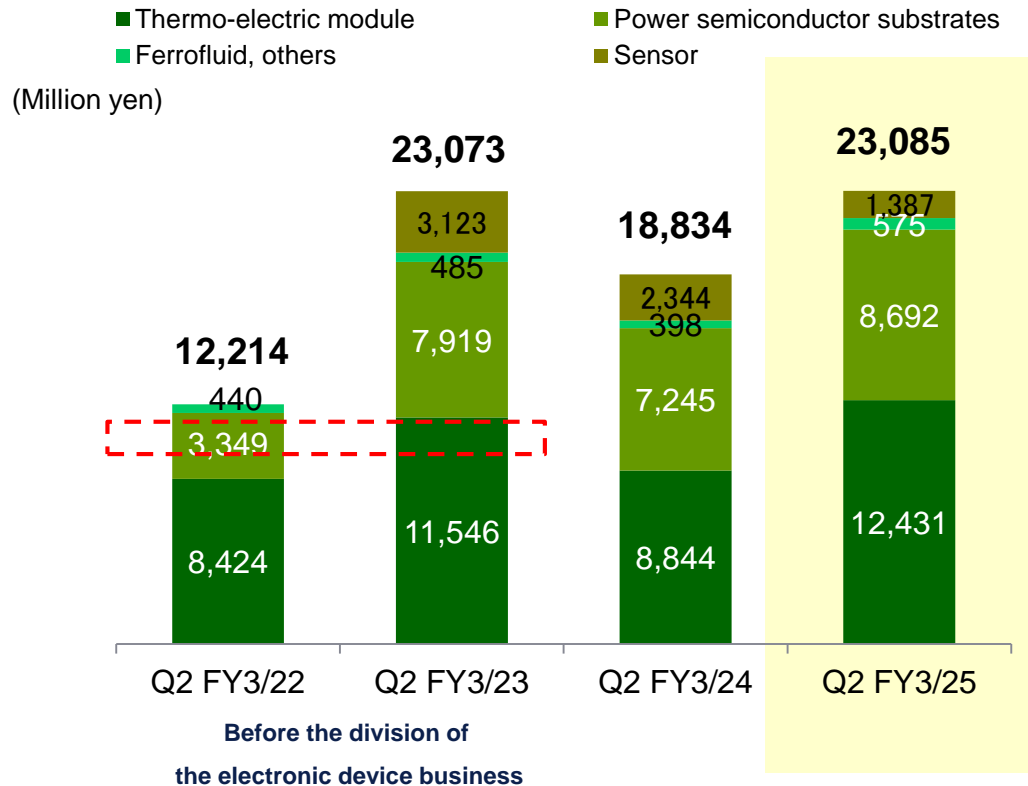
Up 30% year on year, thanks to the recovery of manufacturing of semiconductors

[Quartz crucibles]

Up 79% year on year.

In the first half of the fiscal year, the sales to PV makers increased, but profitability declined. In the second half of the fiscal year, performance is projected to decrease.

Transition of sales



Overview of this segment

- The sales of thermo-electric modules increased. The sales of power semiconductors grew year on year.
- The sales of sensors decreased, as the accounting period of Ohizumi Mfg. changed and the first half of FY3/24 was only 3 months from April to June.

By product

[Thermo-electric modules]

- Up 41% year on year, due to the growth of demand related to generative AI

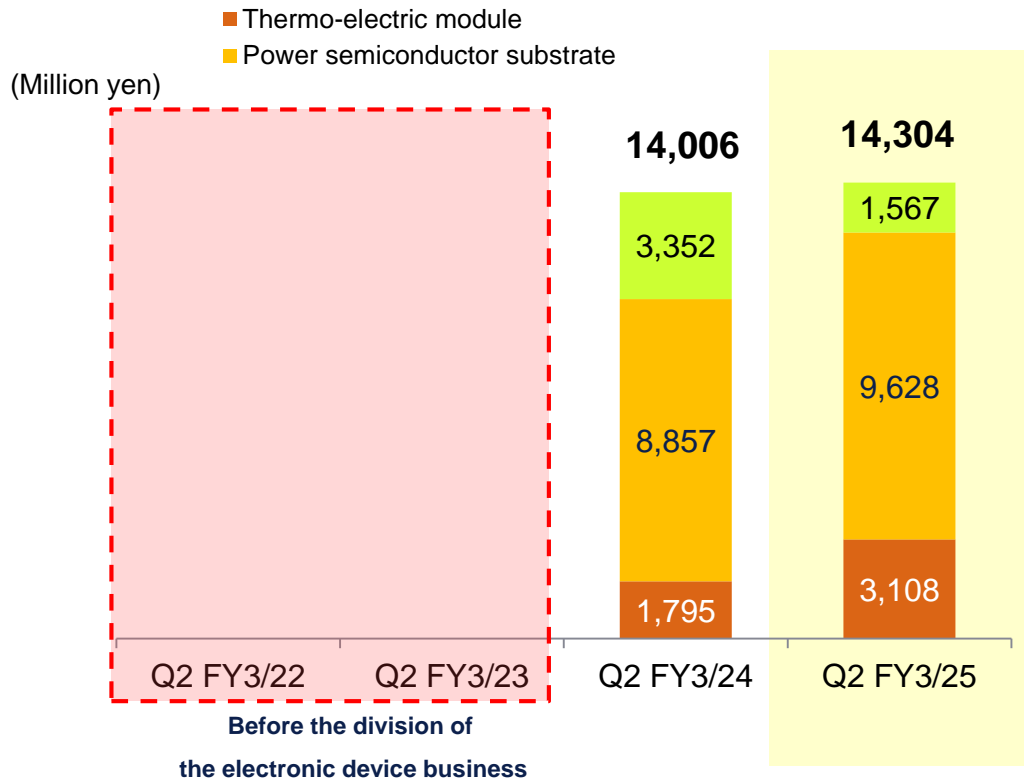
[Power semiconductor substrates]

- Sales grew year on year in the first half of FY3/25, but are forecast to decrease year on year in the second half of FY3/25, due to clients' inventory, etc. They are stagnant. In the medium/long term, demand from clients is expected to grow.

[Sensors]

- Due to the change in the accounting period, the results in the first half of FY3/25 are the results in only 3 months. Through enhanced marketing activities, growth is expected.

Transition of sales



Overview of this segment

- The sales of sensors declined due to the change in the accounting period, but the sales of power semiconductor substrates and thermo-electric modules increased. The sales of this segment are almost unchanged year on year.

By product

[Thermo-electric modules]

- Up 73% year on year, as we met the demand for products for Chinese automobiles.

[Power semiconductor substrates]

- Up 9% year on year, due to the increase of sales of AMB substrates for automobiles

[Sensors]

- Decreased, due to the change in the accounting period of Ohizumi Mfg.

Consolidated Balance Sheet -Assets-

(Million yen)	FY3/24 Year-end	FY3/25 End-Sep.	Difference
Current assets	248,408	289,842	41,434
Cash & deposits	117,254	120,196	2,941
Note & accounts receivable	61,940	89,046	27,105
Inventories	56,909	68,459	11,549
Fixed assets	261,618	302,947	41,329
Tangible fixed assets	201,339	239,137	37,797
Buildings and structures (net)	66,583	91,954	25,371
Equipment and machinery (net)	59,533	81,701	22,167
Tools, furniture, and fixture (net)	7,468	8,757	1,289
Land	4,660	4,672	12
Leased assets (net)	12,018	14,796	2,777
Construction in progress	51,075	37,254	-13,820
Intangible fixed assets	6,611	7,016	404
Goodwill	2,010	1,954	-56
Investments & other assets	53,666	56,794	3,127
Total assets	510,026	592,790	82,763

[Major factors for increase in current assets]

- Cash and deposits: Up 2.9 billion yen (due to the increase in cash and deposits in companies whose IPO was completed or is planned)
- An increase in trade receivables and inventories resulted from an increase of sales.

[Major factors for increase in tangible fixed assets]

- Tangible fixed assets increased by 37.8 billion yen due to the investment in Malaysia, etc.
(FTMM in Malaysia: up 7.1 billion yen, FLHM in Malaysia: up 5.1 billion yen, sensor in Lishui: up 2.7 billion yen, ceramics in Changshan: up 2.7 billion yen, FTMT in Japan: up 2.7 billion yen, etc.)

[Major factors for increase in investments and other assets]

- Increase of shares of affiliates, investment securities, etc.

Consolidated Balance Sheet -Liabilities and Net Assets-

(Million yen)	FY3/24 Year-end	FY3/25 End-Sep.	Difference
Current assets	122,148	142,651	20,502
Notes and accounts payable	42,302	53,730	11,428
Short-term debt	26,454	32,626	6,172
Current portion of long-term borrowings + bonds	21,022	17,902	-3,119
Fixed assets	109,712	125,558	15,846
Bonds	320	-	-320
Convertible bond-type bonds with share acquisition rights	25,000	25,000	-
Long-term debt	62,364	76,462	14,098
Total liabilities	231,860	268,209	36,349
Net assets	278,166	324,580	46,414
Shareholder's equity	177,638	184,712	7,074
Total accumulated other comprehensive income	26,771	53,190	26,419
Non-controlling interests	73,756	86,677	12,920
Total liabilities & net assets	510,026	592,790	82,763
Equity ratio	40.1%	40.1%	Opt
Exchange rate (year-end rate)	US\$: 141.83 yen RMB: 19.93 yen	US\$: 161.07 yen RMB: 22.04 yen	-

[Major factors for changes in current and fixed liabilities]

Short-term debt + Current portion of long-term borrowings + bonds:	+3.0 billion yen
Long-term debt:	+13.8 billion yen
Total interest-bearing debt:	+16.8 billion yen

[Major factors for changes in net assets]

Shareholders' equity: Up 7 billion yen

Total accumulated other comprehensive income: Up 26.4 billion yen
(Foreign currency translation adjustment: Up 27.2 billion yen)

Non-controlling interests: Up 12.9 billion yen
(Power semiconductors: up 3.9 billion yen, silicon parts and crucibles: up 2.3 billion yen, and equipment parts cleaning: up 1.8 billion yen)

[Equity ratio]

Equity ratio: 40.1%, ratio of net assets: 54.8%

Consolidated Cash Flow

(Million yen)	Q2 FY3/24	Q2 FY3/25
Cash flow from operating activities	6,789	4,151
Income before income tax	14,747	15,475
Depreciation	7,913	11,241
Foreign exchange loss (-: gain)	-609	-417
Changes in notes & accounts receivable (-: increase)	-830	-17,544
Changes in inventories (-: increase)	-5,271	-5,963
Changes in notes and accounts payable-trade (-: decrease)	-7,532	4,400
Loss on changes in equity (-: gain)	1,324	2,560
Others	-2,952	-5,601
Cash flow from investing activities	-29,101	-17,736
Payments for purchase of tangible fixed assets	-33,235	-22,781
Payments for purchase of intangible fixed assets	-187	-101
Payments for purchase of investment securities	-2,000	-1,107
Others	6,322	6,253
Cash flow from financing activities	41,659	12,169
Changes in short-term debt	2,177	4,192
Proceeds from long-term borrowings	28,322	20,031
Payments of long-term borrowings	-7,328	-8,888
Payment for redemption of bonds	-3,724	-3,423
Proceeds from issuance of convertible bond-type bonds with share acquisition rights	24,898	-
Proceeds from share issuance to non-controlling shareholders	-	2,997
Others	-2,685	-2,740
Changes in cash and cash equivalents	23,761	7,562
Cash and cash equivalents, beginning of year	95,905	96,806
Cash and cash equivalents, end of year	119,666	104,368

[Operating cash flow]

Depreciation: 11.2 billion yen, up 3.3 billion yen year on year

Change in working capital: -19.1 billion yen

[Investing cash flow]

Purchase of tangible fixed assets: -22.8 billion yen

Others: Up 6.3 billion yen (increase of time deposits: up 6.3 billion yen)

[Financial cash flow]

Proceeds from long-term borrowings: 20 billion yen; borrowed by FTHD and other companies.

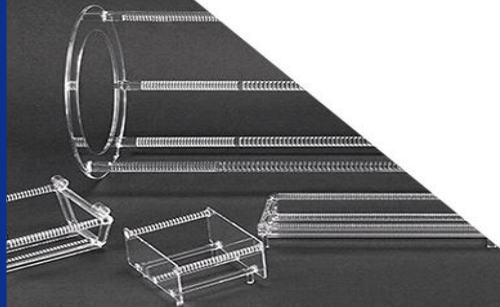
Proceeds from share issuance to non-controlling shareholders: up 3 billion yen, sensor in Lishui: up 3 billion yen



Ferrotec
Ferrotec Holdings Corporation



FY3/25 Full-year Business Forecasts



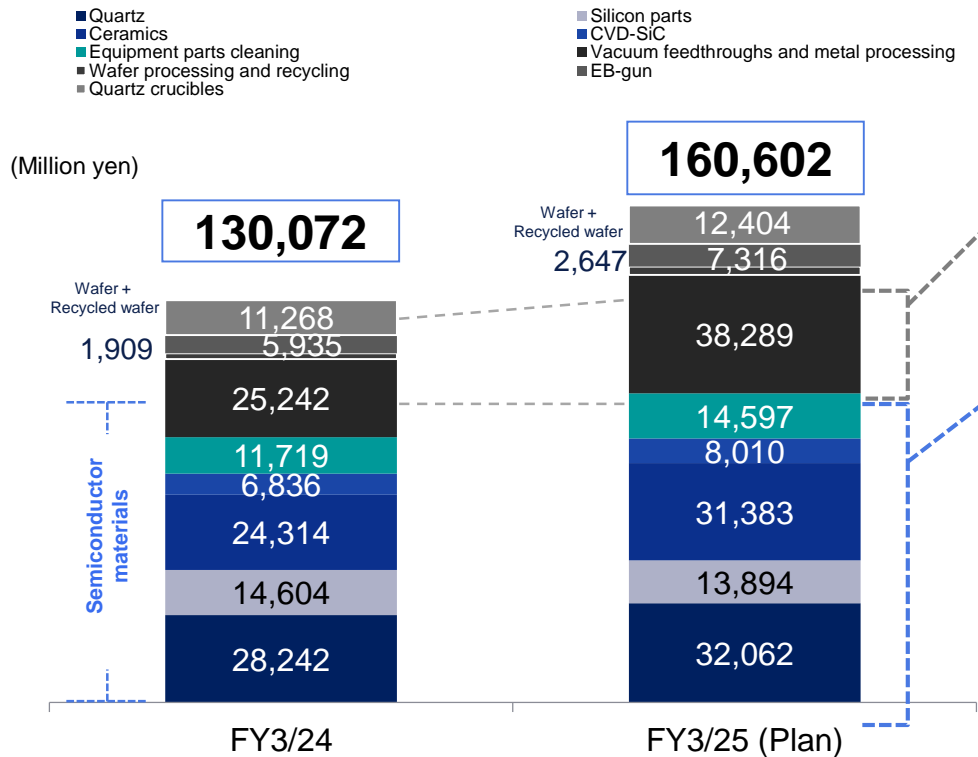
FY3/25 Full-year Business Forecasts

- We have revised the forecast sales upwardly, in response to the growth of sales in the semiconductor and other equipment-related business and the rise in sales of power semiconductor substrates thanks to the recovery trend of the semiconductor market. We have left the forecast profit unchanged, considering the decline in profitability of quartz crucibles for solar panels, etc., the augmentation of costs for establishing new factories, the intensification of competition in the market of power semiconductor substrates and other factors.

(Million yen)	FY3/24	FY3/25		Initial forecast vs. revised forecast	YoY
	Result	Initial forecast	Revised forecast		
Net sales	222,430	235,000	265,000	12.8%	19.1%
Operating income	24,872	26,000	26,000	0.0%	4.5%
Ordinary income	26,537	26,000	26,000	0.0%	-2.0%
Net income attributable to owners of parent	15,154	16,000	16,000	0.0%	5.6%
Depreciation and amortization	16,398	20,000	24,000	20.0%	46.4%
EBITDA	41,270	46,000	50,000	8.7%	21.2%
Investment amount*	75,227	60,000	60,000	0.0%	-20.2%
Assumed exchange rate (average for the period)	US\$: 141.20 yen RMB: 19.87 yen	US\$: 150 yen RMB: 21 yen	US\$: 152 yen RMB: 21 yen	-	-

Note: Investment amount = Total amount of tangible fixed assets, intangible fixed assets and securities to be acquired, etc.

Transition of sales



Overview of this segment

- The semiconductor market is on a recovery trend. We will actively meet demand, and sales will grow.
- In particular, the sales from metal processing will increase. The sales of semiconductor materials vary among products.
- The sales of quartz crucibles for PV will drop significantly.

Vacuum feedthroughs/Metal processing

- Up 60% year on year, thanks to the healthy demand from semiconductor manufacturing equipment manufacturers, the favorable performance of the Changshan Factory, and the establishment of a factory in Malaysia with no trouble

Semiconductor materials/Cleaning business

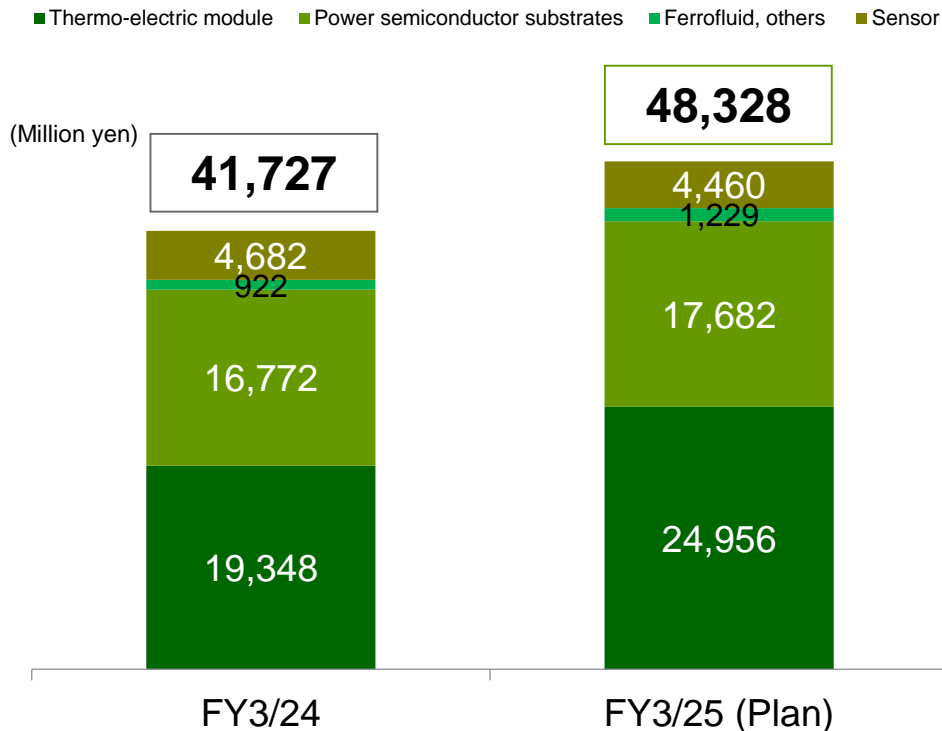
[Semiconductor materials (quartz, silicon parts, ceramics, and CVD-SiC)]

- Quartz: Up 14% year on year expected, through the satisfaction of demand for pyro-processing
- Silicon parts: A y/y decrease due to the remaining inventory in client companies
- Ceramics: Up 29% year on year, thanks to the recovery of demand from equipment manufacturers and promotion of new products
- CVD-SiC: Up 17% year on year, due to the expansion of the production capacity of the Okayama Factory

[Quartz crucible/equipment parts cleaning business]

- Quartz crucibles: A rapid decrease of demand for products for PV from the second half of the fiscal year. A 10% y/y growth of sales, but a decline in profitability
- Equipment parts cleaning: Up 25% year on year from the recovery of semiconductor manufacturing

Transition of sales



Overview of this segment

- The growth of sales of thermo-electric modules will make a contribution. The sales of power semiconductor substrates grew rapidly in the second half of FY3/24, and then became stagnant and will decline. The sales of sensors will decrease due to the change in the accounting period.

By product

[Thermo-electric modules]

- Up 27% year on year, due to the growth of demand related to generative AI

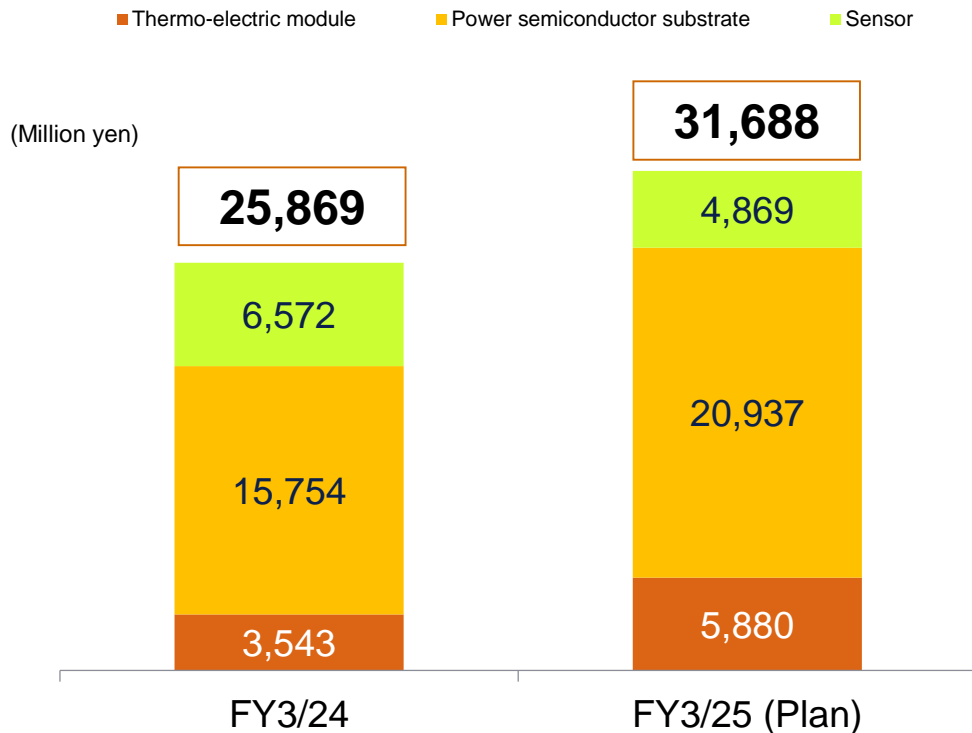
[Power semiconductor substrates]

- Sales will reach a plateau after the rapid growth in the second half of FY3/24, and it is forecast that sales will decline year on year in FY3/25, but demand from clients will grow in the medium term.

[Sensors]

- Due to the change in the accounting period, sales are projected to decrease, and we will enhance marketing activities.

Transition of sales



Overview of this segment

- The sales of thermo-electric modules for automobiles and power semiconductor substrates are projected to grow, while the sales of sensors are forecast to decline due to the change in the accounting period.

By product

[Thermo-electric modules]

- A significant y/y increase, thanks to the satisfaction of demand for products for automobiles

[Power semiconductor substrates]

- A y/y increase, thanks to the increase of sales of AMB substrates for automobiles

[Sensors]

- Due to the change in the accounting period, FY3/25 is only 9 months from April to December, so sales are projected to decline year on year.

For Reference: FY3/25 1st Half Result and 2nd Half Estimate by Account



(Million yen)	Result of FY3/25 1 st half		Estimate of FY3/25 2 nd half			
	Amount	Pct. of sales (%)	Amount	Pct. of sales (%)	Difference	Pct. change (%)
Net sales	135,157	100.0	129,847	100.0	-5,310	-3.9
Gross profit	38,111	28.2	34,794	26.8	-3,317	-8.7
SG&A expenses	23,859	17.7	23,046	17.7	-813	-3.4
Operating income	14,251	10.5	11,749	9.0	-2,502	-17.6
Ordinary income	15,470	11.4	10,530	8.1	4,940	-31.9
Net income	9,190	6.8	6,810	5.2	-2,380	-25.9

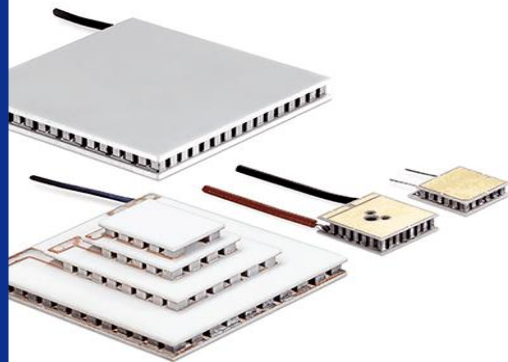
*Figures are partially rounded.

For Reference: Results of FY3/25 1st Half and FY3/25 2nd Half Estimate by Product

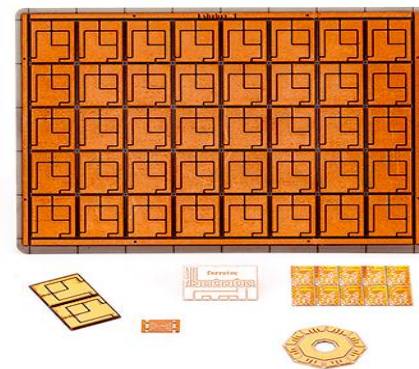


(Million yen)	FY3/24 result			FY3/25 result and estimate					
	Full-year	1 st half	2 nd half	Full-year (estimate)	YoY	1 st half (result)	YoY	2 nd half (estimate)	YoY
Semiconductor and other equipment-related	130,072	60,257	69,815	160,602	23.5%	84,042	39.5%	76,559	9.7%
Vacuum feedthroughs	25,242	11,730	13,512	38,289	51.7%	19,347	64.9%	18,942	40.2%
Quartz	28,242	11,584	16,658	32,062	13.5%	16,134	39.3%	15,928	-4.4%
Silicon parts	14,604	7,712	6,892	13,894	-4.9%	7,172	-7.0%	6,722	-2.5%
Ceramics	24,314	11,657	12,657	31,383	29.1%	15,448	32.5%	15,935	25.9%
CVD-SiC	6,836	2,999	3,837	8,010	17.2%	3,992	33.1%	4,018	4.7%
EB-Gun, LED	5,935	3,011	2,924	7,316	23.3%	4,076	35.4%	3,240	10.8%
Wafer processing (out of scope of consolidation)	129	43	86	11	-91.5%	11	-74.4%	0	-%
Wafer recycling	1,780	753	1,027	2,636	48.1%	1,250	66.0%	1,386	35.0%
Equipment parts cleaning	11,719	5,424	6,295	14,597	24.6%	7,061	30.2%	7,536	19.7%
Quartz crucibles	11,268	5,341	5,927	12,404	10.1%	9,547	78.7%	2,857	-51.8%
Electronic device	41,727	18,834	22,894	48,328	15.8%	23,085	22.6%	25,242	10.3%
Thermo-electric modules	19,348	8,844	10,504	24,956	29.0%	12,431	40.6%	12,525	19.2%
Power semiconductor substrates	16,772	7,245	9,528	17,682	5.4%	8,692	20.0%	8,990	-5.6%
Ferrofluid, others	922	398	524	1,229	33.3%	575	44.5%	654	24.8%
Sensor	4,682	2,344	2,338	4,460	-4.7%	1,387	-40.8%	3,073	31.4%
Automotive related	25,869	14,006	11,865	31,688	22.5%	14,304	2.1%	17,383	46.5%
Thermo-electric modules	3,543	1,795	1,748	5,880	66.0%	3,108	73.1%	2,772	58.6%
Power semiconductor substrates	15,754	8,857	6,897	20,937	32.9%	9,628	8.7%	11,309	64.0%
Sensor	6,572	3,352	3,220	4,869	-25.9%	1,567	-53.3%	3,302	2.5%
Others	24,757	12,396	12,361	24,381	-1.5%	13,723	10.7%	10,658	-13.8%
Total	222,430	105,494	116,936	265,000	19.1%	135,157	28.1%	129,842	11.0%

*Figures are partially rounded.



Ferrotec
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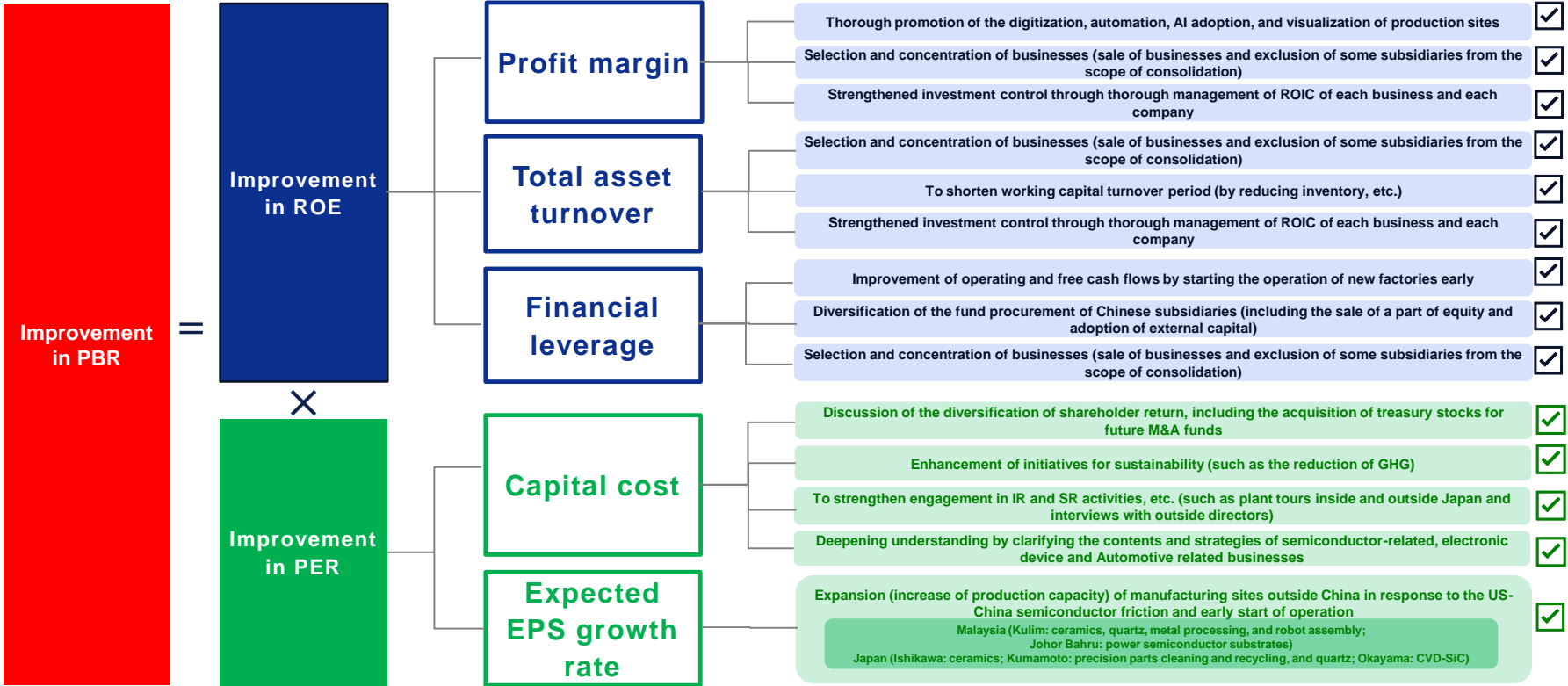


Initiatives for Realizing Business Administration Conscious of Capital Cost
and Share Price, and Strengthening of Shareholder Returns



Initiatives for Improving PBR

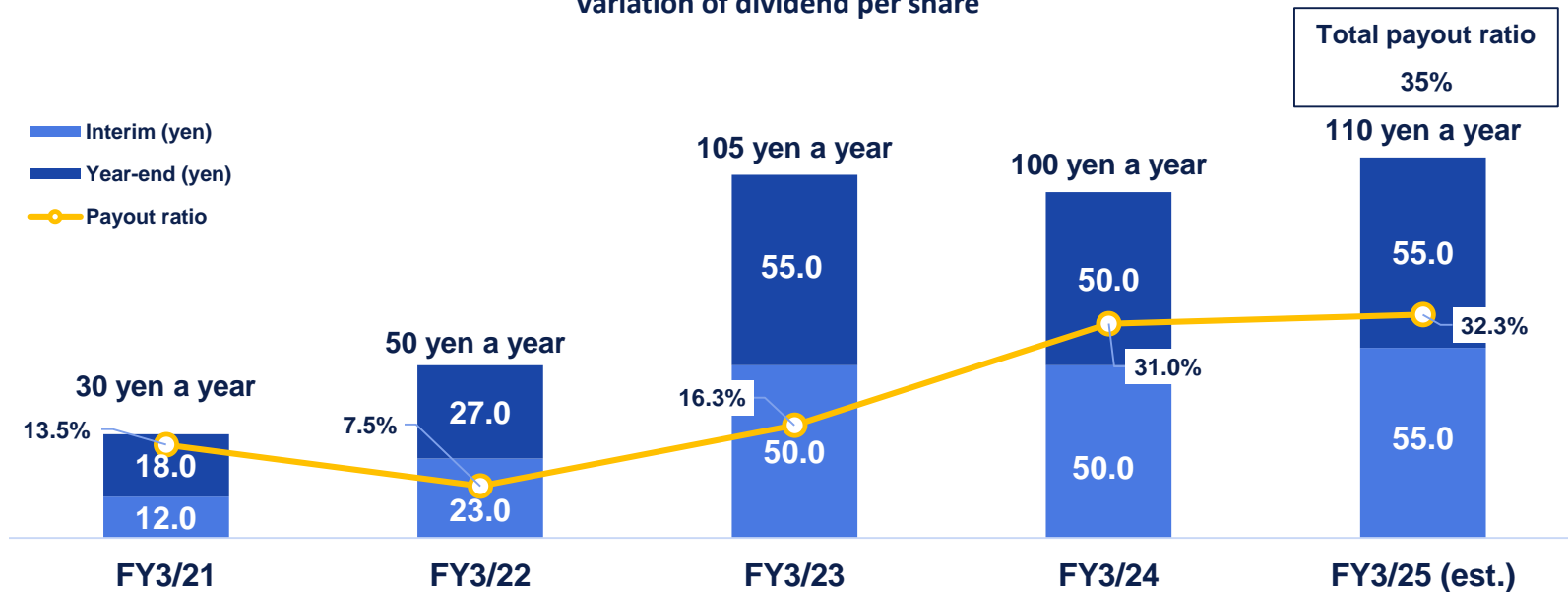
• By implementing the following measures, we will strive to improve ROE and PER, with the aim of improving PBR.



Shareholder Return Policy

- We decided (1) to increase the annual dividend forecast from 100 yen/share to 110 yen/share, and (2) to purchase treasury stocks worth 500 million yen.
- The revised policy for shareholder returns is “to put importance on the increase of shareholder returns, flexibly purchase treasury stocks while aiming to increase the dividend amount through continuous revenue growth, and return profit for achieving a total payout ratio of 30%.”

Variation of dividend per share





Medium-term Management Plan (announced on May 31, 2024)

Business growth

- To pursue the growth of businesses related to semiconductors and automobiles, and expand the businesses with significant market shares
- To strengthen our system in which the factories in Malaysia and Japan will meet the demand for products manufactured outside China, and Chinese factories will satisfy the demand for products manufactured in China

Strengthening of production efficiency and competitiveness

- To proceed with digitalization, automation, etc. in order to **increase our manufacturing capacity and** improve the production efficiency **and competitiveness of our factories**
- To continue thoroughgoing quality control under the principle of “Quality is the most important,” strengthen our R&D system, and develop new products and technologies

Strengthening of personnel and corporate culture

- To recruit skilled personnel, enrich our training system, and adopt stock-based compensation systems (RSU and PSU), while positioning the emphasis on personnel as an important management strategy
- A company’s culture is the foundation for the company. The guidelines for our activities are “to respect clients, employees, diligence, and trust, take action steadily, and pursue innovation,” and we will diffuse these guidelines.

Finance/Shareholder return

- We will strive to increase revenues by starting the operation of enlarged factories early and make them contribute to performance.
- We will put importance on the increase of shareholder return and achieve **a payout ratio of 20 to 30%** (enrichment of shareholder return).

KPIs of the Medium-term Management Plan

(Million yen)	FY3/24 (actual)	FY3/25 (forecast)	FY3/26 (plan)	FY3/27 (plan)
Net sales	222,430	235,000	300,000	380,000
Operating income	24,872	26,000	40,000	60,000
Operating margin	11.2%	9.8%	13.3%	15.8%
Net income	15,154	16,000	22,000	30,000
ROE	7.7%			15%
ROIC*	4.4%			8%
Equity ratio	40%	40%		
Capital investment	75,227	60,000	40,000	40,000
Annual dividend per share	100.0 yen	100.0 yen	While considering financial affairs and investment opportunities, we will make efforts to enrich dividends to <u>achieve a payout ratio of 20 to 30%</u> .	

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

Situation of Application for Listing of Chinese Subsidiaries

- The listed subsidiary for the equipment parts cleaning business plans to acquire the shares of the subsidiary for manufacturing power semiconductor substrates.

Business	Parts cleaning		
Company name	Ferrotec (Anhui) Technology Development Co., Ltd.		
Abbreviation	FTSVA		
Current investment ratio	50.23%*		
Stock market	ChiNext, Shenzhen		
Listing advisor	—		
Most recent valuation**	394.8 billion yen (Market capitalization on Nov 6)		
Percentage of new shares to be issued	—		
Progress and schedule	Listing advisor registration	<div style="text-align: center;"> <p>Listed on</p> <p>December</p> <p>30, 2022</p> </div>	
	Application		Aug. 11, 2020
	Passing the screening		Jun. 28, 2021
	Official approval		May 6, 2022
	Date of listing (target)		Dec. 16, 2022

Business	Power semiconductor substrates		
Company name	Jiangsu Ferrotec Semiconductor Technology Co., Ltd.		
Abbreviation	FLH (formerly, FTSJ)		
Current investment ratio	55.10%		
Stock market	STAR Market, Shanghai		
Listing advisor	—		
Most recent valuation**	157.6 billion yen		
Percentage of new shares to be issued	—		
Progress and schedule	Listing advisor registration	<div style="text-align: center;"> <p>—</p> <p>—</p> <p>—</p> <p>—</p> <p>—</p> </div>	
	Application		—
	Passing the screening		—
	Official approval		—
	Date of listing (target)		—

Business	Quartz crucibles and silicon parts	Silicon wafer (equity method)	
Company name	Ningxia Duryuan Jin Semiconductor Technology Corporation	Hangzhou Semiconductor Wafer Co., Ltd.	
Abbreviation	FTNC	CCMC	
Current investment ratio	60.13%	23.05%	
Stock market	Main-Board, Shenzhen	STAR Market, Shanghai	
Listing advisor	Orient Securities Investment Banking	—	
Most recent valuation**	113.4 billion yen	308.9 billion yen	
Percentage of new shares to be issued	25%	Over 10%	
Progress and schedule	Listing advisor registration	<div style="text-align: center;"> <p>Withdrawal of</p> <p>application</p> <p>on June 30, 2024</p> </div>	
	Application		Nov. 4, 2021
	Passing the screening		Jun. 30, 2023
	Official approval		—
	Date of listing (target)		2025 (target)

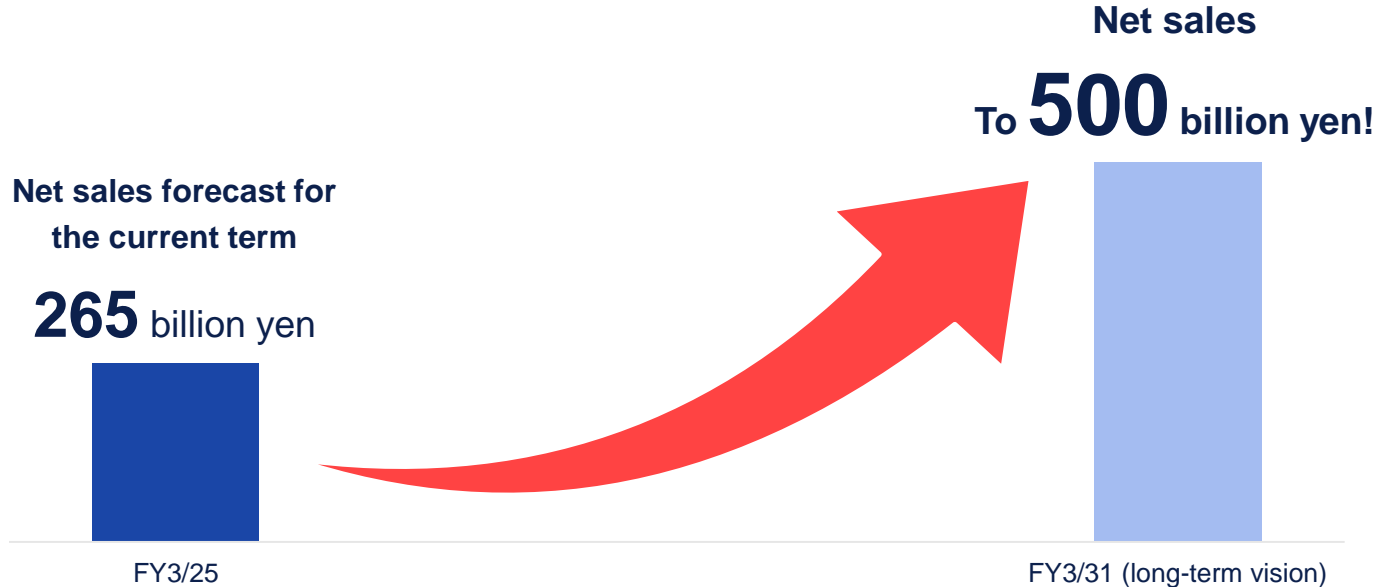
*The investment ratios of FTSVA and FLH may change. The merger of the two companies requires the permission from the China Securities Regulatory Commission, etc., so it is still to be determined.

**The valuation amount was calculated from the stock price estimated at the time of third-party allotment in 2021 or later, except FTSVA. 1 Chinese yuan = 20.46 yen (TTM on Sep. 30, 2024)

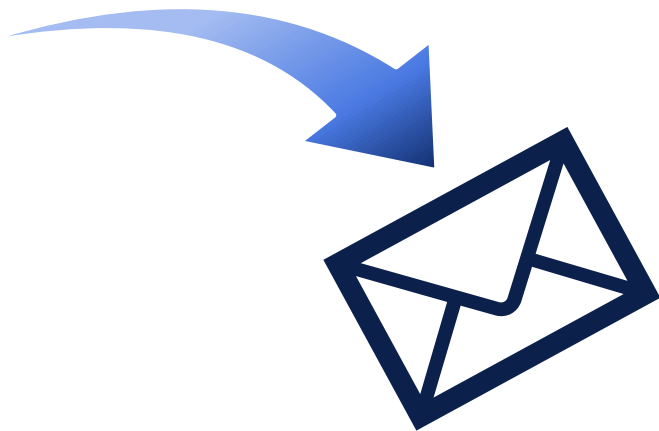
Long-term goals are net sales of 500 billion yen and net income of 50 billion yen.

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

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



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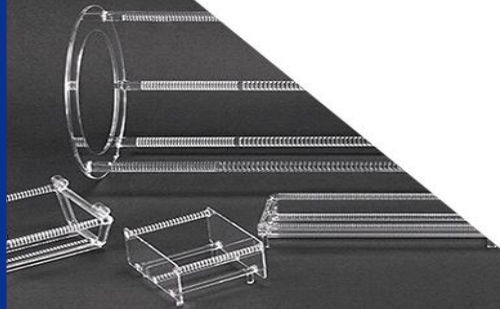
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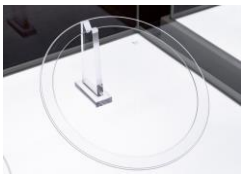
Ferrotec
Ferrotec Holdings Corporation



Appendix



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



Metal precision machining

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



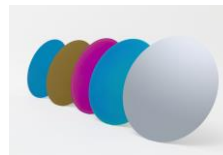
Equipment parts cleaning

*Focus on the Chinese market



Quartz crucibles

*For semiconductors, solar cells, and Photovoltaic



Wafer recycling

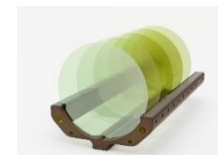
*Focus on the Chinese market
(New business launched in FY3/22)

Businesses at equity-method affiliates



Silicon wafers

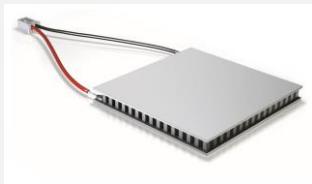
*Monthly production capacity: 6-inch: 420 thousand, 8-inch: 450 thousand, 12-inch: 250 thousand



SiC wafers

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

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)

Ferrofluid



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

Temperature sensors (thermistors)*



*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.

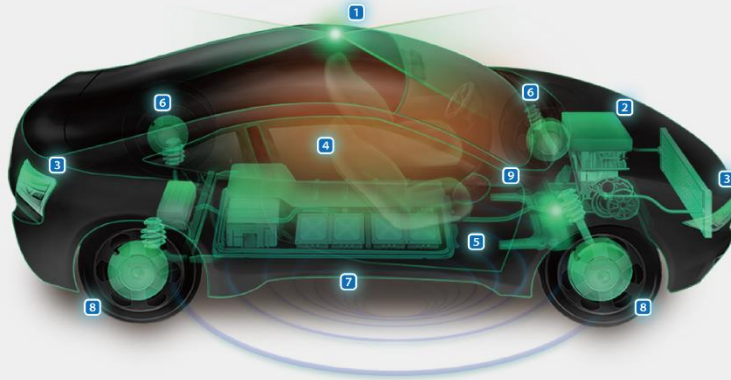
Application of power semiconductors

<p>Power transmission system</p> <p>Reduction of power loss</p>	<p>Train</p> <p>Compact and lightweight Inverter equipment</p>	<p>EV and HV</p> <p>Compact and lightweight Cooling mechanism</p>	<p>Reduction of power loss</p>
<p>Solar cell</p> <p>Improved efficiency of Power conditioner</p>	<p>Air conditioner</p> <p>Energy saving</p>	<p>PC</p> <p>Compact AC adapter incorporated in PC</p>	<p>Server</p> <p>Reduction of power loss</p>

Our Lineup of Automotive related Products (Application)

Automotive related Business

We will introduce thermo-electric modules (Peltier devices), ferrofluids, power semiconductor substrates, etc. based on our core technologies to the automobile market, which is an important target for selling our electronic devices, because applications, such as EVs, PHVs, and autonomous driving systems, will change significantly.



Cooler



Cup holder

Applications of thermo-electric modules

- 1 Laser radar
- 2 Battery cooling
- 3 Laser headlight
- 4 Seat cooling system
- 9 ADAS GPU CPU CMOS
GPU cooler
CMOS cooler
- 10 Steering wheel heater/cooler
- 11 Cup holder
- 12 Head-up display (HUD)

Applications of ferrofluids

- 2 Engine suspension
- 4 Seat suspension
- 6 Suspension
- 7 Hzero® high-precision DC measurement sensor for SOC monitoring
- 8 Hzero® composite in-wheel motor
- 13 Touch panel
- 14 Speaker

Applications of power semiconductor substrates

- 2 Engine
Engine control
- 3 Body
Headlight control
Room lamp control
- 5 Power train
HEV motor control
Brake control
Transmission control
Steering control

- The forward-looking statements in this document are based on information available as of the date of publication of this document and assumptions concerning uncertain factors affecting future results.
- 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.
- Quantitative targets and capital investments in these materials represent medium-to long-term strategies and visions, and are not performance forecasts. We undertake no obligation to update any information with respect to these matters.
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<Inquiries>

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