Tokyo Seimitsu Co., Ltd. Earnings Conference for the FY2027/3 2Q
Q&A Summary

Date of Conference: November 4th, 2026

- *This document is a summary of Q&A session at the Earnings Conference (via Web) for FY2027/3 2Q, held on aforementioned date, edited by Tokyo Seimitsu Co., Ltd.*
- *This information contains "forward-looking statements" that are based on best available information as at the date of Conference and policies. There are various factors such as world economic conditions and semiconductor/automobile market conditions which will directly and indirectly impact the Company's results in the future. As a result, future outcomes may differ from those projected in this document.*
- *Unless otherwise noted, "SPE" denotes our Semiconductor Production Equipment Business (or the Segment), "Metrology" denotes our Metrology Business (or the Segment).*
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1. What are the reasons behind the significant improvement in the OP margin for the July–September quarter (25.9%) compared to the April–June quarter (16.1%)?

- We believe this is largely due to an improvement in gross profit driven by increased sales of high-value-added products, as well as gains from higher factory utilization rates. We also believe that adjustments to sales prices contributed to some extent.
- Furthermore, the OP margin for the Metrology in the July–September quarter improved from the single-digit range seen in the April–June quarter, which also contributed to the improvement in the company-wide OP margin.

2. We would like to ask about the reasons behind SPE order for the July–September quarter significantly exceeding expectations.

- Demand for HPC, including AI, remained robust, with strong business opportunities for both logic and HBM. Market conditions in other sectors also remained strong (excluding discrete power semiconductors).
- In addition, while there have been inquiries for probers in the silicon photonics sector, orders for dicers were stronger than anticipated. However, since the unit prices for these products are not high, they do not contribute significantly to profit improvement.

3. We would like to confirm the reason why the earnings outlook for the FY2027/3 2H remains substantially unchanged from the previous forecast, despite SPE orders for the July–September quarter exceeding expectations.

- Although orders are growing, any growth in sales must take into account the need to secure manufacturing space and personnel, as well as the status of component procurement.

- On the manufacturing front, the company transfers inventories stored at the *Hanno* Plant (Saitama Prefecture, Japan)—the main factory for probers—to external warehouses and repurposing that space for production.
- In terms of personnel, the company is expanding its dormitories and strengthening recruitment efforts Japan-nationwide.
- Meanwhile, risks related to component procurement require close monitoring; the current earnings forecast (sales of ¥192.0B) is based on projects for which the Company has a clear prospect of securing the necessary components.
- Even if component procurement progresses better than the Company's expectations, considering delivery timelines and the transition to production, we estimate the upside to the sales forecast to be only a few percent.

4. We would like to confirm the reasons for the expectation that the SPE OP margin for the FY2027/3 2H will improve compared to the 1H.

- In addition to the increase in high-value-added products' sales, as seen in the 1H, we anticipate an increase in sales at dicer (profit improvement due to higher volume).
- However, it is important to note that there will be certain cost increases, such as external warehouse costs related to the *Hanno* Plant mentioned earlier.

5. Regarding the SPE order outlook FY2027/3 2H, we would like to confirm the reasons why the forecast for the January–March quarter appears to be lower than that for the October–December quarter.

- Regarding the order outlook for the January–March quarter, we have made this assumption at this point because it is difficult to forecast due to projects where the timing (either the January–March quarter or the April–June quarter of FY2028/3) or visibility has not yet been clarified. If visibility for the January–March quarter improves, we may reconsider the outlook for the 2H.

6. Regarding the SPE order outlook for the FY2027/3 2H, is there any change in the assessment of business opportunities for grinders used in Hybrid Bonding?

- Our previous assumption was that "we would receive orders for mass-production equipment for NAND applications starting in the FY2027/3 2H, with shipments expected to begin in the FY2028/3 2H; however, we now have the impression that this timeline may be slightly delayed. We analyze that this is likely because memory manufacturers are all prioritizing the mass production of current-generation products.
- Consequently, at this point, we have factored in the possibility of orders and revenue for a portion of the equipment shipped as evaluation units during FY2028/3 2H.

- Since production of the Company's various grinders is trending upward, we view the delay in the outlook for Hybrid Bonding grinders as something that will actually further extend the sustainability of grinder demand. Furthermore, we have high expectations for the future expansion of Hybrid Bonding technology into DRAM and Optical semiconductors.

7. Looking ahead to FY2028/3, how do you view OP margin improvement amid rising costs?

- We continue to expect OP margin to improve as the sales mix of high-value-added products increases, and we anticipate an improvement of several percentage points going forward.

8. The company is closely monitoring trends in component procurement. Are there any components currently considered to be particularly in short supply? We would also like to hear about your plans for addressing this going forward.

- Rather than specific components, we are seeing supply tightness across the board. To give a few examples, the situation is particularly tight for printed circuit boards, and motors that use magnets.
- The Company is placing orders for components more than a year in advance, taking future procurement risks into account. Since it is difficult for suppliers to immediately increase or decrease shipment volumes, we believe that placing orders well in advance is crucial for securing necessary components.
- We must also consider the impact of rising component prices on profits. The Company intends to explore pricing strategies based on added value as well as the possibility of passing on costs.

9. The Company explained its plan to expand production capacity for probers. While this information is based on unit volume, how do you anticipate unit prices will change? Furthermore, how should this be interpreted in terms of sales revenue?

- If the devices to be tested require high precision, we expect unit prices to rise accordingly. Even for conventional devices, the trend toward higher unit prices is likely to continue in an environment where temperature control requirements are becoming increasingly sophisticated.
- Therefore, it is conceivable that revenue will grow at a rate exceeding the growth in unit volume.

10. What about the expansion of production capacity for assembly equipment (grinders, dicing machines)?

- We are simultaneously proceeding with capacity expansion for assembly equipment.

Specifically, for grinders, the utilization rate at the *Nagoya* Plant is scheduled to increase starting in FY2027/3 2H, and we anticipate a certain level of sales growth in FY2028/3.

- For SPE as a whole, we believe we can achieve a 20–30% increase in capacity in FY2028/3 compared to FY2027/3.

11. We would like to hear about the current status regarding product price revisions.

- We expect appropriate pricing based on high added value to continue, driven by expanding demand.
- In terms of passing production costs to prices, there are cases where we gain customer understanding and cases where we do not; in practice, increases are limited to a few percent. Of note, we have rarely heard of price revisions linked to shorter delivery times.

12. We would like to hear your thoughts on improving OP margin in the Metrology.

- We estimate that the OP margin for products for autos sector averages around 14%, but for sectors such as AI data centers and semiconductor manufacturers, there is high demand for high-precision measurement equipment, resulting in higher OP margin. We expect OP margin to improve as the proportion of these products in our portfolio increases.

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