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RASA INDUSTRIES,LTD.

FY 2025 (Year ended March 31,2026) Consolidated Financial Results

Jun 3, 2026

Stock code：4022

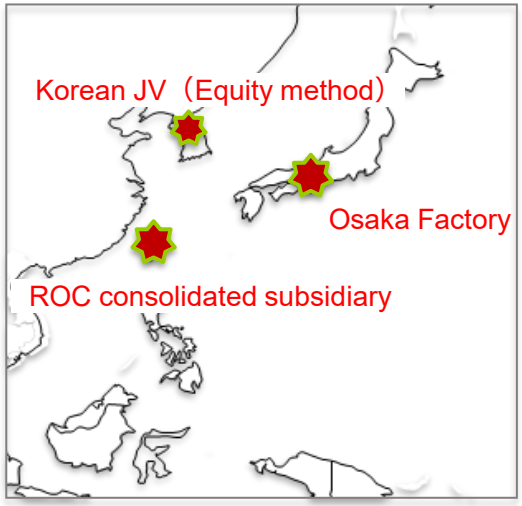
Contents

1. Business overview

Business overview

Company Profile

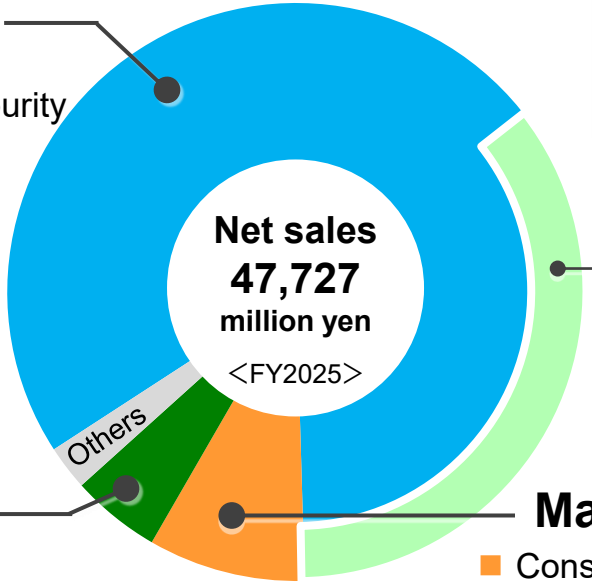
Company Name	**Rasa industries, Ltd.**
Head Office	**1-18-13, Soto-Kanda, Chiyoda-ku, Tokyo 101-0021,Japan**
Founded	**May 1,1913**
Established	**June 26,1918**
Employees	**631（consolidated）<As of March 31,2026>**



▶Manufacturing structure of high-purity phosphoric acid for semiconductors

Chemicals **39,956million yen／83.7%**

- Phosphorus products
  Phosphoric acid （general products, high-purity products for electronics industry, etc.)
  Phosphate etc
- Flocculant products
  （for water treatment, etc.)
- Other products
  （raw materials for capacitors, deodorants, etc.)



High-purity phosphoric acid sales
16,796million yen／35.2%
(Combined total of Japan (Osaka Factory) and ROC consolidated subsidiary)

・Global top market share in high-purity phosphoric acid (etching solutions) for semiconductors.

Electronic Materials

2,395million yen／5.0%

- High-purity inorganic materials for compound semiconductors
  （Gallium、Indium、Red phosphorus、Boron trioxide、etc)
- Radioactive iodine adsorbents

Machinery **4,197million yen／8.8%**

- Construction machinery
  （Jaw crusher、Screen、Powder equipment)
- Civil engineering machinery
  Pipe jacking machine
  （ for water supply and sewerage)

2. FY 2025 (Apr.-Mar.) Financial Results and Forecast for FY2026

FY2025 (Apr.-Mar.) Financial Summary

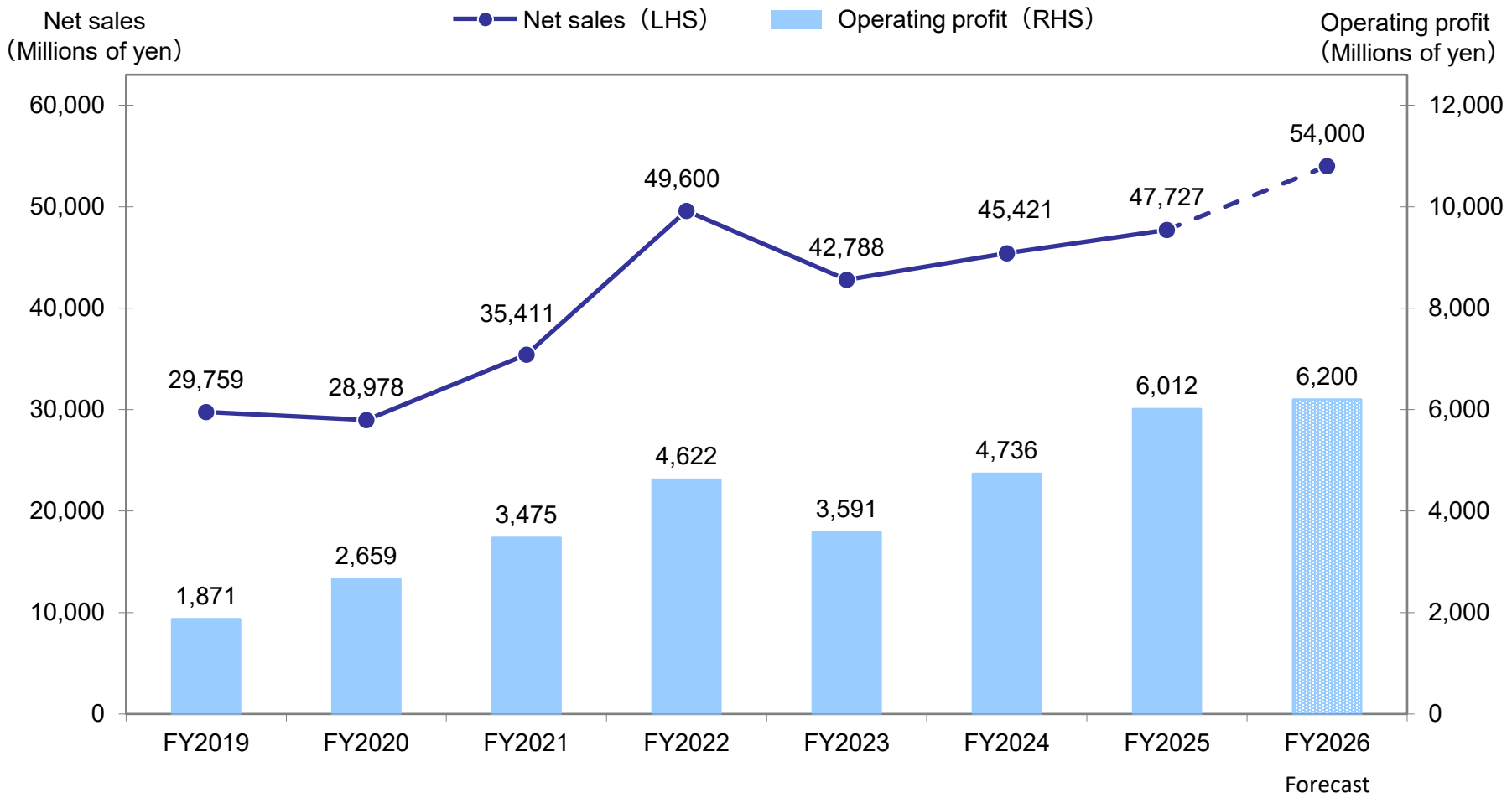
- Net sales increased 5.1% overall, as sales increased in Chemicals and Electronic Materials but decreased in Machinery and Others.
- Operating profit rose 26.9%, mainly due to continued strong performance of semiconductor-related products, particularly for overseas markets and compound semiconductors, and other factors. A record-high profit was achieved for the second consecutive fiscal year.

(Millions of yen)

	FY2024 (Apr.-Mar.)	FY2025 (Apr.-Mar.)	Change	Change Rate	Revised FY2025 Forecast	Change
Net sales	45,421	47,727	2,305	5.1%	47,700	27
Operating profit	4,736	6,012	1,276	26.9%	5,800	212
Ordinary profit	4,602	6,191	1,589	34.5%	6,000	191
Profit attributable to owners of parent	3,131	4,359	1,228	39.2%	4,200	159
Annual dividends per share	120yen	180yen	60yen	50.0%	170yen	10yen
ROE	11.9%	14.6%	2.7%	—	—	—
(Depreciation)	1,794	1,781	(13)	(0.8%)		

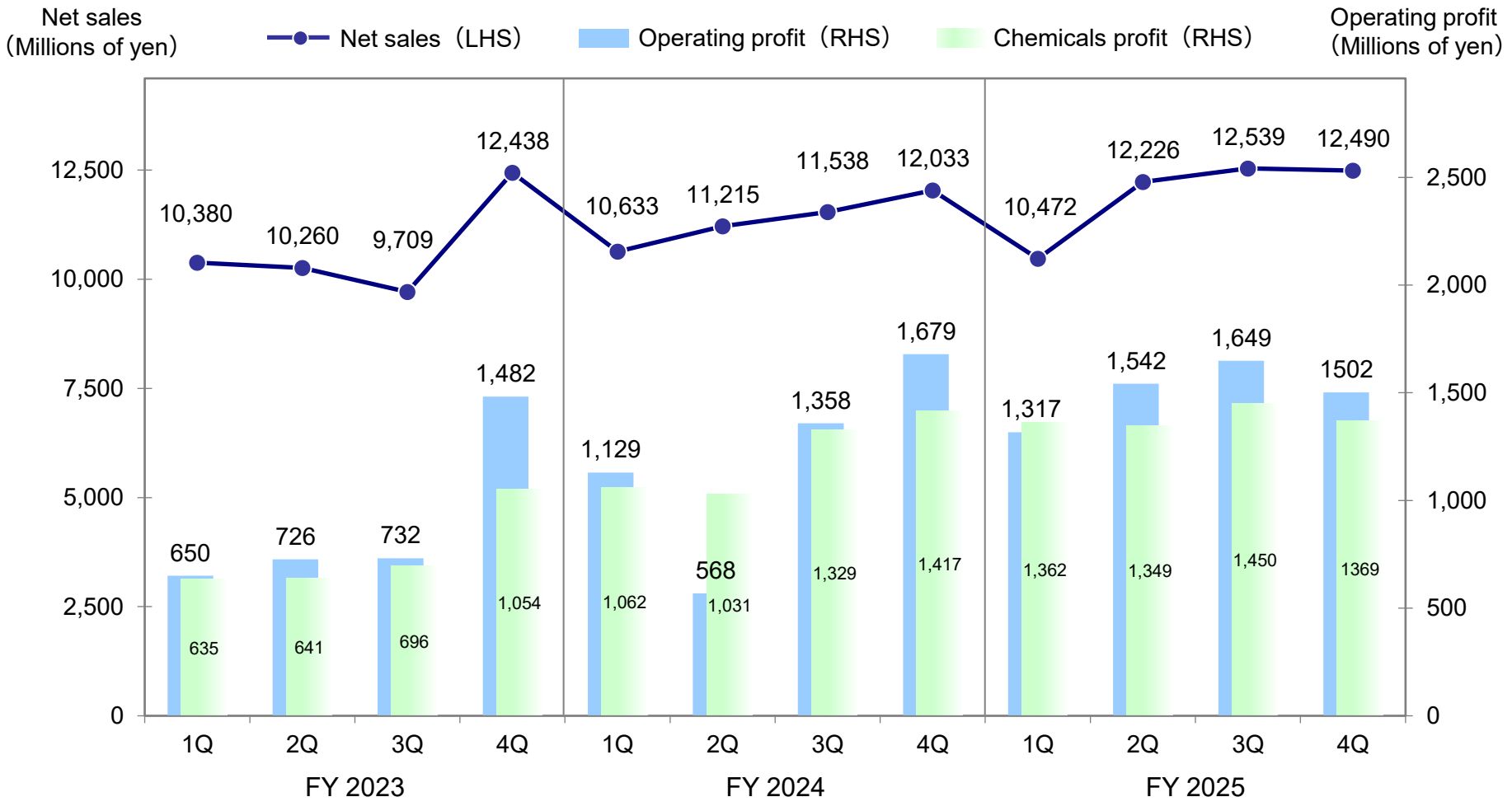
Changes in Fiscal Year Performance

Changes in Net sales and Operating profit



Changes in Quarterly Performance

Changes in Net sales and Operating profit

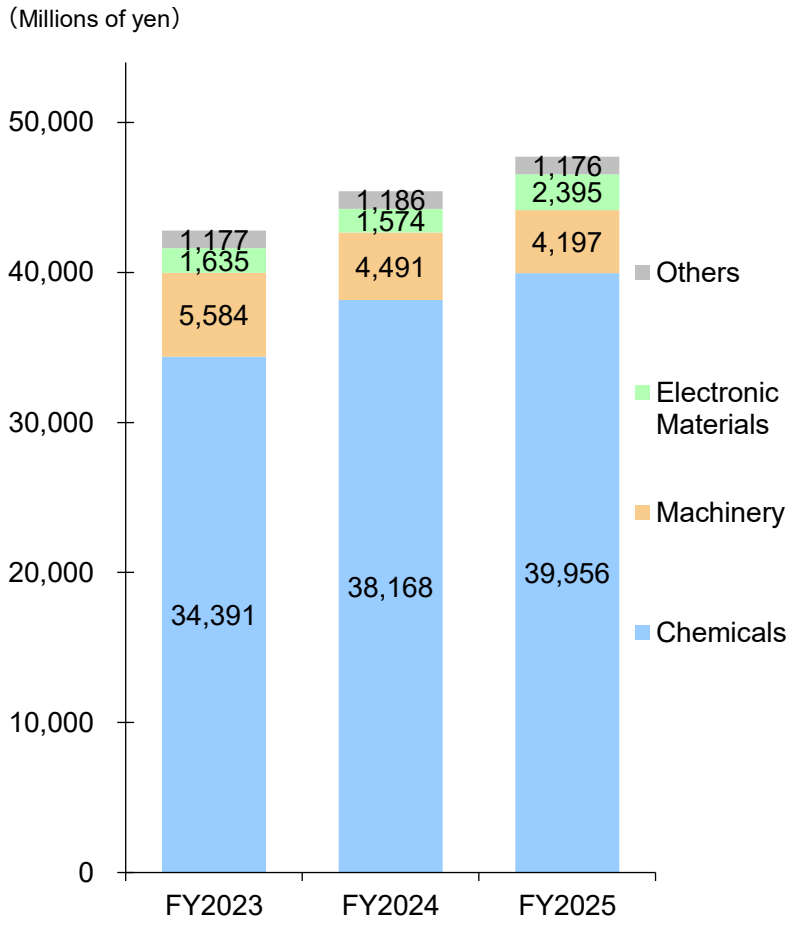


FY2025 (Apr.-Mar.) Business Segment Overview (Net sales)

Changes in Net sales

(Millions of yen)

	FY2024 (Apr.-Mar.)	FY2025 (Apr.-Mar.)	Change	Change Rate
Chemicals	38,168	39,956	1,788	4.7%
Machinery	4,491	4,197	(294)	(6.5%)
Electronic Materials	1,574	2,395	820	52.1%
Others	1,186	1,176	(9)	(0.8%)
Total	45,421	47,727	2,305	5.1%

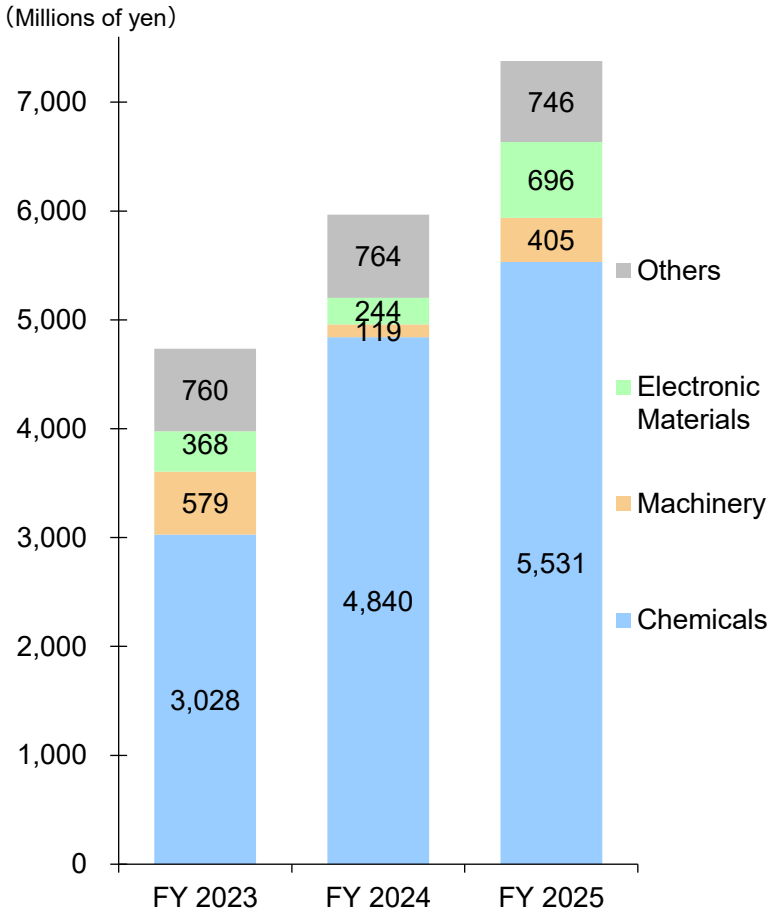


FY2025 (Apr.-Mar.) Business Segment Overview (Operating profit)

Changes in Operating profit

(Millions of yen)

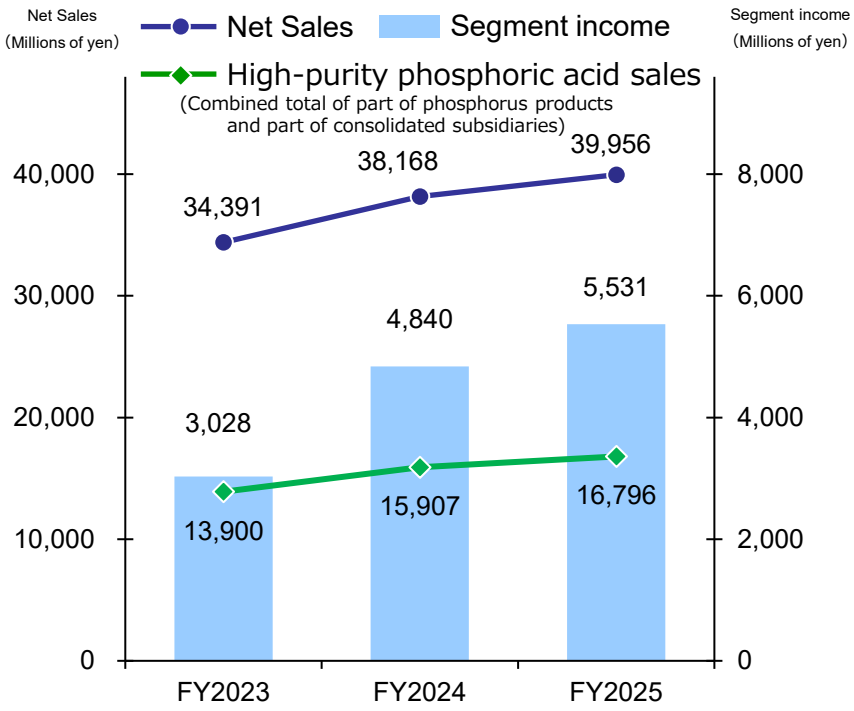
	FY2024 (Apr.-Mar.)	FY2025 (Apr.-Mar.)	Change	Change Rate
Chemicals	4,840	5,531	690	14.3%
Machinery	119	405	286	240.3%
Electronic Materials	244	696	452	185.2%
Others	764	746	(17)	(2.3%)
(Adjustments)	(1,232)	(1,367)	(134)	–
Total	4,736	6,012	1,276	26.9%



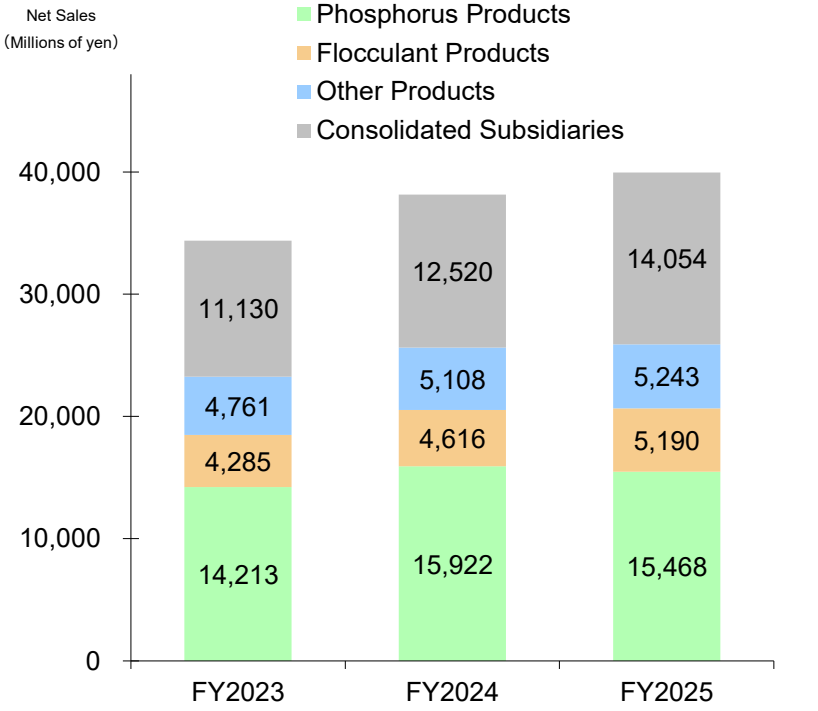
Chemicals

- **Phosphorus products:** Sales of general products and high-purity products for domestic use remained sluggish and declined; however, strong overseas sales of high-purity products for semiconductors offset the decrease in domestic sales, resulting in an overall increase in sales.
- **Flocculant products:** Sales of products for etching electronic components decreased; nevertheless, sales of products for water supply remained strong, increasing sales overall.
- **Other products:** Although sales of raw materials for capacitors decreased slightly, sales of certain purchased products increased, resulting in an overall increase in sales.
- **Operating profit** increased by 690 million yen (+14.3%), mainly due to continued strong overseas sales of high-purity products for semiconductors and products for water supply.

Changes in Net sales and Segment income

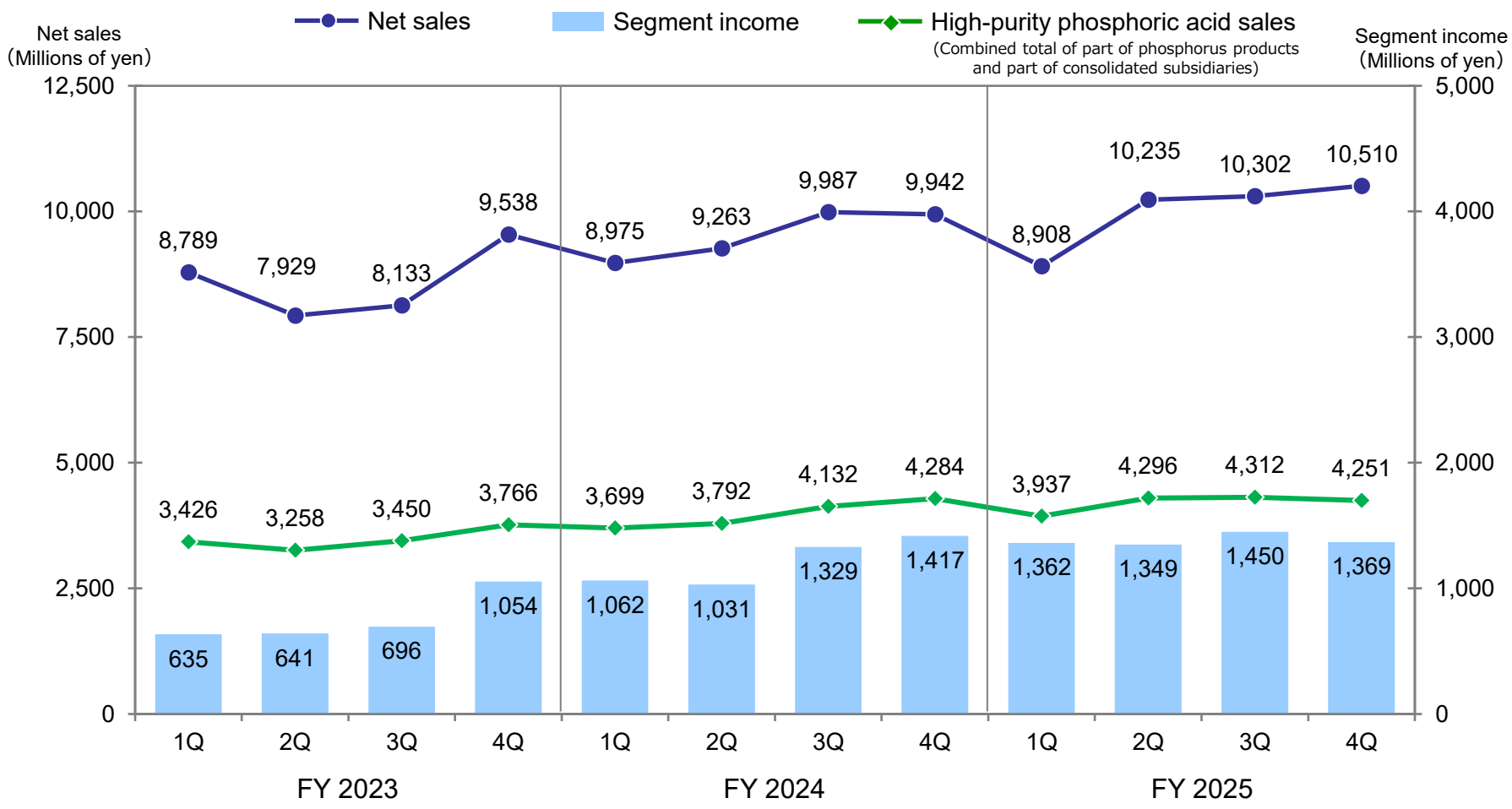


Changes in Net sales by Product



Chemicals（Quarterly）

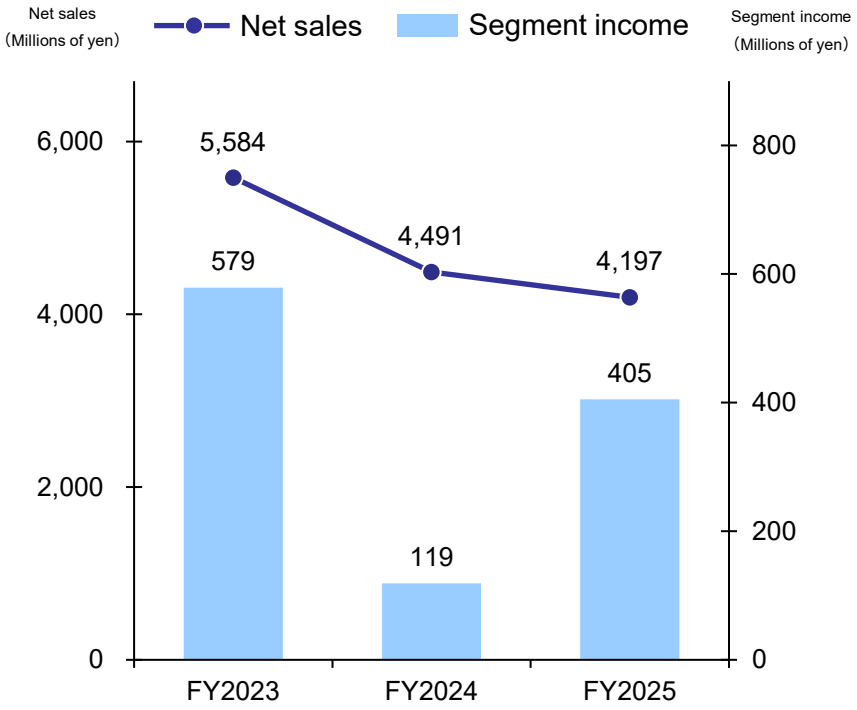
Changes in Net sales and Segment income



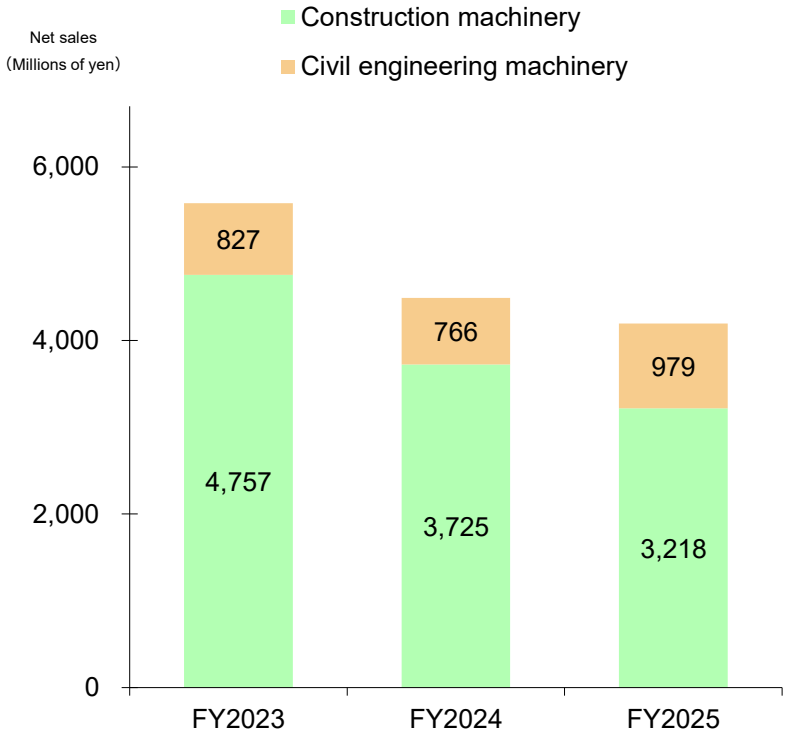
Machinery

- **Construction machinery:** Sales of units such as crushers and plants remained sluggish and decreased; although sales of consumable parts and precision machining increased, sales decreased overall.
- **Civil engineering machinery:** Rental equipment for sewerage-related pipe jacking machines continued to perform strongly, and overseas sales of units increased, increasing sales overall.
- **Operating profit** increased significantly by 286 million yen (+240.3%), mainly due to the absence of inventory valuation losses recorded in the previous fiscal year, as well as higher sales of civil engineering machinery.

Changes in Net sales and Segment income

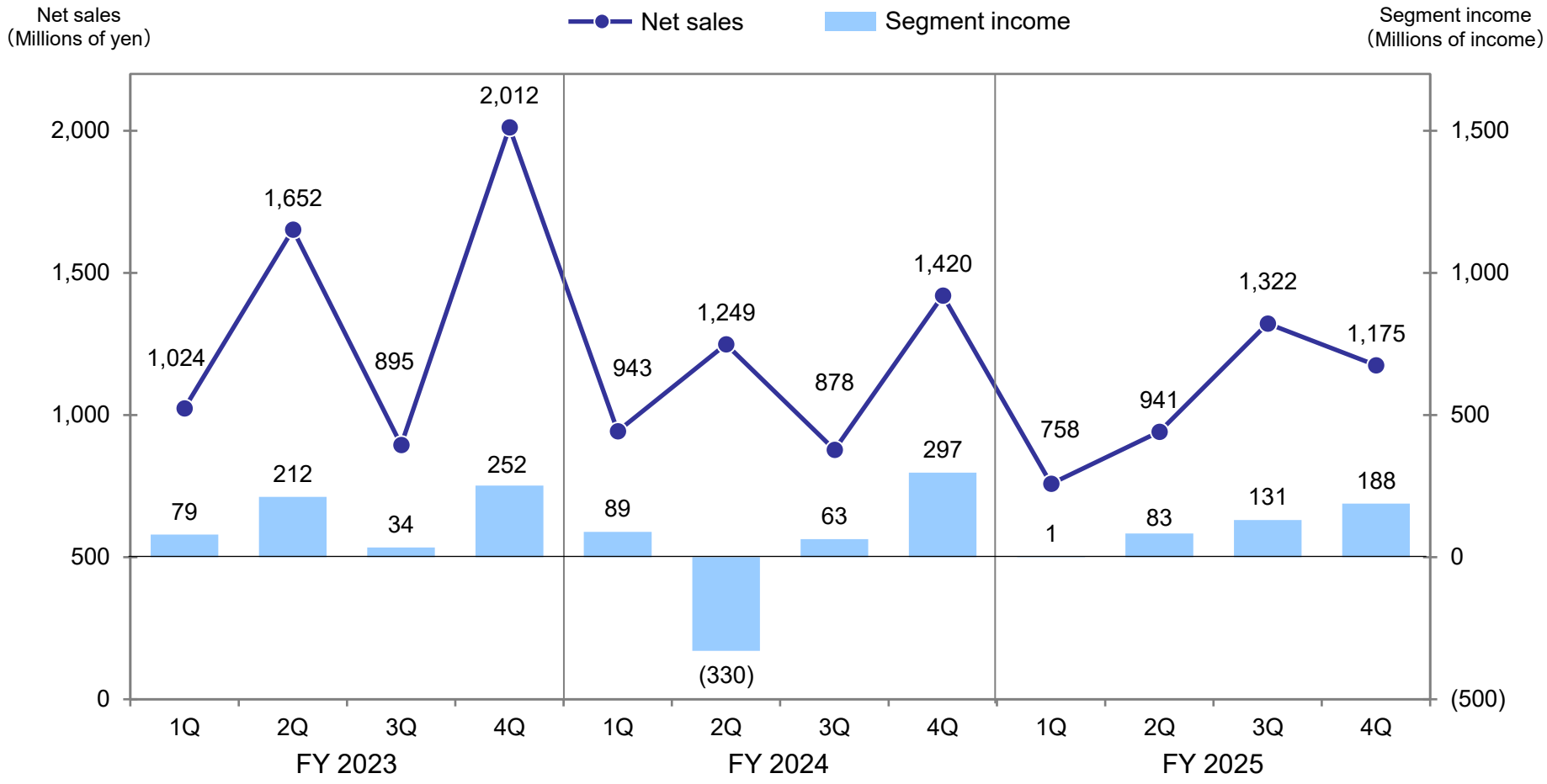


Changes in Net sales by Product



Machinery（Quarterly）

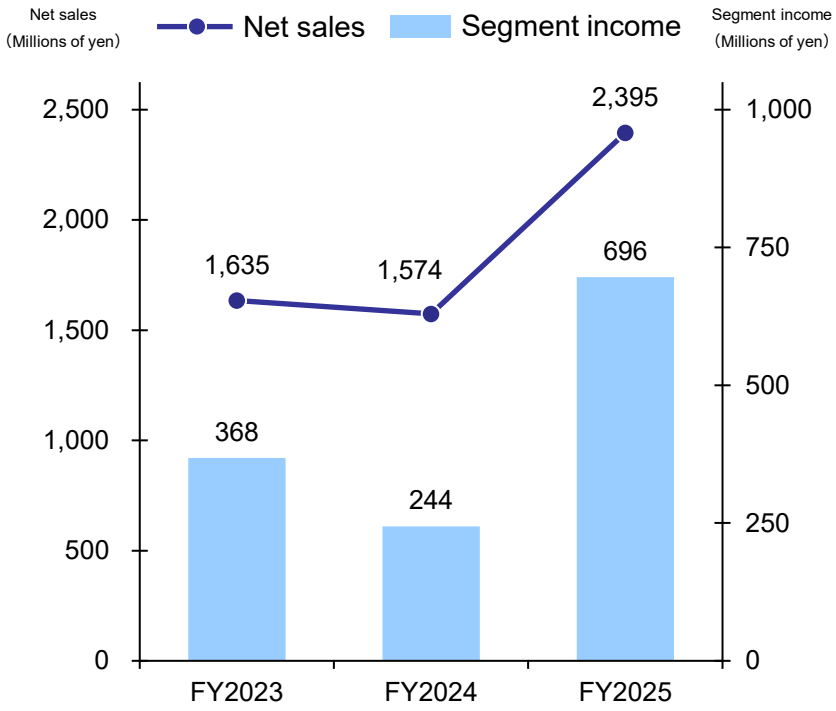
Changes in Net sales and Segment income



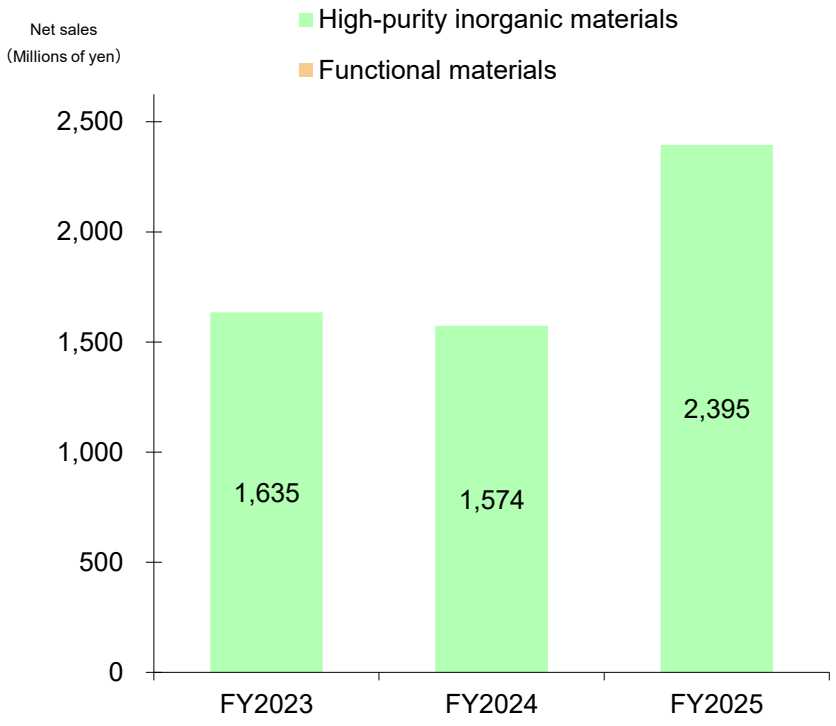
Electronic Materials

- **High-purity inorganic materials for compound semiconductors:** The compound semiconductor market remained strong, with sales of red phosphorus and indium increasing and sales of gallium rising significantly, partly due to spot sales.
- **Operating profit** increased significantly by 452 million yen (+185.2%) in line with the increase in sales.

Changes in Net sales and Segment income

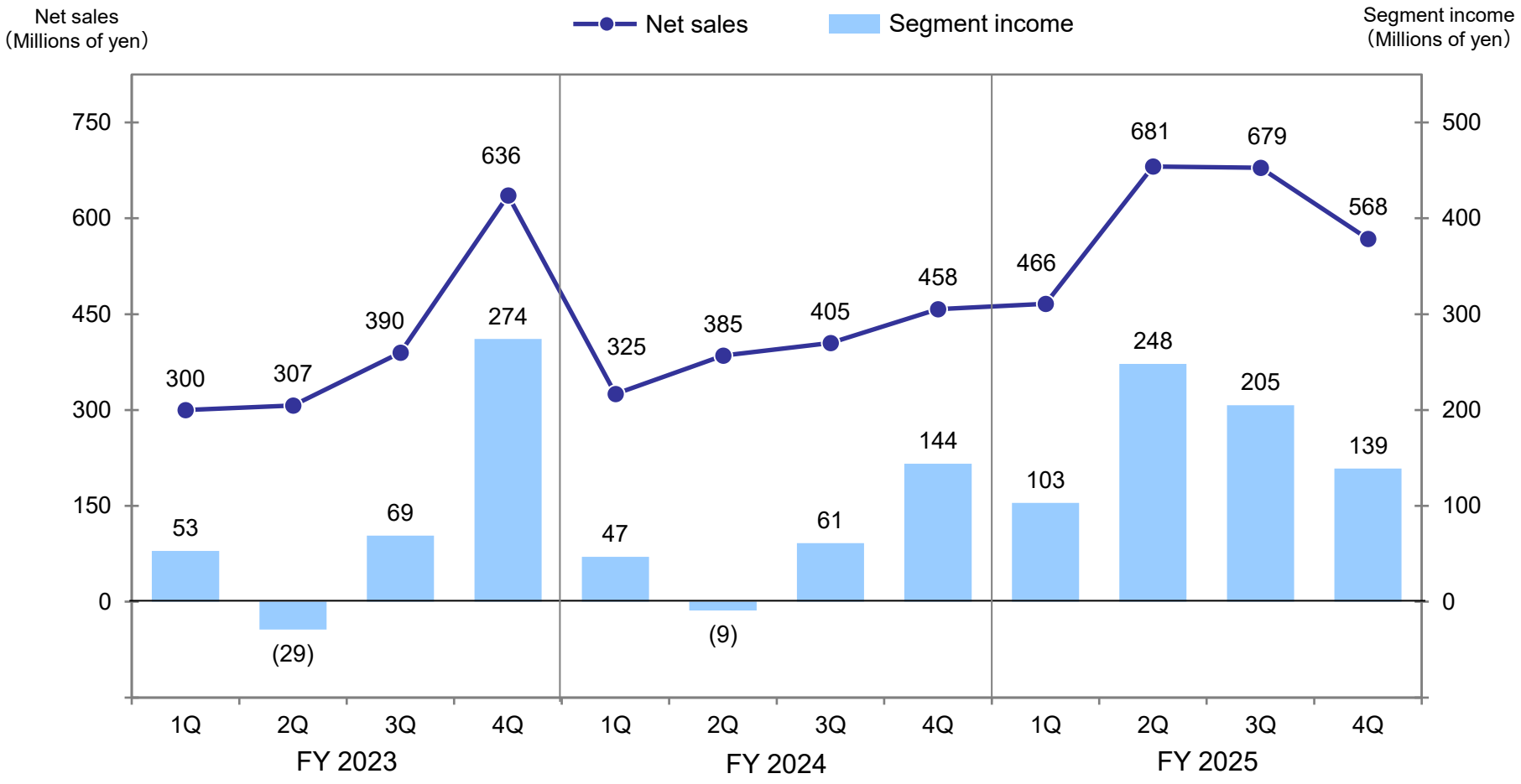


Changes in Net sales by Product



Electronic Materials （Quarterly）

Changes in Net sales and Segment income



Consolidated statements of income

(Millions of yen)

	FY 2024 (Apr.-Mar.)	FY 2025 (Apr.-Mar.)	Change	Change Rate
Net sales	45,421	47,727	2,305	5.1%
Cost of sales	35,788	36,767	978	2.7%
Selling, general and administrative expenses	4,896	4,947	50	1.0%
Operating profit	4,736	6,012	1,276	26.9%
Non-operating income	242	519	276	114.1%
Non-operating expenses	376	340	(36)	(9.6%)
Ordinary profit	4,602	6,191	1,589	34.5%
Extraordinary income	34	–	(34)	–
Extraordinary losses	26	0	(25)	(96.9%)
Profit before income taxes	4,609	6,190	1,581	34.3%
Profit attributable to owners of parent	3,131	4,359	1,228	39.2%
(Depreciation)	1,794	1,781	(13)	(0.8%)

Consolidated balance sheets

(Millions of yen)

	As of Mar. 31, 2025	As of Mar. 31, 2026	Change
Current assets	23,581	24,646	1,064
Cash and deposits	5,054	4,823	(231)
Accounts receivable ※	11,665	11,853	187
Inventory ※	6,518	7,634	1,116
Non-current assets	22,257	25,327	3,070
Property, plant and equipment	17,828	20,155	2,326
Intangible assets	45	48	3
Investments and other assets	4,382	5,123	740
Total assets	45,838	49,973	4,135
Current liabilities	11,004	11,202	197
Notes and accounts payable	3,441	3,686	244
Short-term borrowings	4,342	3,814	(528)
Non-current liabilities	6,956	6,930	(25)
Long-term borrowings	3,996	3,693	(303)
Retirement benefit liabilities	2,549	2,566	17
Total net assets	27,877	31,840	3,963
Shareholders' equity	26,088	29,406	3,317
Accumulated other comprehensive income	1,789	2,434	645
<Equity ratio>	60.8%	63.7%	2.9%

※Accounts receivable＝Notes receivable - trade ＋ Electronically recorded monetary claims - operating ＋ Accounts receivable - trade
※Inventory＝Merchandise and finished goods ＋ Work in process ＋ Raw materials and supplies

Consolidated statements of cash flows

(Millions of yen)

	FY 2024 (Apr.-Mar.)	FY 2025 (Apr.-Mar.)	Change
Net cash provided by operating activities	5,038	6,149	1,111
Profit before income taxes	4,609	6,190	1,581
Depreciation	1,794	1,781	(13)
Decrease(increase) in trade receivables	655	(104)	(759)
Decrease(increase) in inventories	38	(1,027)	(1,065)
Increase(decrease) in trade payables	(896)	231	1,127
Income taxes paid	(904)	(1,376)	(472)
Net cash provided by investing activities	(1,829)	(4,485)	(2,656)
Purchase of property, plant and equipment	(1,872)	(4,373)	(2,501)
Net cash provided by financing activities	(1,641)	(1,960)	(319)
Net increase(decrease) in borrowings	(629)	(860)	(231)
Net increase(decrease) in cash and cash equivalents	1,649	(231)	(1,880)
Cash and cash equivalents at end of period	5,054	4,823	(231)

Forecast for FY 2026

- In Chemicals, high-purity phosphoric acid for semiconductors is expected to continue to perform strongly, mainly overseas, while domestic demand is also expected to recover, resulting in higher sales and operating profit.
- In Machinery, sales of pipe jacking machines for sewerage are expected to be broadly in line with the previous fiscal year, while sales of construction machinery are expected to recover in both unit sales and plant sales, resulting in higher sales and operating profit.
- In Electronic Materials, the compound semiconductor market is expected to remain strong, and although spot sales of gallium recorded in the previous fiscal year will not recur, slightly higher sales are expected, and operating profit is expected to remain at the same level as the previous fiscal year.
- Profit attributable to owners of parent is expected to decrease slightly due to the expected recording of extraordinary losses in the second half (slightly more than 100 million yen in loss on disposal of non-current assets).

(Millions of yen)

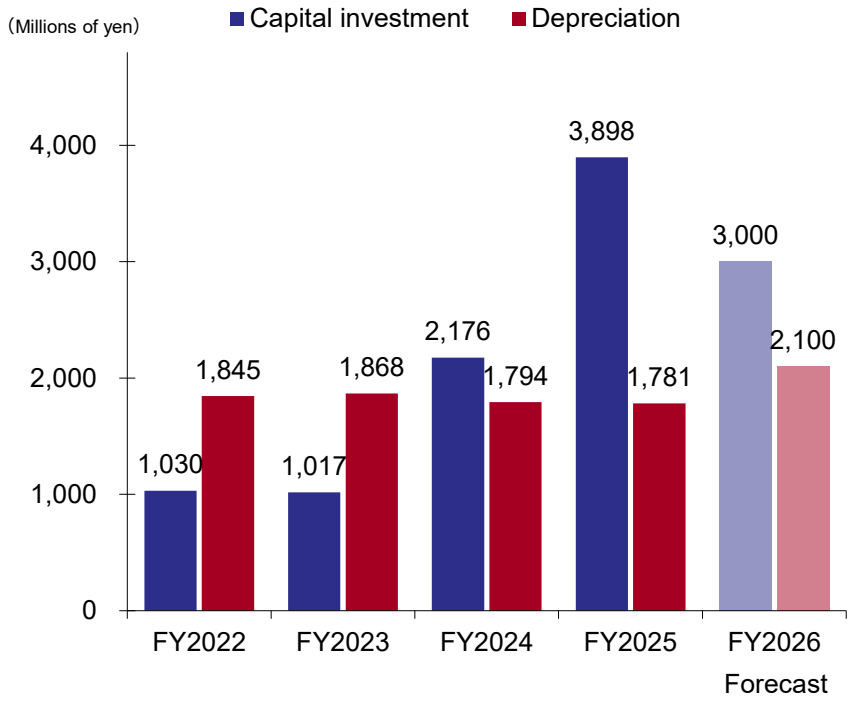
	FY 2025 (Apr.-Mar.) Actual	FY 2026 (Apr.-Mar) Forecast	Change	Change Rate
Net sales	47,727	54,000	6,272	13.1%
Chemicals	39,956	45,000	5,043	12.6%
Machinery	4,197	5,300	1,102	26.3%
Electronic Materials	2,395	2,500	104	4.4%
Others	1,176	1,200	23	2.0%
Operating profit	6,012	6,200	187	3.1%
Chemicals	5,531	5,800	268	4.9%
Machinery	405	500	94	23.3%
Electronic Materials	696	700	3	0.5%
Others	746	700	(46)	(6.2%)
Adjustments	(1,367)	(1,500)	(132)	–
Ordinary profit	6,191	6,300	108	1.7%
Profit attributable to owners of parent	4,359	4,300	(59)	(1.4%)
Annual dividends per share	36yen	36yen	0yen	–
Assumed exchange rate		155yen/USD		

※The Company conducted a five-for-one stock split of its common stock effective April 1, 2026. Dividends per share for FY2025 have been calculated assuming that the stock split had been conducted.

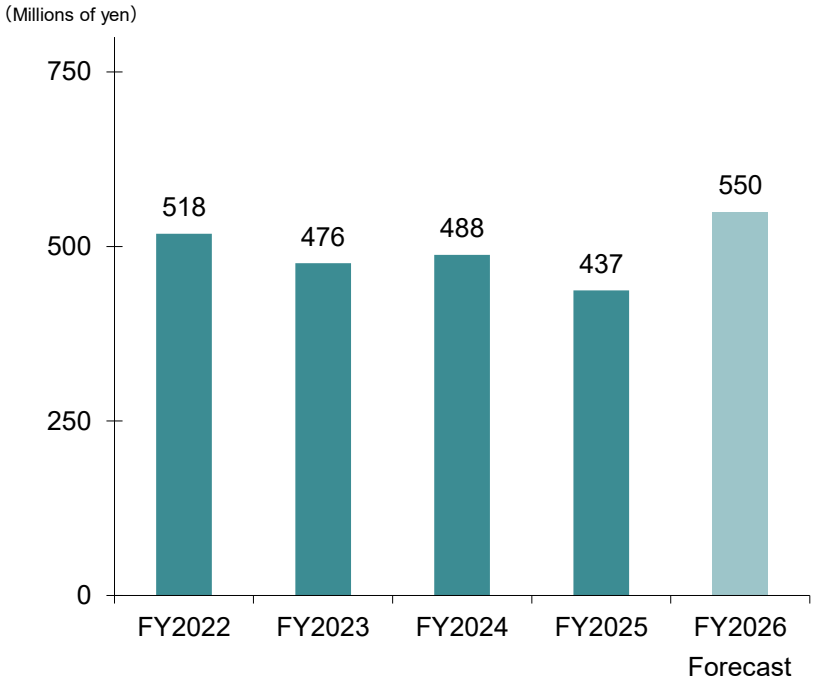
Changes in Capital investment , Depreciation and R&D costs

- **Capital investments:** expansion of manufacturing facilities for high-purity phosphoric acid for semiconductors at the ROC subsidiary was completed in FY2025. In FY2026, renewal and expansion investments are planned mainly in Chemicals and Electronic Materials.
- **R&D costs:** mainly expenses related to R&D activities at the development center.

Capital investment・Depreciation



R&D costs



Policies for Shareholder Returns

- Our policy is to make decisions after a comprehensive evaluation of the need to maintain a balance between emphasizing shareholder returns and retaining internal reserves as a source of capital for financial structure improvements based on performance trends, future capital investments and business development.
- Aim to further improve the dividend payout ratio while maintaining stable dividends.
- To achieve management that is conscious of the cost of capital and stock price, we set targets

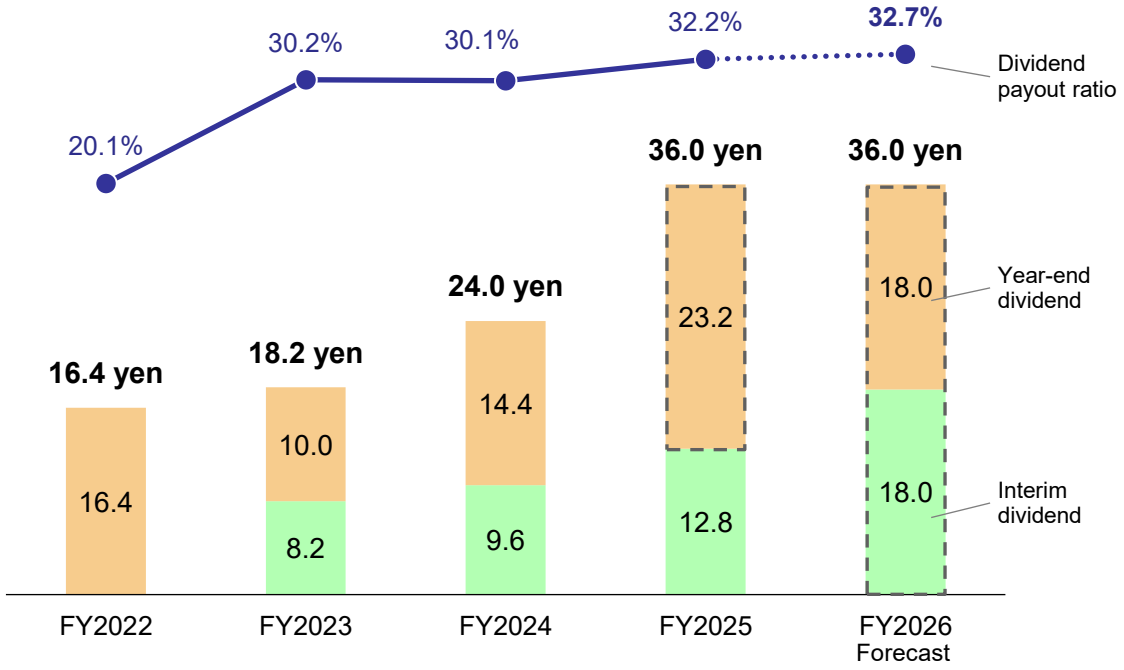
a dividend payout ratio of 30% or more and an ROE of 10% or more.

FY2025

- Planning on a year-end dividend of 23.2 yen per share, an increase of 2 yen from our most recent forecast of 21.2 yen per share.
- Together with the interim dividend of 12.8 yen, the annual dividend is planned to be 36 yen.

FY2026

- Forecasting an annual dividend of 36 yen (interim dividend of 18 yen, year-end dividend of 18 yen).



※The Company conducted a five-for-one stock split of its common stock effective April 1, 2026. Dividends per share for FY2025 and earlier have been calculated assuming that the stock split had been conducted.

3. Medium-Term Management Plan 2026 Progress Update

Basic Policies of the Rasa Vision 2033

Increase corporate value and pursue sustainable growth

1 Optimize our business portfolio

- Strengthen the profitability of core businesses and expand growth businesses
- ROIC management that emphasizes capital efficiency
- Strengthen efforts related to new market opportunities and growth domains

2 Create new businesses

- Develop new products with high added value based on customer needs
- Developing a new core business
- Strengthen R&D

3 Focus on human resource strategy

- Strengthen internal human resource development
- Promote diversity and inclusion, strengthen recruitment capabilities

Realize a sustainable future

4 Respond to climate change and build a circular society

- Reduce greenhouse gas emissions
- Transition to renewable energy
- Expand environmentally friendly products

5 Maintain safe and stable operations

- Become a company with zero accidents
- Maintain stable quality and supply structure
- Strengthen business continuity management (BCM)

6 Enhance governance

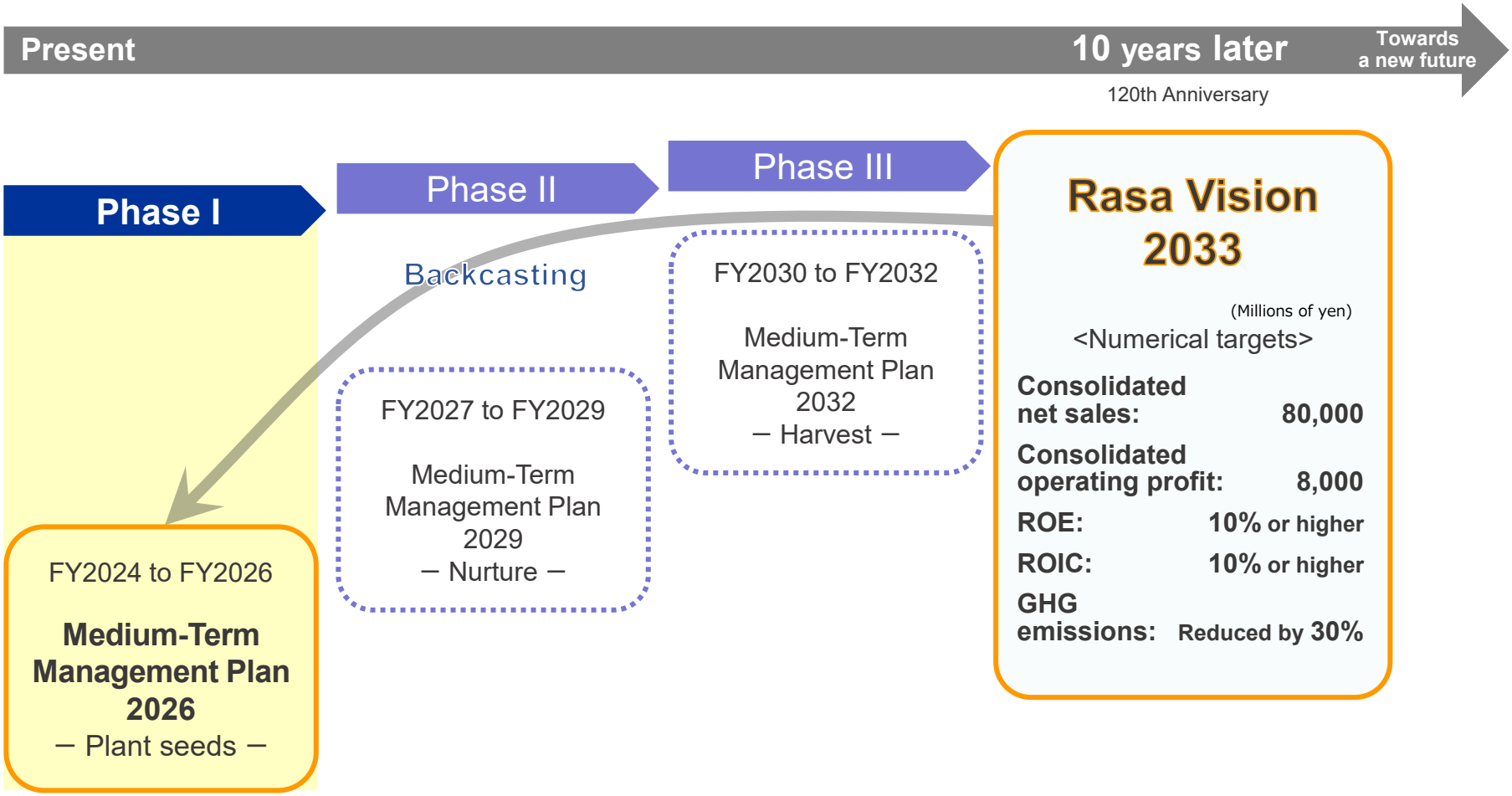
- Continue to reinforce compliance
- Strengthen risk management

Rasa Vision 2033　ESG Targets

	[Materiality]	[Initiatives]	[Metrics and targets]	[Relevant SDGs]
Environment	Addressing Climate Change	Reduction of greenhouse gases	Reduce CO2 emissions (Scope 1, 2): 30% by 2033	
		Forest conservation	Conserve biodiversity: Appropriate management of decommissioned mines	
	Building a Recycling-Oriented Society	Effective utilization of resources	Proper disposal of industrial waste	
		Expansion of environmentally friendly products	Expand related products	
Social	Respecting Human Rights	Diversity	Ratio of female employees to total number of hires: 25% or higher	
		Employee-friendly workplaces (work-life balance)	Paid leave acquisition rate: 70% or higher	
		Occupational health and safety	Number of occupational accidents (1 day or more of work absence): 0	
	Investing in Human Capital	Human resources development	Enhance position-specific education and training	
		In-house environmental improvement	Labor-management committee meetings: Twice a year or more	
Governance	Thorough Compliance	Fair transactions (aiming for co-existence and co-prosperity with our business partners)	In-house training (once per year or more)	
		Compliance		
	Promoting Risk Management	BCP	Rebuild business continuity plan (BCP)	
		Information security	Strengthen information security: 0 serious incidents	

Rasa Vision 2033 Numerical Targets and the Positioning of the Medium-Term Management Plan 2026

Period to plant seeds towards realizing Rasa Vision2033



Medium-Term Management Plan 2026 Overview

Plan name / Period

Medium-Term Management Plan 2026

FY2024 to FY2026 (3 years)

Basic policy

Aim to strengthen the foundation for increasing corporate value by promoting management resource optimization and enhancing profitability

Numerical targets

- Consolidated net sales **52,000 million yen**
- Consolidated operating profit **4,800 million yen**
- ROE (return on equity) **10%**
- ROIC (return on invested capital) **9%**
- Dividend payout ratio **30% or higher**

Company-wide policies

1. Build structure for optimizing management resources
2. Create new businesses
3. Focus on human resource strategy
4. Respond to climate change and build a circular society
5. Maintain safe and stable operations
6. Strengthen business management
7. Increase shareholder returns

Medium-Term Management Plan 2026 Policies

1. Build structure for optimizing management resources
   - ✓ **Strengthen the profitability of core businesses and expand growth businesses**
   - ✓ **Adopt ROIC management**
   - ✓ **Strengthen efforts related to new market opportunities and growth domains**
   - ✓ **Promote DX**

2. Create new businesses
   - ✓ **Strengthen R&D**
   - ✓ **Develop R&D environment**
   - ✓ **Strengthen engineering chain**

3. Focus on human resource strategy
   - ✓ **Develop human resource development environment**
   - ✓ **Promote knowledge management**
   - ✓ **Reevaluate and strengthen development programs**

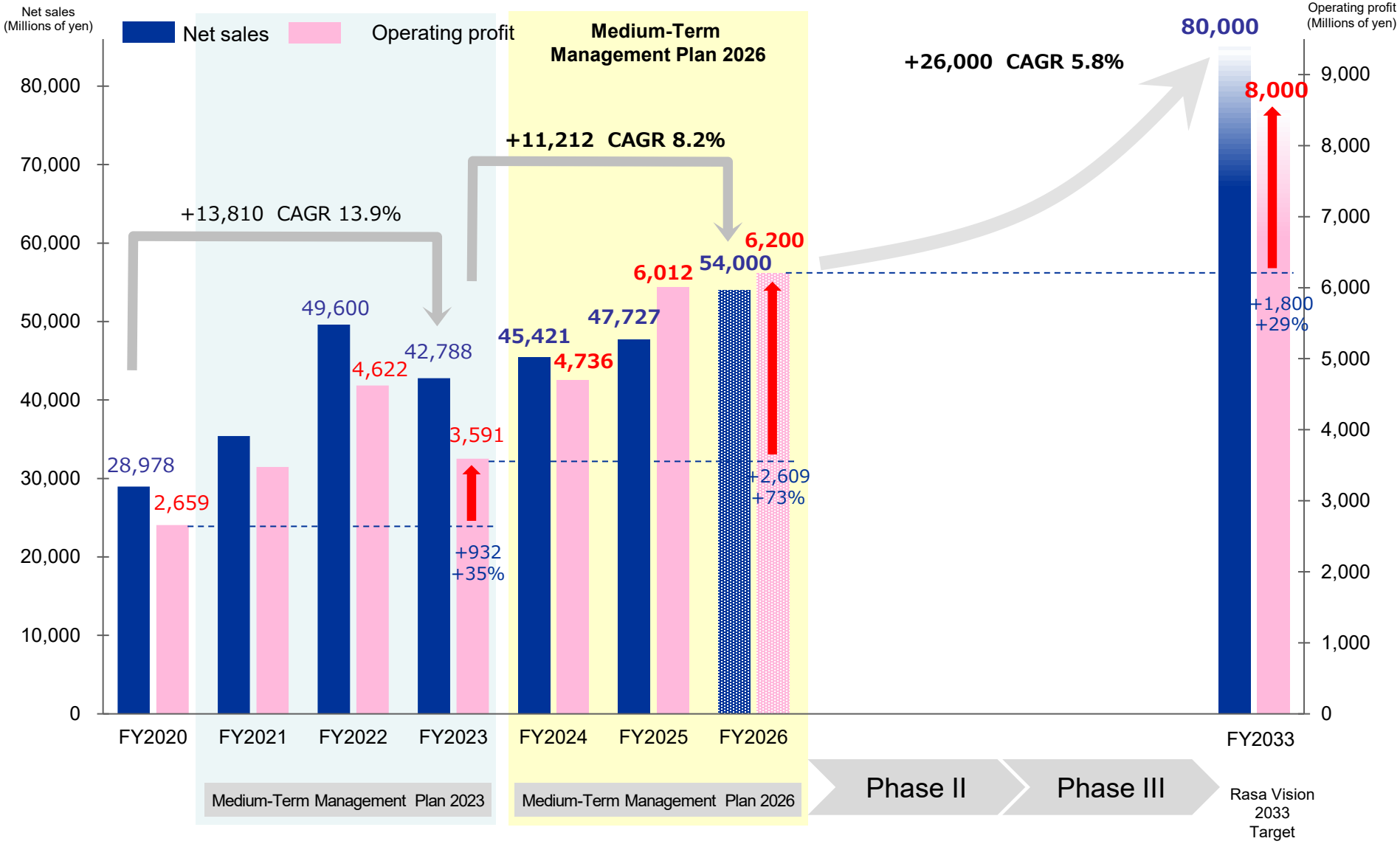
4. Respond to climate change and build a circular society
   - ✓ **Reduce greenhouse gas emissions**
   - ✓ **Transition to renewable energy**
   - ✓ **Expand environmentally friendly products**

5. Maintain safe and stable operations
   - ✓ **Strengthen safety and health management**
   - ✓ **Reevaluate BCP based on risk assessments**

6. Strengthen business management
   - ✓ **Continue to reinforce compliance**
   - ✓ **Reevaluate risk management structure**

7. Increase shareholder returns
   - ✓ **Issue performance-linked shareholder returns**

Medium-Term Management Plan 2026 Numerical Targets 1/2



Medium-Term Management Plan 2026 Numerical Targets 2/2

(Millions of yen)

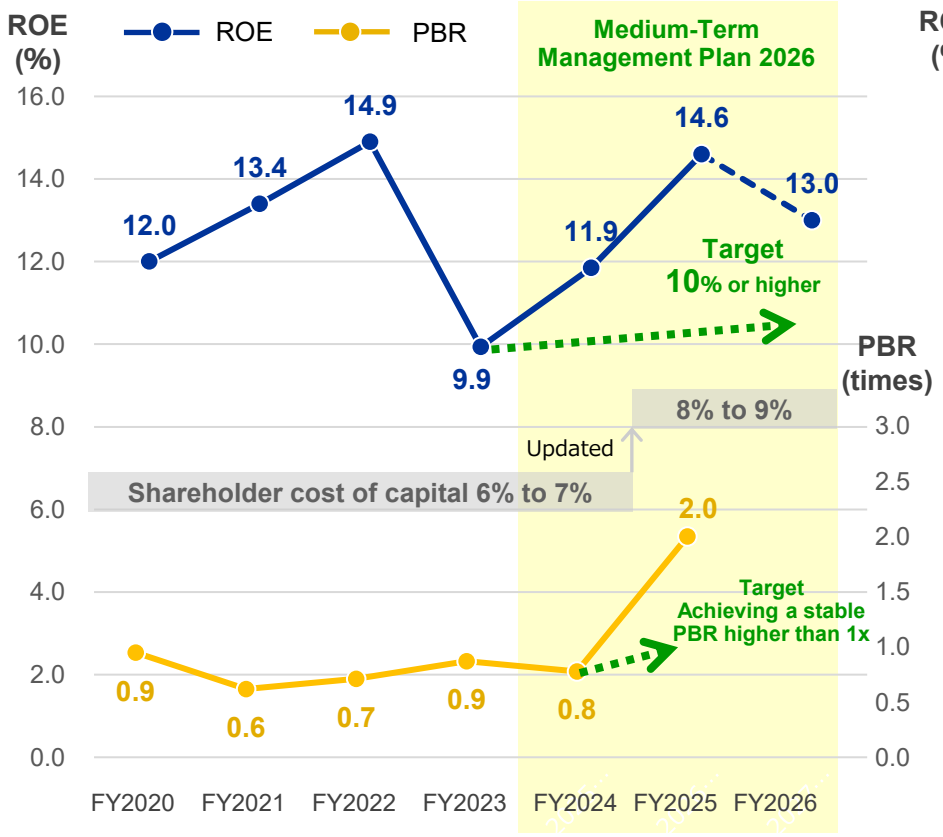
	FY2026 Initial Plan(1)	FY2024 Results	FY2025 Results	FY2026 Forecast(2)	Change from Initial Plan (2)–(1)	Rate of change (%)
Net sales	52,000	45,421	47,727	54,000	2,000	3.8%
Chemicals	42,400	38,168	39,956	45,000	2,600	6.1%
Machinery	6,000	4,491	4,197	5,300	(700)	(11.7%)
Electronic Materials	2,400	1,574	2,395	2,500	100	4.2%
Others	1,200	1,186	1,176	1,200	0	—
Operating profit	4,800	4,736	6,012	6,200	1,400	29.2%
Chemicals	4,350	4,840	5,531	5,800	1,450	33.3%
Machinery	650	119	405	500	(150)	(23.1%)
Electronic Materials	400	244	696	700	300	75.0%
Others	800	764	746	700	(100)	(12.5%)
Adjustments	(1,400)	(1,232)	(1,367)	(1,500)	(100)	—
Ordinary profit	4,800	4,602	6,191	6,300	1,500	31.3%
Profit attributable to owners of parent	3,200	3,131	4,359	4,300	1,100	34.4%
ROE	10.8%	11.9%	14.6%	13.0%	2.2%	–
ROIC	9.3%	10.2%	12.2%	11.5%	2.2%	–
Total net assets	30,000	27,877	31,840	34,500	4,500	15.0%

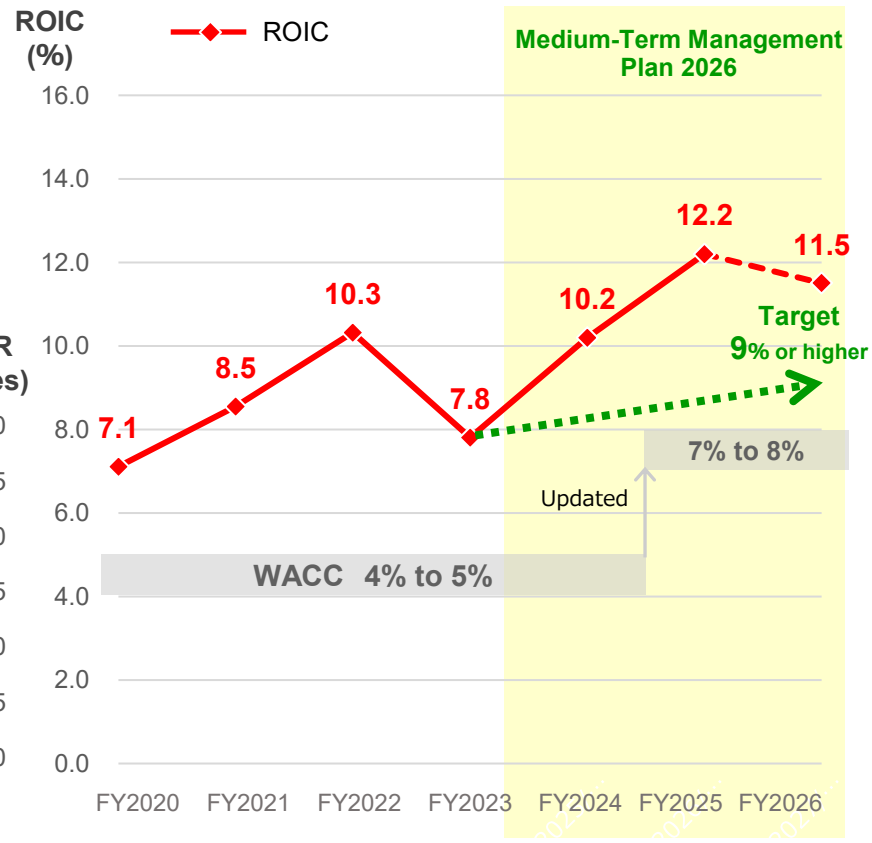
- In the first year (FY2024), sales and profits both increased compared to the plan due to the recovery of the semiconductor-related market.
- In the second year (FY2025), following the first year, the semiconductor-related market remained strong, resulting in higher sales and profit compared with the plan, and the final-year profit target was also achieved.
- For the forecast for the final year (FY2026), the semiconductor-related market is assumed to remain strong, and while higher sales are expected compared with the previous fiscal year, profit is expected to increase slightly despite higher costs such as depreciation. Compared with the initial plan, net sales are expected to increase 3.8%, while profit is expected to increase by around 30%.
- ROE and ROIC are expected to exceed target levels for the third consecutive year.

Measures for Achieving Management That is Conscious of Cost of Capital and Stock Price 1/2

Current awareness (Bold: Updated on June 3, 2026)

- Shareholder cost of capital is calculated using CAPM, and is approximately **8% to 9%**. The weighted average cost of capital (WACC) is approximately **7% to 8%** based on shareholder cost of capital and debt cost as calculated using CAPM.
- ROE and ROIC achieved the targets of Medium-Term Management Plan 2026.
- **The previously sluggish PBR is seen as having improved significantly, backed by the achievement of ROE exceeding the cost of shareholders' equity and market expectations reflecting accelerated growth in semiconductor materials and other businesses.**





Measures for Achieving Management That is Conscious of Cost of Capital and Stock Price 2/2

Initiative policy

- We formulated our long-term vision, “Rasa Vision 2033,” and are advancing our Medium-Term Management Plan 2026, which we position as the period for "planting seeds" (Phase I) to achieve that vision. During this period, we will commit to management that is conscious of cost of capital and stock price.
- Aim to increase corporate value by improving profitability and capital efficiency, and implementing non-financial measures.

Specific measures and progress

PBR

		Specific measures	Progress
ROE	Capital efficiency	✓ Appropriate allocation of management resources based on cash allocation ✓ Issue shareholder returns based on balance between performance, financial status, and source of capital for business development ✓ Dividend payout ratio of 30% or higher	✓ **Dividend payout ratio of 32.2%** for FY2025 ✓ In line with the shareholder return policy of Medium-Term Management Plan 2026, we aim to maintain stable dividends with a dividend payout ratio of 30% or more while aiming to further improve the dividend payout ratio
ROE	Capital profitability	✓ Maintain levels that exceed shareholder cost of capital and target ROE of 10% ✓ Strengthen ROIC management with target ROIC of 9% ✓ Strengthen the profitability of core businesses and expand growth businesses	✓ **Targets achieved with ROE of 14.6% and ROIC of 12.2% in FY2025** ✓ Expansion of manufacturing facilities for high-purity phosphoric acid for semiconductors at the ROC subsidiary implemented (investment amount: approximately 3 billion yen, 40% increase in Taiwan’s production capacity; **operations commenced in April 2026**), aiming for sustainable growth
PER	Growth potential Non-financial measures	✓ Steady implementation of Medium-Term Management Plan towards long-term vision ✓ Implement growth strategy by strengthening investments in new business and growth businesses ✓ Initiatives related to materiality (important issues)	✓ **In 2025, the RAMM Development Center was reorganized, and a new development center was established. Development functions previously separated by business division were consolidated to establish a company-wide cross-functional development structure, aiming to align R&D more closely with market needs.** <u>Addressing climate change</u> ✓ Endorsed the TCFD recommendations and disclosed information accordingly ✓ Received a B in the CDP 2025 climate change questionnaire <u>Respect for human rights</u> ✓ Promoting diversity and work-life balance ・Increased ratio of female employees to total number of hires ・Increased the acquisition rate of paid leave ・Increased the acquisition rate of childcare leave among male employees ・Increased the ratio of female employees and female managers

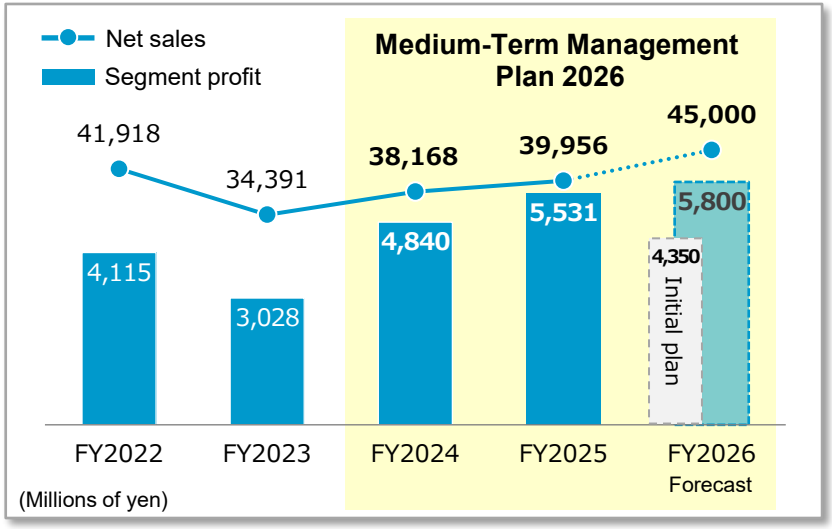
Key Measures (1)

<Phosphoric acid>

<Deodorants>

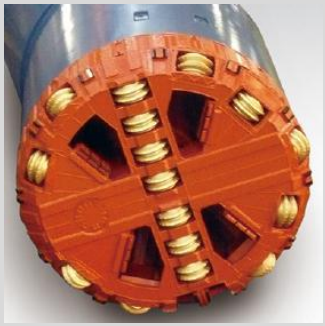
<Taiwan Subsidiary>

Chemicals

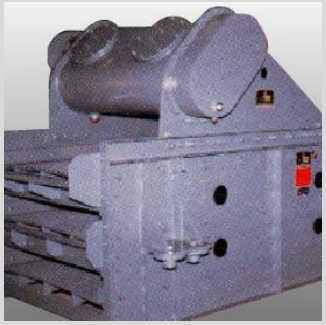


- **Strengthen the profitability of core businesses**
  - ✓ High-purity phosphoric acid for semiconductors: Stable operations and sales expansion in Japan and overseas
  - ✓ Stable equipment operations and labor reduction to increase production of raw materials for capacitors
- **Expand growth businesses**
  - ✓ Acquire new customers in Japan, East Asia, and North America (high-purity phosphoric acid for semiconductors)
  - ✓ KOR Associate to build new plant in North America for producing high-purity phosphoric acid for semiconductors
- **Create new businesses**
  - ✓ Commercialize recycling of high-purity phosphoric acid

Key Measures (2)



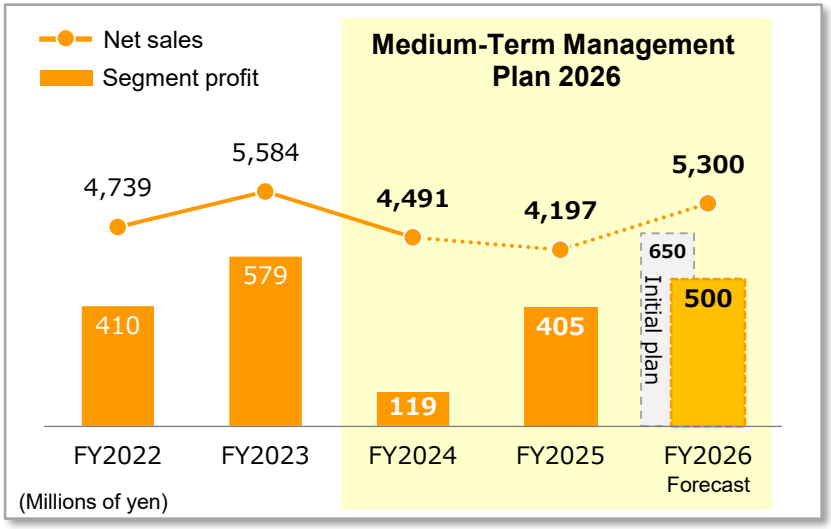
<Pipe jacking machine>



<Screen>

<Electron-Beam Welding>

Machinery

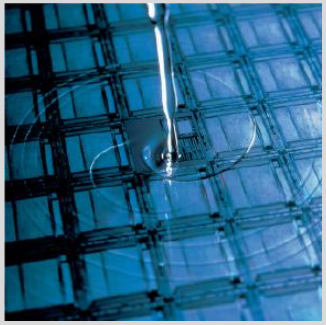


- **Strengthen the profitability of core businesses**
  - ✓ Proactive sales activities to meet demand for the replacement of construction machinery units and parts
  - ✓ Development and expansion of sales of lithium-ion battery detection equipment
- **Expand growth businesses**
  - ✓ Developing a new market for pipe jacking machines for sewerage (Southeast Asia)
- **Create new businesses**
  - ✓ Explore new businesses
  - ✓ Initiatives for electron beam welding processing in the space industry

Key Measures (3)

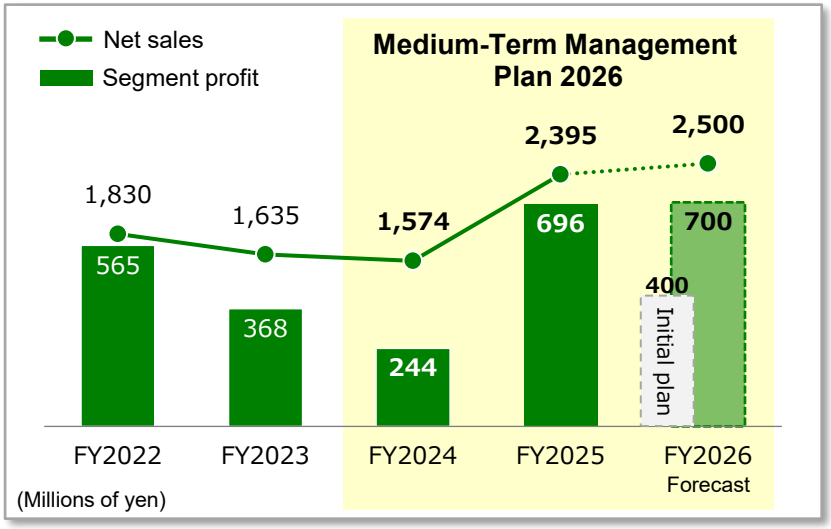
<High purity inorganic materials>

<Radioactive iodine adsorbents>



<Coating materials>

Electronic materials



- **Strengthen the profitability of core businesses**
  - ✓ Improve the quality and cost competitiveness of high-purity inorganic materials and expand market share
  - ✓ Achieve constant sales of radioactive iodine adsorbents (AgX)
- **Expand growth businesses**
  - ✓ Response to increasing demand for indium phosphide (InP)
  - ✓ Develop overseas markets for radioactive iodine adsorbents (AgX)
- **Create new businesses**
  - ✓ Develop next-generation semiconductor materials

Topic 1: Commenced operations at the expanded high-purity phosphoric acid manufacturing facilities for semiconductors（Chemicals）

Production capacity expansion facilities at the ROC subsidiary commenced operations

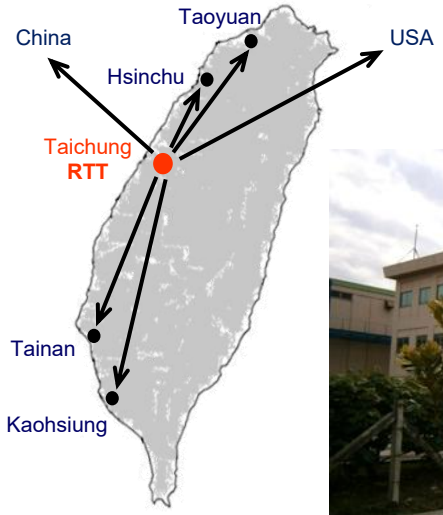
ROC Consolidated Subsidiary

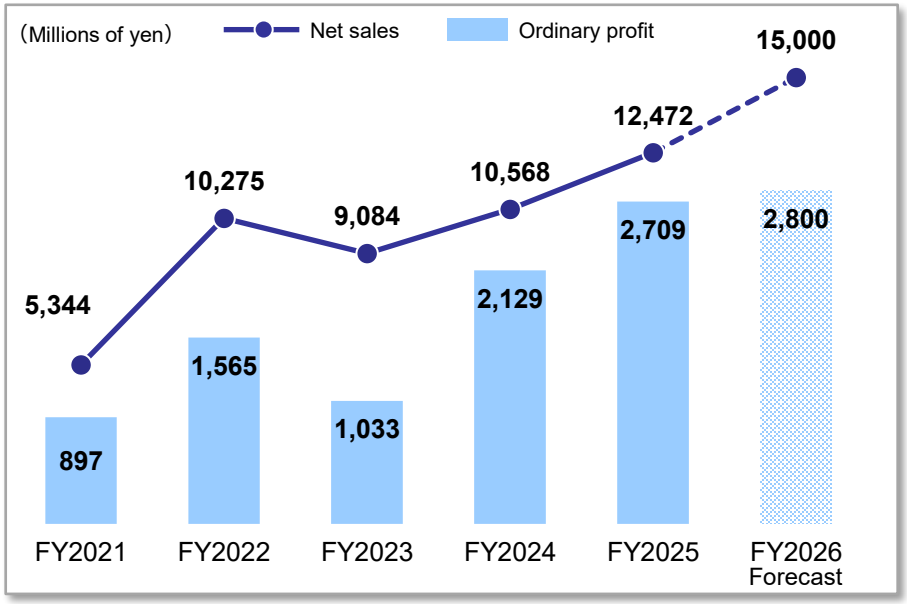
Company Name: **Rasa Technology Taiwan Ltd.**

Location: No.1, Wei 2nd Rd., Wuqi Dist., Taichung City

Established: December 17, 2003

Purpose of investment	**Increase production of high-purity phosphoric acid for semiconductors**
Overview of investment	**Total investment of approximately 3 billion yen, annual depreciation expense of approximately 400 million yen**
Effect of expansion	**40% increase in Taiwan's production capacity**
Commencement of operations	**April 2026** (to contribute to sales from FY2026 2Q)

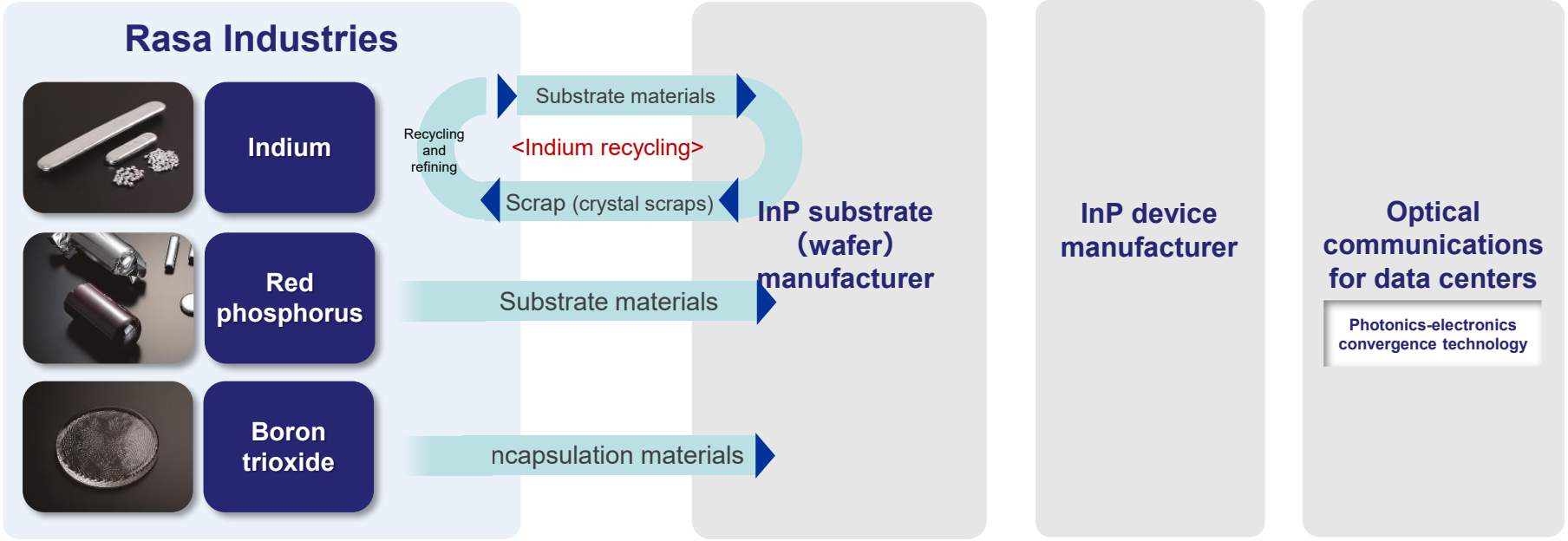




Topic 2: Rising Demand for Indium Phosphide (Electronic Materials)

Demand for indium phosphide (InP) for optical transceivers used in data center optical communications is increasing

- Indium phosphide (InP) is a compound semiconductor composed of indium (In) and phosphorus (P), and is expected to achieve medium- to long-term growth as a key material supporting optical communications.
- Indium phosphide is also expected to be adopted in photonics-electronics convergence technology, which is being developed as a next-generation information and communications infrastructure technology.
- The Company manufactures indium, red phosphorus, and boron trioxide, which are raw materials for indium phosphide substrates, and also has strengths in indium recycling, enabling it to support the supply chain from upstream materials to a circular supply.



Topic 3: Development of Lithium-ion Battery Detection Equipment (Machinery)

A system for detecting lithium-ion batteries mixed in waste (utilizing X-rays and AI)

Currently, at waste treatment facilities, many fire accidents are caused by used lithium-ion batteries mixed into collected waste, which are damaged and ignite during the crushing process. The severity of this problem is increasing year by year.

- **Non-destructive, highly accurate detection of secondary battery products containing lithium-ion and other materials utilizing X-ray technology and AI analysis**
- **Development of a next-generation detection solution that achieves both safety and efficiency at recycling sites**

Lithium Analyzer Neo

X-ray detector

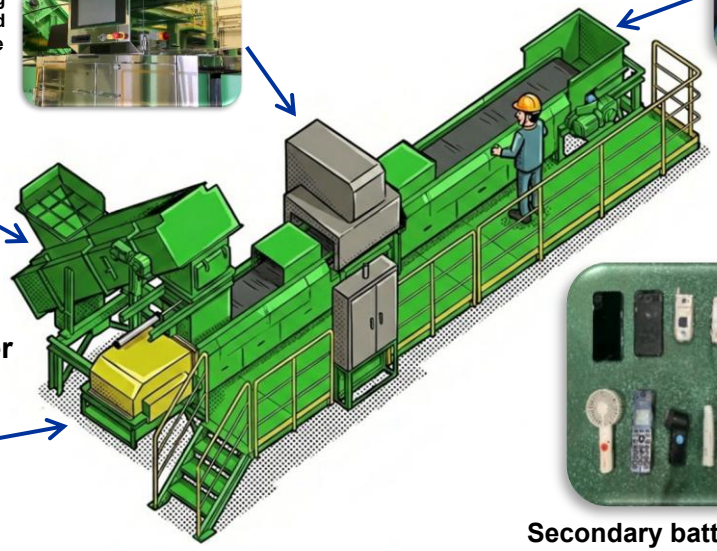
Non-combustible waste flowing on the sorting conveyor is imaged with low-dose X-rays, and characteristics such as shape and density are identified with high accuracy using highly sensitive sensors and AI analysis.

Feed conveyor

After non-combustible waste is loaded into the hopper, it is sent to the quantitative feeder by steel conveyor flights.

Quantitative feeder

Non-combustible waste conveyed from the feed conveyor is discharged quantitatively and uniformly onto the sorting conveyor.



Sorting conveyor

Prevents waste spillage with a full-length skirt, and adopts a flame-retardant and heavy oil-resistant conveyor belt.
Secondary battery products are picked through mapping notifications.

Secondary battery products

Performance *Based on our company's tests

Processing capacity	2500 kg/h
Detection rate*1	96%
False detection rate*2	3%
X-ray leakage (effective dose)	0.07 mSv/3 months (below the controlled area standard of 1.3 mSv/3 months)

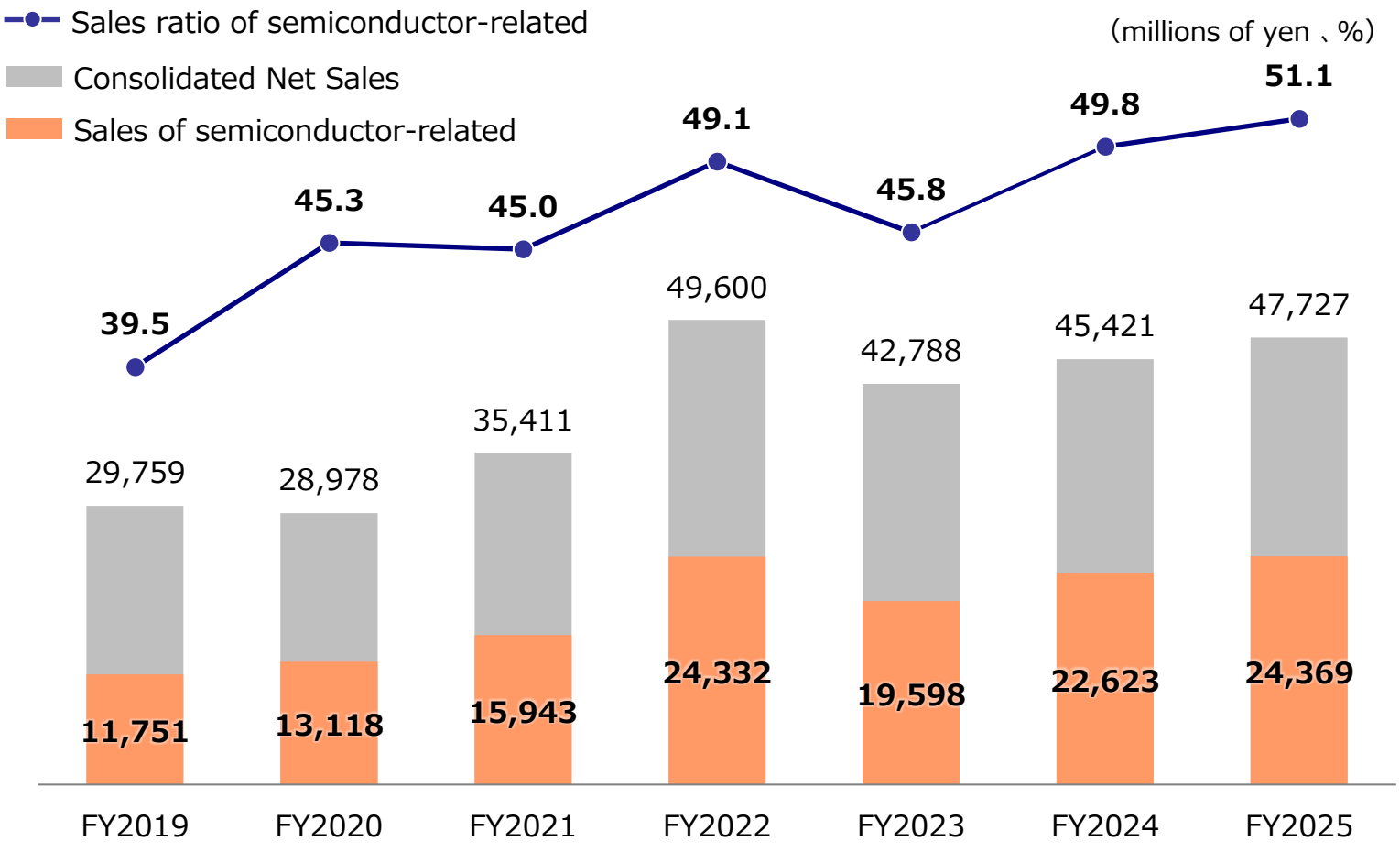
*1 **Definition of detection rate**
Formula: Number detected ÷ (Number detected + Number undetected) × 100 (%)

*2 **Definition of false detection rate**
Formula: Number of false detections ÷ (Number detected + Number of false detections) × 100 (%)

* **The above figures are reference values, not guaranteed values, and may vary depending on waste composition and waste quality.**

* **Secondary battery products detected are limited to those learned by the AI and do not include unlearned products.**

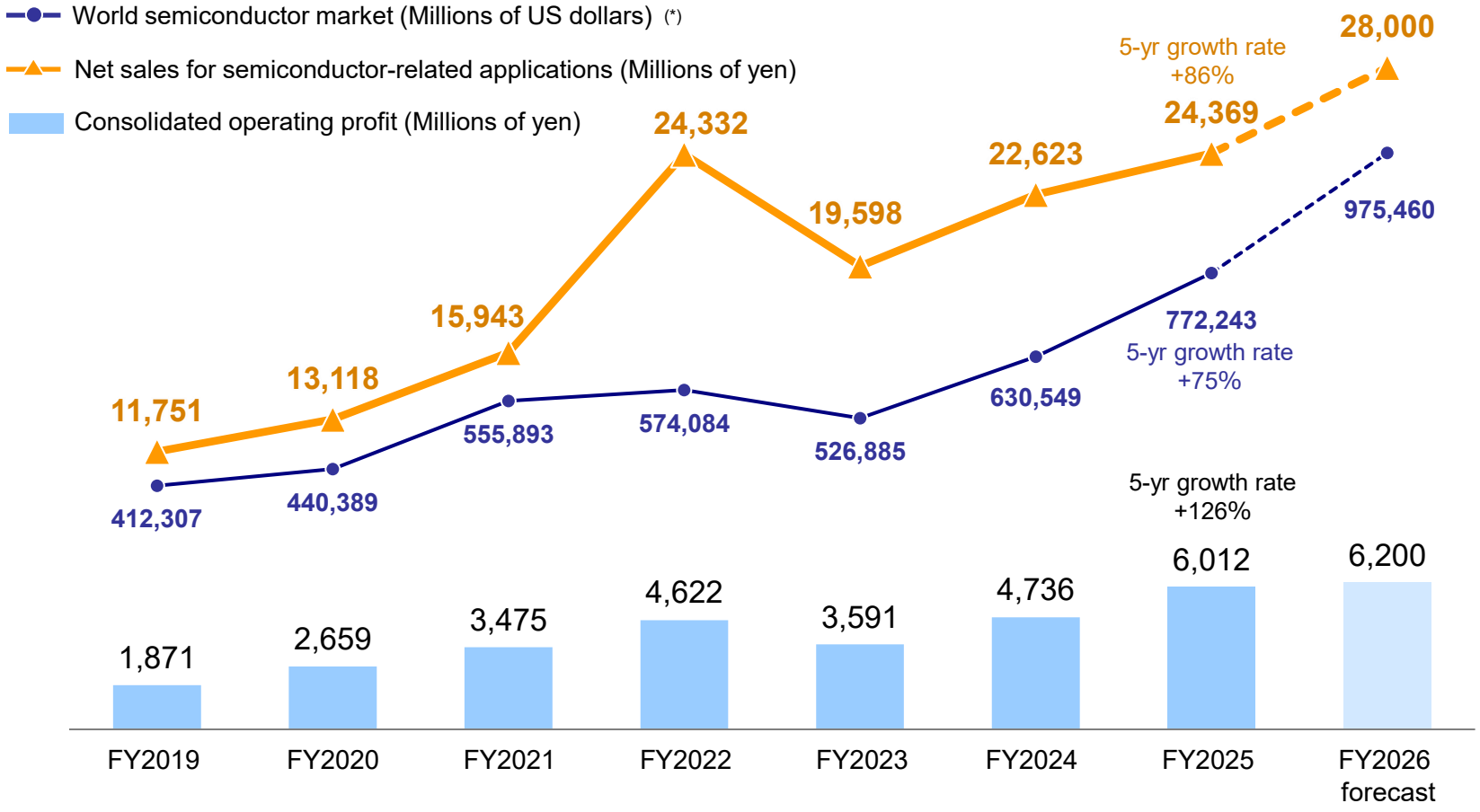
Reference: Sales of semiconductor-related(Note)



(Note) Semiconductor related sales are total sales of semiconductors and electronic components related products
(Chemicals: high-purity phosphoric acid for semiconductors (Japan/Taiwan), raw materials for capacitors, flocculant products for etching electronic components, etc. + Electronic Materials: high-purity inorganic materials)

Reference:
Comparison with World Semiconductor Trade Statistics (WSTS)

Our semiconductor business is expanding along with the global semiconductor market



(*) Source: WSTS Semiconductor Market Forecast Autumn 2025 (calendar year basis)

Reference:
Supply Structure for High-Purity Phosphoric Acid for Semiconductors

Top market share globally in high-purity phosphoric acid for semiconductors

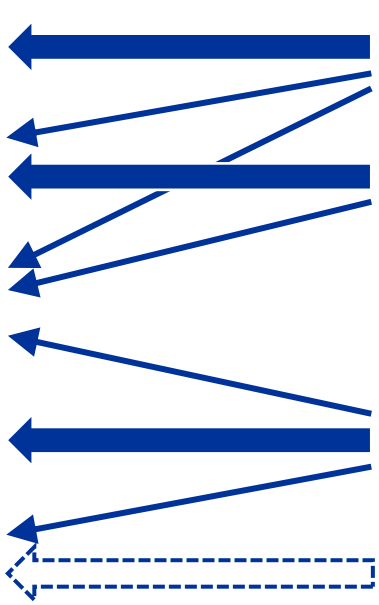
—In addition to quality, we excel at local production and local sales in Japan, Taiwan and South Korea—
Expanded facilities at the ROC subsidiary commenced operations in April 2026,
Moving toward four-country production system including the U.S. by 2027

High-purity phosphoric acid for semiconductors (mainstay product accounting for around one-third of consolidated net sales)

- ✓ Our high-purity phosphoric acid for semiconductors is used for etching (wet etching) in the front-end process of semiconductor manufacturing
- ✓ A material required for manufacturing logic semiconductors, memory semiconductors (NAND, DRAM), etc.

Region	Semiconductor type	Semiconductor manufacturers
Japan	Memory/Logic/Analog	Japanese Taiwanese American
South Korea	Memory/Logic	South Korean
China	Memory/Logic/Analog	South Korean Taiwanese Chinese
Taiwan	Memory/Logic/Analog	Taiwanese American
N. America	Memory/Logic/Analog	Taiwanese South Korean American

The Group's high-purity phosphoric acid production facilities and main buyers



- Osaka Factory
- Joint venture in South Korea
- Consolidated subsidiary in Taiwan (plan to bolster capacity by 40% , commenced operations in April 2026)
- New U.S. factory of S. Korean joint venture (completion slated for the first half of 2027)

* Our joint venture in South Korea is an affiliate under the equity method.

Cautionary Statement Concerning this Material

The statements in this material are based on a variety of assumptions, and we ask for your understanding that forward-looking statements regarding future figures and other information are subject to uncertainties.