

Technology & Tai-wa for Tomorrow

Kokusai Electric Group
INTEGRATED REPORT 2025

Contents

Introduction

- 01 Contents, Pick Up Contents, Editorial Policy
- 02 KOKUSAI ELECTRIC Way
- 03 History of Value Creation
- 05 At a Glance

07 Top Commitment

Toward Realization of KOKUSAI ELECTRIC Way

- 11 Value Creation Process
- 12 Value Chain
- 13 Sustainability Management
- 14 Materiality
- 16 Medium-Term Management Plan
- 18 Message from Financial Officer
- 20 Business Strategy

Sustainability

- 23 ESG Strategy
- 24 Sustainability Management
- 26 Environment
- 36 Society
- 52 Governance

Information

- 65 Financial Overview
- 69 Information

Pick Up Contents

Top Commitment P7



The president gives an explanation of the future created by Kokusai Electric Group and initiatives toward its realization.

Value Creation Process P11



The value creation process of Kokusai Electric Group is explained, which contributes to establishment of a sustainable society through the KOKUSAI ELECTRIC Way.

Tripartite Discussion among Outside Directors P60



We asked three outside directors of Kokusai Electric about the evaluation of the Company and necessary initiatives.

Editorial Policy

Under the corporate slogan "Technology & Tai-wa for Tomorrow," we will pursue economic, environmental, and social values from both business and ESG (resolving environmental and social issues and strengthening governance) aspects, with the aim of contributing to the achievement of SDGs and realizing a sustainable society and our group's sustainable development. The Kokusai Electric Group Integrated Report 2025 presents the Group's policy and reports initiatives in fiscal 2024. We believe it is important to promote stakeholders' understanding of the Group's initiatives for sustainable development and we also want this report to serve as an opportunity for purposeful "Tai-wa." So, we selectively determine the contents and topics for inclusion and ensure the report is readily understandable, to deepen mutual understanding with our stakeholders. We would appreciate it if you would complete the questionnaire after reading the report to help us enhance the report as a fruitful tool for further "Tai-wa."

<https://www.kokusai-electric.com/en/csr/report/enquete2025>

Referenced Guidelines

- GRI (Global Reporting Initiative) Standards
- International Integrated Reporting Council (IIRC) Integrated Reporting Framework
- Ministry of Economy, Trade and Industry Guidance for Collaborative Value Creation (Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation)
- ISO (International Organization for Standardization) 26000
- Environmental Reporting Guidelines 2018

Scope of This Report

Period : Fiscal 2024 (from April 1, 2024 to March 31, 2025) (including some information from fiscal 2025)

Companies : The Company and its Group companies

Accounting standards : We have conformed to International Financial Reporting Standards (IFRS) since the fiscal year ended March 31, 2021.

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Contact : KOKUSAI ELECTRIC CORPORATION (<https://www.kokusai-electric.com/en/>)
<https://www.kokusai-electric.com/en/information/>

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Next publication : November 2026 (plan)

* Tai-wa in the Corporate Slogan; the product names, AdvancedAce, TSURUGI-C², MARORA, TANDUO, VERTRON, ZESTONE, QUIXACE, and QUIXACE ULTIMATE; and the ㊦ logo are registered trademarks of KOKUSAI ELECTRIC CORPORATION.

The terms "Tai-wa" and "synergistic discourse" are primarily used to represent our dialogues and communications in this report.

* The Group's business plans and forecasts stated in this document are prepared by the Group based on information available at the time of preparation and do not guarantee future results or performance. Actual business results and performance may differ significantly from the plans and forecasts due to changes in various internal and external factors.

The Company does not undertake any obligation to update or revise any information contained in this document based on future events, except as required by applicable laws or stock exchange rules.

The key risks that may significantly affect the Group's business results, financial position and cash flows are stated in the annual securities report of the Company.

KOKUSAI ELECTRIC Way

We always pursue advancing “Technology.”

We innovate by fusing our technologies, refined across multiple fields.

We always value “Tai-wa®.”

We develop the best solutions by drilling down to the core of each issue while respecting “Tai-wa®.”

We consistently lay the foundation for tomorrow by responding to diverse needs with “Technology” and “Tai-wa®.”

Renewed Corporate Philosophy in 2022

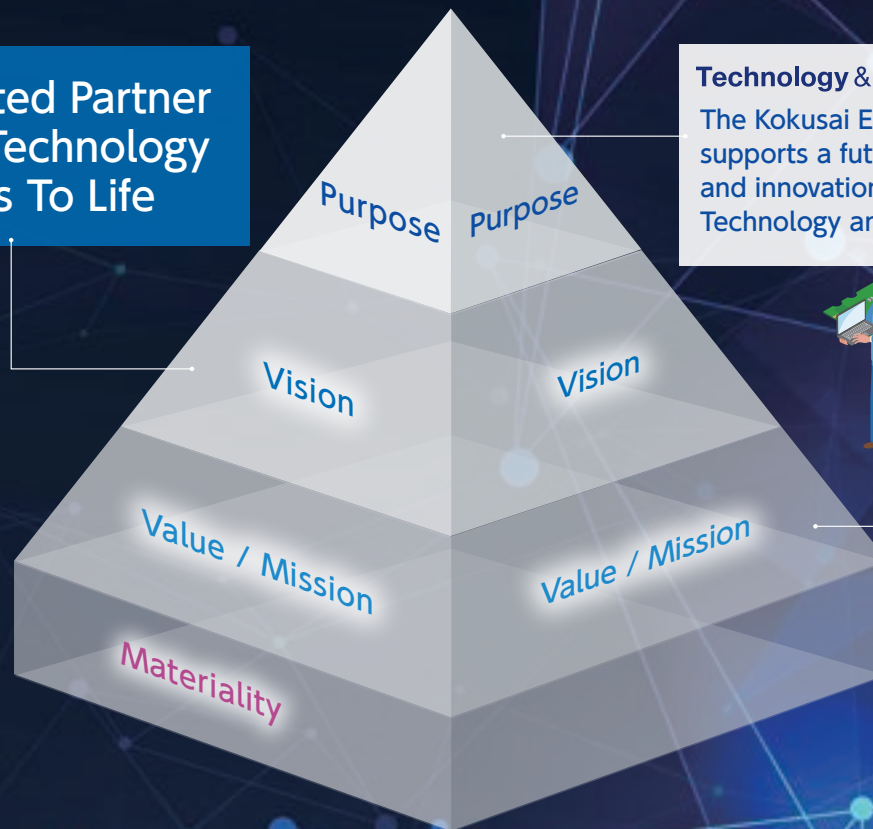
The future will be built as various dreams around the world are realized one by one through a chain of creativity and innovation.

Aspiring to be the best partner for such a world, we have renewed our corporate philosophy as the “KOKUSAI ELECTRIC Way,” instilling our determination to continue to support the future with Technology and Tai-wa.

In establishing the corporate philosophy, we formed a working group of employees, which engaged in many discussions, beginning by re-examining the significance of our existence, our mission, and the values that we hold dear. Our Technology and Tai-wa are the unchanging DNA of our continued growth. We will continue to pass this spirit on to future generations as something to be cherished.

**Your Trusted Partner
To Bring Technology
Dreams To Life**

Technology & Tai-wa for Tomorrow
The Kokusai Electric Group supports a future where creativity and innovation are born out of Technology and Tai-wa.



Our Technology

- Refine technology
- Advance technology
- Create technology
- Captivate with technology

Our Tai-wa

- Tai-wa with cutting-edge technology
- Tai-wa with social issues
- Tai-wa with the natural environment
- Tai-wa with ourselves

*Tai-wa is a Japanese word meaning “synergistic discourse,” or conversations between people face-to-face with a willingness to understand others with a sense of empathy. At times, subjects we have Tai-wa with can be things besides people. For us, Tai-wa implies respecting every one of you, being sincere, and acting wholeheartedly, that is an attitude itself towards work. This is our group’s DNA that we value to last forever.

History of Value Creation >>

Over 70 years of history shaping the semiconductor manufacturing equipment business

**-1970s****1940-1950**

- Focused on research of industrial equipment using radio frequency (1947)
- Kokusai Electric Co., Ltd. established (1949)

1951-1960

- Began development of semiconductor manufacturing equipment
- Developed single germanium/silicon crystal puller

1961-1970

- Began research on impurity diffusion in semiconductor manufacturing equipment
- Developed the initial model of diffusion furnace (DD-1)
- Sold the site of Komae Works to the Tokyo Metropolitan Government and established Hamura Works (Tokyo)

1971-1979

- Developed CVD system

1980s**1980-1989**

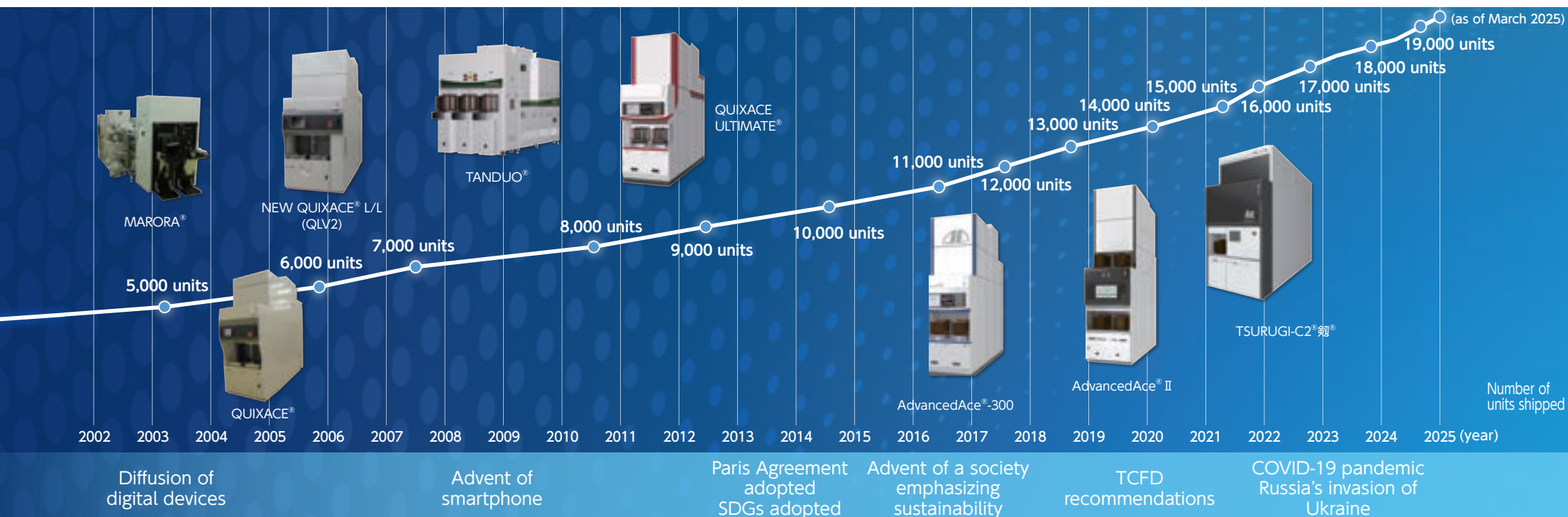
- Developed 150 mm wafer-ready silicon epitaxial growth system (DC-7000)
- Developed vertical CVD system (VERTRON®-I)
- Implemented a plan to double production output
- Implemented the second plan to double production output
- Developed 150 mm wafer-ready vertical CVD system (VERTRON®-II)
- Relocated the production site from Hamura Works to Toyama Works (Toyama Prefecture) (1989)
- Developed 200 mm wafer-ready vertical CVD system (VERTRON®-III)
- Developed load-lock system (VERTRON®-V (C)) that suppresses natural oxide film formation

1990s**1990-1999**

- Developed 300 mm wafer-ready vertical diffusion/CVD system (ZESTONE®-III)
- Developed 300 mm wafer-ready single wafer CVD system (ZESTONE®-VII)
- Obtained ISO 9001 certification (1995)
- Obtained ISO 14001 certification (1996)

History of Value Creation >>

19,473 units



2000s

2000-2009

- The company name changed to Hitachi Kokusai Electric Inc. (2000)
- Developed single wafer plasma nitridation system (MARORA®) suitable for next-generation process
- Developed QUIXACE® incorporating QTAT (quick turnaround time) technology
- Developed NEW QUIXACE® L/L (QLV2)
- A new fab constructed at Toyama Works
- Developed high-productivity ashing/annealing system (TANDUO®)
- Became a consolidated subsidiary of Hitachi, Ltd. (2009)
- Obtained OHSAS 18001 certification (Toyama Works) (2001)

2010s

2010-2019

- Developed QUIXACE ULTIMATE®
- Developed AdvancedAce®-300
- Developed AdvancedAce® II
- Developed TSURUGI-C2® 剱
- The company name changed to KOKUSAI ELECTRIC CORPORATION following spinoff of the Deposition Process Solutions business (2018)

2020s-

2020-

- Obtained ISO 45001 certification (Toyama Technology & Manufacturing Center) (2021)
- Endorsed the TCFD recommendations (2021)
- Introduced a solar power generation system at the Toyama Technology & Manufacturing Center (2022)
- Signed the United Nations Global Compact (UNGC) (2022)
- Registered for the TOYAMA SDGs PROJECT (2022)
- Participated in SEMI's Semiconductor Climate Consortium as a founding member (2022)
- Established Corporate Philosophy, the KOKUSAI ELECTRIC Way (2022)
- Disclosed information in accordance with the TCFD recommendations (2023)
- Listed on the Prime Market of the Tokyo Stock Exchange (2023)
- Established a local subsidiary in Singapore (2024)
- Started operations at Tonami Manufacturing Center (2024)
- Newly established Yokohama Technology Center (2024)

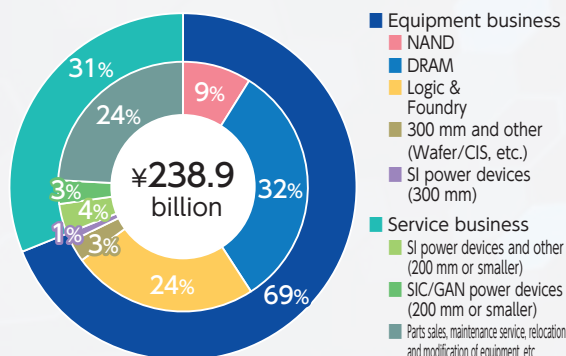
At a Glance >>

At a Glance

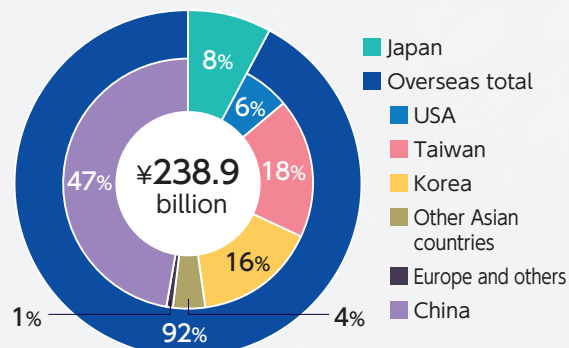
Of the many processes that go into manufacturing semiconductors, the Group operates businesses that revolve around the deposition process, the treatment (film property improvement) process, and the oxidation, diffusion, and annealing processes, which affect the performance of semiconductor devices. Our Group's semiconductor manufacturing equipment that responds to those process technologies is highly rated by semiconductor device manufacturers all over the world, and holds a world-leading share of the market.

Financial Overview

Revenues by Business (Consolidated) for the Fiscal Year Ended March 31, 2025

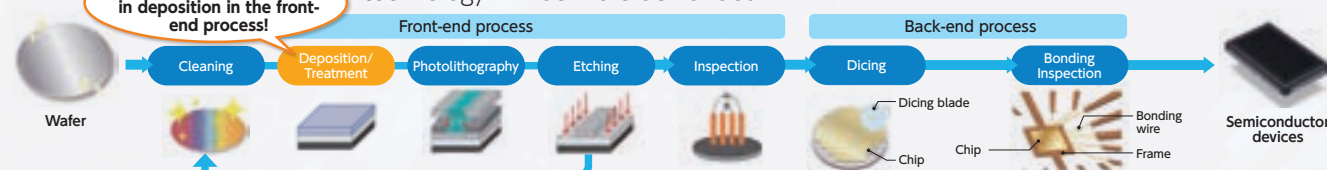


Revenues by Region (by Destination) (Consolidated) for the Fiscal Year Ended March 31, 2025



Business (Equipment business)

The Group mainly develops the deposition process equipment and single wafer treatment process equipment that affect the performance of devices in the front-end process of semiconductor device manufacturing process. The deposition process is a process to form thin films to be circuit materials on wafers. The treatment process is a process to improve film properties of thin films formed in the deposition process. As devices are getting to have more complex, finer, and three-dimensional structures, the Group's deposition technology and treatment technology will be more demanded.



Batch deposition equipment

Batch ALD^{*1}-compatible deposition equipment

Global share No.1 (2024)^{*2}

- Of batch deposition equipment that performs deposition on several dozen wafers or more at a time by batch processing, one compatible with ALD technology, which can achieve both deposition with a high degree of difficulty and high productivity.
- Its needs are growing as devices become more complex.



Treatment equipment

Plasma Gate Modification Tools

Global share No.1 (2024)^{*3}

- An equipment designed to improve film properties by plasma or heating after deposition, which realizes superior isotropy and step coverage with unique plasma technology
- Its needs are growing as devices become more complex.
- The needs for improved film properties in low-temperature environments are growing.



Business (Service business)

We provide after-sales services such as parts sales, maintenance services, paid repairs, relocation and modification of equipment over a whole life cycle of semiconductor manufacturing equipment manufactured and sold by the Company. We also focus on sales of legacy equipment for sub-200 mm wafers (new and used) using sales networks of group companies, aiming at provision of higher value-added services with the concept of "Design for Service Business."



^{*1} We refer to a technique for thin-film deposition at an atomic layer level involving a process of cyclical supply of multiple gases as "ALD."

^{*2} Source: TechInsights Inc. "TI_ALD Tools_YEARLY" (April 2025)

^{*3} Source: Gartner*, Market Share: Semiconductor Wafer Fab Equipment, Worldwide, 2024, Bob Johnson et al. Published 21 April 2025. Revenue share from Shipments basis of Plasma Gate Modification Tools in CY2024. GARTNER is a registered trademark and service mark of Gartner, Inc. and/or its affiliates in the U.S. and internationally and is used herein with permission. All rights reserved. Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose. The Gartner content described herein (the "Gartner Content") represents research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. ("Gartner"), and is not a representation of fact. Gartner Content speaks as of its original publication date (and not as of the date of this Integrated Report), and the opinions expressed in the Gartner Content are subject to change without notice.

| At a Glance >>

Group network

Japan

Overseas

Percentage of Overseas Employees (Consolidated)*

Number and Percentage of Employees by Region (Consolidated)*

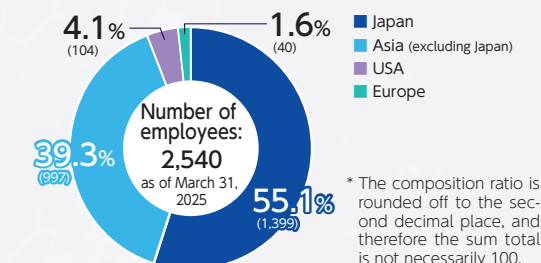
Main Centers for Development, Design, and Production

2
companies

6
companies

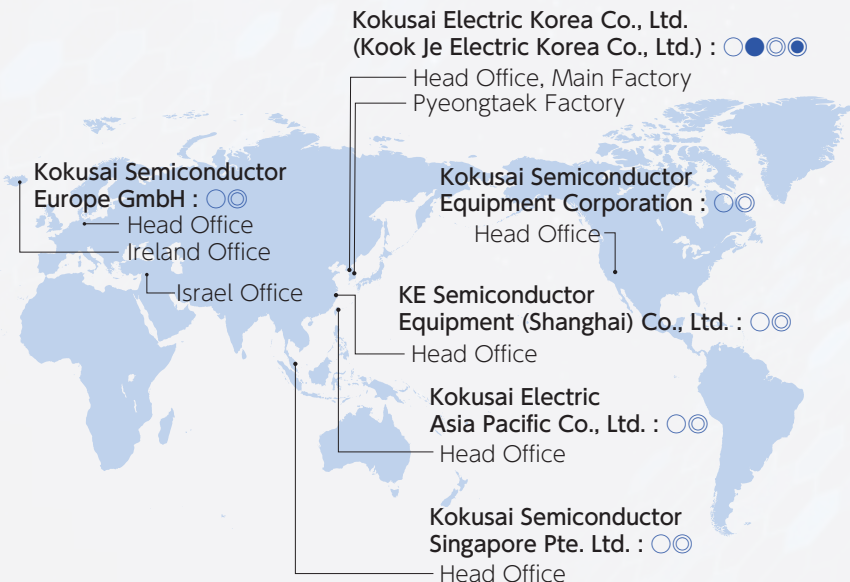
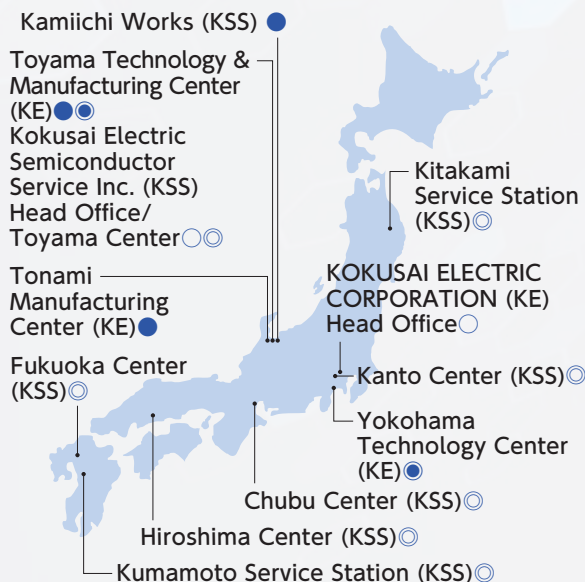
44.9%

* The number of employees of the Company as of March 31, 2025 was 2,540, of which overseas employees accounted for 44.9%.



Sites in Japan

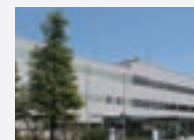
Overseas Sites



○Head Office, Distribution ●Production ○Service ●R&D

Toyama Technology & Manufacturing Center

Located in Yatsuiomachi, Toyama, with a view of the Tateyama mountain range, this factory has special-purpose clean rooms where semiconductor manufacturing equipment for next-generation processes is developed, designed, and produced to meet the demanding needs of major users worldwide.



Tonami Manufacturing Center

A new production base completed in September 2024. This factory promotes smart factory by introducing cutting-edge solutions such as IoT and DX. Located in Tonami City, Toyama Prefecture, the factory is close to the Toyama Technology & Manufacturing Center, enabling efficient sharing of supply chains and engineers.



Kamiichi Works of Kokusai Electric Semiconductor Service Inc.

Located amid a rich natural environment in Toyama Prefecture's Kamiichi Town at the foot of Mt. Tsurugidake in Japan's Northern Alps, the factory develops, designs, and produces ultrasonic cleaning machines and resistivity measurement systems. It also produces controllers for semiconductor manufacturing equipment. These products are supplied to users across the world.



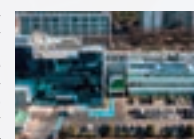
Cheonan-si Head Office and Main Factory of Kokusai Electric Korea Co., Ltd.

Located in Cheonan-si, Chungnam, about 100 km south of Seoul, the capital of Korea, Kokusai Electric Korea Co., Ltd. designs, produces, and upgrades semiconductor manufacturing equipment, supplying products mainly to users in Korea.



Pyeongtaek Factory of Kokusai Electric Korea Co., Ltd.

Pyeongtaek in Gyeonggi Province is located to the south of Seoul, the capital of Korea. As the service base for Korean users, and also developing the evaluation of semiconductor manufacturing equipment, it meets the needs for advanced technologies and products utilizing local production for local consumption.



With Technology & Tai-wa, we will face challenges and contribute to the development of the semiconductor field and a sustainable future

On April 1, 2025, Mr. Kazunori Tsukada was appointed Representative Director, President and Chief Executive Officer of Kokusai Electric.

Amid markets and society that are changing by the minute, what kind of future will he lead the Kokusai Electric Group toward? Here we present a message from the new president.

Finding solutions to issues and problems for a brighter future for people around the world

The Kokusai Electric Group engages in the development, design, and manufacture of semiconductor manufacturing equipment, as well as the sale of components and provision of maintenance services. The Group began development of semiconductor manufacturing equipment in the 1950s. Since then, tremendous progress has been made in technology, and the structure of the industry has changed significantly. When I joined Kokusai Electric Co., Ltd. (as it was known at that time) in 1986, Japanese semiconductors were taking the world by storm, and the phrase “Electronics Nation” felt like a tangible reality. In the approximately 40 years until my appointment as president, the international power map surrounding the industry has changed, and the center of the Kokusai Electric Group’s business has shifted overseas. Against this backdrop, my career has been defined by the broad range of fields that I have been involved in, including design, manufacturing, sales, corporate planning, overseas assignments, and management of Group companies. I see it as my mission as the top management executive to lead the semiconductor manufacturing equipment industry into a new era from flexible perspectives, drawing on the experience I have cultivated in the midst of change.

My guiding principle for this is our corporate slogan, “Technology & Tai-wa for Tomorrow.” Simple words, but I do feel that they express the very essence of our corporate activities. By interpreting “Technology” as the ability to lead issues and problems toward solutions and “Tai-wa” as the ability to discover issues and problems, we are able to connect the strengths that the Group has developed to the future toward which it should aim. So, just whose “future” are we talking about? The first answer to that question to come to mind is

Kazunori Tsukada

Representative Director, President
and Chief Executive Officer



TOP COMMITMENT

Top Commitment >>

our stakeholders. This means our shareholders and investors, business partners, local communities, and our employees and their families. I believe that it also includes a wider range of people. The Group's semiconductor manufacturing equipment enables customers to manufacture semiconductor devices, which are then incorporated into various electronic devices, thus enriching people's lives. To realize such a world, we will share our vision both inside and outside the Company under the key themes of "problem-solving capabilities," "problem-discovery capabilities," and "a bright future for the people of the world."

A balanced business portfolio that responds to changing market needs

In the fiscal year ended March 31, 2025, revenue was 238.9 billion yen and adjusted operating profit was 57.8 billion yen. We have made a strong recovery following the slump in the business performance of the fiscal year ended March 31, 2024. Our analysis shows that a major factor behind the recovery in business performance is the balance of our business portfolio. The semiconductor manufacturing equipment industry in which we operate is greatly affected by technological trends in semiconductor devices. Rather than relying on specific applications, we consistently delivered solutions to customer issues across various domains, including NAND, DRAM, Logic/Foundry, and power devices, and this has translated into positive outcomes. If we look at the market as a whole, the recovery of NAND has been delayed due to the impact of restraint in capital expenditures by our customers, the semiconductor device manufacturers. However, growth has been driven by Logic/Foundry, demand for which is rising due to the spread of generative AI, and DRAM, backed by growing demand for high-bandwidth memory (HBM). As NAND is expected to recover in the next fiscal year, we anticipate a shift to a more balanced portfolio.

In addition, the fact that there was no significant deviation from our previous performance forecasts is also a noteworthy achievement. One of the key factors that made such highly accurate business performance forecasting possible was the close collaboration with our overseas Group companies. The primary roles of our Group companies have traditionally been equipment installation, setup, and maintenance. In recent years, however, their local account sales functions have also been strengthened. Additionally, we have built systems to foster more in-depth Taiwan with customers in each region, including the localization of management approaches with the promotion of local personnel to executive positions. As a result of such efforts, I believe that we have improved not only our ability to provide solutions but also the accuracy of our shipment forecasts, and our performance forecasts have become more appropriate.

We will steadily advance the Medium-Term Management Plan and respond to changes in the external environment

The Medium-Term Management Plan focuses on three business strategies. The first is to respond to the increasing complexity and three-dimensionality of individual applications to expand sales of our core products. Among the front-end processes in the semiconductor manufacturing process, the Group particular strength lies in the deposition process. Our mainstay product is batch deposition equipment, which boasts one of the highest market shares globally. It enjoys high trust from customers, and as semiconductor devices have become more complicated, finer, and three-dimensional, our deposition technology is taking on even greater value. In addition, as the performance of semiconductor devices improves, the importance of the treatment (film property improvement) process, which improves the quality of the film after deposition, is also increasing. Treatment is another of our core technologies. We believe that we will be able to achieve medium-term growth by finding new customers that can make use of these technologies and resolving issues in cutting-edge fields.

Our second strategy is to expand our business domains by leveraging our core technologies. By applying the technologies developed in front-end processes to high-interest fields such as advanced packaging, we will broaden the scope of our business to include mid-stream processes. To make this area a new pillar of our businesses, we are promoting research and development, primarily at our new Yokohama Technology Center that was established in fiscal 2024. Further, in the field of SiC power semiconductor devices, which are attracting attention for their use in



Top Commitment >>

electric vehicles (EVs) and solar power generation, the introduction of a heater that we have newly developed will make it possible to improve production efficiency while reducing energy consumption. We hope to develop our business in this field, which also contributes to the reduction of energy consumption in society as a whole, and further broaden the range of solutions that we offer.

Our third strategy is to expand our highly profitable service business by providing services that meet customer needs throughout the life cycles of products. Our provision of a full package of maintenance, relocation, and product modification services will lighten our customers' load and accelerate the development of semiconductor devices and other products. To support the evolution of semiconductors, we will focus on services that support the industry as a whole.

In addition to these strategies, it will also be important to respond to changes in the external environment. Global uncertainty is intensifying, due to the emergence of geopolitical risks, as well as stricter export regulations and tariff policies. Although there have been no developments that would impair the management of the Group, if economic stagnation causes a slowdown in growth of the semiconductor market, we, too, will not be immune to its impact. We are making various preparations to ensure that we are able to propose alternative methods to customers in the event of unforeseen circumstances.

We will promote sustainability management through Tai-wa with the natural environment and social issues

Corporate responsibility lies at the heart of sustainability management. We are committed to fulfilling our social responsibilities as a listed company that conducts business activities based on equity received from shareholders. Such an approach must be embedded in Kokusai Electric's individual business sites and across the



entire Group, and we must steadily put it into practice, starting at the front lines. Here, as well, the "Tai-wa" that is part of our corporate slogan is key. We will promote initiatives in each area through Tai-wa with the natural environment and Tai-wa with social issues.

The Kokusai Electric Group's efforts to protect the global environment can be broadly divided into two categories. One is environmental management across the entire Group. Based on our Action Guidelines for Environmental Conservation, we are working to reduce greenhouse gas emissions, thoroughly manage energy, manage waste and hazardous substances, and strengthen supply chain management, in accordance with our environmental management system (ISO 14001). The other category is contribution through technology and products. By enhancing the environmental capabilities of the Group's products through environmentally considerate design and life cycle assessment, the Group will help customers to improve the sustainability of their business activities.

With regard to the reduction of greenhouse gas emissions, our Tonami Manufacturing Center, which was completed in September 2024, has achieved operation with 100% renewable energy. This embodiment of our commitment to the Earth is a major step forward. We will continue to bolster our initiatives, including increasing the renewable energy ratio at the Toyama Technology & Manufacturing Center. In recent years, in addition to climate change countermeasures, efforts to address biodiversity have become increasingly important. Amid the constantly evolving needs of the global community, the responses required will differ from region to region. For this reason, the Company will cooperate with each Group company to promote finely tuned responses.

One area of particular focus in Tai-wa with the natural environment is water. The Group uses water in many processes of R&D and production. The efficient use of limited water resources and the reduction of waste water's environmental impact are issues that must be addressed thoroughly at all times. In particular, the high-quality water used at the Toyama Technology & Manufacturing Center, which comes from the Northern Alps, is a blessing of nature and a valuable resource for the local community. We will continue our efforts to reduce water use in the future, including increasing recycling capacity through the introduction of an industrial water circulation system.

Management of diverse talent to expand global management

In the area of human resources management, we are promoting various measures, including diversity, equity and inclusion. In line with the globalization of our business, we must enhance the global responsiveness of our people in Japan, while at the same time attracting talent from a variety of countries and regions. The mobilization of human resources within the Group has become standard in recent years. The development of a workplace environment in which diverse talent can thrive and the enhancement of facilities will form the foundation for the creation of future innovations.

Top Commitment >>

Securing and developing talent is also essential for the realization of sustainable growth. At present, we are promoting the recruitment of overseas talent, regardless of whether they are new graduates or have experience, and we are also working to enhance training in areas such as language skills and cross-cultural management. We will also step up the assignment of personnel in Japan to overseas bases once more, after refraining from doing so during the COVID-19 pandemic, to further deepen their understanding of global business through their experiences overseas.

In the future, we will also focus on discovering “hidden talents” at our overseas Group companies. For example, we will invite personnel from overseas Group companies to Japan for a certain period of time and have them acquire highly specialized skills, which will help them to further thrive in their home countries. Personnel exchanges will also contribute to the growth of our people in Japan. We will put systems in place to make the most of the strength of our global network.

Technology is at the core of the Kokusai Electric Group's business, but when we pursue that technology to its essence, it ultimately comes down to people. We will promote corporate growth by revitalizing the flow of people across regions and blending new ideas. It is with such a mindset that we will engage in human resources management.

Strengthening the governance system to balance trust with challenges

To realize sustainability management, we also need a robust governance system. While we have already achieved targets such as the ratio of female executives, our real goals are not numerical ones. When we judge someone to be an ideal candidate for the strengthening of governance, we will actively promote them regardless of gender, nationality, or whether they are from inside or outside the Company. Gathering a wide range of knowledge that will contribute to solving customers' issues, without being bound by the framework of semiconductor manufacturing equipment, is, I believe, an important approach.

The Group also faces the challenge of having a somewhat cautious and conservative corporate culture due to our technology-centered roots. The opinions of independent outside directors are critical to breaking through that tendency and adopting a mindset that will enable us to act proactively and aggressively. Instilling an attitude of openness within the company will also help us to secure competent personnel from outside the company. To strengthen management from a multifaceted perspective, we will work to optimize our executive management team while carefully assessing the balance of their skills matrix.

At the same time, “Tai-wa” with stakeholders is also a priority. As well as communicating more actively than ever with shareholders and investors, we will also increase points of contact with business partners and local communities. In that process, I believe that it is important that I personally engage in direct, ongoing Tai-wa. This is one activity that I have been focusing on the most since my appointment as president, and I will step it up even further going forward.



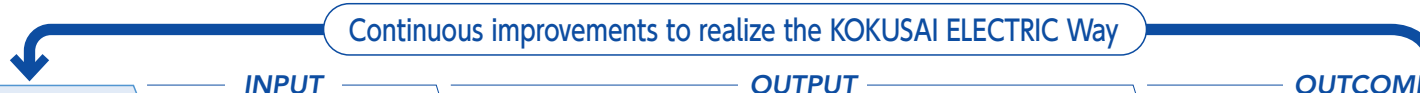
Expanding the field of problem-solving is the mission of top management

My ideal image of the Kokusai Electric Group is to be a company that people will trust to always lead them to a solution, no matter what the problem is, when they consult with us. Currently, our main business lies in the front-end processes of semiconductor manufacturing, but we want to be a company that proactively addresses issues that are not included in our existing product portfolio. We also hope that the circle of those who seek the Group's help will expand to include partners in different fields and members of local communities. If our true worth lies in solving issues, then attracting more challenges should enable us to grow even further as a company.

During my own career, I have also addressed many customer issues. In some cases, I dealt with serious product problems that caused inconvenience and dissatisfaction to our customers. However, when I was ultimately able to resolve the problem successfully, the customers would always express their appreciation. The unforgettable emotions that well up at that moment have been my driving force. Solving issues strengthens our relationship with our customers and provides a great opportunity for growth. I believe that one of my key duties is to ensure that all employees have the opportunity to enjoy such an invaluable experience. Drawing on the tremendous support that we have received from our stakeholders, I will continue to strive to enhance the corporate value of the Group and fulfill my responsibilities as the top executive.

Value Creation Process >>

Based on the foundation of the Group's sustainability management and mindful of the key issues to be addressed (materiality) as the starting point, the Group is committed to contributing to development of industry and society and establishment of a sustainable society through our business and ESG initiatives, making effective use of the Group's management capital. In order to realize this value creation process, we are endeavoring to offer high-quality, high-performance products and high-value-added services.



Important foundation of sustainability management

Identification of Materiality

Deliberation by the Management Meeting and the Sustainability Committee

INPUT

Important Capital

OUTPUT

Value creation, social contribution initiatives

OUTCOME

Confirmation of the outcomes of the initiatives

KOKUSAI ELECTRIC Way

Purpose

Purpose

Technology & Tai-wa for Tomorrow

The Kokusai Electric Group supports a future where creativity and innovation are born out of Technology and Tai-wa.

Vision

Vision

Your Trusted Partner To Bring Technology Dreams To Life

Value/Mission

Value/Mission

Our Technology

- Refine technology
- Create technology
- Advance technology
- Captivate with technology

Our Tai-wa

- Tai-wa with cutting-edge technology
- Tai-wa with the natural environment
- Tai-wa with social issues
- Tai-wa with ourselves

Contribution to society through creativity and innovation

Creation of a sustainable society and conservation of the global environment

Human resources management as a source of innovation

Strengthening of the governance system to realize sustainability management

Respect and consideration of human rights

FY2024 results

Financial Capital

- Net assets: ¥196.2 billion
- Equity ratio: 57.4%

Intellectual Capital

- 429 employees engaged in R&D (in Japan)
- Ranked 5th in terms of patent value growth potential (Nikkei Business)

Social Capital

- 23 collaborative projects (with universities, institutions, other companies)
- 19 sponsorships (academic association, etc.)

Natural Capital

- Electricity: 56,681 MWh
- Fuel oil (kerosene, heavy oil, etc.): 259 kL
- Gas (LPG, LNG): 195 t
- City gas: 56 km³
- Water (tap water, industrial water): 347 km³

Human Capital

- Number of employees in Japan: 1,373
- Number of employees overseas: 1,174

Manufactured Capital

- Global network: Total of 8 companies consisting of 2 companies in Japan and 6 companies overseas

FY2024 results

19,473 units	¥238.9 billion	24.2%
Number of products shipped (P.4) (Cumulative total as of March 31, 2025)	Revenues (consolidated) (P.18) Up 32% from FY2023 *WFE in 2024 increased by 7% from 2023	Adjusted operating profit margin (P.18)
No. 1 (over 70% market share)	No. 1 (over 50% market share)	22.1%
Batch ALD-compatible equipment (P.5)	Plasma Gate Modification Tools (P.5)	ROE (P.18)
Customer Awards (P.50)	Awarded Top 10 Customer Service for the 28th consecutive year	ROIC (P.18)

Medium-Term Management Plan (P.18) (Reference) WFE market size as a basis of the estimate \$120.0 billion or more

¥330.0 billion or more	Approx. 75%	Approx. 25%	30% or above
Revenues (consolidated) Average annual growth rate from FY2023 (estimate) 16% *WFE's average annual growth rate from 2023 to 2027 is estimated to be 5%.	Equipment business sales ratio	Service business sales ratio	Adjusted operating profit margin
Approx. 6%	25% or above	23% or above	
R&D expenses as a percentage of revenue	(Reference) ROE	(Reference) ROIC	

23,194t-CO ₂	1,173,395t-CO ₂	43%
Scope 1+2 GHG emissions (P.30)	Scope 3 GHG emissions (P.30)	Intensity improvement rate of waste and valuables generation (P.31)
100%	5.6%	68%
Rate of compliance with sustainable procurement checklist (P.35)	Percentage of female managers (P.72)	Percentage of male employees who took childcare leave (P.37)
100%	96 courses	0
Percentage of female employees who took childcare leave (P.37)	Number of e-learning courses (P.39)	Number of occupational deaths (P.72)
44 hours	0	98%
Hours for training per employee to develop their abilities and improve their skills (P.72)	Total number of serious legal violations, fines, charges, litigations, etc. (P.72)	Rate of attendance of Board of Directors meetings (P.54)
		AA
		MSCI ESG Ratings (Reference External Evaluations)

Provision of high-performance, high-value-added products and expansion of market share

Establishment of strong relationships of trust with customers and enhancement of customer satisfaction

Enhancement of brand value and competitive advantage of the Company and its products

Expansion of development and implementation of technologies and products that pursue environmental performance

Promotion of "Tai-wa" and enhancement of internal engagement

Future vision of the Kokusai Electric Group

Further improvement in the quality of semiconductor devices

Enhancement of brand power and competitiveness of semiconductor device manufacturers

Progress in semiconductor technology and development of the semiconductor industry as a whole

Initiatives to resolve environmental and social issues throughout the value chain

Vitalization of organizations and talent that are the starting point for innovation

Establishment of a clean corporate and industry culture that earns the trust of society

Development of industry and society brought about by progress of semiconductors

- Achieve high performance and energy savings in semiconductor-mounted products
- Create jobs in the semiconductor industry
- Strengthen social infrastructure through dissemination of IoT technology

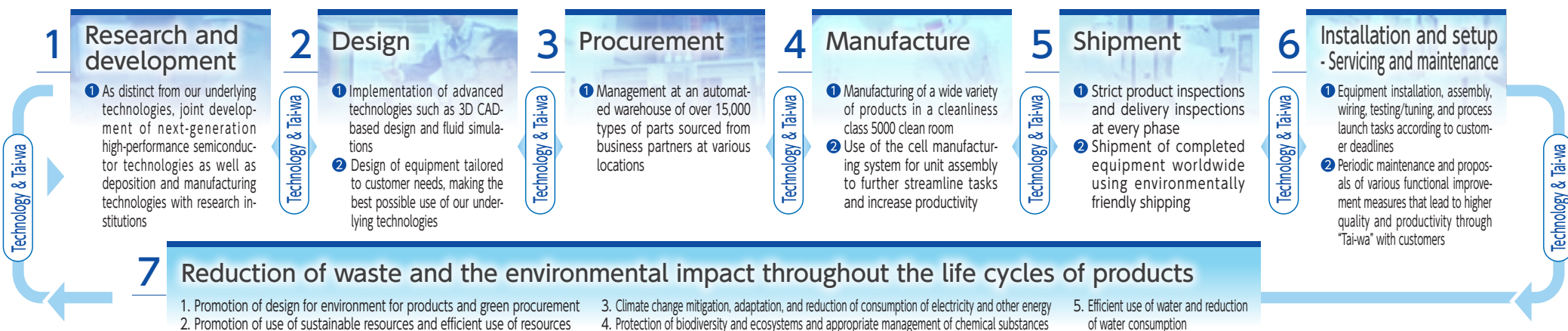
Establishment of a sustainable society

- Reduce environmental impact
- Realize an energy-saving society
- Resolve human rights issues
- Realize a society without disparities
- Forge good relationships with local communities

Value Chain >>>

Promoting continuous improvements to realize the KOKUSAI ELECTRIC Way

The Group believes that the outcome is to have a positive impact on society through the promotion of continuous improvements to realize the KOKUSAI ELECTRIC Way by effectively utilizing six types of capital in the value chain. In addition to the research and development of semiconductor manufacturing equipment targeting world-class deposition, including nanometer-scale microfabrication approaching the physical limit, and productivity improvement, we are promoting environmental protection, creation of a rewarding work environment, strengthening of supply chain management, and other socially beneficial initiatives throughout the whole value chain. We will continue our efforts to provide high-quality, high-performance products and services that embody high added value and establish a sustainable society.



Important Capital



Financial Capital



Manufactured Capital



Natural Capital



Social Capital



Intellectual Capital



Human Capital

Examples of co-creation



Yuki Kitahara

Field Engineering Department,
Field Engineering Division

As a field service engineer, I visit customer factories and conduct process evaluations for newly installed equipment. With ongoing device miniaturization in the semiconductor industry, we have been increasingly receiving requests from customers to meet high-precision specifications for deposition evaluations and particle countermeasures. I always strive to acquire the latest technical knowledge so that I can respond quickly and accurately to such requests. I also place importance on Tai-wa with customers and focus on building trust. On site, I go beyond technical explanations to understand customer's needs and challenges in depth, proposing optimal solutions, and demonstrating flexibility and integrity to foster long-term relationships. Leveraging my experience as an engineer, I also actively share knowledge within the team and provide training to junior engineers and group companies. Through these efforts, I aim to contribute to strengthening our technological capabilities and service quality, establish credibility in the field as a field service engineer, and grow together with our customers. The sense of achievement when I earn customer trust is a source of great joy and confidence for me.



Shinya Kanemaru

Manager, Asia Sales
Department, Sales Division

When we say "Tai-wa," many imagine direct interactions with customers, but at the Company, our Japan sales division have had fewer chances to speak with customers directly since the COVID-19 pandemic. This does not represent a step backward; rather, it reflects our intent to have each regional representative stay close to customers and, with clear responsibility and authority, conduct faster and higher-quality "Tai-wa." To deliver customers optimal value in a market that changes daily, we must build strong, locally rooted capabilities. While this adds to the workload of our local subsidiaries, we are strengthening collaboration by holding ongoing "Tai-wa" within our Company, gaining a firm grasp of each region's issues, respecting local cultures and values, and, at the same time, giving shape to the factories' intentions so we can present the optimal strategy. Though a transitional phase brings its own challenges, I believe that if each person in the Group embraces ownership to fulfill their roles and deepens various forms of "Tai-wa" in their respective areas, we can deliver greater added value to customers over the medium to long term.

Sustainability Management >>

The Group's Approach to CSR and Sustainability Management

At the Kokusai Electric Group, we believe it is our corporate social responsibility to earn the trust and meet the expectations of society through our business activities.

Based on full awareness of this social responsibility, within the framework of sustainability management, by pursuing economic value as well as environmental and social value through both business activities and ESG initiatives (resolution of environmental and social issues and strengthening of governance), we aim to contribute to the achievement of the SDGs while concurrently seeking to realize a sustainable society as well as sustainable development of the Group.

The Group promotes sustainability management through the foundation of its activities, including its Corporate Philosophy, materiality (key issues), operation of a dedicated committee, and participation in international initiatives.

We disclose these activities in this report and on our website with a view to broadly engaging in "Tai-wa" about our sustainability management with stakeholders.

Kokusai Electric Group's Corporate Philosophy System

The Group has identified five major issues as its materiality to realize the KOKUSAI ELECTRIC Way, and has formulated medium- to long-term business strategies and medium-term management plans to resolve these issues.

These plans are incorporated as specific initiatives and KPIs in the operational policies for each fiscal year and each division's budget plans. Ultimately, these policies are reflected in each individual's work, leading to the company-wide implementation of sustainability management.

▶ Contribution to the achievement of the SDGs and realization of a sustainable society ◀



Corporate Social Responsibility (CSR)

Earn the trust and meet the expectations of society through business activities

Pursue enhancement of the Group's corporate value

Environment
(Pursuit of environmental value)

Business
(Pursuit of economic value)

Society
(Pursuit of social value)

Sustainability governance

Leading to sustainable development without compromising corporate value



▶ Sustainable development of the Group ◀

Technology & Tai-wa for Tomorrow



Enhancement of corporate value

Brand value
(environmental value and social value)

Economic value

KOKUSAI ELECTRIC Way [Corporate Slogan]

Technology & Tai-wa[®] for Tomorrow

— The Kokusai Electric Group supports a future where creativity and innovation are born out of Technology and Tai-wa. —

Materiality (key issues to be addressed)

Medium - to Long-term Business Strategy/Medium-Term Management Plan

Fiscal Year Operational Policies

Operational policies and budgets of individual divisions, specific action plans/KPIs

B (Business) Perspective

Deliberations and follow-up in budget meetings, business strategy meetings, etc.

E/S/G Perspectives

Deliberations and follow-up in the Sustainability Committee

| Materiality >>

Materiality Identification Process

The Group has identified as materiality those priority issues that are to be addressed in order for the Group to contribute to the achievement of the SDGs and achieve sustainable development. We extracted and organized materiality candidates based on international requirements and the Group's sustainability management issues, and shortlisted them by identifying items with a high degree of importance to both stakeholders and the Group based on matrix evaluation. After confirming the consistency of such key issues with the company's initiatives and strategies, the Board of Directors identified five items as materiality and 13 priority themes.

We have given shape to the five items identified as materiality and priority themes as activity items and are managing their progress by setting KPIs. Progress statuses are monitored by the biannual Sustainability Committee and the Board of Directors.

We will vigorously disclose the materiality identification process and the situation of internal promotion activities in the Integrated Report as well as on our website and promote "Tai-wa" with our stakeholders.

Identification process (1) : Extract and organize materiality candidates

Organize External Requirements

We extract and organize social issues and requirements that may have an impact on information disclosure guidelines, the evaluation items of ESG management evaluation bodies, and the advocacy of the SDGs.

Organize the Group's Sustainability Management Issues

Based on the Group's business environment, earnings opportunities, and various assumed risks, we extract and organize issues necessary for strengthening sustainability management.

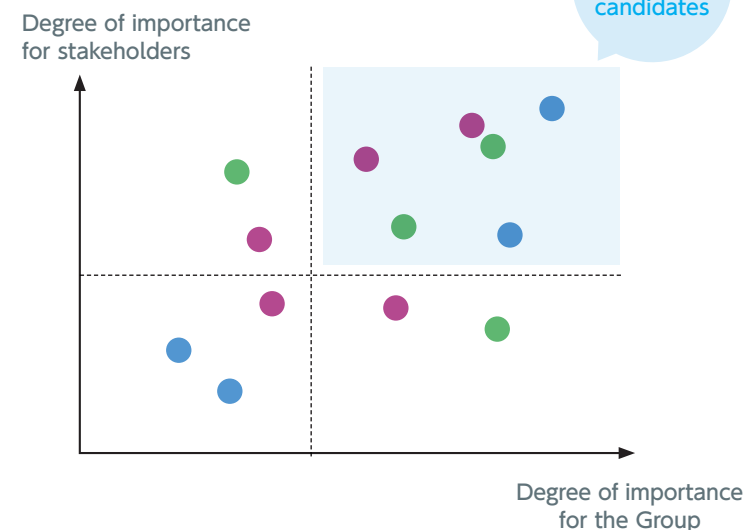
Identification process (2): Evaluate the degree of importance of materiality candidates (prioritization)

- ◇ For the materiality candidates extracted and organized in the identification process (1), we score the degree of importance from both subjective and objective evaluations, and prioritize them using matrix evaluation, shortlisting the items with high degree of importance as materiality of the Group.

Identification process (3): Confirm validity and identify materiality

- ◇ For the key items shortlisted in the identification process (2), the Sustainability Committee and the Board of Directors confirm the consistency with the Company's initiatives and strategies and identify materiality.
- ◇ Under the corporate slogan "Technology & Tai-wa for Tomorrow," we will pursue economic, environmental, and social values from both business and ESG (resolving environmental and social issues and strengthening governance) aspects, with the aim of contributing to the achievement of SDGs and realizing a sustainable society and our group's sustainable development. Based on these principles, we have identified five items as materiality.

Conceptual image of the matrix evaluation



Materiality >>

Kokusai Electric's Five Materiality Issues

Materiality	Priority themes	Activity items	Major KPIs	Scope	FY2024 targets	FY2024 results	Major initiatives (page in this report)
Contribution to society through creativity and innovation	Creation of new technologies and new products	Development of advanced underlying technologies and promotion of joint development with external institutions	R&D expenses as a percentage of revenue	Kokusai Electric	6% or more (medium-term target)	6.5%	 ▶P.16-19
	Enhancement of customer satisfaction	Provision of products, technologies, and services attuned to the VOC* *VOC: Voice Of Customer	External evaluation	Kokusai Electric Group* ¹	Awarded TechInsights Customer Satisfaction Survey for the 28th consecutive year	Awarded for the 28th consecutive year	 ▶P.50
	Enhancement of economic performance	Improvement of business results, investment, etc., and confirmation of the return on investment	Revenues	Kokusai Electric	¥238 billion (FY2024 target), ¥330 billion (medium-term target)	¥238.9 billion	 ▶P.16-19
			Adjusted operating profit margin	Kokusai Electric	23.8% (FY2024 target), 30% or more (medium-term target)	24.2%	 ▶P.16-19
Creation of a sustainable society and conservation of the global environment	Reduction of environmental impact	Reduction of greenhouse gas emissions	Reduction of GHG emissions from own energy use (Scope 1 + Scope 2) by 50% compared to FY2021	Kokusai Electric Group	−16.8%	17.1%	 ▶P.29
		Thorough management of energy	Energy use intensity (crude oil equivalent [kL]/revenue [M yen]) (compared to the previous fiscal year)	Kokusai Electric (Toyama Technology & Manufacturing Center)* ²	99.0%	73.8%	 ▶P.31
		Thorough management of waste and hazardous substances	Intensity improvement rate of waste and valuables generation (compared to FY2019)	Kokusai Electric	27.0% improvement	43.0% improvement	 ▶P.31
		Thorough management of water and wastewater	Water use intensity improvement rate (km ³ /number of machines evaluated) (compared to FY2021)	Kokusai Electric (Toyama Technology & Manufacturing Center)	3.0%	−5.6%	 ▶P.32
	Contribution to the environment through technology and products	Development of environmentally friendly products	52% reduction in GHG emissions per wafer due to product use	Kokusai Electric Group	−21.7%	−17.3%	 ▶P.32
	Promotion of sustainable procurement	Promotion of supply chain management	Rate of verification of actual conditions of business partners selected based on sustainable survey results	Kokusai Electric	Provided guidance for improvement to all 10 selected business partners (100%)	100%	 ▶P.35
	Human resources management as a source of innovation	Respect for diversity of human assets	Promotion of Diversity, Equity & Inclusion	Percentage of female managers	Kokusai Electric	4%	5.6%
Percentage of mid-career employees in all employees				Kokusai Electric	13.8% or more	15.8%	 ▶P.72
Development of human resources who learn on their own, think on their own, and act on their own		Development of global human resources and securing of excellent human resources	Hours for training per employee to develop their abilities and improve their skills	Kokusai Electric	38 hours	44 hours	 ▶P.72
			Maintenance and enhancement of health and safety	Strengthening occupational health and safety management	Obesity rate (BMI25 or higher, age 40+)	Kokusai Electric	36%
Smoking rate		Kokusai Electric			19.0%	18%	 ▶P.72
Mental leave rate *Leave rate = Number of days absent due to illness / Number of prescribed working days x 100 (excluding cases of less than 7 consecutive work days absent)		Kokusai Electric			0.60%	0.72%	 ▶P.41
External evaluation		Kokusai Electric			Recognized as an Outstanding Organization of KENKO Investment for Health for the fourth consecutive year	Recognized for the fourth consecutive year	 ▶P.41
Number of occupational accidents		Kokusai Electric and its group company in Japan* ³			0	2 cases (1 case of no lost time, 1 case of lost time)	 ▶P.43
Strengthening of the governance system to realize sustainability management		Strengthening of governance	Strengthening of corporate governance	Report to the Board of Directors: 4 times per year	Kokusai Electric	4 times per year	4 times per year
	Thorough compliance		Compliance training participation rate* *Compliance training overseen by HR-related departments.	Kokusai Electric Group	100%	100%	 ▶P.55
	Thorough management of major business risks	Strengthening of SCR*/CR risk countermeasures and BCP *SCR: Super Clean Room	Implementation of large-scale disaster countermeasures	Kokusai Electric	Implementation of disaster countermeasures in production and evaluation machine areas	Implementation of disaster countermeasures in production and evaluation machine areas	 ▶P.58
		Strengthening of information security risk countermeasures and BCP	Number of cyber accidents	Kokusai Electric Group	0	0	 ▶P.72
			Number of information security incidents	Kokusai Electric Group	0	0	 ▶P.72
	Ensuring of management transparency	Timely and appropriate disclosure to internal and external parties	Promotion of management conscious of capital costs and share price	Kokusai Electric	ROE of 25% or more and ROIC of 23% or more (medium-term targets)	ROE of 22.1% and ROIC of 15.8% (described in the Corporate Governance Report)	 ▶P.16-19
			Enhancement of disclosure of sustainability information	Kokusai Electric	Enhancement of content to be included in Securities Reports and Integrated Reports	Issued the Company's first Integrated Report and enhanced sustainability information	 ▶P.65-68
			Forming an appropriate corporate value through enhancement of IR activities	Kokusai Electric	Achieving a PER comparable to industry peers and building a well-balanced shareholder structure	PER rising to industry-peer level and higher proportion of foreign and individual investors	 ▶P.65-68
Respect and consideration of human rights	Respect for human rights	Promotion of the understanding and awareness of employees about human rights	Participation rate of human rights education in the Kokusai Electric Group	Kokusai Electric Group	100%	100%	 ▶P.43

Materiality, priority themes, and activity items remain unchanged as confirmed by the Sustainability Committee, which met in March 2025.

*1 Kokusai Electric Group: KOKUSAI ELECTRIC CORPORATION, Kokusai Electric Semiconductor Service Inc., Kokusai Semiconductor Equipment Corporation, Kokusai Semiconductor Europe GmbH, KE Semiconductor Equipment (Shanghai) Co., Ltd., Kokusai Electric Asia Pacific Co., Ltd., Kokusai Semiconductor Singapore Pte. Ltd., Kook Je Electric Korea Co., Ltd. (Kokusai Electric Korea Co., Ltd.)

*2 Kokusai Electric (Toyama Technology & Manufacturing Center): Limited to business activities at Toyama Technology & Manufacturing Center

*3 Kokusai Electric and its group company in Japan: KOKUSAI ELECTRIC CORPORATION and Kokusai Electric Semiconductor Service Inc.

Medium-Term Management Plan >>

Medium-Term Management Plan

The Group has set the medium- to long-term business strategy and medium-term objectives in order to appropriately respond to expected changes in the market environment and customer needs and promote measures that will transform its structure into an even more highly profitable one. For the medium-term objectives, please refer to the Message from Financial Officer on page 18.

Outlook for the Business Environment

The size of the semiconductor device market, which has a significant impact on the semiconductor manufacturing equipment market, expanded to approximately 610 billion US dollars in 2022, 1.7 times larger than the approximately 350 billion US dollars of 2016. It is expected to record an average annual growth rate of 10.9% from 2023 to 2029^{*1}. The expansion of the semiconductor device market was owing to factors including demand expansion of electronic devices such as smartphones and personal computers, expansion of data centers due to the spread of technologies such as AI, IoT, and digital transformation (DX), investment in green transformation, among others, which increased demand for industrial use, and industrial support measures taken by major countries. Although the current global economy had been on a moderate growth trajectory, the outlook remains uncertain, and the recovery of demand for electronic devices such as smartphones and personal computers has been delayed. However, in the semiconductor devices market, demand for leading-edge DRAM is increasing due to factors such as the spread of generative AI. Further, we expect a full-fledged recovery in demand from 2025, followed by continued and accelerated technological innovation, leading to a return to a growth trajectory toward 2029.

The semiconductor manufacturing equipment market expanded over 2.6 times to about 98 billion US dollars in 2022 from about 37 billion US dollars in 2016. It is expected to record an average annual growth rate of 7.6% from 2023 to 2029^{*2}. At present, capital expenditures on cutting-edge DRAM, cutting-edge nodes, and Logic/Foundry are accelerating, and there are signs of recovery in NAND in 2025. We expect demand for semiconductor manufacturing equipment to recover in line with the recovery in demand for semiconductor devices. Over the medium to long term, with miniaturization of semiconductor devices and their structures becoming more complex and three-dimensional, we believe that there will be growing needs for semiconductor manufacturing equipment capable of achieving both highly difficult deposition and high productivity.

Size of the global markets^{*1,2} of semiconductor devices and semiconductor manufacturing equipment (Billions of dollars)

	2016	2022	2023	2029 (forecast)
Size of the global market of semiconductor devices	351.8	613.9	559.1	1,041.4
Size of the global market of semiconductor manufacturing equipment	37.0	97.7	99.0	153.7

*1: Technisights Inc. 06/14/2025 - Semiconductor Forecast Q2 2025 Update

*2: Technisights Inc. "IC Manufacturing Equipment Market History and Forecast (2019-2029)" (June 2025)

*3: We refer to a technique for thin-film deposition at an atomic layer level involving a process of cyclical supply of multiple gases as "ALD."

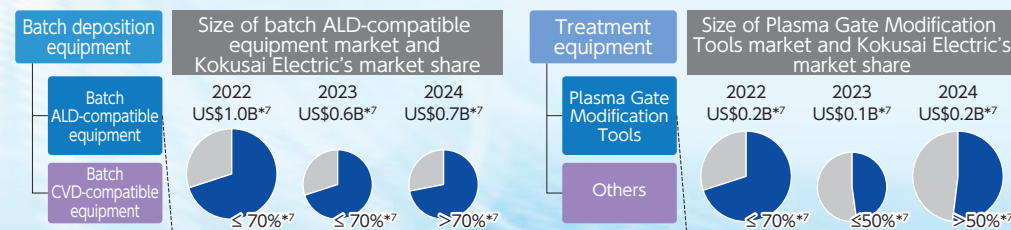
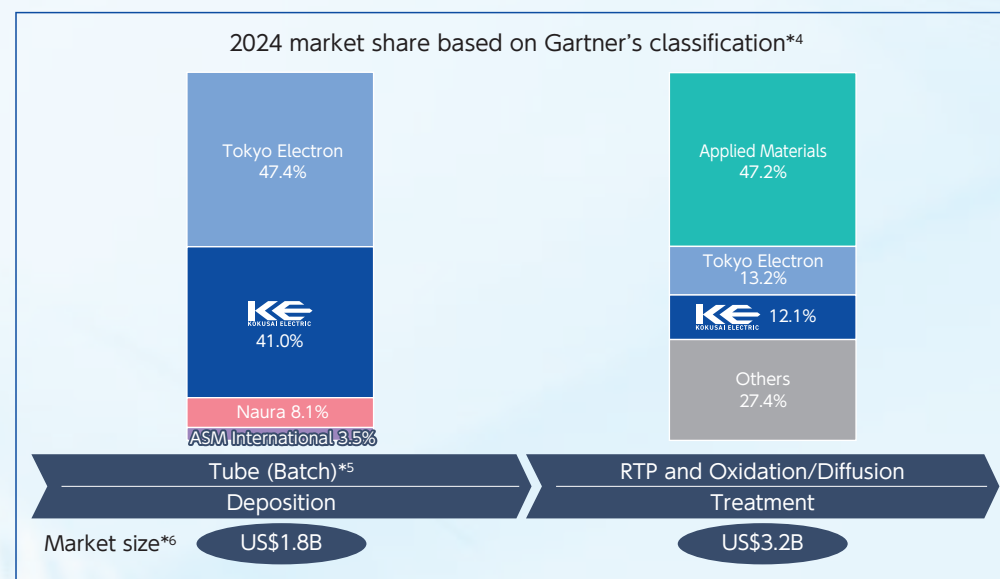
*4: Source: Gartner[®], Market Share: Semiconductor Wafer Fab Equipment, Worldwide, 2024, Bob Johnson et al. Published 21 April 2025. Chart created by Kokusai Electric based on Gartner Research figures. The figures presented herein were calculated by Kokusai Electric. Treatment equipment: RTP and Oxidation/Diffusion. GARTNER is a registered trademark and service mark of Gartner, Inc. and/or its affiliates in the U.S. and internationally and is used herein with permission. All rights reserved. Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose. The Gartner content described herein (the "Gartner Content") represents research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. ("Gartner"), and is not a representation of fact. Gartner Content speaks as of its original publication date (and not as of the date of this Integrated Report), and the opinions expressed in the Gartner Content are subject to change without notice.

*5: Gartner defines Tube CVD in its WFE segment as Tube (Batch) (calculated by the Company). *6: Total value of categories according to Gartner

*7: Estimation by the Company based on disclosed information and the Company's net sales

Changes in Market Share

Amid the ongoing trend toward finer, more complex, and three-dimensional semiconductor devices, the Company secured the top global market share (2024) in the field of batch ALD^{*3}-compatible equipment and Plasma Gate Modification Tools, for which demand is expanding.^{*4} We will continue in our aims to grow our market share, increase revenue, and improve profitability by providing high value-added products.



Medium-Term Management Plan >>

Medium- to long-term Management Policy

The Group focuses on the deposition process of the front-end semiconductor manufacturing process and enjoys leading global market shares of batch deposition equipment and single wafer treatment (film property improvement) equipment. As the topography of wafer surfaces becomes more complex with miniaturization of semiconductor devices and their structures becoming more complex and three-dimensional in recent years, further advanced technologies are required to form high-quality thin films and other products. In response to such requirement, the Group will expand its business by emphasizing sales expansion and R&D of high-value-added products, through leveraging batch ALD^{*1} technology, which achieves both highly difficult deposition and high productivity, and treatment technology, which improves the properties of the thin film formed while maintaining high productivity.

Moreover, we will strive to enhance our services attuned to customer needs throughout the equipment life cycle, including maintenance, repair, parts supply, relocation, and modification. Furthermore, we will emphasize the enrichment of production and development systems to respond to demand expansion while also pursuing the enhancement of production efficiency by utilizing digital transformation (DX).

As regards our ESG initiatives, we will promote activities to resolve issues, based on the five key issues identified as materiality, namely, (1) contribution to society through creativity and innovation, (2) creation of a sustainable society and conservation of the global environment, (3) human resources management as a source of innovation, (4) strengthening of the governance system to realize sustainability management, and (5) respect and consideration of human rights.

^{*1}: We refer to a technique for thin-film deposition at an atomic layer level involving a process of cyclical supply of multiple gases as "ALD."

Specific Measures

In the business environment surrounding the Group, demand for cutting-edge DRAM is increasing in the semiconductor device market due to factors such as the spread of generative AI, while the recovery in demand for electronic devices such as smartphones and personal computers has been delayed. Although some device manufacturers are exercising restraint in their investments in Logic/Foundry, capital expenditures on cutting-edge nodes are accelerating on the whole. NAND also showed signs of recovery at the end of the fiscal year, and we can expect that recovery to progress in the future. In the medium to long term, the semiconductor-related market is expected to grow significantly in view of factors including increasing demand for electronic devices such as smartphones and personal computers, expansion of data centers driven by the spread of technologies such as AI, IoT, and DX, as well as investment in green transformation.

In light of these circumstances, the Group will implement the following priority measures based on the management policy described above.

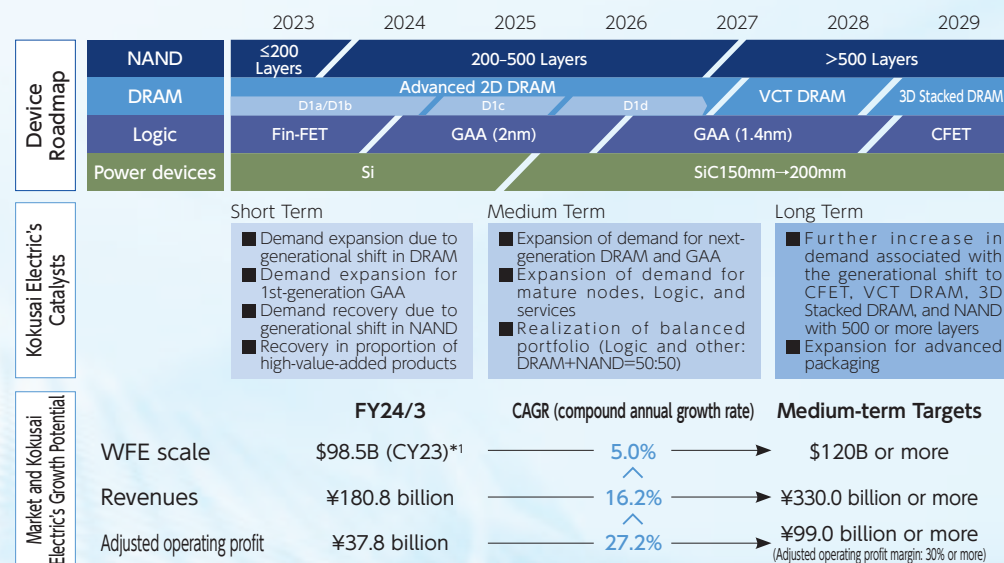
- 1 Continuously creating high-value-added products through innovation and strengthen development systems that accurately capture customer needs
- 2 Strengthening ability to make proposals to customers for further business expansion
- 3 Further expanding the service business
- 4 Promoting highly efficient management, including integrated group management
- 5 Creating a workplace environment in which diverse human resources can thrive

Medium-term Business Strategy

We aim to achieve business growth exceeding that of Wafer Fab Equipment (WFE: semiconductor production equipment market) by focusing on the three strategies.

- 1 Expanding sales of our equipment compatible with batch ALD technology and treatment process equipment in response to applications for NAND, DRAM, and Logic/Foundry, which have become more complex and three-dimensional
- 2 Expanding the earnings base in the field of deposition by promoting sales of batch deposition equipment for mature nodes and equipment for SiC power devices, which have been rapidly growing
- 3 Expanding the service business, which is highly profitable, by providing services that meet customer needs throughout the life cycles of products

Short-term and Medium- to Long-term Catalysts and the Group's Roadmap



*1 Source: TechInsights Inc. "IC Manufacturing Equipment Market History and Forecast (2019-2029)" (March 2025)

Message from Financial Officer >>

Prioritizing profit improvement, we will seek to enhance capital profitability and aim to achieve an ROE of 25% or more and an ROIC of 23% or more.

Yoshitaka Kawakami

Senior Vice President and
Executive Officer



Increased sales of high-value-added products contributed to significant increases in both revenue and profit.

During the fiscal year ended March 31, 2025, demand for electronic devices such as personal computers and smartphones remained stagnant. In the semiconductor device market, recovery in demand for general-purpose memory lagged, whereas generative-AI-related demand remained strong and continued to be the primary growth driver. In this business environment, the Company achieved year-on-year growth in equipment sales for all devices of NAND, DRAM, and Logic/Foundry. As a result, overall revenue increased 32% year on year to 238.9 billion yen, and adjusted operating profit increased 53% year on year to 57.8 billion yen.

These significant increases in both revenue and profit were attributable not only to increased revenue but also to increased sales of high-value-added products. In addition, both revenue and adjusted operating profit came in roughly 1.0 billion yen above the revised forecasts announced at the previous fiscal year's second quarter results, reflecting the effectiveness of our highly accurate budget management.

The business environment surrounding the Company remains uncertain due to factors such as 1) prolonged geopolitical risks in Europe and the Middle East, 2) a slowdown in the Chinese economy, 3) the impact of trade friction between the United States and China, and 4) concerns over tariff policies in various countries.

Despite these circumstances, demand for cutting-edge DRAM and Logic/Foundry continues to drive equipment demand around the world. For NAND, demand for high-value-added equipment associated with generational shift is expected to remain strong in both Non-China and China.

Promoting management with a strong awareness of enhancing gross profit margin

Since its listing on the Prime Market of the Tokyo Stock Exchange in October 2023, the Company has formulated a management indicator model that aims to stably achieve return on equity

(ROE) and return on invested capital (ROIC) that exceed weighted average cost of capital (WACC), while aiming to further expand sales, improve profitability, and enhance capital profitability. Specifically, we have set medium-term targets of consolidated revenue of 330.0 billion yen or more, an adjusted operating profit margin of 30% or more, ROE of 25% or more, and ROIC of 23% or more, on the assumption that the market size of Wafer Fab Equipment (WFE) will increase to 120.0 billion US dollars or more.

	Results for the fiscal year ended March 31, 2024	Results for the fiscal year ended March 31, 2025	Medium-term targets
Revenue	¥180.8 billion	¥238.9 billion	¥330.0 billion or more
Equipment business sales ratio	65%	69%	Approx. 75%
Service business sales ratio	35%	31%	Approx. 25%
Adjusted operating profit margin*1	20.9%	24.2%	30 % or above
R&D expenses as a percentage of revenue	7.0%	6.5%	Approx. 6%
(Reference) Return on equity (ROE)	15.7%	22.1%	25% or above
(Reference) Return on invested capital (ROIC)	10.1%	15.8%	23% or above
(Reference) WFE market size as a basis of the estimate	100.0 billion US dollars (2023)*2	—	120.0 billion US dollars or more

*1 Adjusted operating profit is calculated by the following formula:

Adjusted operating profit = Operating profit (IFRS) - Other income + Other expenses + Purchase price allocation amortization + Stand-alone related expenses + Management fees + Stock-based compensation (except for performance-linked stock compensation)

*2 The Group's estimate

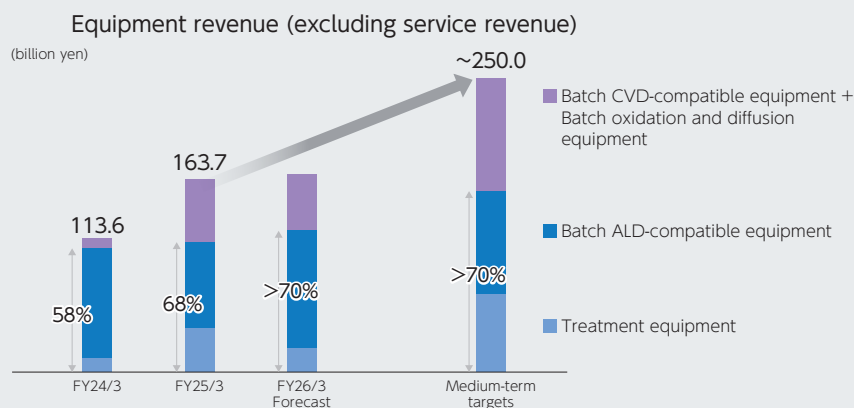
In order to achieve this target of ROE of 25% or more and ROIC of 23% or more, we will first and foremost give top priority to improving profits. In particular, we will focus on management with a strong awareness of improving gross profit margin, which is an indicator of product competitiveness.

One of the most important issues in the near future is to increase the proportion of sales accounted for by higher-value-added, highly profitable mini-batch ALD*-compatible deposition equipment and single wafer treatment equipment. Our medium-term target is to increase the sales ratio of these two equipment to 70% or more, and we expect to achieve this target in the fiscal year ending March 31, 2026. We believe that this will also significantly contribute to improving gross profit margin.

In the medium- to long-term, it is important to maintain the superiority of our product competitiveness and continuously launch high-value-added products to the market. We aim to further advance and differentiate our core ALD technology, expand sales of high-value-added, high-profit products, and thereby improve ROE and ROIC.

* We refer to a technique for thin-film deposition at an atomic layer level involving a process of cyclical supply of multiple gases as "ALD."

Message from Financial Officer >>



Secure growth investment funds as a top priority based on operating cash flow

Our company has achieved growth in a competitive environment where technological innovation occurs at a very rapid pace. The source of this growth lies in our strong technological capabilities, and investment in R&D and human capital forms the core of “investment for growth.” Securing funding for these investments is therefore an extremely important financial priority.

With this in mind, we place the highest priority on generating stable cash through business revenue growth, while simultaneously enhancing initiatives to optimize working capital. In terms of shareholder returns, we aim to raise the total return ratio to around 50% over the medium term, while promoting initiatives to improve capital profitability.

Meanwhile, regarding the expansion of R&D expenses, in order to actively respond to a future recovery in demand and medium- to long-term demand growth, we have set a numerical target to increase R&D spending from the previous 4–5% of revenue to 6% or more, and we are steadily working toward that target. In the fiscal year ended March 31, 2025, we recorded 15.6 billion yen, approximately a 20% increase from the previous fiscal year, and we expect a further increase of about 20% in the fiscal year ending March 31, 2026. Capital expenditures in the fiscal year ended March 31, 2025 were 20.3 billion yen, the same level as the previous fiscal year. In the fiscal year ending March 31, 2026, as we plan to establish a new demonstration center in the United States, we expect capital expenditures to increase by approximately 10% year on year.

Engage in ongoing Tai-wa with shareholders and investors to earn the trust of the market

As a company widely trusted by society, the Company considers it an important responsibility to improve the transparency of its management. Based on this belief, the Company established the Kokusai Electric Group Disclosure Policy in 2022. To ensure the continuous, fair, appropriate, and timely disclosure of corporate information to all stakeholders, we have established a Public Relations & IR Department within the Corporate Strategy Division, overseen by the representative director, president and chief executive officer. To build good relationships with shareholders and investors, we have positioned the strengthening of the IR structure as an important initiative and have been taking measures such as enhancing the personnel structure of the Public Relations & IR Department since before listing.

We also believe that explaining to shareholders and investors our efforts to realize “management that is conscious of cost of capital and stock price” is a critical responsibility as a company listed on the Prime Market. In particular, amid the extreme difficulty of predicting the global situation, I am convinced that engaging in repeated Tai-wa with shareholders and investors regarding the Company’s medium-term business strategies and business targets and deepening their understanding will lead to gaining the trust of the market and forming an appropriate share price.

Going forward, we will continue our IR activities with the aim of engaging in even more meaningful Tai-wa with a broader range of stakeholders.

TOPICS Shareholder return policy

- We place the highest priority on strengthening R&D investment and capital investment, and while securing the internal reserves necessary for future business development, we regard stable, continuous, and proactive profit returns to shareholders as a key management priority. Accordingly, we plan to distribute dividends of surplus with a consolidated dividend payout ratio target of approximately 20% to 30%.
- After net cash*¹ turns positive, we aim to allocate an amount equivalent to approximately 70% of free cash flow*², after the redemption in installments of interest-bearing liabilities, to dividends and share buybacks to further enhance shareholder profits and capital efficiency.
- For treasury stock, we establish an upper limit on the number of shares we may hold. Any shares exceeding that limit will, as a general rule, be cancelled.

*¹ Net cash = Cash and cash equivalents - interest-bearing liabilities

*² Free cash flow after the redemption in installments of interest-bearing liabilities = cash flows from operating activities + cash flows from investing activities - redemption of installments in interest-bearing liabilities

Business Strategy >>

Business Strategy

The topography of wafer surfaces is growing in complexity as the structures of semiconductor devices have become more multilayered, miniaturized, and three-dimensional in recent years. This means that more advanced deposition technologies are required to form high-quality thin films. In addition, due to the time needed for high-quality deposition on such complex shapes, productivity issues are emerging. In response, the Group emphasizes sales expansion and R&D of high-value-added products, leveraging batch-ALD*¹ technology, which achieves both deposition with a high degree of difficulty and high productivity, and treatment (film property improvement) technology, which improves the properties of the thin film formed while maintaining high productivity, so as to expand our business. Moreover, we strive to enhance our after-sales services attuned to customer needs throughout the equipment life cycle, including maintenance, repair, parts sales, relocation, and modification. Furthermore, we emphasize the enrichment of production and development systems to respond to increasing demand while also pursuing the enhancement of production efficiency by utilizing digital transformation (DX).

Overview of the Equipment Business

Business

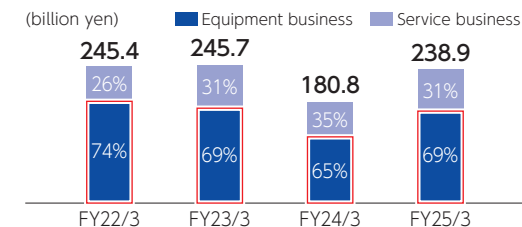
The equipment business engages in the manufacture and sale of equipment used in the deposition, treatment, oxidation, diffusion, and annealing processes—processes that play a critical role in determining the performance of semiconductor devices among the many steps involved in semiconductor manufacturing. Our Group's deposition equipment and treatment process equipment are highly rated by semiconductor device manufacturers all over the world, and hold a world-leading share of the market.

Deposition Process Equipment

Deposition process equipment is equipment designed to form thin films, such as polysilicon film, which forms the circuit material, and insulating film, in the formation of electronic circuits on wafers. Our equipment supports various processes, including ALD and LP-CVD. Given the important role that this deposition process plays in circuit formation on wafers, it is essential to provide advanced technology and highly reliable products for each piece of equipment. The Group's mainstay product, batch deposition equipment, is highly rated by semiconductor device manufacturers all over the world. In particular, our batch ALD-compatible equipment holds a world-leading share of the market.

Strengths

- Batch ALD technology that achieves both high productivity and highly difficult deposition
- Treatment technology that achieves excellent isotropic properties and step coverage with high productivity using proprietary plasma sources
- Strong relationships with customers based on years of results



Treatment Process Equipment/Oxidation, Diffusion and Annealing Process Equipment

Treatment process equipment is equipment designed to remove impurities in the film, either with plasma or by heating after deposition, and to stabilize the particles. Oxidation, diffusion, and annealing process equipment supports processes for forming thermal oxide films, aligning crystal sizes in films by heating after deposition (annealing), and uniformly diffusing doped impurities by heating after deposition. In recent years, demand for treatment technology has increased as semiconductor devices have become smaller and more complex, and the Company has a top-class share of the global market for single wafer treatment process equipment.

Mini-batch deposition process equipment, TSURUGI-C²®²

- Equipment with high performance and productivity for next-generation highly difficult deposition
- Compatible with the latest batch ALD technology and other thin film formation processes



Large batch deposition process equipment, AdvancedAce®-II

- Equipment that has realized a higher number of wafers that can be processed and shorter processing times for large batches, in addition to highly difficult deposition
- Compatible with batch ALD technology, batch CVD technology, oxidation technology, diffusion technology, annealing technology, etc.



Single wafer treatment process equipment, MARORA®

- Equipment designed to improve film properties by plasma or heating after deposition.
- Enables high-quality treatment of complex semiconductor shapes with high productivity



Single wafer annealing process equipment TANDUO®

- Equipment designed to improve film properties by heating after deposition
- Enables annealing at low temperatures



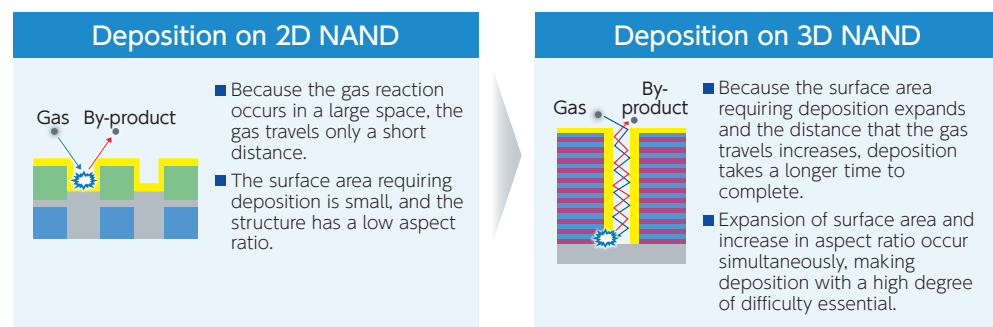
*1 We refer to a technique for thin-film deposition at an atomic layer level involving a process of cyclical supply of multiple gases as "ALD."

Business Strategy >>

The Group's Strengths

Batch ALD*1 technology

ALD is a deposition technology with a high degree of difficulty that is able to form high-quality thin film with good step coverage. The demand for this technology is increasing with advances in semiconductor devices. Because deposition with this ALD technology involves the cyclic supply of multiple gases, it takes time to complete, making productivity an issue. The high productivity of batch deposition technology, which enables deposition on several dozen or more wafers at a time, is an effective solution to this issue. The Group's batch ALD technology, which combines our ALD technology, which realizes high quality deposition, with batch deposition technology for simultaneous deposition on several dozen wafers, is a logical solution that achieves both high productivity and deposition with a high degree of difficulty.



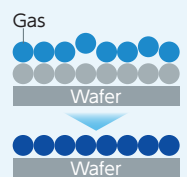
Increase in demand for batch ALD technology, which achieves both high-quality deposition with a high degree of difficulty and high productivity

ALD technology
High quality



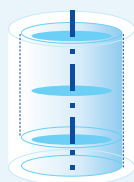
Batch deposition technology
High productivity

Gas reacts on wafer surface



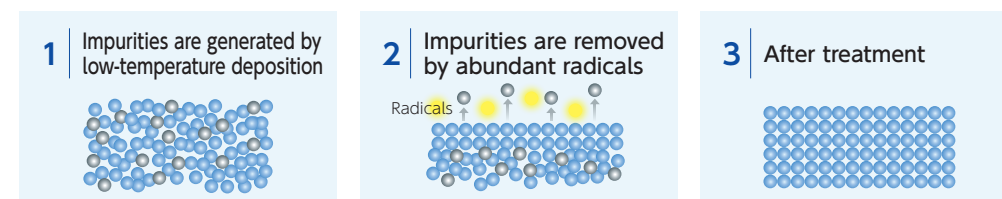
*Image

Deposition on several dozen wafers at a time



Treatment (film property improvement) technology

Treatment technology is a technology that improves film properties by removing impurities in the film with the addition of plasma or heat after deposition and stabilizing the particles. Demand for deposition in low-temperature environments has increased with the miniaturization and increasing complexity of semiconductor devices. This has resulted in the expansion of demand for treatment technology as a solution that enables film property improvement at low temperatures. The Group's treatment process equipment is a solution that uses abundant radicals generated by the Group's proprietary plasma method to achieve film property improvement with superior isotropy and step coverage with a high level of productivity.

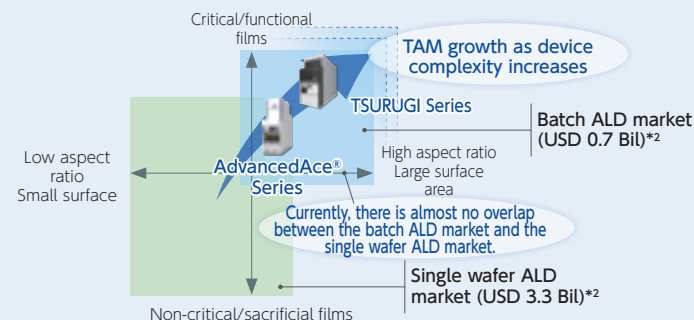


TOPICS

Growing demand for batch ALD-compatible deposition equipment

As semiconductor devices become more multilayered, miniaturized, and three-dimensional, deposition processes must accommodate high aspect ratios and large surface areas. This makes deposition on complex device structures increasingly difficult and time-consuming, resulting in reduced productivity.

Batch ALD-compatible deposition equipment solves this problem. The batch ALD technology, which combines ALD technology that enables excellent step coverage with batch processing technology capable of simultaneously processing dozens of wafers, makes it possible to achieve both highly difficult deposition and high productivity. As a result, demand for batch ALD-compatible deposition equipment is expected to continue growing in the coming years.



*1 We refer to a technique for thin-film deposition at an atomic layer level involving a process of cyclical supply of multiple gases as "ALD."

*2 Estimation by the Company based on disclosed information and the Company's revenue

Business Strategy >>

Overview of the Service Business

Business

We provide after-sales services for semiconductor manufacturing equipment manufactured and sold by the Group, such as parts sales and maintenance services. We also engage in the relocation and modification of equipment and the sale of legacy equipment (new and used) with a wafer size of 200 mm or less.

In the service business—which is less sensitive to fluctuations in semiconductor capital expenditures and generates recurring revenue from sources such as consumable—stable, high-margin revenue is expected. Going forward, the Group will aim to provide high-value-added services based on the concept of “Design for Service Business.”*1

*1 The purpose is to identify key aspects of the service business during the product development stage and to create devices in advance to prevent counterfeiting of patents, design rights, and special Company specifications.

Strengths

- Recurring and stable business not affected by market changes
- Establishing a service system close to customers' sites to respond to equipment issues quickly and accurately



Business for Power Devices

The service business also includes sales of 150 mm and 200 mm equipment. Equipment for power devices, in particular, has achieved high growth. At present, capital expenditures for power devices have been stagnant in markets around the world, excluding China. However, sales of the Company's products have continued to be solid due in part to their ease of operation and maintenance, common use of spare parts, and excellent environmental performance provided by energy-saving heaters. We have also obtained our first POR in high-temperature activation anneal, which we have been evaluating together with our customers, and we expect that it will contribute to sales as the market recovers in the future.

High-Temp Activation Anneal (new product)

- Features a new heating system to reach extremely high temperatures and a common platform for 150/200 mm wafers
- Mass production expected to begin in 2025 or later



TOPICS

Strengthening production and development capabilities

In October 2024, with the operation of the Tonami Manufacturing Center as a new factory in Tonami City, Toyama Prefecture, the Toyama Technology & Manufacturing Center, which has been in operation, shifted some of its manufacturing functions to the Tonami Manufacturing Center and expanded its development functions. As a result, manufacturing capacity in the fiscal year ending March 31, 2026 will expand to approximately double that of the fiscal year ended March 31, 2021 and development capacity will increase by 50 %. We have established systems capable of accommodating the expansion of demand until the fiscal year ending March 31, 2031.



Name	Tonami Manufacturing Center
Address	Shimonakajo, Tonami City, Toyama Prefecture
Site area	Approx. 40,000 m ²
Capital investment	Approx. 24.0 billion yen
Use/purpose of construction	Expansion of manufacturing/production capacity of semiconductor manufacturing equipment and strengthening of existing R&D systems at Toyama Technology & Manufacturing Center



Name	U.S. Demo Center
Address	Oregon, USA
Site area	Approx. 34,000 m ²
Capital investment	Approx. 20.0 billion yen (planned)
Use/purpose of construction	Demonstration evaluations of semiconductor manufacturing equipment and its services

The semiconductor device market is expected to expand in the future. In addition, as leading-edge semiconductor-device structures become increasingly complex, three dimensional, and miniaturized, there has been an increase in requests from semiconductor device manufacturers to the Group for development support through demonstration evaluations and other means.

The Group has strengthened its development support initiatives in response to customer requests, including the expansion of demonstration evaluation areas to the Group company in Korea. As part of these efforts, the Group has decided to establish a new U.S. Demo Center in Oregon, USA (scheduled for completion in September 2026).

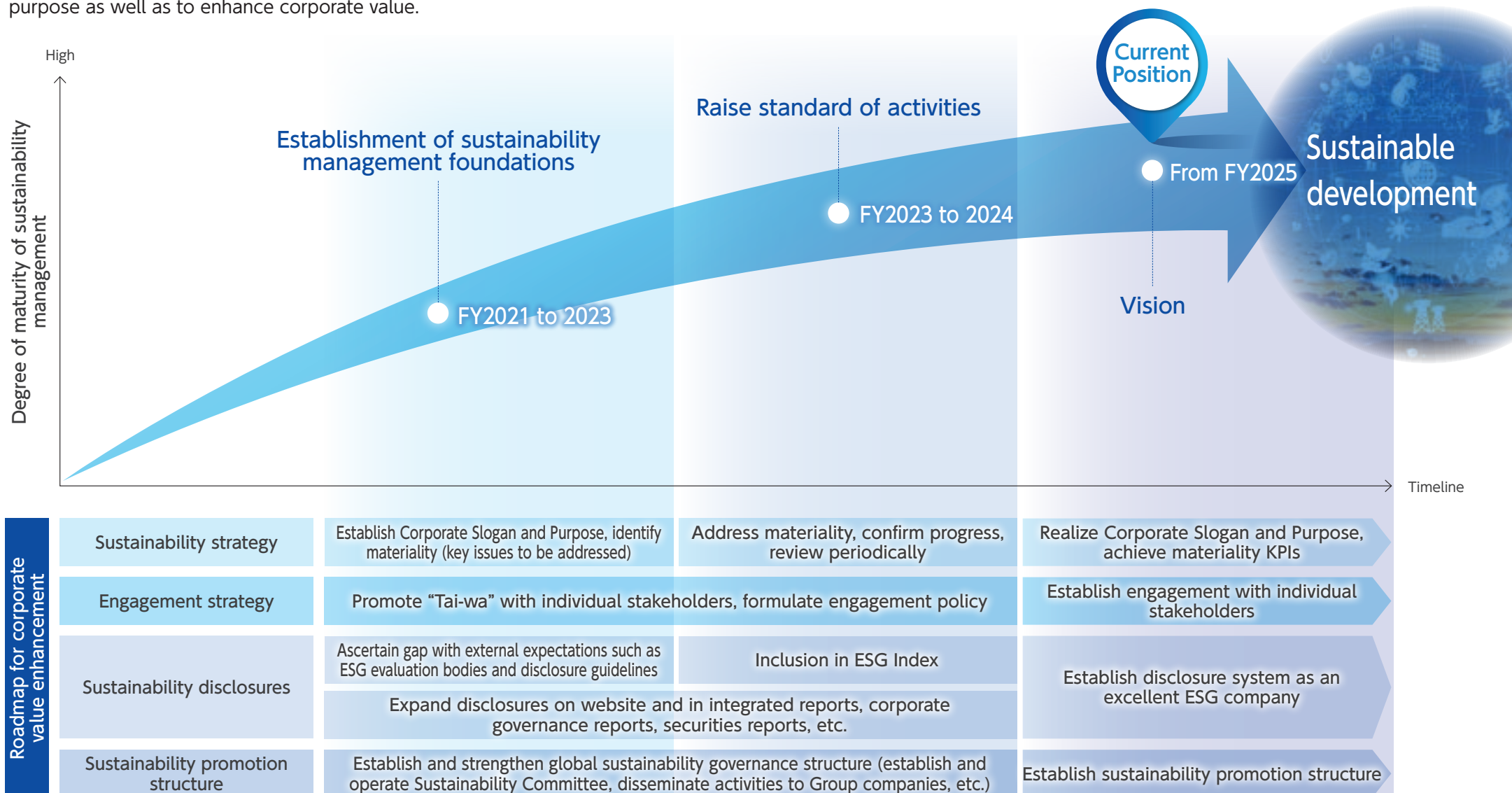
Demonstration evaluations for U.S. semiconductor device manufacturers, which were previously conducted at the Toyama Technology & Manufacturing Center, can now be completed more efficiently without the need to transport evaluation wafers or personnel between Japan and the U.S. By strengthening the local support system, we are able to gain a more accurate understanding of customers' issues and provide closer support for their R&D activities. Furthermore, the U.S. Demo Center is expected to expand in line with future demand trends, and we aim to further strengthen our customer development and support systems.

In April 2025, we opened the Yokohama Technology Center in Yokohama City, Kanagawa Prefecture, with the aim of strengthening the R&D of elemental technologies related to next-generation semiconductors. We aim to create new business domains by applying the technologies and expertise developed in front-end processes, including deposition, to mid-processes such as silicon interposers.

ESG Strategy >>

Initiatives for the resolution of environmental and social issues are growing in importance and in the amount of attention being paid to them. In light of this trend, we have drawn up a vision and medium- to long-term roadmap for the establishment of “global sustainability governance” for the realization of effective corporate governance and sustainable corporate growth, based on the latest developments in Japan and overseas, including the SDGs, and are promoting company-wide initiatives.

In our various initiatives, we commonly emphasize “the essence of Kokusai Electric” and aim to practice sustainable management based on the Group’s strengths and purpose as well as to enhance corporate value.



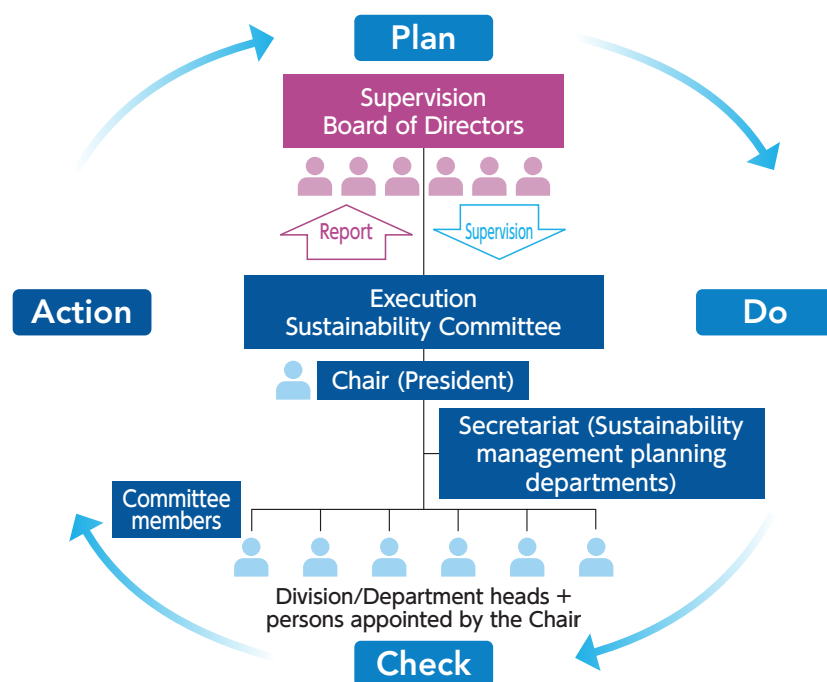
Sustainability Management >>

Sustainability Committee

We have established and operate the Sustainability Committee, chaired by the president, as a dedicated meeting body to drive our sustainability activities.

The Sustainability Committee is composed of members with the expertise necessary to address various social and business issues. Matters to be deliberated on by the committee are determined in consideration of materiality, external requirements, etc. The statuses of sustainability activities led by the committee are regularly reported to the Board of Directors and communicated to the internal parties.

We disclose our sustainability activities in this report and on our website with a view to broadly engaging in “Tai-wa” about our business management with stakeholders.



Responsible Business Alliance (RBA)

The Responsible Business Alliance (hereinafter RBA) is one of the world's largest industry coalitions dedicated to responsible business conduct in global supply chains. The RBA Code of Conduct sets out standards to ensure that workers are consistently treated with respect and dignity, that working environments are safe, and that business activities are conducted ethically and with responsibility toward the natural environment.

Validated Assessment Program (VAP) audits are completed by third-party firms to verify whether business sites are being managed appropriately in compliance with the RBA Code of Conduct.

In May 2024, the Toyama Technology & Manufacturing Center was recognized as being managed and operated appropriately in compliance with the RBA Code of Conduct in all areas of labor, health and safety, environment, ethics, and management systems. It received a VAP score of 200 and was granted Platinum Status. In light of this result, we will work toward the maintenance of the Toyama Technology & Manufacturing Center's Platinum Status and the strengthening of initiatives at other sites, including Group companies, and will make further efforts to promote corporate activities in compliance with the RBA Code of Conduct.

Reference | Toyama Technology & Manufacturing Center Achieved Platinum Status, the Highest Level in the RBA VAP Audit ▶



Sustainability Management >>

Participation in International Initiatives

We participate in the following international initiatives in order to keep abreast of social trends, identify our own issues, and properly promote measures for the resolution of the issues and monitoring of their implementation, and are promoting sustainability management.

United Nations Global Compact (UNGC)

We became a signatory to the UNGC*¹ in June 2022 and are promoting activities in accordance with the Ten Principles concerning the protection of human rights, the elimination of unfair labor practices, response to environmental problems, and the prevention of corruption.

We are also a member of GCNJ*², which serves as a contact point for UNGC, and are promoting activities.

*¹ United Nations Global Compact: In the UNGC, which is the world's largest corporate sustainability initiative, the United Nations and the private sector (companies and organizations) collaborate to build a sound global society. It is a voluntary initiative by companies and organizations, acting as good members of society, to achieve sustainable growth by demonstrating responsible leadership.

*² Global Compact Network Japan: GCNJ is a platform where companies and organizations that have signed and joined the UNGC promote sustainability together.



Task Force on Climate-related Financial Disclosures (TCFD)

In August 2021, we announced our endorsement of the TCFD*. While promoting initiatives in line with TCFD recommendations on the disclosure of risks and opportunities related to climate change, we have disclosed information in line with TCFD recommendations.

We also participate in the TCFD Consortium, which is a forum where organizations that endorse TCFD recommendations engage in further discussion on effective information disclosure, and the Japan Climate Initiative, which is a network of diverse companies, local governments, organizations, NGOs, and others.

* Task force on Climate-related Financial Disclosures: A framework for promoting disclosure of information on the impacts of climate change on the operations of companies and institutions and their actions to address these impacts.



Science Based Targets (SBT)

In March 2024, we have received SBT*¹ accreditation from the Science Based Targets initiative (SBTi)*² as its 2030 targets to cut greenhouse gas (hereinafter "GHG") emissions have been recognized as science-based targets. The Group has set the "creation of a sustainable society and the conservation of the global environment" as one of materiality (important) issues and "reduction of environmental burden" as a priority subject. One of the items of these activities is the "reduction of GHG emissions," and we have been working to achieve our GHG emission reduction target of limiting temperature rise to 1.5 degrees Celsius.

*¹ GHG emission reduction targets to be achieved in 5 to 10 years' time, set by companies in line with the Paris Agreement goals.

*² An international initiative that guides companies in setting science-based GHG emission reduction targets.



Renewable Energy 100% (RE100)

In April 2025, the Group participated RE100, a global initiative that aims to achieve 100% of the electricity used in members' businesses renewably. By participating in RE100, our group is actively promoting the introduction of renewable energy into our facilities and aims to achieve 100% renewable energy by 2030. We will continue to contribute to the realization of a sustainable society by promoting the introduction and transition to renewable energy.



Reference | Disclosure in Line with TCFD Recommendations ▶

Creation of a Sustainable Society and Conservation of the Global Environment

The greenhouse gases generated by the Group's business activities, as well as the energy and resources the Group uses, may have a serious impact on the global environment. We have a responsibility to be more environmentally conscious in order to pass on a beautiful natural environment to next-generation.

We are promoting the creation of a sustainable society and conservation of the global environment through our environmental management systems (ISO 14001) by maintaining and improving it in accordance with the Action Guidelines for Environmental Conservation. The Group's initiatives for the environment are also disclosed on our website.

[Reference | Resolution of environmental issues](#) ▶ 

Eco-mindset and Global Environmental Management

▶ KOKUSAI ELECTRIC Group Action Guidelines for Environmental Conservation

Established on June 1, 2018/Revised on March 3, 2023

These are action guidelines for tackling environmental conservation in the course of business activities in accordance with the KOKUSAI ELECTRIC Way. The guidelines apply to all operations conducted by all executives and employees of the Group.

▶ Slogan

In order to realize an environmentally harmonious and sustainable society through the provision of products and services, the Kokusai Electric Group is committed to meeting its social responsibilities by promoting globally applicable Monozukuri aimed at reducing the environmental impacts of products throughout their entire life cycles, thereby ensuring global environmental conservation.

▶ Action Guidelines

[Reference | Environmental Policy](#) ▶ 

Environmental
Management
System

Environmental supervisor

Environmental manager

Environmental Committee Biannual meeting

Environmental secretariat

Kokusai Electric
Head Office, Toyama Technology & Manufacturing Center,
Tonami Manufacturing Center, and Yokohama Technology Center

Group
companies

Promotion and Evaluation of Environmental Management

▶ Promotion of Environmental Management

We have established an environmental management system in accordance with the Kokusai Electric Group Action Guidelines for Environmental Conservation, and work to cultivate an "eco-mindset."

Environmental Management System

We set the environmental policy, and the environmental committee composed of the environmental supervisor, environmental manager, and the division/department heads, promotes environmental conservation activities of the Group.

Environmental activities comprise three categories, consisting mainly of the following activities.

Eco-management	Activities based on ISO14001, environmental education, environmental volunteer activities, and global environment initiatives
Eco-product	Compliance with Japanese and overseas product-related laws and regulations, management of chemical substances contained in products, and practice of Design for the Environment
Eco-factory	Reduction of energy use, waste generation, and water use

▶ Evaluation of Environmental Management

Eco Business Certificate from Toyama Prefecture

The Toyama Technology & Manufacturing Center was granted its fourth Eco Business Certificate from Toyama Prefecture in April 2025. The certificate is valid until March 31, 2030. An "Eco Business" is defined as a "place of business that proactively engages in efforts such as curbing the generation of waste, recycling, and environmentally friendly business activities." The Company has been granted the certificate continuously since 2010.

We believe this certification is in recognition of our 3Rs* waste management efforts to reduce the final waste disposal volume, gaining of ISO 14001 Environmental Management System certification, and environmentally friendly business activities such as reducing CO₂ in transportation to and from our business sites in Japan.

*3Rs: The collective term referring to "Reduce," "Reuse," and "Recycle"



| Environment >>

| Participation in Semiconductor Climate Consortium (SCC)

The Company has participated in the Semiconductor Climate Consortium (hereinafter “SCC”) of the Semiconductor Equipment and Materials International (hereinafter “SEMI”) as a founding member since 2022. The SCC was established for solving the challenges of climate change through collaboration of the semiconductor industry and its value chain, by SEMI. Companies that agree to the commitment of the SCC such as reducing greenhouse gas emissions, keeping temperature increase within 1.5°C compared to the pre-industrial revolution times, and achieving net-zero emissions by 2050, participate, and promote the initiative to the challenges of climate change.

Our Group is committed to developing environmentally friendly products and striving the reduction of environmental impacts associated with the Group’s business activities as a responsibility of a global corporation. As part of these activities, we have joined the SCC, and collaborate with member companies with accumulated knowledge and innovative technologies to solve environmental challenges which are hard for our company to resolve on our own.

Environmental Action Targets and Results

| Environmental Action Targets and Results for Fiscal 2024

The results and evaluation of the environmental action plan for fiscal 2024 are as follows.

Under the medium-term plan, we established targets for the period from fiscal 2022 to fiscal 2024 and implemented initiatives to achieve each action goal.

Evaluation criteria Achieved 100% Achieved 80% or more Achieved less than 80%

Category		Action goal	SDGs	Index	Fiscal 2024		Evaluation
					Target	Result	
Eco-management		Nurture an environmental mindset in all employees		Global participation rate in environmental education	100%	100%	
				Development of “eco people” ^{*1}	280	261	
	Ecosystem Preservation	Number of ecosystem preservation activities implemented		Number of activities implemented	31	32	
	Collaboration with Stakeholders for the Environment	Number of environment-related social contribution activities implemented ^{*2}		Number of activities implemented	5	5	
Eco-product		Environmental design assessment		Assessment implementation rate	100%	100%	
Eco-factory	Global Warming Prevention	Improve energy use intensity		Rate of improvement in energy use intensity (compared to five-year average)	99% or below	95.2%	
		Reduce transportation energy intensity improvement		Rate of improvement in transportation energy intensity (production base) (base year 2019)	17% or above	24%	
	Effective Use of Resources	Waste and valuables generation intensity improvement		Intensity improvement rate of Waste and valuables generation (base year 2019)	27% or above	43%	

*1 Persons who passed the Certification Test for Environmental Specialists (Eco Test) of the Tokyo Chamber of Commerce and Industry

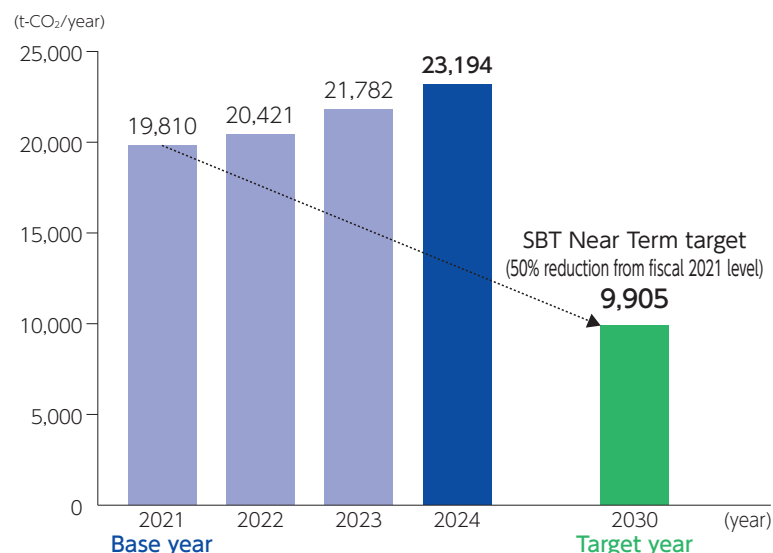
*2 Number of activities implemented in such areas as environmental education, information exchange, community contribution through cleanup projects, etc., lights-off campaigns, and community energy-saving activities.

Reduction of Environmental Impact

Reduction of Greenhouse Gas Emissions

| Approach to Address Climate Change

Scope 1 and 2 Group emissions



To cope with global warming, a two-pronged approach is required. One prong is mitigation, which involves reducing greenhouse gas emissions, the principal causative agent of global warming. The other is adaptation, which involves reducing the adverse impact of climate change by adjusting natural ecosystems and social and economic systems in response to climate change. For mitigation, we are proactively promoting the use of renewable energy, in addition to the reduction of energy used in production (reduction of electricity consumption, energy saving, etc.), which we have been promoting. Since April 2022, a solar power generation system has been in operation at the Toyama Technology & Manufacturing Center as part of efforts to reduce environmental impact. The Tonami Manufacturing Center, completed in September 2024, has introduced a solar power generation system and other renewable energy, becoming an environmentally friendly plant powered entirely by renewable energy. Going forward, the Company will continue to promote the introduction of energy-

saving facilities and the procurement of renewable energy, while advancing environmental protection and fulfilling its corporate social responsibility.

As part of our efforts to adapt to climate change, we are strengthening the resilience of our businesses by implementing measures to ensure business continuity in the face of acute physical risks such as natural disasters, as well as chronic risks such as rising temperatures and water shortages. We will promote initiatives in cooperation not only with the Group but also with the entire supply chain.

*Scope 1 and 2 emissions: Referred to the Ministry of the Environment's "Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain"

*Electricity emission factor in Japan: Uses the Ministry of the Environment's emission factor by electric utility operator (for calculating GHG emissions of specified emitters)

*Electricity emission factors for overseas Group companies: Uses country-specific electricity emission factors published by The IFI Dataset of Default Grid Factors (from fiscal 2023)

*Fuel emission factors: Uses the "List of Calculation Methods and Emission Factors" provided under the Ministry of the Environment for Greenhouse Gas Emissions Calculation, Reporting, and Publication System.

| Efforts to Address Climate Change

The 2015 Paris Agreement set out long-term, concrete initiatives to address global warming. Recently in August 2021, the IPCC^{*1} announced its prediction that the global average temperature increase will reach 1.5°C above pre-industrial levels between 2021 and 2040. It is important that countries and companies around the world strengthen their initiatives to address climate change and balance anthropogenic greenhouse gas (GHG) emissions and absorption in the second half of this century.

We have been implementing initiatives designed to achieve progress toward a low-carbon society. However, we recognize the need for further initiatives and will strengthen our environmental investment as part of our corporate social responsibilities.

Having announced our endorsement of the TCFD^{*2} in August 2021, we are promoting initiatives in line with TCFD recommendations on disclosures of risks and opportunities related to climate change and are continuing information disclosure. In addition, as we received a "B" rating for the CDP^{*3} Climate Change 2024, we aim to further improve our rating.

Furthermore, we received SBT^{*4} certification in March 2024 as our reduction target for GHG emissions toward 2030 was recognized as science-based ones. We will set our short-term targets based on methods widely used internationally to promote GHG reduction activities.

*1 IPCC: The abbreviation of Intergovernmental Panel on Climate Change.

*2 TCFD: The abbreviation of Task Force on Climate-related Financial Disclosures.

*3 CDP: Formerly known as the Carbon Disclosure Project, CDP is a non-governmental organization (NGO). CDP conducts questionnaire surveys of companies and municipalities on their actions regarding climate change, water resources, and deforestation, and publishes the scoring results.

*4 SBT: The abbreviation of Science Based Targets (Science-based GHG emissions reduction targets).

Environment >>

Status of Response to TCFD Recommendations

Having announced our endorsement of the TCFD in August 2021, we are promoting initiatives in line with TCFD recommendations on disclosures of risks and opportunities related to climate change and are continuing information disclosure.

Governance

The Sustainability Committee, which is chaired by the president and meets regularly, discusses, decides, and reports on activities to address climate change to the Board of Directors. The Board of Directors ensures the effectiveness of the process by overseeing the execution based on reports by the Sustainability Committee.

Strategy

In the TCFD scenario analysis, based on the Shared Socio-economic Pathways (SSP) 1-1.9 and SSP 5-8.5 of the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), the World Energy Outlook 2020 of the International Energy Agency (IEA), and Net Zero Emissions by 2050 Scenario, we identified potential risks and opportunities across the entire value chain—including the Group and its upstream and downstream operation—for the 1.5°C scenario and the 4°C scenario, covering the period from 2030 to 2050.

Risk management

We identify risk factors that could have a major impact on business management, and consider and implement countermeasures. We analyze and assess urgent risks related to climate change and possible future risk factors, determine measures to mitigate the risks, and incorporate them into our business plans.

Among the risks identified are the potential introduction of carbon taxes and GHG emission regulations in the future, and we are taking measures to address these risks. In fiscal 2024, we sought to mitigate the financial impact of the implementation of these systems by reducing CO₂ emissions through renewable energy procurement and energy generation, as described below.

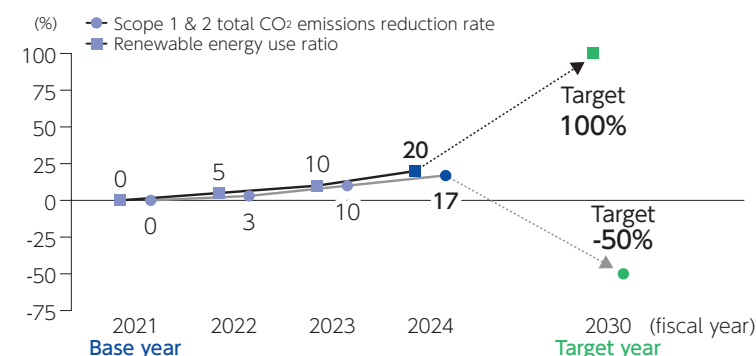
Countermeasures	CO ₂ reduction effect (ton-CO ₂ /year)
Procurement of renewable energy	5,054
Energy generation through solar power generation panels	634

Metrics and targets

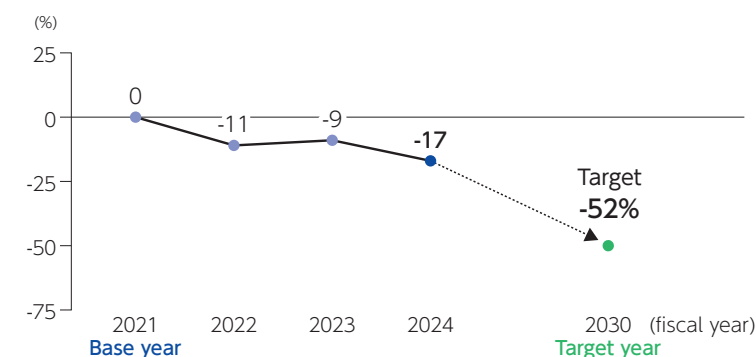
In addition to promoting energy saving and the introduction of renewable energy, we operate a system that certifies products that excel in reducing environmental impact as environmentally acceptable products. We endeavor to achieve the following targets in order to contribute to the reduction of CO₂ emissions in society.

- 1) Reduction target for CO₂ emissions as a result of own energy use (Scope 1 & 2 targets)
Target: 50% reduction of CO₂ emissions by the end of fiscal 2030 (compared with fiscal 2021)
- 2) Reduction target for CO₂ emissions through products and services (Scope 3 target)
Target: 52% reduction of CO₂ emissions per wafer by the end of fiscal 2030 (compared with fiscal 2021)

Reduction of CO₂ emissions by introducing renewable energy



Product CO₂ emissions reduction rate



| Environment >>

Thorough Energy Management/Waste and Hazardous Substance Management

| Approach to Save Resources

The Company believes that the promotion of the effective utilization of fossil fuels necessary for the operation of business activities and the appropriate recycling of resources in society are important issues for business continuity and corporate responsibilities.

We will reduce fossil fuel use by promoting the installation of solar power systems. In response to the impending depletion of fossil fuels, we are undertaking initiatives aimed at reducing energy consumption.

We promote the reuse and recycling of wastes generated within the Company by appropriately separating them. We are also working on activities to reduce landfill waste in order to achieve zero emissions and promoting recycling of waste at the final disposal stage. We provide waste-related education for all employees twice a year to promote proper sorting of waste, to raise every employee's awareness of the importance of waste reduction and efficient use of resources, and to realize a sustainable society.

| Business Activities and Environmental Impact

The Group emits CO₂ and waste as it expends resources and energy to provide products and services. It aims to reduce its environmental impact by accurately monitoring its input and output and by reducing the use of hazardous chemical substances and increasing energy efficiency in product manufacturing and R&D.

For more information on efforts to reduce the environmental impact of products, see the "Contribution to the Environment through Technology and Products" page.

Business activities and environmental impact (the Group) (fiscal 2024)

Input			Output				
(compared to the previous year)			(compared to the previous year)				
 Energy	Electricity use	56,681 MWh (126%)	 Exhaust gas	CO ₂ emissions	1,196,589 t-CO ₂ (150%)		
	Purchase of electricity						
	Fuel oil	259 kL (90%)		Scope 1 CO ₂ emissions		1,403 t-CO ₂ (94%)	
	(kerosene, heavy oil, etc.)			Scope 2 CO ₂ emissions			21,791 t-CO ₂ (107%)
	Gases (LPG, LNG)			Scope 3 CO ₂ emissions			
	City gas	195 t (114%)					
 Raw materials*3	Materials and parts	5,969 t (141%)		SOx*2	0 Nm ³ —		
	Packaging materials		56 km ³ (190%)		NOx*2	71 Nm ³ (30%)	
	Paper						
 Chemical substances	PRTR-specified chemical use*1	11.3 t (114%)	 Waste	Amount released	585.0 t (101%)		
				Final disposal*3		2.5 t (138%)	
 Water withdrawal	Tap water, industrial water	0.2 t (50%)		 Chemical substances	Release, transfer and recycling of PRTR-specified chemical substances*1	0.2 t (100%)	
	Tap water						
	Industrial water						
	Groundwater						
			 Drainage	Drainage	313 km ³ (196%)		
		BOD*2		0.8 t (163%)			

*1 PRTR: Pollutant Release and Transfer Register. The data were collected at the Toyama Technology & Manufacturing Center and the Tonami Manufacturing Center.

*2 The data were collected at the Toyama Technology & Manufacturing Center.

*3 The data were collected at Company's domestic sites.

VOICE Initiatives to achieve SBT and RE100

Build a Sustainable Business Model

The Group is actively promoting energy conservation, electrification, and renewable energy procurement to achieve SBT*1. Currently, the Group is a member of the international initiative RE100*2 and aims to procure 100% renewable energy for all Group companies by 2030. I was in charge of the procedures for joining RE100, as well as the formulation and implementation of the RE100 Plan, including for Group companies.

Setting SBT targets that account for the process and product characteristics unique to semiconductor manufacturing equipment was challenging, requiring specialized knowledge, data analysis, and a considerable amount of time. I also realized that, under RE100, procuring renewable energy while taking into account the circumstances of each country and region is complex, requiring the collection and analysis of a large amount of information. It was important to understand the characteristics of each procurement method and choose the one that best aligned with my company's policies.

To achieve SBT and RE100 targets, we will enhance corporate credibility through sustainable initiatives and contribute to the realization of a sustainable society.



Tatsuya Nishida
Environment Promotion
Department, Production
Division

*1 Abbreviation of Science Based Targets (Science-based greenhouse gas emissions reduction targets). The Science Based Targets initiative (SBTi) assists companies in the setting of science-based greenhouse gas emissions reduction targets and their achievement with the aim of limiting global warming to below 2°C above pre-industrial levels.

*2 Abbreviation of Renewable Energy 100%. This initiative aims to ensure that 100% of the electricity used by companies is renewable energy. RE100 member companies pledge to contribute to the reduction of greenhouse gases and the realization of a sustainable society by switching their electricity consumption to renewable energy.

Environment >>

Prevention of Global Warming and Energy Saving

Much of the energy consumed by the Toyama Technology & Manufacturing Center is used for operating the evaluation equipment used for process development. Therefore, in order to lower the environmental impact of the equipment, we make every effort to use electricity more efficiently by reducing wasted electricity.

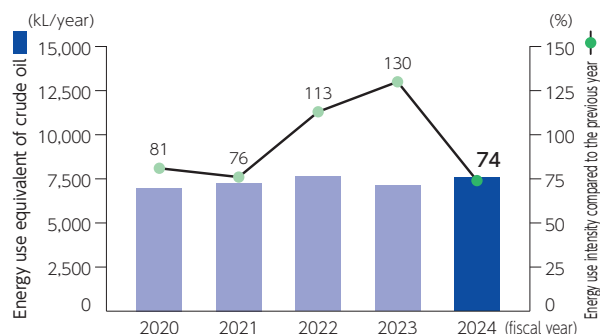
In terms of the initiative for facilities, we are promoting energy conservation and the greater use of renewable energy through active environmental investments, including upgrading to energy-efficient air conditioners, installing LED lighting, and expanding solar power generation with solar panels.

Since October 2022, the Center has been utilizing the electricity generated by the hydroelectric power stations operated by Toyama Prefecture (Toyama Mizu-no-Sato Denki). The CO₂ emission factor corresponding to the use of hydroelectric power is zero. Although hydroelectric power initially accounted for 10% of the electricity purchased, this rose to 20% in January 2024, 30% in January 2025, and 35% in April 2025, steadily increasing year by year.

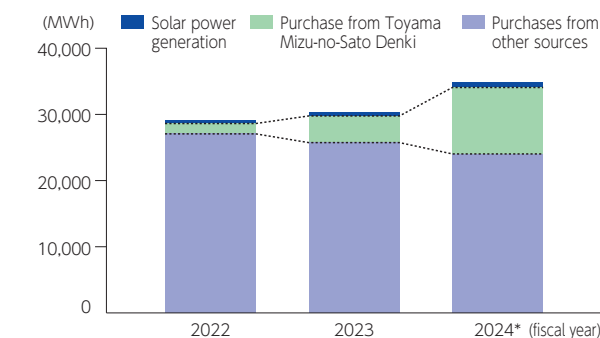
In addition, at the Tonami Manufacturing Center, completed in September 2024, we installed a solar power generation system capable of operating the entire plant. The electricity is stored in batteries and managed efficiently through an Energy Management System (EMS). To cover power shortages at night and in winter, we procure all of our electricity from Toyama Mizu-no-Sato Denki, ensuring that our operations run on 100% renewable energy.

With regard to operations, in support of preventing global warming, we implement "Cool Biz" and "Warm Biz" campaigns to promote comfort and environmental friendliness. We install "Green Curtains" at our business sites and nearby facilities to enhance employees' awareness of the importance of the global environment and have them experience first-hand the path toward achieving a low carbon society.

Energy use and intensity compared to the previous year



Purchasing Ratio of Renewable Energy (Toyama Mizu-no-Sato Denki)

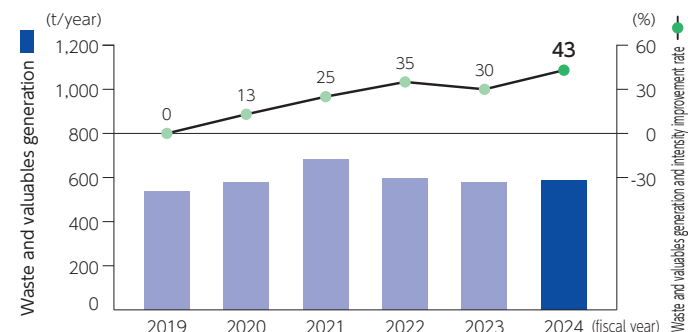


*Total for Toyama Technology & Manufacturing Center and Tonami Manufacturing Center

Reduction and Proper Disposal of Waste

Although the amount of waste and valuables generated by the Company has been increasing along with the expansion of our operations, the amount of waste generated in fiscal 2024 was about the same as the previous fiscal year, due in part to the sale of valuables, internal reuse of packaging materials for product components, and promotion of returnable boxes. As production volume has improved, the intensity-based evaluation shows improvement compared with FY2024.

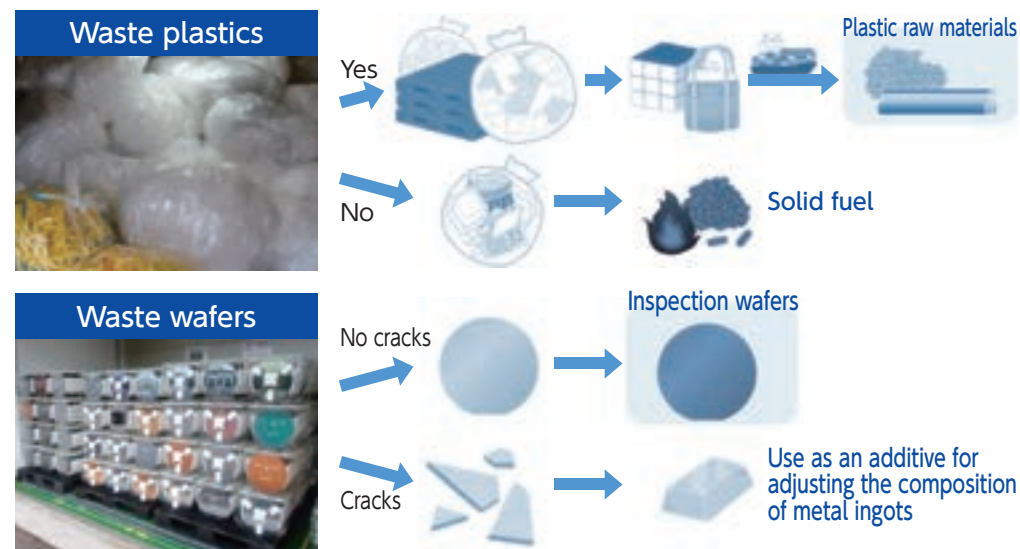
Waste and valuables generation and intensity improvement rate



In our treatment of waste, we always choose the method that has the lowest environmental impact possible from among various recycling methods. In particular, the Company is proactively adopting closed-loop recycling, for example, recycling of waste plastics into raw materials and recycling of waste wafers into inspection wafers.

In addition, the Company regularly visits various waste treatment companies to confirm that disposal and storage methods are properly managed in compliance with laws and regulations. We place importance on proper management throughout the entire process, from collection and transportation to final disposal, as well as on maintaining safe and environmentally responsible working environments and storage conditions.

Closed-loop recycling (reuse for the same products and applications)



Environment >>

Management of Air Pollutants

The Toyama Technology & Manufacturing Center operates two small boilers for heating during winter only. After the regular pre-operation inspection, NOx, SOx, and particulate matter were measured in accordance with the Air Pollution Control Act, and the measurement results are reported to the government. There is no emission concentration exceeded. NOx emissions, which are released into the atmosphere, have decreased significantly due to reduced operating hours.

In addition, hazardous gases and special materials are used in our product evaluation processes, making proper exhaust gas treatment essential. Emissions are properly treated with abatement equipment or water scrubber systems, and the concentration of exhaust gas is measured and monitored as necessary.

Amount of atmospheric emissions from small boilers

	Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024
SOx	m ³ /year	0	0	0
NOx	m ³ /year	194	240	71
Particulate matter	t/year	0	0	0

Thorough Management of Water and Discharge

Management of Water

Water Resource Conservation Initiatives

"Water," which plays an extremely important role in maintaining the natural environment and ecosystems, is a vitally important resource that is indispensable to the Company's business activities.

Today, climate change due to global warming, urbanization, increased water use due to expansion of industries, deforestation, and other factors are causing changes in the water cycle, resulting in various problems such as drought, water pollution, and degradation of the ecosystem.

There is a need to maintain and restore good water circulation in rivers in order to resolve these issues.

As part of environmental and CSR activities, the Group will continue to participate in local activities such as river cleanups to improve the water quality of rivers, which are a source of water for our business activities, and biodiversity of the river basins while striving to improve the environmental mindset of our employees and maintain the local ecosystem.

Assessment of Water Risk

Along with climate change, the depletion of water resources due to industrial and agricultural use is recognized as physical risk around the world. Therefore, governments, local governments, and stakeholders in each country have urged companies to work on water risk in addition to climate change. The Group recognizes resolving water risk as an important mission in aiming to achieve sustainable management.

To grasp the status of water risk, the Group first conducted a water risk assessment of all its business sites using the Aqueduct water risk assessment tool provided by the World Resources Institute (WRI). As a result, we confirmed that the level of water stress, sinking risk, and flood risk of the manufacturing site in Japan and the one in Korea are at the "low to medium" risk level.

Although neither sites are in areas with significant water risks, we will continue to closely monitor and manage water risks.

Based on the above, in order to conserve a source of water for its use, the Toyama Technology & Manufacturing Center set a target for reducing water consumption and is making continuous effort. Moreover, we strive to improve the efficiency of water use throughout the entire life cycle (procurement, manufacturing, use, etc.) in product development.

Appropriate Wastewater Treatment

The Group recognizes water resource conservation as a key issue, given the large amounts of water used in the semiconductor evaluation process.

As part of the effort, the Toyama Technology & Manufacturing Center, our major factory, has an abundant source of water, namely, snowmelt from the Northern Alps, which is high-quality, uncontaminated water in swift-flowing rivers. Special gases and chemical substances are used in the process evaluation of our products. Industrial water used for waste gas treatment for detoxifying and wafer cleaning is properly treated at effluent treatment facilities. Tap water used in the cafeteria and sanitation facilities is treated as domestic wastewater in a septic tank and discharged into the river. The Center has facilities specified by the Water Pollution Prevention Act, and the team responsible for the facilities properly operates, manages, and inspects them.

Moreover, we have established a pollution prevention organization, and to ensure that wastewater does not exceed the maximum permissible levels stipulated in the national and local standards for the area set by water-related laws and regulations, we have established stricter voluntary standards and conduct regular monitoring to ensure the appropriate discharge of wastewater. The measurement results are regularly reported to the local government, and we also respond to annual on-site inspections by the local government to ensure compliance with such laws and regulations.

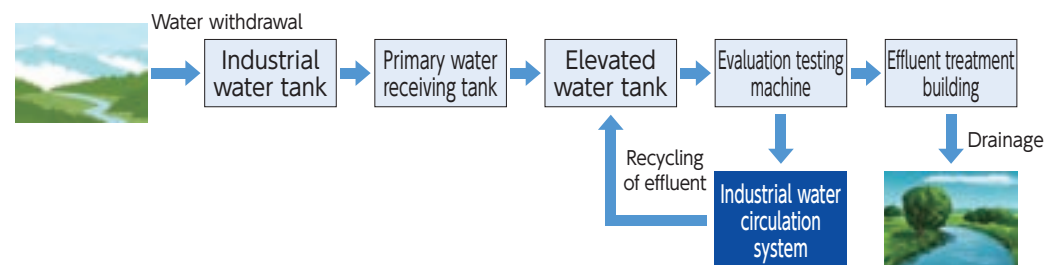
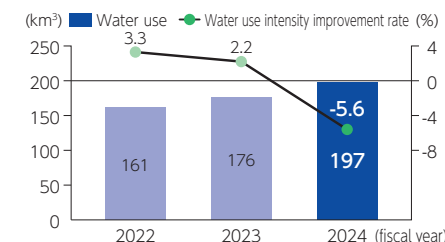
Water Use Reduction Initiatives

In fiscal 2024, the Toyama Technology & Manufacturing Center prepared a new evaluation environment and introduced evaluation equipment, resulting in an increase in water withdrawal. The Toyama Technology & Manufacturing Center plans to continue to expand its evaluation equipment, and water withdrawal is expected to increase associated with the expansion.

As a countermeasure, the Toyama Technology & Manufacturing Center plans to renew the industrial water circulation system in 2025 to purify water used by the evaluation equipment and reuse it.

As a result, the capacity of water recycling is expected to increase by about five times compared with the conventional system.

Water use and intensity improvement rate



Environment >>

Water Withdrawal and Drainage

Industrial water, which is part of water withdrawal, is supplied by Yatsuo-machi (within the industrial park). The industrial water is stored in a water tank within the Company's site before use. There is a limit to the total supply of this water and excess use is not possible.

Wastewater from manufacturing processes is managed based on the amount of effluent treated and discharged, domestic wastewater is managed based on septic tank wastewater pumping capacity and operating hours, and other wastewater is managed based on the subtraction of wastewater from manufacturing processes and domestic water from the water withdrawal.

Results

		Unit	Fiscal 2022	Fiscal 2023	Fiscal 2024
Water withdrawal	Tap water		10,958	11,943	12,195
	Industrial water	m ³ /year	150,036	164,429	184,379
	Total		160,994	176,372	196,574
Drainage	Domestic wastewater		24,560	28,143	28,563
	Wastewater from manufacturing processes	m ³ /year	111,058	112,001	134,503
	Total		135,618	140,144	163,066
Usage	Total	m ³ /year	25,376	36,228	33,508

Water withdrawal: Total of tap water (waterworks bureau) + industrial water

Drainage: Total of domestic drainage + drainage from manufacturing processes **Usage:** Water withdrawal - drainage

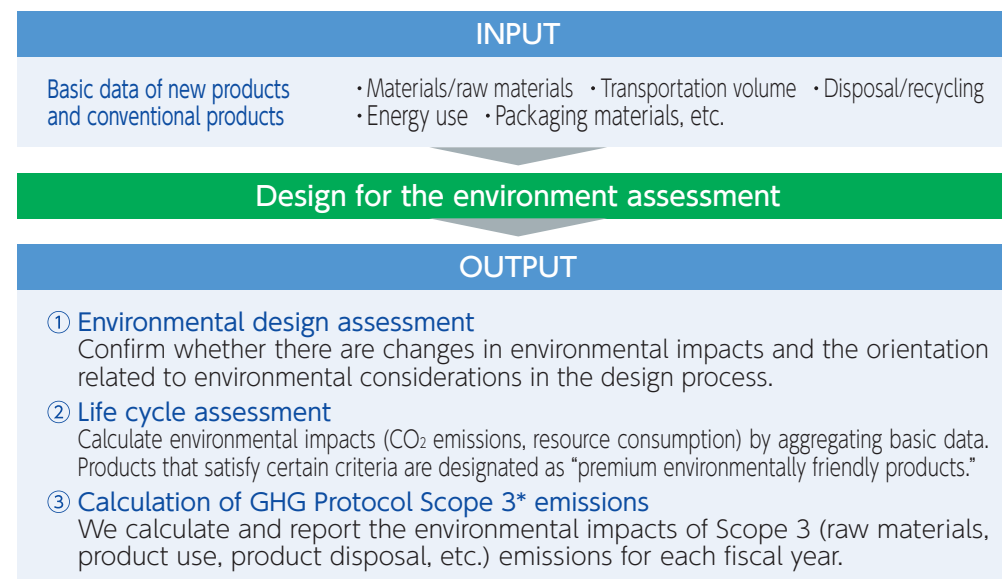
Contribution to the Environment through Technology and Products

Environmental Design

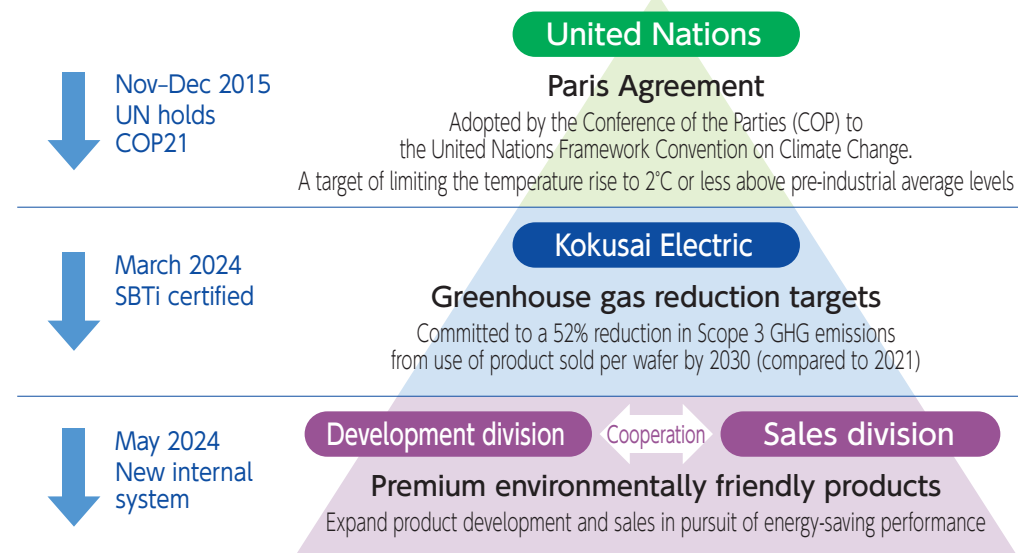
Approach to Environmentally Friendly Products

In order to realize an environmentally harmonious and sustainable society through the provision of products and services, the Company strives to reduce the environmental impacts of products throughout their entire life cycles and promote efficient use of finite resources, thereby contributing to environmental conservation. During new product development, we conduct environmental design assessments and life cycle assessments using standardized assessment sheets. In May 2024, we launched a new program to evaluate energy-saving capabilities at the product development stage using stricter environmental criteria than before. This program certifies products that meet these standards as "premium environmentally friendly products." We aim to offer customers environmentally friendly products and to develop and expand sales of environmentally friendly products featuring new energy-saving technologies.

Structure of design for the environment assessment



*GHG Protocol: International standards for calculating and reporting greenhouse gas emissions
 Scope 1: Direct GHG emissions that occur from sources that are controlled or owned by an organization
 Scope 2: Indirect GHG emissions associated with the use of electricity and heat purchased from other companies
 Scope 3: Indirect GHG emissions other than Scope 1 and 2



Environment >>

Measures to Prevent Environmental Contamination

Appropriate Management of Chemical Substances Contained in Products

Compliance with Laws and Regulations

Throughout the Group, we strive to properly manage chemical substances contained in our products, in compliance with Japanese and overseas environmental laws and regulations related to products, to prevent environmental contamination caused by chemical substances contained in products we ship.

In fiscal 2024, the Company promoted the adoption of products free of harmful chemical substances, in compliance with the Stockholm Convention on Persistent Organic Pollutants (POPs) and related regulations such as the Chemical Substances Control Law. The compliance status was reported twice a year at meetings attended by the general managers of business sites, and no issues have arisen with respect to compliance with laws and regulations.

The Company provides education on environmental laws and regulations related to products twice a year to relevant departments, including design, to ensure compliance, enhance knowledge of the latest requirements, and raise awareness of legal obligations.

The Company also provides its business partners with education on environmental regulations and requests their cooperation in ensuring compliance.

Management of Purchased Items

Kokusai Electric makes every effort to manage chemical substances contained in purchased parts. As a tool for surveying chemical substances contained in items purchased from business partners, we use chemSHERPA®* (a scheme for communicating information on chemical substances contained in products) to collect information on chemical substances contained in products and obtain certificates declaring that a product does not contain banned substances.

For the management of processed products, a system to mitigate the risk of processed products containing banned or restricted substances is in place. We research the chemical substances of auxiliary materials used in the manufacturing processes of our business partners through the chemical substance management certification program.

*chemSHERPA is a registered trademark of the Japan Environmental Management Association for Industry (JEMA).

Response to Nature Positive

Status of Response to TNFD Recommendations*

The loss of biodiversity and natural resources due to climate change and social activities in recent years is widely recognized as a common global risk. As its business activities largely depend on the benefits from this natural capital, the Company recognizes that preventing biodiversity losses and realizing sustainable procurement of materials are its important management issues. Accordingly, we have declared in our environmental policy that we will strive to protect biodiversity and ecosystems, and to prevent environmental contamination. Going forward, we will work with our business partners throughout the value chain to reduce the impact of climate change and natural capital. The Company is currently reviewing internal information in preparation for disclosing data in accordance with TNFD in fiscal 2026.

*Taskforce on Nature-related Financial Disclosures

Emissions Reduction of Greenhouse Gases through More Efficient Transportation

Reducing Energy Use in Transportation

For the physical distribution of our products in Japan, we have been continuing a modal shift. We have also been working to improve various distribution methods to further reduce environmental impacts. In particular, we are actively switching to transportation methods that have a low environmental impact, such as coastal shipping and rail transportation.

1 Promotion of CO₂ emissions reduction

Implementation of measures to reduce energy use in transportation and calculation of the rate of transportation energy intensity improvement rate and promotion of cutback measures

2 Stacking of truck cargo

Effective use of the empty space above cargo where items previously could not be stacked due to differences in size and number of pieces

3 Modal shift

Greater shift from truck transportation we have used so far to coastal shipping and rail transportation

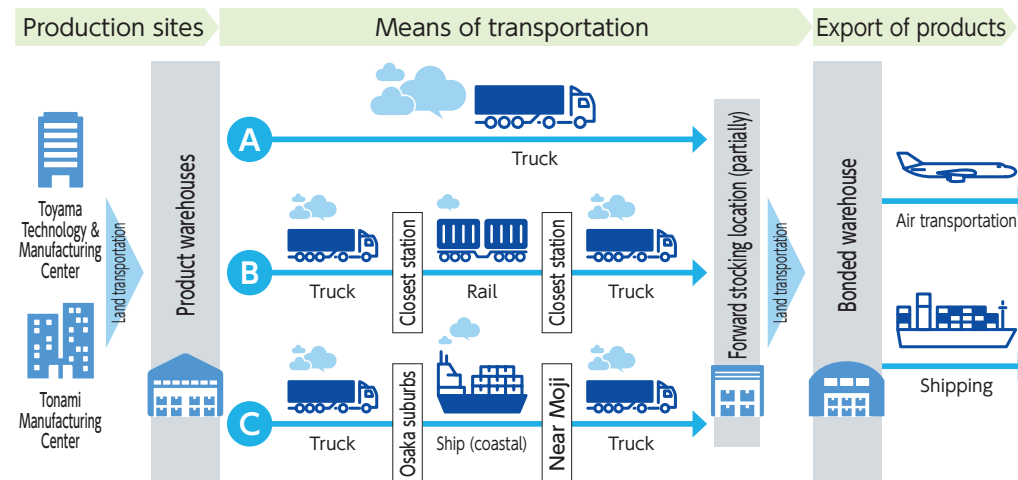
4 Review of airports and ports

Proactively utilizing nearby airports and ports of entry to reduce transportation distances and costs for overseas product shipments

5 Consolidated shipment of products

Reducing transportation energy by consolidating individual product shipments onto a single truck for delivery to the forward stocking location.

Example of modal shift from truck transportation to rail and marine transportation (overseas customer)  CO₂ emissions



Environment >>

Promotion of Sustainable Procurement

Strengthening of Supply Chain Management

Approach to Promotion of Sustainable Procurement

As for supply chain, we have established the Code of Conduct for Business Partners in compliance with our procurement policy and RBA* to ensure compliance with respect to labor, occupational health and safety, the environment, ethics, quality and safety, etc., thereby benefiting society. We are working with our business partners to take steps to ensure entrenching sustainable procurement activities.

*RBA: Responsible Business Alliance: Participants are mainly from USA and others from around the world. Since its formation, it has been aiming to fulfil social responsibilities as its main objective and formulated and promoted the use of the RBA Code of Conduct, which includes suppliers.

Sustainable Procurement Initiatives

The Company established the KOKUSAI ELECTRIC Group Sustainable Procurement Guidelines*¹ in October 2023, and is working to strengthen sustainability management in the supply chain based on the RBA Code of Conduct. The latest version, revised in April 2025, incorporates 11 policies of the Kokusai Electric Group as well as the Code of Conduct for Business Partners, with expanded and enriched content. We also disclose the Green Procurement Guidelines*² to share sustainability awareness with our business partners, who commit to making efforts to comply with the Code of Conduct. We hold briefings on the Sustainable Procurement Guidelines for our business partners, and we regularly provide training to purchasing staff and others involved in procurement.

*¹ Reference | [KOKUSAI ELECTRIC Group Sustainable Procurement Guidelines](#) ▶ 

*² Reference | [Green Procurement Guidelines \(Japanese only\)](#) ▶ 

Measures against the Issue of Conflict Minerals*

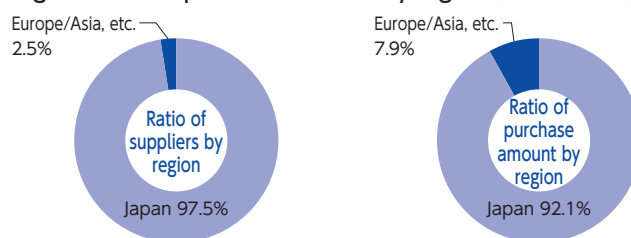
Regarding conflict minerals, we are strengthening initiatives by promoting information sharing with our business partners in order to ensure that our procurement activities across our supply chain do not benefit armed groups that violate human rights.

*Conflict minerals: Tin, tantalum, tungsten, gold (collectively "3TG") as well as cobalt from the Democratic Republic of the Congo (DRC) and adjoining countries are designated as conflict minerals.

Identification of Significant Suppliers

Regarding locations of significant suppliers, the suppliers in Japan account for 97.5% and the overseas suppliers account for 2.5%. We manage the significant suppliers using a supplier list and grasp their status by conducting a sustainable procurement survey.

Ratio of suppliers of the Group company in Japan by region/Ratio of purchase amount by region (Fiscal 2024)



ESG Evaluation of New Suppliers

When engaging in transactions with new suppliers of production materials, the Company evaluates them using a questionnaire that considers management, quality, environment, health and safety, export control, and human rights. In fiscal 2024, no high-risk suppliers were identified as a result of the assessment of the three targeted companies.

	Fiscal 2022	Fiscal 2023	Fiscal 2024
Number of new assessments	2 suppliers	2 suppliers	3 suppliers

ESG Monitoring of Suppliers with Continuous Transactions

The Company assesses existing suppliers' efforts in human rights, labor, health and safety, the environment, ethics, and information security by conducting surveys using check sheets in line with the KOKUSAI ELECTRIC Group Sustainable Procurement Guidelines, and, based on the results, carries out interviews and on-site inspections to help elevate each supplier's performance. In fiscal 2024, we surveyed 144 companies, mainly important suppliers of production materials, conducted on-site inspections with 10 of them, and requested improvements.

Reinforcement of Partnerships

The Company held Business Partner Meetings (BPMs) and the New Year reception to reinforce partnerships. At the New Year reception, we shared our medium- and long-term business policies with our business partners, and commended excellent partners. In BPMs, we brief attendees on our business policies and trends as well as our procurement, production, quality, and CSR measures. Through these opportunities, we strive to strengthen mutually beneficial "win-win" relationships with our business partners. In response to severe changes in global supply chain, we have doubled the frequency of BPMs to four times a year to strengthen collaboration with our business partners.

VOICE Received 2024 Best Partner of the Year Award

We are deeply honored to receive the Best Partner of the Year Award.

We sincerely express our deep appreciation to Kokusai Electric and its business partners for their support in helping us receive this award.

We are a systems engineering manufacturer specializing in heat and measurement technologies. We have refined our expertise through products for industrial systems, including semiconductor manufacturing equipment, as well as for energy solutions utilizing nuclear power and nuclear fusion, all under the slogan "Challenge to an Unknown Technology."

Based on this accumulated technology, we have made concerted efforts all together not only to improve quality but also to establish quality control and stabilize the production system.

The fact that we have received recognition for our progress will be a great encouragement for further growth.

We will continue to strive forward without relying on the status quo.

We would like to ask for your continued guidance and encouragement in the future.



Mr. Mitsutoshi Takahashi
President, SUKEGAWA
ELECTRIC CO., LTD.

Human Resources Management as a Source of Innovation

We recognize that people are the source of the Group's business activities. Diversification of human resources and work styles, individuals' growth through daily efforts, and maintenance and improvement of health and safety are essential for the sustainable development of a company.

We will continue to promote initiatives for diversity, equity, and inclusion, the development of human resources capable of coping with the rapid pace of globalization, and health & productivity management to strengthen the foundation for innovation.

Securing Diverse Human Resources

Promotion of Diversity, Equity, and Inclusion

Approach to Diversity, Equity, and Inclusion (DE&I)

In a rapidly changing social environment, for the Company to achieve sustainable growth and development, it is crucial to have ideas free from existing stereotypes and conventional notions. We believe that an organization having a high diversity can strengthen its competitiveness through acquiring collective knowledge that can surpass individual capabilities. Diversity, equity, and inclusion (DE & I) therefore is an important management strategy of the Company. To achieve this strategy, it is essential to build an organizational culture that leverages each employee's individuality as a strength while embracing diversity. In addition, simply having diverse human resources in an organization is not enough to make the most of their abilities and individual strengths. It is important to fill the structural gaps faced by minorities with the principles of "fairness and equity" to create an environment that is inclusive for all employees (inclusion). As we develop our business in countries around the world, we will fully leverage the diversity of our employees with different backgrounds, viewpoints, and values through "Tai-wa" as a driver of corporate growth. And we will build a workplace where motivated employees are happy to take on challenges in a global environment and achieve even greater success.

Promoting Employment of Diverse Human Resources

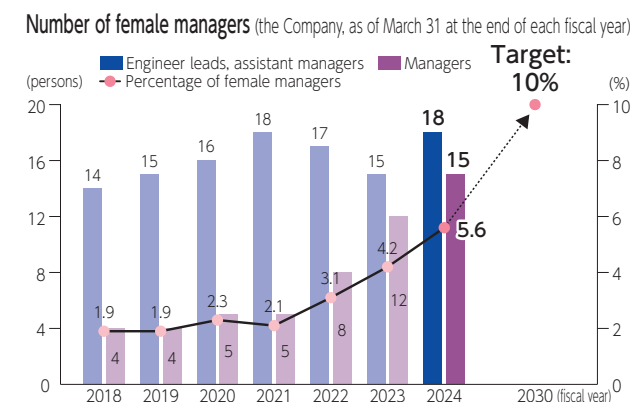
The Company has been striving to increase the employment of foreign nationals, many of whom have studied in Japan as international students, as well as people with disabilities, to help the success of talents with diverse backgrounds. In particular, in hiring persons with disabilities, the departments that will accept respective candidates determine their job descriptions while examining considerations in work necessary for their individual conditions, to help them successfully contribute to their teams.

Signing of the Women's Empowerment Principles (WEPs)

The Women's Empowerment Principles (WEPs) are a set of seven principles for advancing women's economic empowerment established by the United Nations Global Compact (UNGC) and the United Nations Development Fund for Women (UNIFEM), which is currently the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women). These principles are expected to encourage businesses to work voluntarily on gender equality and women's empowerment as their core management issues and provide them with a way to increase the vigor and growth of corporate activities. We are a signatory to the WEPs and promote gender equality and women's empowerment.

Efforts to Promote Female Empowerment in the Workplace

The Company's basic policy is to promote the active participation of people in the workplace without gender bias. We will facilitate corporate growth by securing employees with different backgrounds, points of view, and values without bias and taking full advantage of diversity. With regard to empowering women, we have formulated an action plan as one aspect of affirmative action (proactive measures to correct inequality) to promote female empowerment in the workplace.



In fiscal 2024, we focused on the proactive recruitment of female employees and supported employees' career development through career training programs. To support and encourage the success of individual female employees, we offer executive mentoring for female employees, and post intranet articles featuring interviews with employees to show their various work-styles to help them mutually recognize diverse career paths. On the International Women's Day, we invited Ms. Sputniko!, Associate Professor at the Department of Design, Faculty of Fine Arts, Tokyo University of the Arts and CEO of Cradle, Inc. Through her lecture on "fairness" and a panel discussion with the Company's new president, the event called for an increased understanding of DE & I among all employees. For these proactive initiatives, the Company was recognized as a "Toyama Women's Active Enterprise" by Toyama Prefecture.

Society >>

VOICE

Last year, I received support for my career development, which was a valuable opportunity for me to reexamine myself. Through career training, guidance from a career counselor, and interviews with mentors conducted by outside directors, I was able to develop a concrete vision for my future and identify the skills required. This process was extremely meaningful.

In my personal life, I value my time with my children. Through the Career Showcase, an article featuring examples of employees balancing work and family, I gained insight into how employees manage their professional and family responsibilities while raising children, and I found it highly inspiring.

I joined the company two years ago as a mid-career hire, and I now have the option to work under a flextime system, allowing me to manage my time flexibly while maintaining a good work-family balance. As a result, I get the feeling that my work efficiency has improved. In addition, I proactively make use of support systems, such as the Childcare Balance Support Fund, which helps subsidize the cost of after-school childcare. Having an environment that allows me to balance work and family is a great source of support for me. Going forward, I will continue to strive for further success.



Eri Kumada
Assistant Manager
Production Planning
Department, Production Division

Consultation Counter for Persons with Disabilities

Based on the Revised Act on the Promotion of the Employment of Disabled Persons and the subsequent partial revision, we have established a system for supporting both employees with disabilities and their workplaces, setting up a consultation counter in order to respond appropriately to their needs and concerns. The consultation counter responds to various inquiries from employees with disabilities and workplaces and also provides advice to workplaces regarding reasonable accommodations to meet their needs.

Commitment to Integrity

Kokusai Electric complies with the labor laws and regulations of the countries and regions where its business sites are located. It also supports the Universal Declaration of Human Rights, the basic principles of the United Nations Global Compact, the ILO core labor standards, the OECD Guidelines for Multinational Enterprises, and the Responsible Business Alliance (RBA), and respects the rights of employees to organize and bargain collectively, as well as the freedom of association activities, and guarantees fundamental labor rights.

"Tai-wa" with the Labor Union

The Company promotes mutual understanding through Tai-wa with the KOKUSAI ELECTRIC Labor Union, which represents employees. Labor-management conferences are held twice a year to ensure smooth management operations, business development, and the improvement of the working environment for employees. In addition, the working environment and personnel system are discussed in regular Tai-wa, where opinions are exchanged on ways to enhance employee job satisfaction. Through these and other initiatives, labor and management work together to foster workplace discipline and to maintain and improve the work environment. Labor and management meet twice a year to exchange opinions constructively on issues such

as management policies and business operations, thereby establishing healthy and stable relations between workers and management. In fiscal 2024, we discussed the need to build a sustainable company by developing flexible management strategies to respond quickly to market changes over the next five to ten years, enhancing employees' skills, clarifying career paths, improving the working environment, and strengthening safety education.

Approach for Work-life Balance

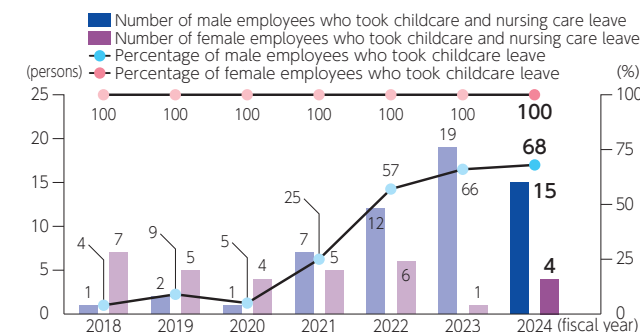
As Japan faces a declining birthrate and population aging, the needs of people who balance work with family responsibilities such as child-rearing and nursing care have become more diverse. Thus, establishing an environment that expands work opportunities and enables workers to fully realize their ambitions and utilize their skills to improve productivity and achieve work-life balance has become an important issue for companies. Kokusai Electric is working to achieve a good work-life balance through various measures as described below.

- To manage working hours appropriately and encourage employees to take leave, the Labor Management Committee meets monthly to discuss ways to optimize the workload at each workplace. The Committee monitors the status of long working hours on a monthly basis and discusses workload optimization at each workplace, as well as the use of refreshment leave and annual paid leave, with the heads of each department. The Committee has also designated a day to encourage employees to leave work on time. In addition, to properly monitor working hours from a health management perspective, it tracks computer log-in records to ensure strict compliance with labor standards.
- In 2024, we set a target of 17 days of annual paid leave taken per employee and achieved an average of 19.5 days taken by regular employees through regular follow-ups on planned leave usage. In addition, refreshment leave is granted based on employees' years of service, and the acquisition rate has remained at 100% each year through systematic scheduling and regular monitoring.
- Through various programs—such as reduced hours work for childcare and nursing care, flex-time, working from home, hour-based annual leave, and family support leave (for caring for children or family members)—we have enabled flexible working styles for employees.

Support for Balancing Work and Family Life

Recognizing the importance of achieving a good balance between rewarding and fulfilling work and a sound and comfortable life, the Company has been working to develop and enrich programs that help workers realize a good balance between work and family responsibilities such as child-rearing and nursing care. The CEO conveys a message about our efforts to address the Act on Advancement of Measures to Support Raising Next-Generation Children. We also share good examples of male employees taking childcare leave by posting examples in internal newsletters and on the intranet. In fiscal 2024, 68% of male employees took childcare leave, and the average duration of leave was 50 days. Both figures indicate that male employees are making active use of childcare leave. In April 2025, the compensation system

Number of employees who took childcare and nursing care leave and the percentage of employees who took childcare leave



Society >>

was revised to encourage men to take childcare leave, enabling employees to maintain the same level of pay for a certain period during childcare leave as before taking it. In addition, the compensation system for maternity leave was revised to maintain the same level of pay as before the leave throughout the entire period.

The number of employees who took childcare leave and nursing care leave is shown in the graph. Employees also make use of family support leave and annual nursing care leave, both of which are paid holidays. In fiscal 2024, a total of 156 employees took family support leave and 24 took annual nursing care leave. We thus promote flexible working styles that help employees balance work and personal life.

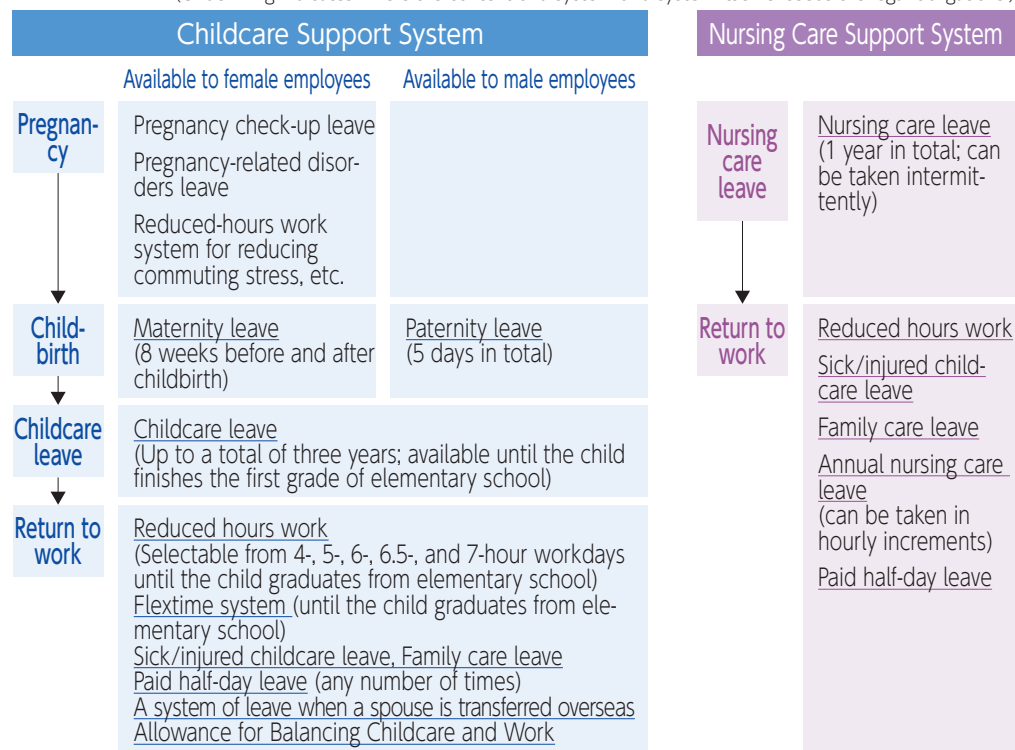
Work Style Reforms

Allowance for Balancing Childcare and Work and Other Programs

As part of efforts to create an environment where employees rearing children can continue to make a full contribution at work, the Company introduced the "Allowance for Balancing Childcare and Work" program on April 1, 2017. This program provides employees who are raising a child or children before completion of the third grade of elementary school, whether in a dual-income household or as a single parent, with financial assistance to cover childrearing expenses, such as preschool fees and fees for after-school childcare facilities.

Systems for supporting childcare and nursing care

(Underlining indicates where the content of a system or a system itself exceeds the legal obligations.)



Acquisition of Kurumin Certification

The Kurumin Certification is a recognition from the Minister of Health, Labour and Welfare for companies that provide outstanding support for childcare. Recognizing the importance of achieving a good balance between rewarding and fulfilling work and a sound and comfortable life, the Company has been working to develop and enrich programs that help workers realize a good balance between work and family responsibilities such as child-rearing and nursing care. The Company's policy and initiatives for supporting employees' good work-life balance have been communicated as a message from the CEO and have thus been instilled throughout the organization. To create an environment where employees raising children can continue to make a full contribution at work, we have introduced a system for working from home, which is also available to employees with childcare and nursing care responsibilities. The program has also been used by employees seeking to balance work and personal life.



Enhancement of Employee Engagement

As part of Tai-wa with employees, the Company has been conducting annual surveys on employee satisfaction, job satisfaction, and engagement since fiscal 2021 including at overseas Group companies, in order to find out in what work environment employees work daily and clarify issues for creating a workplace where employees can have job satisfaction. The results for fiscal 2024 indicated that the Company's strengths included a culture emphasizing work-life balance that allows employees to take leave when they need, and the provision of a safe and healthy work environment. Areas of weakness that have rooms for improvement included "praise for ambitious attempts," a corporate culture that tolerates failure," and "a sense of solidarity." These results are shared with the management team and divisions, based on which divisions formulate and implement their respective action plans. At the same time, the Company is working to create a more rewarding workplace culture through the companywide initiatives described below. Engagement surveys are conducted not only at the Company but also at all Group companies. However, due to differences between countries including in culture, climate, and employee awareness, each company carries out its own action plan.

[Examples of initiatives]

- Establishment of a new award system to commend employees for making ambitious attempts
- Creating a forum for cross-departmental communication (such as round-table meetings with president, round-table discussions with mid-career employees, and forums of Tai-wa at World Café opportunities)
- Enhancing Tai-wa within workplaces (through the enhancement of the People Management training, lecture sessions on "Tai-wa skills", etc.)
- Introduction of a peer bonus program (including overseas Group companies) to foster a sense of solidarity



In order to promote communication across workplaces, we regularly hold World Café events and round-table discussions with mid-career employees.

Through these initiatives, we aim to achieve our corporate slogan of "Technology & Tai-wa for Tomorrow" and transform our organizational culture into one that encourages employees to listen to each other and give constructive feedback.

Society >>

Development of Human Resources Who “Learn on Their Own, Think on Their Own and Act on Their Own”

Development of Global Human Resources and Securing of Excellent Human Resources

Approach for Development of Next-generation Human Resources

Our philosophy for human resources development is to develop human resources who “learn on their own, think on their own and act on their own.”

Internal seminars by specialists from relevant departments are held throughout the year to provide employees with opportunities to acquire the skills and knowledge necessary for their work. We also hold lectures inviting external experts, on such topics as the latest technologies that can lead to innovation, vitalizing communication, and deepening understanding of DE & I (diversity, equity, and inclusion).

In addition, career training programs intended to help employees’ self-directed career development provide opportunities for employees to consider strategies that will enable employees to grow together with the company and work with a sense of fulfillment and satisfaction. We are also enhancing leadership training for learning and practicing processes and techniques for building strong teams. Through these, we provide employee training for improving knowledge and skills as well as for career development of individuals for both new graduates and mid-career employees from the time they join the Company.

In particular, with regard to the development of global human resources, we are taking measures such as dispatching employees to overseas sites from the perspective of long-term human resources development and providing cross-cultural management training.

In addition, from the viewpoint of human resources development at overseas sites, we are also planning a system to promote transfers between sites.

The Company conducts interviews for evaluation of management by objective with all employees every three months. There are no differences in evaluation based on individual attributes such as gender.

KOKUSAI ACADEMY

To continue to develop in a rapidly evolving business environment that changes daily, in fiscal 2024, we introduced KOKUSAI ACADEMY, an online learning platform with a wide range of up-to-date content, which has been offered to all Group employees. Employees can utilize the KOKUSAI ACADEMY for three purposes: (1) strengthening IT/DX literacy, (2) enhancing business skills, and (3) promoting self-development aligned with each individual’s vision.

We expect individual and organizational learning to improve operational efficiency and drive innovation, leading to significant growth for both individuals and the organization.

e-Learning

The Group regularly offers various e-Learning programs. In fiscal 2024, 96 programs were offered to improve specialized skills required in business operations, as well as basic knowledge of sustainability and other topics. We are also expanding e-Learning content, such as the use of animation, to encourage trainees to take ownership of each topic.

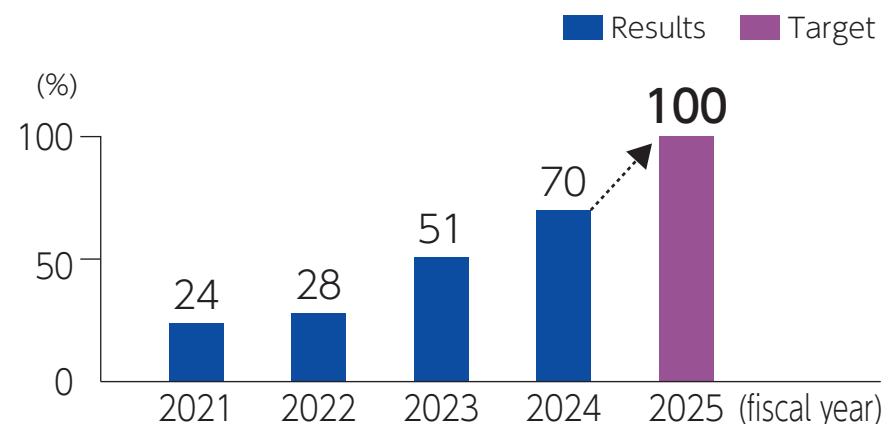
Development of Eco People

Toward the realization of an environmentally harmonious and sustainable society through the provision of products and services, we are developing eco people* to deepen the basic environmental knowledge and understanding of the concepts necessary for all employees.

* Persons who passed the Certification Test for Environmental Specialists (Eco Test)* of the Tokyo Chamber of Commerce and Industry

* The Certification Test for Environmental Specialists (Eco Test)* is a registered trademark of the Tokyo Chamber of Commerce and Industry

Percentage of employees who obtained the eco people certification



Society >>

Examples of Major Group Education and Training

Category	Name
Basic Technology	Basic Technology Course
Advanced Technology and New Fields	Technical Lectures
Position-based Education	Training for Newly Appointed Engineer Leads and Assistant Managers
	Training for Newly Appointed Managers
	Patent Training (beginner and intermediate level)
	Presentation Training
Company-wide Education	Compliance
	Quality Incident Case Study
Safety	Education for New Onsite Workers
	Mental Health
	High-pressure Gas Safety Training
	Safe Driving Training

Examples of Major e-Learning Programs for All Employees

Program topic	Frequency
Occupational Safety	Monthly
Quality	
Specialized Technology	
Information Security	Every six months
Health	
Environmental Laws and Regulations Related to Products	
Waste	
Eco-mind	Once a year
Encouragement to Take Childcare Leave	
Appropriate Forms of Dispatch and Contracting	
Import Customs Clearance	
Intellectual Property	
Information Disclosure Regulations	
RBA Basics	
Harassment Prevention	
Reporting of Misconduct	
Prohibition of Monopoly	
Bribery Prevention	
Insider Trading Prevention	
Unconscious Bias	
Protection of Human Rights	
Diversity, Equity, and Inclusion	
Governance	
Sustainability	

Society >>

Maintenance and Enhancement of Health and Safety

Strengthening Occupational Health and Safety Management Systems

Health & Productivity Management Declaration

In order to realize the corporate slogan, "Technology & Tai-wa for Tomorrow," the Kokusai Electric Group's unchanging basic principle is to prioritize health and safety in all of our business activities. In line with this principle, we declare that we will create accommodating workplaces where every employee can work without mental or physical anxiety.

We also declare that we will actively work to improve the health of our employees and their families.

Kazunori Tsukada

Representative Director, President and Chief Executive Officer

Health & Productivity Management

Promoting Health & Productivity Management

We position health & productivity management as one of our key management issues. In line with the Health & Productivity Management Declaration by top management, we are promoting health & productivity management, including initiatives to address issues such as "physical health," "mental health," and "creating a rewarding workplace environment," under the leadership of the executive officer responsible for human resources and corporate administration. The Health & Productivity Management Promotion Committee regularly discusses policies and initiatives concerning health measures and reports to the Management Meeting and the Sustainability Committee. In addition, we monitor the progress of employee health promotion measures (through a PDCA cycle) in cooperation with the health insurance society and the Occupational Health and Safety Committee to advance these initiatives.

Health & Productivity Management Organizational Structure



Recognized as an Outstanding Organization of KENKO Investment for Health

We have been recognized as an Outstanding Organization of KENKO Investment for Health (large enterprise category) by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi for the fourth consecutive year.



Physical Health

We are working on measures to prevent and ameliorate lifestyle-related diseases through regular health checkups for all employees, recommendations for additional examinations, health guidance, risk-specific health education, and health apps. We are also actively promoting initiatives to improve health literacy and encourage behavior change. These initiatives include health lectures by an industrial physician, events related to dietary habits, and further strengthening of education that encourages smokers to quit smoking and smoking cessation measures.

Mental Health

We are working to prevent, detect, and respond to employees with mental health issues at an early stage by expanding internal and external consultation desks, conducting training of supervisors by an industrial physician (psychiatrist), and engaging in efforts to improve the workplace environment based on the results of group analyses of employee stress checks. Moreover, industrial physicians, public health nurses, and nurses collaborate to conduct regular counseling sessions between an industrial physician and employees on mental health leave to help them recuperate and return to work without anxiety, and to ensure that they can work with peace of mind once they return to work.

Mental-health leave rate (Group employees in Japan)

Leave rate = Number of days absent due to illness/Number of prescribed working days x 100 (excluding cases of less than 7 consecutive work days absent)

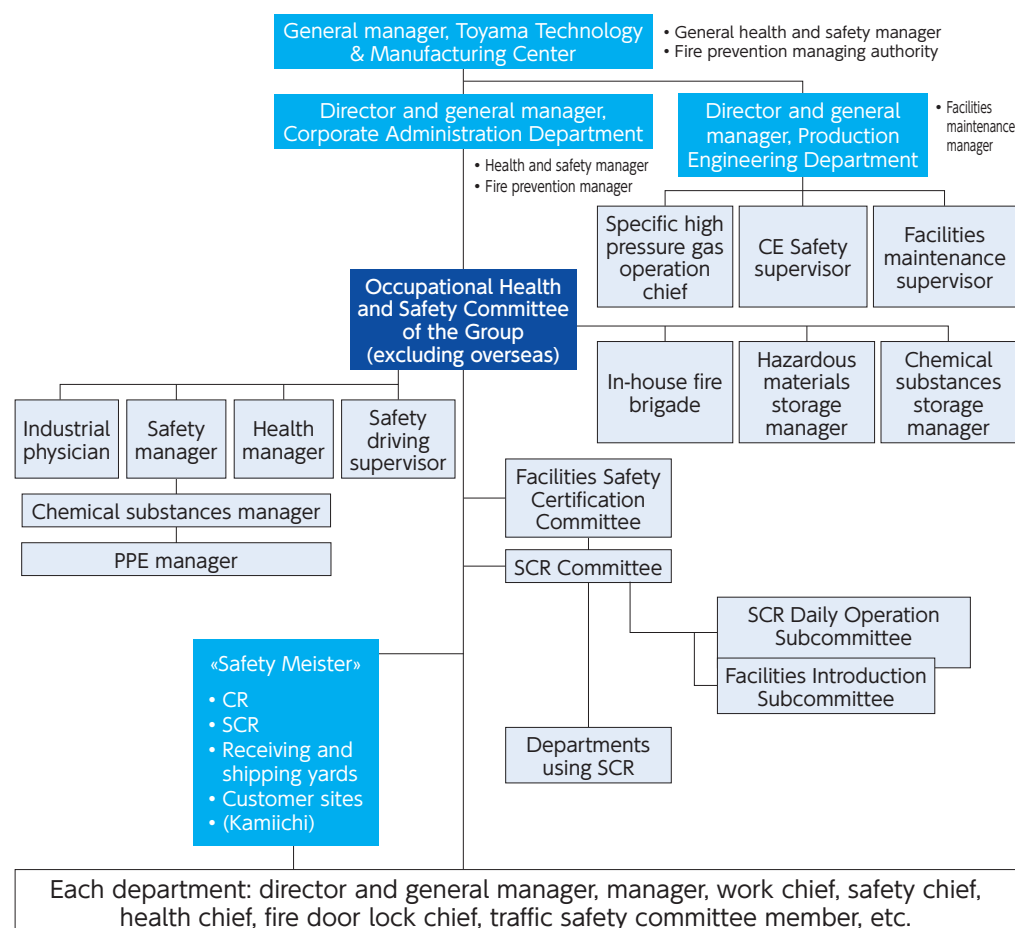
Item	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
Mental leave rate	0.50	0.47	0.47	0.53	0.65

Society >>

Philosophy on Safe Workplace Environments

Regarding the Company's health and safety management systems, each organization has established a system and engages in safety activities. At our main site, Toyama Technology & Manufacturing Center, individual organizations collaborate and manage health and safety under the leadership of the general manager of the Center. At the Group company in Japan in fiscal 2024, there was one occupational accident (accident with lost time). Regarding accidents with no lost time, there was one case of a worker falling in a clean room. The Occupational Health and Safety Committee investigates the cause, implements corrective measures, and monitors their effectiveness.

Health and Safety Management Organizational Structure



Health and Safety Initiatives

1 Measures to eliminate occupational accidents

- ① On-site risk management
 - Risk identification and corrective measures through safety patrols
 - Risk management and risk level reduction measures through risk assessment
- ② Review of work procedure manual
- ③ Implementation of safety education
 - Safety training for new workers, change of personnel, and reminders

2 Enhancement of safety awareness

- ① Measures for employees with less than 3 years of work experience
 - Appointment as a safety patrol member to enhance safety awareness

3 Legal compliance

- ① Responding to legal revisions
- ② Confirmation of compliance with legal requirements

How to Prevent Occupational Accidents (Health and Safety Risk Assessment)

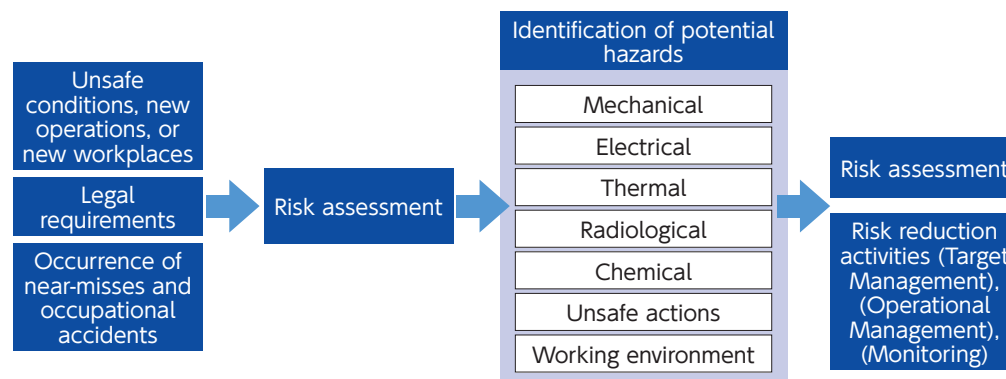
1. Hazard identification, risk assessment, and risk management

To ensure effective planning and implementation of health and safety activities, we conduct risk assessments of our work areas. It is necessary to identify potential hazards and risks through these activities and address them proactively.

2. Risk reduction activities

Based on the risk assessment, we categorize all risks and perform maintenance and improvement activities.

- ① Set safety and health targets and systematically reduce risks. (Target Management)
- ② Manage operations to prevent accidents, injuries, and illnesses while addressing residual risks. (Operational Management)
- ③ Monitor potential risks, including risk assessments, by tracking near-misses and occupational accidents by category and number. (Monitoring)



Society >>

Number of occupational accidents

(employees and temporary workers of the Group in Japan)

Lost-time occupational accidents: 4 or more days of missed work

*Excluding COVID-19 infections and commuting accidents

Calendar year	2022	2023	2024
No lost time	6	7	1
Lost time	1	0	1
Total	7	7	2

(persons)

Frequency rate of occupational accidents

(employees and temporary workers of the Group in Japan)

Number of occupational accidents resulting in one or more lost days of work/Total number of working hours x 1 million hours

*Excluding COVID-19 infections and commuting accidents

Calendar year	2022	2023	2024
	0.27	0	0.05

(Calendar year)

Number of occupational deaths

(the Group, by region)

Calendar year	2022	2023	2024
Japan	0	0	0
Asia (excluding Japan)	0	0	0
Americas, Europe, and others	0	0	0

(persons)

*Some occupational accident data are excluded from the statistics in this report due to differences in customs and standards between Japan and other countries.

Ten Safety Rules

- 1 Dress properly.** «Wear footwear that protects your toes and heels and wear footwear properly without stepping on the shoe heels.»
- 2 Greet and do radio exercises.**
- 3 Confirm health and safety by calling out to co-workers.** «Check one another first thing in the morning.»
- 4 Comply with on-site traffic rules.** «Walk on the right side of the aisles. Do not walk with both hands occupied with burden, with your hands in your pockets, or while using a mobile phone.»
- 5 Pay attention to your feet and head when walking or working.** «Wear appropriate protective equipment when working and observe expiration dates.»
- 6 Follow safety rules established for each operation and area.**
- 7 Do not make judgments about things you don't understand. Report, Communication, and Consultation.**
- 8 Warn each other about any unsafe actions or rule violations.**
- 9 Proactively make suggestions about near-miss cases.**
- 10 Check actions to be taken in the event of an emergency in advance and prepare for disasters.**

Respect and Consideration of Human Rights

In order to build a society in which people can enjoy a safe, secure, and happy life, all human rights must be respected and none infringed.

As well as raising awareness of our employees about human rights, as a signatory to the United Nations Global Compact, we are striving to resolve issues concerning human rights and labor practices at a higher level to fulfill our responsibility to respect human rights.

Respect for Human Rights

Promotion of the Understanding and Awareness of Employees about Human Rights

Human Rights Policy

The Company has established KOKUSAI ELECTRIC Group Human Rights Policy, and supports a future where creativity and innovation are born out of Technology and Tai-wa, while helping realize a society where human rights are respected. As a prerequisite to this, the Group seeks to meet its responsibility to respect human rights.

In addition, in concert with Human Rights Day, a message from the CEO is communicated to all employees including of overseas Group companies, asking them to deepen their understanding of respect for human rights once again and take action together.

Training to Increase Awareness about Human Rights

- In addition to a program designed to raise employees' human rights awareness in order to prevent discrimination, we provide training on respect for the human rights of all people.
- We provide employees with harassment prevention education, using sexual harassment, abuse of authority, and pregnancy discrimination as examples. The program is designed to ensure that all employees, including those overseas, are aware of the nature of harassment defined in law and the importance of preventing harassment and understanding the types of conduct that may constitute harassment, and how to behave and prepare oneself so as not to engage in harassment, not to let others do so, and not to overlook it.

Developing a Human Rights Due Diligence Process

The Group is working to establish a system for implementing the human rights due diligence (DD) process which identifies and assesses adverse impacts caused by its business activities on human rights and address such impacts. Implementing human rights DD reduces the risk of human rights violations and promotes sustainable business.

Signing the United Nations Global Compact

On June 23, 2022, we joined the UN Global Compact as well as the Global Compact Network Japan, which is comprised of Japanese signatories to the UN Global Compact.

Signatories to the UN Global Compact are required to commit to complying with the Ten Principles covering four fields, namely, human rights, labor practices, the environment, and anti-corruption, and implementing those principles. As a signatory to this international initiative, we will strive to resolve issues in the human rights and labor fields at a higher level.

Society >>

Contribution to Society through Creativity and Innovation

We believe that a wonderful future will emerge through creativity and innovation around the world, shaped by people's dreams, ideals, expectations, and needs. Semiconductors are an integral part of a scene that brings about such creativity and innovation.

We will continue to create and innovate through our semiconductor manufacturing equipment business so that higher quality semiconductor devices and groundbreaking applications using semi-conductors will be created and a wonderful future will emerge.

Creation of New Technologies and New Products

R&D Policy

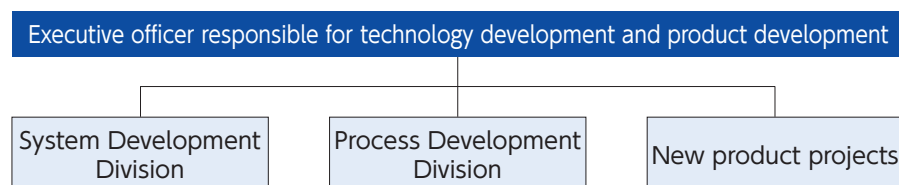
The Company develops semiconductor manufacturing equipment leveraging the top deposition technologies in the world.

In addition to providing underlying deposition technology, we are striving to overcome physical limitations with miniaturization through joint development with research institutes, universities, raw material manufacturers, and device manufacturers. We are also vigorously promoting the development of advanced elements that adapt to changes in device structures and materials. Our deposition technology and treatment (film property improvement) technology are used by the world's top device manufacturers, and greatly improve the functionality and performance of semiconductors. Through digital transformation and the use of IT tools, we are accelerating development to provide superior deposition technology to our customers. Semiconductors that utilize our deposition technology are found in electronic devices around the globe and contribute to making people's lives safer and more comfortable.

R&D System

Semiconductor device development is advancing around the globe. We have research institutes in Japan and overseas and have established a comprehensive research system. Since it requires technology from a wide range of fields — including machinery, electronics, heating, fluids, physics, and chemistry — we have assembled a team of experts representing each one. Our aim is to create an R&D system that can continue to overcome difficult problems by leveraging our own technology and collaborating with consortiums, universities, and development partners around the world.

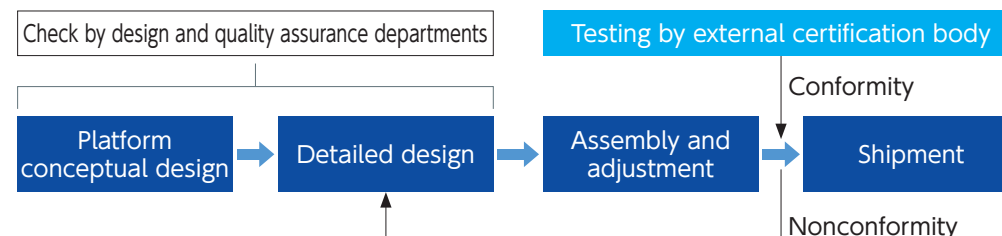
Organizational Structure



Securing Safety of Products and Services

The development and design of the Company's semiconductor manufacturing equipment comply with the SEMI standards.

To ensure compliance with the SEMI standards, design and quality assurance departments conduct checks from the platform planning phase through the detailed design of each unit and component based on a checklist. Ultimately, we only provide products that have undergone SEMI testing by external certification bodies and have been certified for conformity, thereby ensuring the safety of products and services required by the world's leading device manufacturers.



Society >>

Social Issues Related to the Development of Deposition and Treatment Technologies

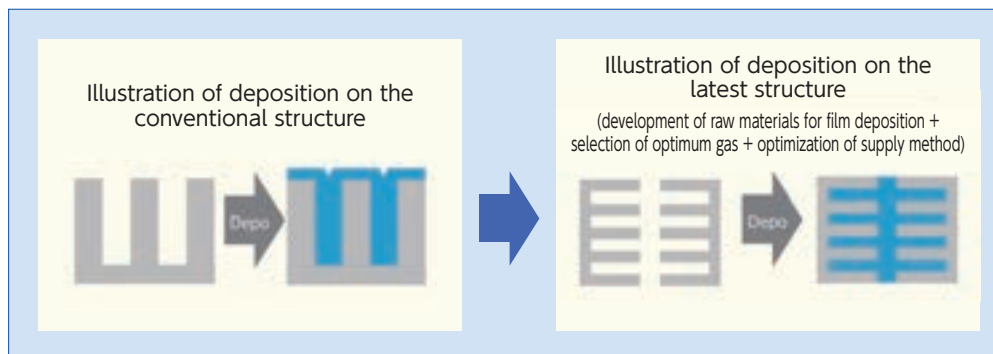
- 1 Promotion of advanced technologies**
 Semiconductor manufacturing equipment is a source of innovation for the semiconductor industry, enabling the development of high-performance electronic devices and technological innovation in various fields.
- 2 Creation of jobs**
 To manufacture semiconductor manufacturing equipment, we employ engineers with high-caliber technological expertise. We have partnerships with many companies in our supply chain and create jobs in our partners' industries.
- 3 Diffusion of technologies and promotion of education**
 We are continuously refining technologies related to product development and manufacturing, thereby providing other parties in the industry and research institutions, such as universities, with benefits related to technology diffusion as well as educational opportunities.

Technological Capabilities to Address Social Issues: Thin Film Forming Technology in Semiconductor Process Development

Example of our activities

High-performance semiconductor devices created using our technologies contribute to the development of large-capacity information storage, automation, high-speed communications, and other related fields, and have recently been further applied to support the acceleration of artificial intelligence (AI) technology development. In recent years, the development of semiconductor devices has been driven by the need for higher integration, miniaturization, and the use of new materials. This requires technology that can deposit high-quality films with excellent step coverage on complex three-dimensional structures with large surface areas. We have been responding to customer needs for various types of film and offering solutions to issues using our batch ALD* technology. With further structural changes in semiconductor devices in the future, step coverage will need to be enhanced not only in the vertical direction but also horizontally. To improve our ALD technology accordingly, we utilize molecular simulations to search for raw materials for deposition and gas diffusion simulations to establish an effective gas supply method. In addition, changes in substrate materials can sometimes cause substrate damage during deposition. To address this issue, we select gases that help reduce such damage. Through our unceasing development of deposition technology, we will continue to support our customers in their development of semiconductor devices by providing cutting-edge, optimal technologies.

*ALD (Atomic Layer Deposition): We refer to a technique for thin-film deposition at an atomic layer level involving a process of cyclical supply of multiple gases as "ALD."



VOICE

In recent years, the batch ALD (atomic layer deposition) technology has been attracting more and more attention as device structures are changing to use higher aspect ratios. This technology, which achieves high productivity with good step coverage, plays an important role in semiconductor manufacturing. In the batch ALD technology, gas systems are required to supply gases of high-flow rates at high speeds.

In cooperation with our partners companies, we develop supply system components that are optimal for gas supply systems for batch ALD. The collaboration has led to the development of high-performance systems capable of highly stable gas supply, with which we are working to optimize manufacturing processes. Ensuring uniform film thickness is crucial particularly in devices that increasingly have high-aspect-ratio structures, and technological innovation to address this is awaited.

Recently, we have also been developing value-added products utilizing energy-saving technologies. They will enable manufactures to provide high-quality products while focusing on environmental considerations. Going forward, we will continue to strive for technology evolutions and continue advancing technological innovation to meet the needs of the industry.



Hidehiro Yanai
 Manager, Component Development Department, System Development Division

Society >>>

Technological Capabilities to Address Social Issues: Ultra-High Temperature Treatment Technologies

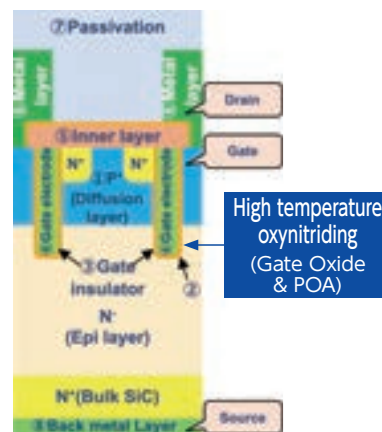
With decarbonization initiatives gaining momentum in recent years, there has been increased demand for power semiconductor devices used in electric vehicles (EVs) and solar power generation. Silicon carbide (SiC) materials have attracted attention for their potential to improve efficiency and enable miniaturization, which are issues with conventional silicon (Si) materials.

In the fabrication process of SiC trench MOS-FET using SiC materials, a high temperature oxynitriding technique is necessary to improve carrier mobility and interface characteristics. This process is performed at a much higher temperature than in the process using conventional Si materials.

We have adopted high-productivity batch processing technology and a newly developed induction heater in the manufacture of SiC power semiconductor devices, achieving high productivity.

This advanced manufacturing equipment with high productivity produces high-quality SiC power semiconductor devices, helps protect the environment by reducing energy consumption, and promotes energy saving across society.

Schematic diagram of SiC trench MOS-FET structure



Example of our activities

We are making efforts toward higher quality, higher productivity, and energy saving. A new heater for high-temperature processing delivers both high productivity and reduced energy consumption, providing economic benefits while contributing to environmental protection.

In addition to the new heater technology, we have also adopted a new technology for improving film quality (in terms of oxide film thickness, uniformity of nitrogen concentration, and particle reduction) by optimizing process conditions.

Furthermore, the highly reliable VERTEX® Platform has created an environment where customers can use our products with a sense of security. These efforts have made our products high-quality and environmentally friendly.

There is a growing demand for technology development that considers the environment as well as performance. Contributing to the enhancement of social value is also an important element in achieving sustainable management. Through Tai-wa with customers, we will continue these efforts and strive to further improve our technology and reduce environmental impacts.



Appearance of VERTEX® Revolution

*VERTEX is a registered trademark of KOKUSAI ELECTRIC CORPORATION.

VOICE

The importance of SiC power devices has increased in recent years, driven by the rapid growth of demands for higher energy efficiency and reduced environmental impact. Oxynitriding furnaces are furnaces for SiC power devices capable to perform oxynitriding treatment for forming a gate oxide film and improving its quality.

You may expect that conventional Si process conditions and equipment operation can be readily applied to a thermal oxidation process for SiC gate oxide film, but in practice, that is difficult. Due to differences in the oxidation behavior between SiC and Si, there were challenges in controlling film thickness and film quality. There was no way to eliminate the problems using the conventional method of operation of Si furnaces, and a new solution was required.

We managed to solve these issues by working with the customers to clarify the mechanism and optimizing the process conditions and operation method. In addition, the oxynitriding treatment after gate oxide film formation is a process essential for improving device quality that is unique to SiC. In addition to precisely controlling each parameter, we evaluate quality from many different aspects including electrical characteristics and by reliability testing.

Going forward, we will continue working for technological innovation and strive to further improve the quality of SiC power devices.



Takahiro Kobayashi
Process Development
Department III, Process
Development Division

Intellectual Property Management

The Group regards intellectual property resulting from its corporate activities, such as research and development, as important business resources, and recognizes that activities to manage intellectual property are vital for its business operations. For this reason, R&D, design, legal, intellectual property, and other related departments co-operate with one another to build a more appropriate portfolio of intellectual property rights to improve the Company's corporate value.

The Company was selected for the Innovation Momentum 2025: The Global Top 100* announced by LexisNexis Intellectual Property Solutions (hereinafter "LexisNexis"), a US-based company that offers patent data analytics solutions based on global patent data. The company is among only five Japanese companies selected in 2025.

*Innovation Momentum: The Global Top 100 identifies and selects companies leading in innovation by analyzing the dynamics of technology development based on patent data. This is the fourth year of the announcement. LexisNexis selects these companies through finding out the momentum and evolution of technology development over the past two years and assessing the value of the companies' patents, which is done by analyzing its database of approximately 16 million global valid patent families using "LexisNexis® PatentSight +," a patent data analytics solution.

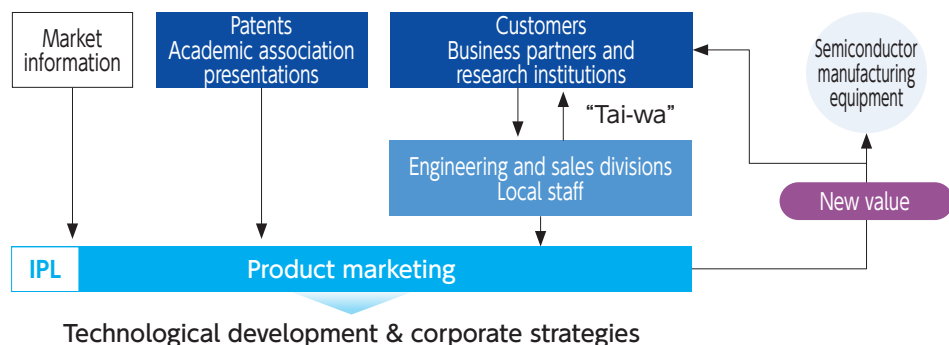


Society >>

Enhancement of Customer Satisfaction

Product Marketing

In order to improve our products and provide high value to customers, our engineering and sales divisions and local staff engage in "Tai-wa" with customers and share customers' views within the Group. We also strive to create new value Group-wide by driving forward proposals that lead to new technological developments and corporate strategies, through an initiative called "intellectual property landscape" that provides an overview and comprehensive analysis of academic association information, patents, and market information. Recently, we have had more opportunities to formulate product strategies and development strategies through "Tai-wa" with business partners and research institutions, and we are working to create value from a broader perspective.

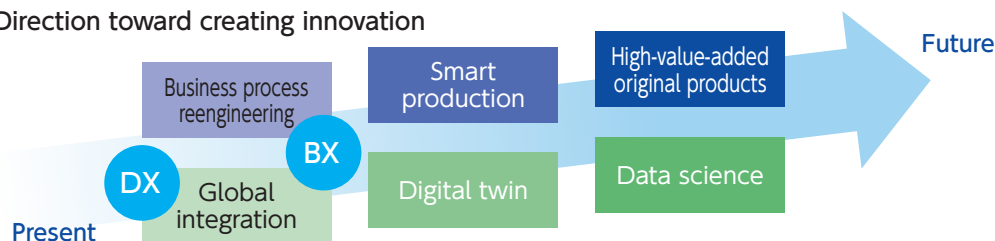


Creating Value and Pioneering the Future through Evolution of Digital Transformation

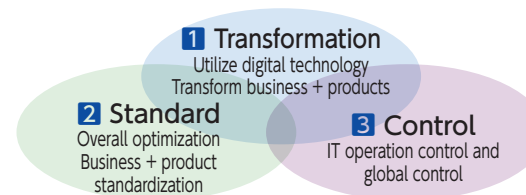
In the pursuit of core business reengineering that makes full use of advanced digital technology and the development of high-value-added products and services, we aim to achieve differentiation through digital transformation (DX). While striving to achieve sustainable growth in the drastically changing semiconductor equipment industry through DX, we will provide products and services offering a high degree of customer satisfaction.

Our DX initiatives include the establishment of global IT infrastructure and business control, productivity improvement through smart production, Digital Twin Simulation*1 without actual equipment, and pursuit of data science and Process Informatics*2.

Direction toward creating innovation



Frames of action for creating innovation



	Frame	Pursuit
1	Transformation	Digital transformation Adapting to the changing market environment
2	Standard	Overall optimization Business processes, products, and services
3	Control	IT operation control Global control

Action for Creating Innovation, the Present and the Future Vision

Innovation	Present	Future
BX Business transformation	- Global business integration and flexible management - Integration of financial systems into a global standard and efficient management - Flexible operation through integrating the new order management system with production - Visualize and utilize business data using a business dashboard	- Sustainable management for higher customer satisfaction through standardization and prompt response to changes - Establishment of a global operation model (overall optimization of organization and operations) - New global standard ERP core system and highly efficient businesses operation - Responding promptly to changes in the semiconductor market by optimizing supply and demand planning management
DX Digital transformation	- Integration through digitalization and operation control - Smart production integrating manufacturing material handling robots and tablets - One Kokusai digital integration of basic operations and operation control and approval control - Integrate IT infrastructure including e-mail, on-line conferencing, and networking	- Digitally controlled operations in all areas globally across the Group - Improving efficiency and safety through Digital Twin Simulation and expanding production capacity - One Kokusai services and global control over corporate operations - Global workstyle & communication reform and advanced IT resilience

*1 Digital Twin: By integrating virtual and real space using digital technology, a digital twin (virtual equipment) allows the simulation of safe and efficient operation without actual equipment (semiconductor manufacturing equipment).

*2 Process Informatics: It refers to data science technology (a method introduced to materials development (semiconductor deposition process development)) that synthesizes previously unattainable semiconductor materials and derives deposition procedures and deposition conditions for semiconductor materials.

Pursuing Quality

Enhancing customer satisfaction is our top priority.

In accordance with the Quality Policy and the spirit of innovation of Technology and Tai-wa, we are committed to developing technologies that help solve issues of our business partners and society and offering high quality that supports them. In doing so, we aim to realize an environmentally harmonious and sustainable society and a future where creativity and innovation are born, and increase the satisfaction and trust of our customers. To achieve this, the entire group is working to reform business processes and product and service quality.

Society Enhancement of Customer Satisfaction >>

Quality Policy

We have established the following quality policy aiming to provide customers with high-quality products and services that support a future where creativity and innovation are born, under the slogan of "Technology & Tai-wa for Tomorrow."

Reference | Quality Policy ▶ 

Ensuring Quality

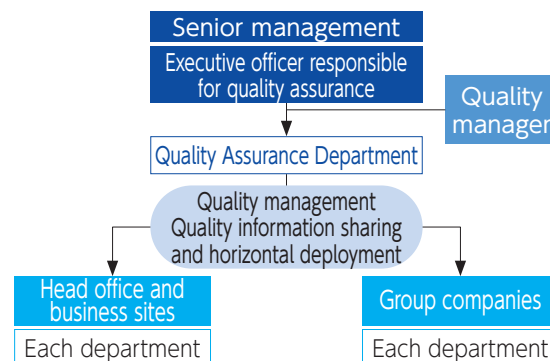
■ Approach to Design Quality

For product development and design changes, experts from design and development, quality assurance, and other relevant departments participate in design reviews to point out issues and confirm the effectiveness of measures implemented.

Moreover, we use FMEA to identify risks that may lead to potential accidents and failures and take countermeasures at the design phase to prevent various problems.

*FMEA: Failure Mode and Effects Analysis. FMEA is a technique for analyzing the failure modes of components and their effects on items at higher levels by evaluating possible failures in products and potential risks in the manufacturing process up to the completion of products. It is a method to mitigate risks.

Quality Assurance System



■ Approach to Parts Quality

For parts and units we purchase, we conduct quality checks in cooperation with business partners to ensure the quality of parts incorporated into our products.

We also conduct evaluation concerning quality for respective suppliersbusiness partners. We work to improve built-in quality through conducting quality improvement activities such as quality audits and technical guidance in cooperation with suppliersbusiness partners.

■ Approach to Product Quality

To ensure product quality, we inspect, check, and maintain records of all processes from the manufacturing of products through shipping, delivery to customers, setting up and acceptance of products.

■ Approach to Quality Management

We promote internal audits to maintain, manage, and improve the quality management system (QMS).

We also check the status of occurrence of defects and identify their characteristics and trends by statistical analysis, look into their causes and roll out countermeasures, while working also to minimize unevenness in quality.

In addition, we provide case study training on quality to all employees and plan various initiatives to raise quality awareness.

■ Labeling related to Safety etc. of Products and Services

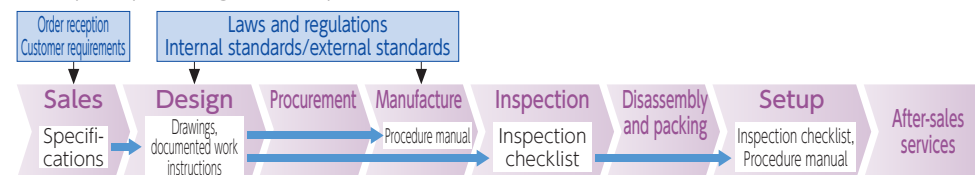
We comply with laws and regulations and various standards from the product design and development phase onward and ensure thorough compliance.

In particular, we design products in accordance with SEMI S2 (Environmental, Health, and Safety Guideline for Semiconductor Manufacturing Equipment), the safety guidelines established by SEMI*1, to ensure the safety of our products and enable customers to operate them with a sense of security. Moreover, our products have safety labels in compliance with SEMI S1 (Safety Guideline for Equipment Safety Labels).

We also comply with the safety performance standards required by export destination countries, and display labels such as Europe's CE Marking*2 and Korea's KC Mark*3 and KCs Mark*4 certifications.

In order to protect the global environment, when shipping equipment, we apply the International Standard for Phytosanitary Measures (ISPM) No.15*5 and use packaging materials that are stamped with the IPPC mark*6. Our products are also marked with the labels required by the environmental laws and regulations of the destination countries, such as the China-RoHs*7 and the New Battery Regulation*8.

We have confirmed that such labeling is implemented and operated correctly in our quality management system.



*1 SEMI standards: Standards established by SEMI (Semiconductor Equipment and Materials International), an international industry association for semiconductor manufacturing equipment manufacturers, material manufacturers, etc., with the aim of unifying international industrial standards for the semiconductor industry.

*2 CE Marking: Marking affixed to products that satisfy the standards of all European Union (EU) member countries.

*3 KC Mark: Mark affixed to products certified by a certification body designated by the Korean Agency for Technology and Standards (KATS) for electrical and electronic equipment, household products, wireless equipment, broadcasting equipment, information equipment, industrial equipment, etc. used in Korea.

*4 KCs Mark: A compulsory certification system operated by the Korea Occupational Safety and Health Agency (KOSHA) for 11 types of industrial machinery used in Korea.

*5 ISPM (International Standards for Phytosanitary Measures): Regulatory guidelines for wooden packaging materials in international trade.

*6 IPPC (International Plant Protection Convention): IPPC's activities include the development of ISPM, implementation of technical cooperation, and exchange of information on pests and diseases.

*7 China-RoHS (Restriction of Hazardous Substances): A Chinese government regulation restricting the use of certain hazardous substances in electrical and electronic equipment in China.

*8 New Battery Regulation: A new regulation established by the EU governing the manufacture, sale, and disposal of batteries and storage batteries.

■ Policy to Address Quality Problems

When a defect is discovered, we take corrective actions and deploy them horizontally based on investigation of the cause, and further identify the structural factors that lie behind it. As such, we take effective measures to prevent recurrence.

Moreover, we hold the Quality Meeting where responsible departments share information with management and relevant departments, including Group companies, to improve quality throughout the Group.

Furthermore, we are working with our design and manufacturing departments and external business partners to improve the quality and reliability of our products and services by strengthening verification concerning quality risks at each manufacturing process.

We strive to promptly respond to customer complaints and requests (VOC: Voice Of Customer).

Society Enhancement of Customer Satisfaction >>

Customer Satisfaction (CS) Survey on Products and Services

We have been conducting worldwide customer satisfaction (CS) surveys on our products and services jointly with Group companies. The results are conveyed internally and shared with Group companies to make improvements.

The fiscal 2024 CS survey showed a high level of customer satisfaction of more than 80%.

As for customer satisfaction about the company, we have gained the trust of our customers for our technical leadership.

They also evaluate our products highly in terms of safety. Our customers have great confidence in the safety of our products. On the other hand, there were requests for improvements in maintainability. In order to improve product operation rates, customers want equipment configurations with more considerations for maintenance. In addition, we will need to make more efforts to prepare more accurate and user-friendly manuals to meet customer needs.

Customers highly evaluate our support in terms of product maintenance and services, installation and setup at customer plants, and deposition technology. On the other hand, customers found our support regarding spare parts short of fully meeting their expectations. We need to respond quickly to requests for spare parts and strengthen our supply system.

Based on these results, we are committed to continuously developing high-value-added technologies and products and strengthening our after-sales customer support.

We will continue to listen to our customers and take measures to improve customer satisfaction.

Efforts to Enhance the Global Network

We are working on a global level to improve the skills of field engineers who visit our customers' factories to provide support for installation, setup, maintenance, and services.

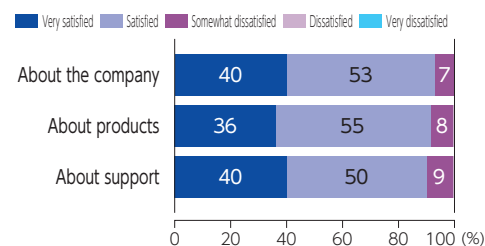
We have strengthened the training of engineers of Group companies in Japan and overseas and promoted standardization of work certification standards. In 2023, more than 90% of installation and setup was performed by engineers of Group companies.

In addition, we have established a defect database for sharing information on past troubles and deployed it globally to enhance support for engineers.

Training Center

In order to further enhance training for engineers of Group companies in Japan and overseas, the training center introduced two additional training machines in 2024.

Fiscal 2024 customer satisfaction survey result



This will enable our engineers to equip themselves with the latest technology and work with a higher level of expertise.

We focus on developing educational programs using new training machines and equipping them with practical skills. By enabling engineers to deepen their knowledge not only of theory but also of actual operations in a hands-on manner, we aim to improve the quality of operations.

In addition, our global skill certification system helps our engineers acquire technologies that meet uniform standards, which allows us to globally provide consistent, high-quality services. These efforts have developed the expertise of our engineers and enabled the provision of reliable, safe, and reliable services to customers.

The training center will continue to provide high-quality education and support the safe and effective operation of the Company's equipment.

Examples of engineer training



Training for a new model

Service Support

The Group ensures a stable supply of spare parts and technical services by our experienced field engineers so that customers can use our equipment with a sense of security.

Maintenance

As a consequence of device miniaturization, the structure of our equipment is becoming more complex. We offer service package plans that cover all of the regular parts replacement and maintenance work.

Parts Sales

The issue of long delivery times for quartz and consumable parts, which require regular replacement, has become serious.

The Group offers a variety of services for customers with procurement issues.

Upgrading

We offer options that suit customers' operating methods, such as increased productivity, features that protect customers' products, and energy-saving parts.

Used Equipment/Renovation

We handle used equipment of various models and process film types.

We also offer renovation plans for customers who have been using the equipment for a long time and wish to replace it with the latest unit.

Society Enhancement of Customer Satisfaction >>

Enhancement of Customer Satisfaction (CS) Worldwide

We have been conducting our own annual CS survey on our products and services covering customers worldwide, jointly with Group companies. After the responses are compiled and analyzed, the results are conveyed internally and shared with Group companies to make improvements and enhance customer satisfaction.

We strive to promptly analyze customer complaints and requests (voice of customer), share them internally, and respond to them.

Awarded “Top 10 Customer Service” for the 28th consecutive year in the TechInsights Semiconductor Supplier Awards (formerly TechInsights Customer Satisfaction Survey)



We were awarded “Top 10 Customer Service”^{*1} (formerly known as 10 BEST Suppliers) for the 28th consecutive years in the “Global Semiconductor Supplier Awards”^{*2} (formerly known as TechInsights Customer Satisfaction Survey), a customer satisfaction survey conducted by TechInsights Inc. (hereinafter “TechInsights”), a technology and intellectual property consultancy for the microelectronics industry. We also ranked in the top 10 in both the “FAB EQUIPMENT” and “WFE TO SPECIALTY CHIP MAKERS (formerly known as The BEST in WFE Foundation Chip Makers)” categories.

The Global Semiconductor Supplier Awards, a customer satisfaction survey that TechInsights (formally VLSI Research) has been publishing since 1988, evaluates semiconductor manufacturing equipment suppliers based on three key elements: supplier performance, customer service, and product performance, based on responses from semiconductor device manufacturers around the

world. We have received the “Top 10 Customer Service” award, an overall ranking of large suppliers of semiconductor manufacturing equipment, for the 28th consecutive year, and were also ranked in the top 10 in both the “Fab Equipment” and “WFE to Specialty Chip Makers” categories. Our strengths of “Technology” and “Tai-wa” have enabled us to meet the diverse needs of our customers, which has earned us the trust of our customers and led to this award.

^{*1} The “Top 10 Customer Service” acknowledges the top 10 semiconductor production equipment suppliers that have received high ratings from their customers, regardless of product type.

^{*2} “Global Semiconductor Supplier Awards” acknowledge semiconductor production equipment suppliers, categorized by product type such as production and test equipment, which have received high ratings from their customers.

Awarded “Excellent Partner” in SK hynix “Best Partner Award”

The Group received the “Excellent Partner” award from SK hynix Inc. (hereinafter “SK hynix”) in their Best Partner Award. Approximately 90 partner companies participated in the SK hynix “Best Partner Award”, including Kook Je Electric Korea Co., Ltd. (Kokusai Electric Korea Co., Ltd.), a group company based in Korea. The Group received this award in recognition of its significant contributions to improving SK hynix’s competitiveness and development through proactive collaboration.



Society Community Contribution Activities and Efforts to Coexist with Local Communities >>

Contributing to the development of local communities to achieve mutual growth by cherishing the environment and people

Having good relationships with society and local communities is indispensable for our business activities. Our awareness that values connections with local communities has become even stronger. We will vigorously engage in various activities so that we can continue to develop and grow in harmony with the natural environment and the residents of all the communities where we operate.

Results of Major Social Contribution Activities (FY2024)

Company name	Area	Activities
KOKUSAI ELECTRIC CORPORATION (Toyama Technology & Manufacturing Center, Japan)	Support for education	Joint event with Nissan Waku-Waku Eco School ^{*1} and Bosai JAPAN-DA Project ^{*2}
	Regional revitalization	Co-sponsored Tonami Tulip Fair ^{*3} Co-sponsored KIRAKIRA MISSION 2024
	Donation	Donation for repairing the roof degraded due to aging of Wakamiya Hachiman Shrine (The guardian shrine of Hakufu Dormitory)
Kokusai Electric Semiconductor Service Inc. (Kamiichi Works, Japan)	Environmental protection	Neighborhood cleanup activities around Kamiichi Works
Kokusai Semiconductor Equipment Corporation (United States)	Support for education	Internship program for Meridian Technical Charter High School
		Job fair at Oregon State University
		Sponsored Pacific Coast Wrestling Championships
Kokusai Electric Asia Pacific Co., Ltd (Taiwan)	Support for education	Workplace visits by students for understanding about vocations
	Environmental protection	Collection of used clothing and donation to Africa
Kook Je Electric Korea Co., Ltd. (Kokusai Electric Korea Co., Ltd.) (Korea)	Welfare	Making Kimchi to help vulnerable groups in the community
Kokusai Semiconductor Singapore Pte. Ltd. (Singapore)	Welfare	Food aid through the local charity organization FFTH
KE Semiconductor Equipment (Shanghai) Co., Ltd (Shanghai)	Environmental protection	Commemorative tree planting
Kokusai Semiconductor Europe GmbH (Germany)	Environmental protection	Installation of recycling stations for sorting resources
		Installation of electric vehicle charging stations

^{*1} Nissan Waku-Waku Eco School[®] is a registered trademark of Nissan Motor Co., Ltd.

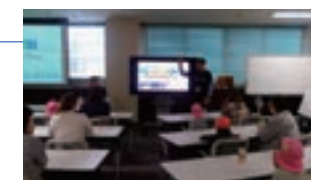
^{*2} Bosai JAPAN-DA Project is a project that aims to help children, who will be the leaders of the future, and their guardians acquire knowledge to protect themselves in the event of disasters and take safe actions.

^{*3} Tonami Tulip Fair[®] is a registered trademark of Tonami City.

Topics

Factory Tour for Nursery School Children and Parents

As part of our community contribution activities, on October 29, 2024, we invited children and their parents from a nearby nursery school to the Toyama Technology & Manufacturing Center, and held an environmental class and a factory tour. An executive officer who greeted them explained that various devices are made using the Company's semiconductor manufacturing equipment as well as how useful they are for smartphones and personal computers. In the environmental class, they learned in a fun way that they should not leave water running and should eat all the food on their plates, as well as how to properly sort garbage. During the factory tour, they also saw the manufacturing processes of our products and learned about how our solar power generation systems operate and how we separate waste. We will continue to deepen our ties with local communities and provide opportunities for children of the next generation to develop environmental awareness.



Initiatives to Support Women's Success

In the modern workplace, the promotion of women's empowerment and success is a very important theme. Kokusai Semiconductor Equipment Corporation (United States), together with companies in the other sector, sponsored an event titled "Empowerment in Action: Real Strategies for Women's Success." The event was held in Albany, New York, on May 8, 2025, with prominent speakers who showcased various approaches to support women's career development.

The IBM Cybersecurity Leader who delivered the keynote stressed the importance of the role of the community and explained that the Employee Resource Group (ERG) can serve as a collective voice for creating a safe working environment. The following are the points that were particularly impressive.

- Support an Initiative: Choose a cause to champion.
- Mentorship: Seek out a mentor or become one for someone else.
- Become an Ally: Stand up for peers and facilitate their path forward.

In the panel discussion, participants also discussed specific strategies for women to succeed in the workplace. The main strategies mentioned were assertiveness, challenging conventional notions, overcoming impostor syndrome, the importance of proper evaluation, and valuing being authentic.

Sustained efforts and community support are crucial for women's empowerment in the workplace. By implementing these strategies, we believe we can build a more equitable future.



Governance >>

Strengthening of the Governance System to Realize Sustainability Management

By pursuing the enhancement of corporate value through business activities and ESG initiatives, our sustainability management aims to contribute to the achievement of the SDGs while seeking to realize a sustainable society as well as sustainable development of the Group.

To achieve sustainability management, we have established a robust governance structure to ensure the sustainable development of the Group without compromising the Group's corporate value and aim to remain a clean enterprise that earns the trust of society.

Strengthening of Governance

Enhancement of Governance

2018

June

- ▶ Succeeded to the Deposition Process Solutions business of Hitachi Kokusai Electric Inc. by a company split and changed the company name to KOKUSAI ELECTRIC CORPORATION
- ▶ Company with a board of directors and a board of auditors
- ▶ Introduced an executive officer system

August

- ▶ Introduced a compliance whistleblower system

December

- ▶ Appointed an accounting auditor

2019

June

- ▶ Changed an executive officer system to a delegation contract type

2021

January

- ▶ Transitioned to a company with a board of auditors

March

- ▶ Appointed a female outside director

April

- ▶ Established the Compliance Committee

2021

June

- ▶ Transitioned to a company with an Audit and Supervisory Committee
- ▶ Established the Nomination and Compensation Committee and the Transactions with Controlling Shareholders Committee as consultation organizations for the Board of Directors

July

- ▶ Changed the Compliance Committee to the Risk-Compliance Committee

October

- ▶ Appointed a shareholder registry administrator

2022

April

- ▶ Established the Corporate Slogan
- ▶ Started evaluation of the effectiveness of the Board of Directors

July

- ▶ Established the Sustainability Committee

December

- ▶ Established the KOKUSAI ELECTRIC Way
- ▶ Identified materiality (key issues to be addressed)

2023

June

- ▶ Revised (expanded) a compliance whistleblower system

October

- ▶ Established the KOKUSAI ELECTRIC Group Anti-Corruption Policy
- ▶ Listed on the Prime Market of the Tokyo Stock Exchange
- ▶ KKR HKE Investment L.P., which was the parent company of the Company, fell under the category of other affiliated companies.

December

- ▶ Abolished the Transactions with Controlling Shareholders Committee

2024

April

- ▶ Established the Independence Standards of Independent Directors

June

- ▶ Increased the number of female outside directors to two

2025

June

- ▶ Increased the number of female outside directors to three (the female director ratio of 30% or more)
- ▶ A majority of the Board of Directors consisting of independent outside directors

Governance >>>

Basic Approach to Corporate Governance

In accordance with the Corporate Philosophy, the KOKUSAI ELECTRIC Way, the Group is continuously working to enhance corporate governance enabling fast and decisive decision-making based on appropriate risk-taking in order to enhance the trust of stakeholders, including shareholders, investors, business partners, and employees. To strengthen the supervisory function of the Board of Directors and ensure flexible decision-making by the management team, the Company has adopted a company with an audit and supervisory committee system. In addition, six of the members of the Board of Directors are independent outside directors with extensive expertise, and executive

officers, who are delegated by the Board of Directors, execute business in accordance with the basic policies and other matters resolved by the Board of Directors. In this way, management's supervisory function and executive function are segregated to the extent possible. Moreover, from the view-point of ensuring the effectiveness of corporate governance and transparency of procedures, decisions on the appointment and dismissal of directors and executive officers, succession planning, and compensation require consultation in advance with the Nomination and Compensation Committee, the majority of whose members are independent outside directors.

Board of Directors

Once a month

The Board of Directors, comprising regular meetings held once a month and extraordinary meetings convened as necessary, deliberates and decides on important matters prescribed by laws, the articles of incorporation, and internal rules and regulations. It also oversees the Company's overall management, including the execution of duties by executive officers. With six of the ten directors serving as independent outside directors, we are working to strengthen management oversight, ensure diverse perspectives, and enhance the effectiveness of governance. We also conduct an annual evaluation of the Board of Directors to further enhance its effectiveness. This evaluation is based on self-evaluation by all directors as well as evaluation by external experts, and the Board's effectiveness was confirmed for fiscal 2024. We will continue to address the issues identified and further improve the Board's effectiveness.

Representative Director	Kazunori Tsukada (Chair)	Director	Yuji Kamiya (Full-time Audit and Supervisory Committee Member)
Executive Director	Hidehiro Yanagawa	Outside Director	Hitoshi Kumagai (Audit and Supervisory Committee Member)
Director	Masaki Nakamura	Outside Director	Noriko Sakai (Audit and Supervisory Committee Member)
Outside Director	Masaaki Tsuruta	Outside Director	Chizu Sekine (Audit and Supervisory Committee Member)
Outside Director	Mami Sasaki		
Outside Director	Tsuyoshi Abe		

Reference | Overview of Evaluation of the Effectiveness of the Board of Directors (conducted annually)
From the Corporate Governance Report ▶

Nomination and Compensation Committee 4 times a year

The Company established the Nomination and Compensation Committee in June 2021 to clarify the Company's policy on executive assignment and compensation and to ensure transparency in the decision-making process. Regarding nomination, the committee deliberates on the basic policy on the nomination of candidates for representative directors, directors, and executive officers (hereinafter "executives of the Company"), proposals for their appointment and dismissal, training, successor development planning, and other matters. Regarding compensation, the committee deliberates on the policy on the determination of the details of compensation, etc. for individual executives of the Company, as well as on the details thereof. The results of deliberations by the Nomination and Compensation Committee are reported to the Board of Directors, which makes the final decision.

Outside Director	Masaaki Tsuruta (Chair)
Outside Director	Noriko Sakai
Outside Director	Hitoshi Kumagai
Director	Masaki Nakamura
Representative Director	Kazunori Tsukada

Sustainability Committee Twice a year

The Sustainability Committee is composed of members with the expertise necessary to address various social and business issues. Matters to be deliberated on by the committee are determined in consideration of materiality, external requirements, etc. The statuses of sustainability activities led by the committee are regularly reported to the Board of Directors and communicated to the internal parties.

President and Chief Executive Officer	Kazunori Tsukada (Chair)
Executive Vice President and Executive Officer	Hidehiro Yanagawa
Senior Vice President and Executive Officer	Masayuki Yamada
Senior Vice President and Executive Officer	Yoshitaka Kawakami
Senior Vice President and Executive Officer	Kenji Kanayama
Senior Vice President and Executive Officer	Naotoshi Yamamine
Senior Vice President and Executive Officer	Masami Miyamoto
Executive Officer	Shigeru Odake
Executive Officer	Teruhiko Kawakami
Executive Officer	Yasuyuki Homma

Persons nominated by the vice president and the Chair: 21

Management Meeting Twice a month

The Company has introduced an executive officer system and the representative director, president and chief executive officer controls the operations as the chief person responsible for business execution. The Management Meeting deliberates and determines important matters concerning business execution in accordance with laws, the articles of incorporation as well as internal rules and regulations such as the Board of Directors Regulations and the Management Meeting Regulations.

President and Chief Executive Officer	Kazunori Tsukada (Chair)
Executive Vice President and Executive Officer	Hidehiro Yanagawa
Senior Vice President and Executive Officer	Masayuki Yamada
Senior Vice President and Executive Officer	Yoshitaka Kawakami
Senior Vice President and Executive Officer	Kenji Kanayama
Senior Vice President and Executive Officer	Masami Miyamoto
Executive Officer	Shigeru Odake
Executive Officer	Teruhiko Kawakami
Executive Officer	Yasuyuki Homma

Audit and Supervisory Committee Once a month

The Audit and Supervisory Committee cooperates with the accounting auditor and the Audit Office to ensure the soundness of management. The Audit and Supervisory Committee is required to include at least one member with knowledge of finance and accounting. In addition, dedicated staff members are assigned to the Audit and Supervisory Committee Office, and any personnel changes or evaluations require the consent of the Committee members, thereby ensuring independence from the directors. Of the Audit and Supervisory Committee Members, Mr. Kamiya and Mr. Kumagai have extensive knowledge of finance and accounting.

Full-time Audit and Supervisory Committee Member	Yuji Kamiya (Chair)
Outside Audit and Supervisory Committee Member	Hitoshi Kumagai
Outside Audit and Supervisory Committee Member	Noriko Sakai
Outside Audit and Supervisory Committee Member	Chizu Sekine

Governance >>

Frequency of the Board Meetings and Attendance Rate

Board of Directors meetings (from April 1, 2024 to March 31, 2025)

Nineteen Board of Directors meetings were held during the 10th fiscal term.

Position	Name	Number of meetings	Attendance	Attendance rate
Representative Director, President and Chief Executive Officer	Fumiyuki Kanai	19	19	100%
Director	Hidehiro Yanagawa	14	14	100%
Director	Kazunori Tsukada	14	14	100%
Director	Unryu Ogawa	19	19	100%
Director	Masaki Nakamura	19	18	95%
Outside Director	Noriko Sakai	19	19	100%
Outside Director	Masaaki Tsuruta	19	19	100%
Outside Director	Hirofumi Hirano	5	4	80%
Outside Director	Chizu Sekine	14	14	100%
Audit and Supervisory Committee Member	Toshiyuki Uchino	5	5	100%
Audit and Supervisory Committee Member	Yuji Kamiya	19	19	100%
Outside Director (Audit and Supervisory Committee Member)	Hitoshi Kumagai	19	19	100%
Outside Director (Audit and Supervisory Committee Member)	Hirohito Nakada	19	19	100%

Basic Policy on Executive Compensation

The compensation of the Company's directors is based on the following three principles. When determining the individual directors' compensation, an appropriate level is set in accordance with the functions and roles to be played by each director.

- 1 The Company's compensation system is intended to attract and retain key talents both internally and externally to realize the Company's vision.
- 2 The compensation of the directors is intended to motivate directors to achieve performance targets and enhance medium- to long-term corporate value, which will lead to contributing to the sustainable growth of the Group.
- 3 The process of determining compensation should be transparent, fair, and reasonable from the perspective of accountability to all stakeholders, including shareholders.

Compensation for directors who serve concurrently as executive officers consists of: (1) basic fixed compensation (monetary), (2) short-term performance-linked compensation (monetary), and (3) medium- to long-term performance-linked compensation (stock-based). The higher the position, the greater the proportion of performance-linked compensation. (The ratio for the president is 1:0.8:0.8).

Compensation for directors who do not serve concurrently as executive officers (excluding outside directors) consists solely of fixed basic compensation (monetary), with the possibility of Restricted Stock Units (RSUs) being granted. Depending on their responsibilities, however, they may receive neither basic compensation nor RSUs.

The Company only offers fixed basic compensation (monetary) to independent outside directors and directors who are Audit and Supervisory Committee members. However, to share interests with shareholders and promote their contribution to the improvement of corporate value through their holding of the Company's own shares, a portion of the basic compensation is contributed to the Officers' Shareholding Association, and they acquire its own shares.

Composition of Executive Compensation

Type of compensation	Eligible persons		Overview of compensation
	Executive officer and concurrent director	Non-executive director	
① Basic compensation (monetary)	○	○	● The basic compensation shall be fixed monthly compensation, which shall be determined, according to the level of responsibilities and other factors, by comprehensively considering the level of compensation of other companies, the Company's performance, and the level of employees' salaries.
② Short-term performance-linked compensation (monetary)	○	—	● Payments shall be made in a manner that strengthens the link with the performance of the relevant fiscal year, taking into account factors such as the Company's achievement relative to the annual budget, year-on-year performance comparison, and progress on priority issues in the administrative areas for which the director is responsible. ● The amount to be paid to each director is determined by multiplying the standard amount predetermined for each position by a performance evaluation factor (variable between 0% and 200%). • Performance evaluation factor: Company-wide performance evaluation (sales growth rate, market share, gross profit margin, and adjusted EPS, which the Company emphasizes in its business management) and individual performance evaluation (degree of achievement of administrative business-year targets, including ESG objectives) • Weight: 80% for company-wide performance evaluation and 20% for individual performance evaluation. For the representative director, president and chief executive officer, company-wide performance evaluation only • The target value of the performance evaluation factor shall be deliberated by the Nomination and Compensation Committee and determined by the Board of Directors, based on the relevant annual budget.
③ Medium- to long-term performance-linked compensation (stock-based)	○	○*	● Consists of Performance Share Units (PSUs) and RSUs (RSUs only for non-executive directors) ● PSU is evaluated based on medium- to long-term corporate value improvement, investment return, and financial soundness. ● The PSU/RSU composition rate of medium- to long-term performance-linked compensation shall be set so that higher position directors are subject to a greater proportion of PSUs (70% PSUs and 30% RSUs for the president).

*Independent outside directors and directors who are Audit and Supervisory Committee members are not eligible.

Governance >>

Promotion of Group Companies Governance

We launched the Group Companies Governance Project in fiscal 2022. Group Functional Teams (GFTs), which are organized according to functions, are developing rules and regulations, have set key performance indicators (KPIs) for Group activities, and are tracking progress. Since fiscal 2023, the Company has shared information on the Medium-term Management Policy with GFTs and the presidents of Group companies at the annual Global Summit. Since fiscal 2025, the Company has further promoted GFT activities to strengthen the governance of Group companies.



Internal Controls

Kokusai Electric strives to maintain its internal control system by establishing the Basic Policy on Internal Control System, improving the system to ensure appropriate execution of the Group's operations, while also establishing an Internal Control Committee (which convenes twice a year) chaired by an executive officer responsible for finance and accounting.

The Audit Office, under the direct control of the president, conducts internal audits of all departments including subsidiaries in Japan and overseas, and evaluates matters such as the effectiveness of management and operations, compliance, and the reliability of financial reports from a standpoint that is independent from business execution. The results of the audit are reported to the president, with a regular exchange of opinions with the Audit and Supervisory Committee and the external auditors. We strive to increase the effectiveness of monitoring activities in the respective roles.

Compliance

The Group recognizes its approach to compliance that ensuring compliance with laws and regulations and the Articles of Incorporation is mandatory and indispensable. Accordingly, we are demonstrating our commitment to acting properly in light of corporate ethics as an enterprise and as individuals who earn the trust of society.

The Group considers compliance initiatives as an important measure and has established the Compliance Standards, the Basic Rules for Compliance, and the Compliance Committee Rules, as well as the Compliance Committee, in accordance with these rules. The Compliance Committee monitors various types of compliance related to the Company's business, and discusses and implements policies and measures, such as training programs for compliance. In addition, the Group has established a whistleblower system available to all stakeholders of the Group, and has continued to conduct compliance training in local languages and in accordance with revised laws in order to raise the compliance awareness of executives and employees of the Group.

[Reference | Compliance Whistleblower System](#) ▶

Prevention of Corrupt Practices, etc.

In order to ensure compliance throughout the Group, the Company has established the KOKUSAI ELECTRIC Group Anti-corruption Policy to be observed by all executives, employees, etc. of the Group, and has declared that we will not, under any circumstances, engage in any conduct that violates the laws and regulations of the country in question, the Group's rules and regulations, social norms, and corporate ethics, or in any corrupt practices, etc. (including all improper conduct that may fall within the scope of these items) in connection with our business activities. Based on this policy, the Company regularly conducts e-Learning and other educational programs in multiple languages on the prevention of corrupt practices, etc. for executives involved in business execution and employees of the Group. In addition, the Company conducts compliance-related training, including on the prevention of corrupt practices, etc., for all executives of the Company. Furthermore, in order to reduce the risk of corrupt practices, etc. in the Group's business activities, the Company screens all new business partners for overall risks, including corrupt practices, etc., before commencing business with them. With respect to donations and political contributions, the Company verifies in advance that such expenditures fall within appropriate and reasonable limits. The risk assessment regarding potential corrupt practices within the Group identified no material risks.

[Reference | KOKUSAI ELECTRIC Group Anti-Corruption Policy](#) ▶

Governance >>

Tax Policy

The Group complies with the laws and regulations of countries and regions, and properly files tax returns and pays taxes in accordance with the standards issued by international organizations, such as the OECD Transfer Pricing Guidelines*¹ and the BEPS*² Action Plan. In addition, the Group shall strengthen tax-related governance and ensure tax transparency by fair and timely disclosure of financial conditions. Furthermore, by enhancing transparency, we strive to establish, maintain, and develop sincere and sound cooperative relationships with tax authorities of countries and regions.

*¹ OECD Transfer Pricing Guidelines: Guidance on transfer pricing for multinational enterprises and tax administrations

*² BEPS: The abbreviation of Base Erosion and Profit Shifting.

Reference | KOKUSAI ELECTRIC Group Tax Management Policy ▶ 

Related Party Transactions

When the Company engages in transactions with related parties including major shareholders, the Company strives to ensure the fairness of the transactions and the common interests of its shareholders by conducting checks in advance by the accounting and other departments in accordance with internal rules and regulations resolved by the Board of Directors, submitting the details of the transactions to the Board of Directors unless the terms and conditions of the transactions with such related parties are similar to those of other general transactions, and obtaining approval for the implementation of the transactions after the Board of Directors' verifying that the transactions with the related parties do not harm the common interests of the Company and its shareholders and other issues. In addition, if the Company engages in a transaction with an executive of the Company that involves a conflict of interest or other restricted transactions set forth in Article 356 of the Companies Act, or any transaction that may fall under any of the foregoing, the Company shall obtain the prior approval of the Board of Directors.

Initiatives for Security Export Control

1 Ensure compliance with applicable laws and regulations

In Japan, the Foreign Exchange and the Foreign Trade Act (FEFTA) and various laws and regulations based on FEFTA have been established to regulate exports detrimental to the maintenance of international peace and security. The law requires exporters to implement appropriate control. Given that the majority of our customers are located overseas and that some of the products and parts we export include list-controlled items, we have made it our corporate policy to ensure compliance with the above laws and regulations and are implementing this policy. Specifically, the Company has established an export control organization in which the president serves as "The Ultimate Responsible Personnel of Export Control" and the executive officer in charge of legal affairs for export control serves as "The Transaction Screening Representative". The Company has also established internal rules and determined division of roles regarding procedures for product classification and transaction screening and is implementing the procedures.

Moreover, the Company has described such internal export control system in the Company's rules and notified the Ministry of Economy, Trade and Industry.

2 Implement appropriate self-control

The Company operates our business in cooperation with Group companies located in various regions of the world, and these Group companies also export to customers or other Group companies on a daily basis. Exporting from foreign countries is primarily governed by the export control laws and regulations of the respective countries. In addition to ensuring compliance with these laws and regulations, we have also established global rules (KOKUSAI Global Standard) applicable to all Group companies, including meeting the requirements set forth in Japanese laws and regulations. Moreover, an export control administrator is assigned to each Group company and Group companies are implementing export control on their own initiatives. As export control is an important matter directly related to international security, in view of the legislative spirit behind such laws and regulations, KGS includes control items in addition to the contents stipulated in Japanese laws and regulations in order to prevent any actions that may result in a loss of confidence in our corporate brand.

VOICE

The environment surrounding international security trade has changed significantly over the past several years. In particular, the strengthening of export regulations related to advanced semiconductors may affect the Company's business. For this reason, the Company is paying close attention to revision trends not only in Japan but also in the United States and other countries, and is striving to accurately identify the impact. In addition, the Company has actively engaged in public-private dialogues through external organizations to enhance its understanding of increasingly complex regulations. Internally, the Company is strengthening compliance by overhauling the screening system, enhancing its functionality, and developing in-house animated training materials to convey information clearly and concisely.

Since fiscal 2023, we have held regular liaison meetings with Group companies, conducted face-to-face audits and training, and shared the latest export control updates and regulatory information through Tai-wa, all to strengthen Group governance in export control operations.

We will continue to respond flexibly to export regulations that will become increasingly complex in the future, and work to ensure that the entire Group complies with them.



Takanori Ojima

General Manager,
Corporate Export
Regulation Department
Production Division

Governance >>

Implementation of ISO Governance and Management Standards

■ Approach to ISO Governance

The Group's production sites, Toyama Technology & Manufacturing Center and the Cheonan Factory of Kook Je Electric Korea Co., Ltd. (Kokusai Electric Korea Co., Ltd.), maintain ISO 9001 (quality), ISO 14001 (environment), and ISO45001 (occupational health and safety) certifications. Each of them provides highly reliable, safe, and environmentally friendly products and services incorporating cutting-edge technology through total management based on the linkage of management systems.

We are working on continuous improvement in equipment development, sales activities, and overall processes from design to manufacturing, installation and set-up, and after-sales services not only to ensure compliance with the requirements of each standard but also to improve effectiveness.

We foster internal auditors with qualifications for three types of management systems (quality, environment, and occupational health and safety). Internal audits of the management systems, which are conducted once a year, are performed jointly by the internal auditors with the qualifications for the three types of management systems. We strive to ensure that audit findings and correction details are shared to achieve total optimization rather than improvement of individual items.

Reference | Japan Accreditation Board 

ISO certifications acquisition status (the Company)

Applicable Standards	ISO9001:2015	ISO14001:2015	ISO45001:2018
Certification and registration body	Management Systems Sector, Japan Quality Assurance Organization (JQA)		
Registration number	JQA-QMA15721	JQA-EM7390	JQA-OH0101
Initial date	March 1995	October 1996	June 2001
Renewal date	January 12, 2024	January 12, 2024	January 12, 2025
Expiry date	January 11, 2027	January 11, 2027	January 11, 2028

VOICE ISO45001 certification

Protecting the health and safety of our employees is our top priority. The Company has obtained ISO45001 certification for its occupational safety and health management system.

The Occupational Health and Safety Committee, together with those responsible for occupational health and safety at Group companies, works through the regular Safety Committee* to further eliminate work-related injuries, rule violations, and similar accidents. The Company collects statistics on the timing of occupational accidents and observes the Safety Management Special Reinforcement Month in July and January, when occupational accidents are more likely to occur.

We strive to enhance safety awareness among employees and create a safe workplace, aiming to eradicate both work-related and commuting accidents.

*A meeting that brings together health and safety personnel as well as field engineering personnel from each company to exchange information.



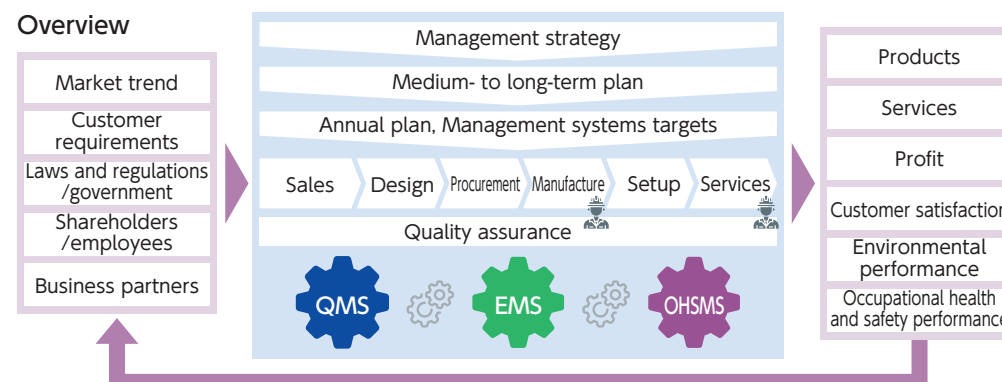
Masahiro Kawamura

Assistant Manager, Corporate Administration Department, Platform Division

Relations of Management Systems



Overview



Governance >>

Thorough Management of Major Business Risks

Risk Management

As well as reviewing the impact of each identified risk on business continuity and the effectiveness of countermeasures, we conduct regular risk assessments in all divisions to identify new risks that may arise as social situations and the business environment change. The results of risk assessments are discussed by the Sustainability Committee, which reports its findings to the Board of Directors. We are continuously striving to strengthen risk countermeasures and business continuity plans to ensure that they are thorough.

Major risks and countermeasures

No.	Risk classification	Possible situation	Initiatives for risks
1	Politics and economy	Restrictions on business activities due to the impact of policies of countries and regions on economy, industry, security, etc.	- Monitoring of information on policies of countries and regions - Prior consideration of alternative measures for sales, production, import/export, services, etc., and division of labor to ensure preparedness for various possible restrictions
2	Pandemics	Stagnation of business activities due to clusters of infections within the Company, travel restrictions to other countries and regions, etc.	- Operation of a countermeasure council chaired by the president - Thorough implementation of infection prevention measures at each business site - Consideration of alternative measures to ensure preparedness for possible restrictions on business activities
3	Market needs	Long-term market stagnation or poor financial performance of the Company due to inability to keep up with rapid changes (increase or decrease) in demand	- Identification of market and customer trends - Periodic review and consideration of countermeasures at executive meetings, etc.
4	Products and quality	Failures of customers' products due to defects of the Company's products; deterioration of trust due to the occurrence of safety or environmental incidents	- Investigation of causes of defects and thorough implementation of activities to prevent recurrence - Promotion of product safety design and product quality improvement measures
5	Intellectual property	- Infringement of the Group's intellectual property rights by third parties - Infringement of intellectual property rights of third parties	Collaboration among various departments led by the intellectual property strategy division and with external experts and responses
6	Response to environmental issues	- Deterioration of social credibility due to the occurrence of environmental contamination incidents - Stagnation due to inadequate compliance with environmental laws and regulations of countries and regions	- Thorough management, inspection, etc. based on ISO 14001 - Grasping of laws, regulations, and ordinances of countries and regions
7	Procurement and production	Stagnation of production activities and delivery delays, cancellation of orders received, etc. due to delays or stoppages of the supply of procured parts	Preparation of alternative measures by strengthening daily collaboration with customers and business partners; shift to procurement from multiple vendors
8	R&D	Decline in product competitiveness and poor financial performance due to the inability to lead or keep up with competition in technological development	- Aggressive and effective R&D investment - Promotion of joint research with external research institutions
9	Compliance	Administrative penalties due to non-compliance with laws and regulations of countries and regions, need to pay compensation for damage, and deterioration of reputation and trust in society	Regular monitoring by the Compliance Committee and internal audits, etc.; establishment of points of contact for consultation with external experts
10	Human resources	Stagnation in securing and developing human resources; decline in competitiveness due to outflow (retirement) of excellent human resources	- Promotion of creation of safe and mentally and physically rewarding workplaces and health & productivity management - Expansion of in-house training programs
11	Large-scale disaster	Stagnation of production and parts supply due to damage to the Group's production sites and business partners	- Formulation of production BCP and a manual for largescale disaster countermeasures - Establishment of alternative production systems and strengthening of collaboration with suppliers
12	Information security	System shutdown and information leakage due to cyber-attacks and unauthorized access, resulting in business stagnation and deterioration of social credibility	Continuous improvement led by the Information Security Committee in terms of both employee awareness and countermeasures for systems

Advancement of Cybersecurity

We consider strengthening information security to be one of the most important management issues.

Cyberattacks are employed for such purposes as attacks and sabotage associated with geopolitical conflicts, stealing of information on advanced technology and confidential business information, theft of virtual currencies, and acquisition of foreign currencies. These threats grow increasingly complex and sophisticated as they become more globalized each year. Damage from a cyberattack, once suffered, has a significant impact on a company's business.

Defining the strengthening of information security as a group governance issue, the Company has been working not only to establish rules and standards, but also to build a structure for promoting security, taking measures in anticipation of serious accidents. We also strive to minimize the risk of security incidents by training all employees and implementing systems measures based on a defense-in-depth approach.

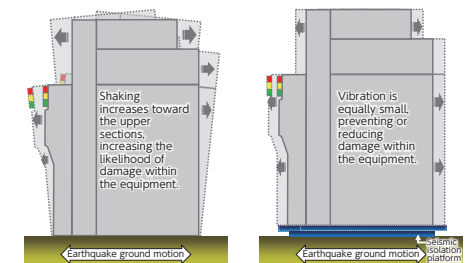
In addition, we have adopted the latest version of the Cybersecurity Framework developed by the U.S. National Institute of Standards and Technology (based on the core functions of govern, identify, protect, detect, respond, and recover) as a standard. Through continuous cycle of evaluation and improvement, we strive to advance our cybersecurity in order to enhance business continuity for the security of our customers and stakeholders.



Clean Room

Earthquakes occur very frequently in Japan. Across the country, earthquakes with a seismic intensity of 1 or higher are said to occur about 400 to 500 times per year, and their frequency has reportedly increased in recent years. In line with our BCP measures, we are installing seismically isolated platforms to minimize vibrations on equipment in a clean room and enable faster recovery in the event of an earthquake.

The Company will also take concrete measures to resume production and research and development as soon as possible.



Governance >>

“Tai-wa” with Stakeholders

Collaboration with Stakeholders

The Group promotes vigorous collaboration with all stakeholders, including customers, builds relationships based on mutual trust, and engages them in value creation to the greatest extent possible.

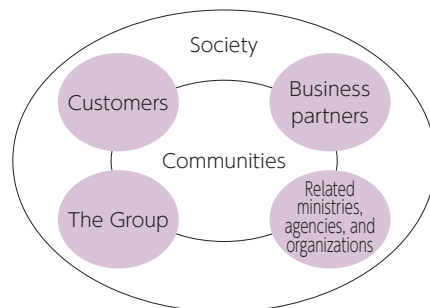
Collaboration with stakeholders (examples)

Stakeholders	The Group's commitment to stakeholders	Collaboration and departments / divisions in charge (examples)	
Customers	Create value to contribute to the resolution of social issues jointly with customers	Technology exchange meetings, joint development projects, customer satisfaction surveys, various negotiations and meetings	Sales division, Design/development divisions, Field engineering division, Quality assurance department
Employees	Give opportunities for further training and growth and provide a mentally and physically rewarding, safe and healthy work environment	Various training, labor-management conferences, Occupational Health and Safety Committee, employee survey, stress checks, health guidance, internal communication, awareness raising	Human resources and corporate administration department, Public relations & IR department
Business partners	Engage in fair and free competition, appropriate business transactions that are legally compliant and consistent with social norms, and responsible procurement activities	Business partner meetings, various business negotiations and meetings	Procurement division
Communities	Engage in communities proactively to contribute to their development	Support for maintaining and developing traditional arts, participation in volunteering activities, sponsorship of professional soccer team, direct exchanges with local residents and companies in the neighborhood	Sustainability management planning department, Human resources and corporate administration department, Environmental management department
Shareholders/ Investors	Engage in constructive “Tai-wa” with stakeholders based on vigorous dissemination of information and share their views in the company for the creation and expansion of corporate value	Dissemination of information and response to inquiries through the website etc.; response to interviews with institutional investors, securities firms, and the press; General Meeting of Shareholders	Public relations & IR department, Legal department, Finance & accounting division
Relevant organizations of which the Company is a member	Collaborate with various organizations and continue our efforts to resolve issues related to human rights, labor, the environment, prevention of corruption, etc., and business	Vigorous participation in events organized by the organizations of which the Company is a member; disclosure of information on our initiatives through the website, corporate report, and other media	Business planning department, Sustainability management planning department, Environmental management department

Information Disclosure to Stakeholders

As an enterprise involved in semiconductors, which are indispensable to society, the Group considers enhancing management transparency to be one of its most important responsibilities. Based on this belief, we disclose corporate information to our stakeholders in a fair, impartial, timely, and appropriate manner and vigorously engage in dialogue with stakeholders to ensure highly transparent and reliable management and fulfill our corporate social responsibility.

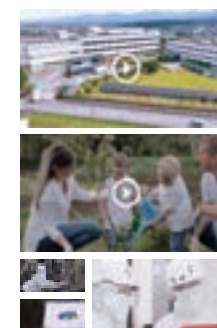
技術と対話で未来をつくる



Website



Company profile video



News releases



CORPORATE REPORT



Internal newsletters, One Kokusai News



Governance >>

Tripartite Discussion among Outside Directors

Mami Sasaki
Outside Director

Chizu Sekine
Outside Director
(Audit and
Supervisory
Committee Member)

Tsuyoshi Abe,
Ph.D.
Outside Director

Ongoing efforts to enhance the corporate value of Kokusai Electric

Kokusai Electric was listed on the Prime Market of the Tokyo Stock Exchange in October, 2023. We asked Outside Directors, Ms. Sasaki and Mr. Abe, and Audit and Supervisory Committee Member, Ms. Sekine, all of whom assumed their positions this fiscal year, to talk about topics such as their assessment of the Company's governance structure and about what initiatives would be needed for the enhancement of corporate value.

Q How did you come to be appointed as outside director?

Sekine I have engaged in research on a variety of materials at a diversified chemicals manufacturer. In the course of my work, I have been involved in collaborations and negotiations with overseas companies and research institutions, as well as in international standardization activities. I also have experience in the management of a company that undertakes contracted investigations of technologies, patents, and chemical safety information. I was appointed as an outside director of Kokusai Electric in June 2024, and I have also been serving as an Audit and Supervisory Committee member since June 2025. I accepted the position of Audit and Supervisory Committee member with the hope that my experience at a manufacturer could contribute in any way possible to the Company's sustainable growth.

Sasaki I have worked in global finance for many years. I first joined a major Japanese bank, where I handled an overseas M&A project. I then moved to a U.S. investment bank, which was the arranger of this M&A project. There, I became the first Japanese woman to be appointed managing director. I was involved in a wide range of businesses with major Japanese institutional investors and overseas funds. My experience as an outside director began in 2015, the same year that the Japanese Corporate Governance Code was first established, so I have witnessed the evolution of corporate governance at Japanese companies.

I was appointed outside director of Kokusai Electric in June 2025, and I hope to leverage my experience to contribute to the further enhancement of the Company's corporate value.

Abe I began my career in sales and marketing at a major foreign semiconductor manufacturer, and I have gained experience in a diverse range of areas, including branding, research, and supply chain management. You could say that I have witnessed the various milestones in the computer era, from its early beginnings to its periods of growth and major transformation. I later worked to help transform a Japanese company with the power of marketing. As I have been involved in start-up investment and intellectual property strategies, as well as the formulation of medium- to long-term business plans, I believe that I was invited to become an outside director in recognition of my knowledge and experience of management strategy. I became an outside director of Kokusai Electric in June 2025. I accepted the position in the hope of contributing to the further enhancement of corporate value of Japan's semiconductor manufacturing equipment manufacturers amid the continued growth of the semiconductor industry.

Q What are your impressions and assessment of the current governance structure?

Sekine Kokusai Electric was first listed on the stock exchange in October 2023. The establishment and strengthening of its governance system were already underway when I became an outside director, and my impression at that time can be expressed in a single word—"well-organized."

Sasaki I agree. Like Ms. Sekine, my impression is that the basic structure is well established. The Company has transitioned to an Audit and Supervisory Committee structure, outside directors account for 60 percent of the Board of Directors, and more than half of the members in the Nomination and Compensation Committee are outside directors. I sense that the Company is enhancing its governance structure with a sense of urgency.

Sekine In my attendance of Board of Directors meetings, a variety of key issues are raised, and I have found that the executive side thoroughly examines these issues before placing them on the agenda. The outside directors, who have experience in the law and finance, actively engage in discussions and express their opinions, and they have a firm grasp of the key points. I do sense that everything that was built up in preparation for the listing is now functioning well.

Sasaki In addition to governance, I see a high level of awareness regarding compliance. I often notice posters about the internal whistleblowing system on the walls of offices and conference rooms. I believe this type of proactive, company-wide communication effort reflects top management's awareness of the importance of compliance.

Abe I, too, have an impression that the Company is approaching each challenge proactively and enthusiastically. That said, stakeholder scrutiny and expectations toward companies will continue to rise, so it is essential to stay attuned to changes and developments in the external environment and to respond swiftly through the Board of Directors. In recent times, Japan is also seeing an increase in so-called "activist shareholders," and the number of foreign investors is also on the rise. To ensure that internal management issues are not left in a state of "ongoing deliberation," I intend to firmly monitor the ownership of these issues by the people working on them, concrete actions, and deadlines for response.

Sekine Speaking of issues, there is something I have also been thinking about. Kokusai Electric is a technology-based company in an industry marked by rapid change and intense competition. For a company to grow, it must act with a clear vision toward future technologies, which is why investment in technological development is so important. While taking on new challenges naturally entails risks, I hope to contribute to further fostering a culture and mindset that embraces risk and supports those who take on such new challenges.

Sasaki On the topic of change, in April of this year, a new president was appointed and the composition of shareholders changed. I am committed to further enhancing the governance structure.

Governance >>

Tripartite Discussion among Outside Directors



Q What is needed to further improve the effectiveness of the Board of Directors?

Sasaki I have not been a director for very long and am still working to deepen my understanding, but I would say that it is important we secure adequate time to discuss management plans and strategies. In addition, I see a need for a mechanism that enables the Board of Directors to get quick feedback from investors, analysts and shareholders. I am concerned that information sharing will take too much time if we wait for regular reports.

Just the other day, I spoke with an internal director and suggested that any useful reports should be shared with the Board of Directors by e-mail without modifications, and they immediately forwarded some documents. This ability to respond quickly is a major strength of Kokusai Electric.

Abe There are two things that I believe are necessary to improve effectiveness. The first is to bring a strategy function and value creation function to the Board of Directors as a new added value for the further evolution of the Board. The nature of the Board is changing with the times. From "Board 1.0" as an advisory board to "Board 2.0" with a monitoring function, and, more recently, "Board 3.0" which has influence even on strategy, the threshold of expectations held toward the Board of Directors is becoming higher every year. As such, I believe that the outside directors as a whole need to possess the perspective and sensibility of shareholders even more. The second thing that is needed is Tai-wa. Kokusai Electric's corporate slogan contains the word Tai-wa, meaning dialogue. I believe that how the Company faces key stakeholders will help further improve the effectiveness of the Board of Directors. In other words, this means staying attuned to signs of external changes and enhancing Tai-wa when necessary. At such times, it is crucial for the company as a whole to develop communication approaches that will enable it to convey key initiatives based on the corporate vision and overall picture convincingly and with a sense of narrative.

Q What do you need to fulfill your responsibilities as outside directors?

Sekine My impression is that the information necessary for me to fulfill my duties as an outside director, including numerical data, is being shared sufficiently. I have visited the Toyama Technology & Manufacturing Center and Tonami Manufacturing Center, where I had the opportunity to hear directly from department heads who spoke with great enthusiasm. It is an essential element for outside directors to gain a firsthand understanding of the perspectives from the frontlines.

Sasaki I do feel that necessary documents and information are sufficiently shared at Board of Directors meetings. As a new appointee, I have found the careful presentation of specific numerical information to be extremely useful for my understanding of the Company's situation and for making judgments. I will be visiting the Toyama operations soon where I plan to listen directly to the people on the frontlines. For outside directors to be actively involved in management strategy, it is essential that we go beyond documents and communicate directly with officers and employees to gain a first-hand sense of what the Company is about.

Abe I would like to offer my opinion on the documents presented at Board of Directors meetings. The current documents contain too much information, making it difficult to grasp the key message, so one of my first proposals for an improvement was to prepare documents that convey the main points in a way that is easier to understand. In particular, because the outside directors face the problem of "asymmetry of information," transparency of execution needs to be ensured through the information provided by the executive side. I also see the need for an improvement in the topics to be discussed in Board of Directors meetings by checking whether they are from the shareholders' perspective.

Sekine In my capacity as Audit and Supervisory Committee member, in terms of communication, I have conducted three-way audits alongside the Audit Office and accounting auditor, as well as multiple interviews with division heads to hear the voices of the frontlines. I prepare carefully in advance for these interviews, and because the people who speak to us respond well to our questions, they are always highly productive sessions. Tai-wa with the people working on the ground is extremely beneficial for fulfilling our responsibilities.



Q What kind of roles do you want to fulfill as an outside director?

Sasaki The most important thing for an outside director is to monitor management from the perspective of third parties, such as shareholders, investors, and society. Given this, I try to give executives advice and opinions with a conscious awareness of what needs to be prioritized for the Company's growth. To respond to the expectations of shareholders and investors and to earn the trust of a wide range of stakeholders, I am committed to contributing to the enhancement of corporate value.

Abe I agree, in terms of perspective, I make decisions with thinking from a perspective that is independent from both the executive side and shareholders to an extent and, fundamentally, based on the information provided by the executive side. However, it is also important to have independence of information, that is, going out and obtaining information oneself as necessary. I believe that we are expected to accurately assess the situation and identify key issues, that is, to ask the right questions. While we discuss the key issues and our understanding of the situation based on the information shared by the executive side, I would like the Board to have a clear and thorough grasp of them both. It is crucial to make decisions through appropriate discussion of important matters based on the right questions.

Sekine For people to thrive in their work, it is important to have an internal environment in which diverse human resources can demonstrate their capabilities. The semiconductor industry is one of the most important industries not only in Japan, but globally, and Kokusai Electric is a company with a growing presence in that industry. I see it as a sector where anyone can thrive, regardless of gender, nationality, age, or other attributes, so I believe that embracing and leveraging diversity while proactively changing will lead to the enhancement of corporate value. For my part, I intend to dedicate my efforts to ensuring that Kokusai Electric remains a company that stakeholders can trust and that it can contribute to society through semiconductors.

Abe Because my expertise lies in marketing and technology-driven management, I would like to actively engage in strategies based on value creation to enhance Kokusai Electric's corporate value with a marketing mindset. By doing so, I hope to help clarify future long-term earning power and further enhance its corporate value by improving the four financial indicators (profitability, safety, productivity, and growth potential), and by promoting the effective use of its three main intangible assets, namely brand, human resources, and intellectual property. I would like to focus particularly on the financial indicators related to capital efficiency. This is probably the most important consideration for investing appropriately in future growth while earning profits in current operations.

Sekine As outside directors, I hope we will be able to contribute to the enhancement of Kokusai Electric's corporate value while making use of our respective areas of expertise.



Governance >>

Executives

* as of June 27, 2025

Directors (Excluding Directors who are Audit and Supervisory Committee Members)



Representative Director
Kazunori Tsukada

Career Summary

Apr. 1986 Kokusai Electric Co., Ltd. (now KOKUSAI DENKI Electric Inc.)
Apr. 1989 Corporate Vice President and Executive Officer, Vice President, Sales Division, KOKUSAI ELECTRIC CORPORATION
Apr. 2021 Chairman & President, KE Semiconductor Equipment (Shanghai) Co., Ltd.
Apr. 2022 Senior Vice President and Executive Officer, KOKUSAI ELECTRIC CORPORATION
Apr. 2024 Executive Vice President and Executive Officer, KOKUSAI ELECTRIC CORPORATION
Jun. 2024 Executive Director, KOKUSAI ELECTRIC CORPORATION
Apr. 2025 Representative Director, President and Chief Executive Officer, KOKUSAI ELECTRIC CORPORATION (current)



Executive Director
Hidehiro Yanagawa

Career Summary

Apr. 1988 Kokusai Electric Co., Ltd. (now KOKUSAI DENKI Electric Inc.)
Jun. 1988 Corporate Vice President and Executive Officer, Vice President, Volume Manufacturing & Engineering Unit; Vice President, Volume Manufacturing Design Division; and General Manager, Toyama Technology & Manufacturing Center, KOKUSAI ELECTRIC CORPORATION
Apr. 2021 Senior Vice President and Executive Officer, Vice President of Business Strategy Unit, KOKUSAI ELECTRIC CORPORATION
Apr. 2023 Executive Vice President and Executive Officer, KOKUSAI ELECTRIC CORPORATION (current)
Apr. 2023 Vice President, Business Development Division, KOKUSAI ELECTRIC CORPORATION
Jun. 2024 Executive Director, KOKUSAI ELECTRIC CORPORATION (current)



Director
Masaki Nakamura

Career Summary

Apr. 2010 McKinsey & Company
Feb. 2014 KKR Capstone Japan Limited
Feb. 2017 Person Acting in the Capacity of Executive Member, HKE Holdings G. K. (now KOKUSAI ELECTRIC CORPORATION)
Dec. 2017 Director, HKE Holdings Co., Ltd. (now KOKUSAI ELECTRIC CORPORATION)
Jun. 2018 Director, KOKUSAI ELECTRIC CORPORATION (current)
Jan. 2024 Managing Director, KKR Japan Limited (current)



Outside Director
Masaaki Tsuruta

Career Summary

Apr. 1979 Sony Corporation
Apr. 2010 EVP & CTO, Sony Computer Entertainment Inc. (now Sony Interactive Entertainment Inc.)
Jan. 2013 Representative Director, Samsung Japan Corporation
Jan. 2019 Representative Director and President, Future Domain Co., Ltd. (current)
Jun. 2021 Outside Director, KOKUSAI ELECTRIC CORPORATION (current)



Outside Director
Mami Sasaki

Career Summary

Apr. 1983 The Fuji Bank, Limited (now Mizuho Bank, Ltd.)
Mar. 1985 Morgan Stanley Japan Limited (now Morgan Stanley MUFG Securities Co., Ltd.)
Dec. 2000 Managing Director, Morgan Stanley Japan Limited
Apr. 2004 Managing Director, Credit Suisse First Boston Securities (Japan) Limited
Jun. 2015 Outside Director, Daito Trust Construction Co., Ltd.
Oct. 2018 Outside Director / Audit & Supervisory Committee Member, Sumitomo Mitsui Trust Asset Management Co., Ltd. (current)
Jun. 2025 Outside Director, Japan Bank for International Cooperation (current)
Jun. 2025 Outside Director, KOKUSAI ELECTRIC CORPORATION (current)



Outside Director
Tsuyoshi Abe, Ph.D.

Career Summary

Mar. 1985 Intel K.K.
Apr. 2009 Executive Officer, General Manager of Technology & Manufacturing Group, Intel K.K.
Apr. 2011 Director, Executive Officer, General Manager of Technology & Manufacturing Group, Intel K.K.
Apr. 2012 Director, Vice President and Executive Officer, General Manager of Technology & Manufacturing Group, Intel K.K.
Mar. 2016 Senior Vice President, Head of Marketing Headquarters, Yokogawa Electric Corporation
May 2018 Director, amnimo Inc.
Mar. 2023 Director, SynCrest Inc.
Oct. 2024 CEO, OFFICE ABETSUMA LLC (current)
Jun. 2025 Outside Director, KOKUSAI ELECTRIC CORPORATION (current)

Directors who are Audit and Supervisory Committee Members



Director (Full-time Audit and Supervisory Committee Member)

Yuji Kamiya

Career Summary

Apr. 1981 Hitachi, Ltd.
Apr. 2014 Hitachi Kokusai Electric Inc. (now KOKUSAI DENKI Electric Inc.)
Corporate Officer and General Manager of Finance & Accounting Division
Jun. 2015 Executive Officer and General Manager of Finance & Accounting Division, Hitachi Kokusai Electric Inc.
Jun. 2018 Director, Executive Vice President and Executive Officer, KOKUSAI ELECTRIC CORPORATION
Jun. 2024 Director (Full-time Audit and Supervisory Committee Member), KOKUSAI ELECTRIC CORPORATION (current)

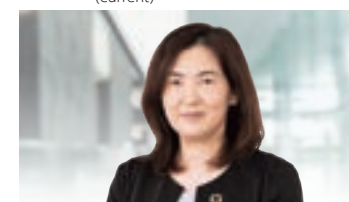


Outside Director (Audit and Supervisory Committee Member)

Hitoshi Kumagai

Career Summary

Oct. 1993 Kato Audit Corporation (now SK Tokyo Audit Corporation), Kato Accounting Firm
Apr. 1998 Registered as Certified Public Accountant
Oct. 2006 Representative Director, Integrated Advisory Co., Ltd. (now Trustees FAS Co., Ltd.) (current)
Jun. 2007 Registered as Certified Tax Accountant
Mar. 2010 Representative Director, Boundary Publishing Co., Ltd. (current)
Apr. 2018 Part-time Lecturer, Faculty of Science and Engineering, Hosei University (current)
Jan. 2021 Outside Corporate Auditor, KOKUSAI ELECTRIC CORPORATION
Jun. 2021 Outside Director (Audit and Supervisory Committee Member), KOKUSAI ELECTRIC CORPORATION (current)



Outside Director (Audit and Supervisory Committee Member)

Noriko Sakai

Career Summary

Apr. 1997 Registered as an attorney, Nagashima & Ohno (now Nagashima Ohno & Tsunematsu)
Feb. 2008 Partner, O'Melveny & Myers gaikokuho kyodolijygo horitsujimusho
Jan. 2011 Partner, TMI Associates
Jan. 2017 Partner, Hirakawa International Law Office (current)
Mar. 2021 Outside Director, KOKUSAI ELECTRIC CORPORATION
Jun. 2025 Outside Director (Audit and Supervisory Committee Member), KOKUSAI ELECTRIC CORPORATION (current)



Outside Director (Audit and Supervisory Committee Member)

Chizu Sekine

Career Summary

Apr. 1989 Sumitomo Chemical Co., Ltd.
Apr. 2013 Associate Officer, Senior Associate Researcher, Advanced Materials Development Laboratory, Sumitomo Chemical Co., Ltd.
Apr. 2019 Executive Vice President, Sumika Technical Information Service, Inc.
Jun. 2020 Representative Director & President, Sumika Technical Information Service, Inc.
Jun. 2024 Outside Director, KOKUSAI ELECTRIC CORPORATION
Mar. 2025 Outside Director, SBS Holdings, Inc. (current)
Jun. 2025 Outside Director, CHORI CO., LTD. (current)
Jun. 2025 Outside Director (Audit and Supervisory Committee Member), KOKUSAI ELECTRIC CORPORATION (current)

Governance >>

Executive Officers * as of June 27, 2025



President and Chief Executive Officer
Kazunori Tsukada

Career Summary

Apr. 1986 Kokusai Electric Co., Ltd. (now KOKUSAI DENKI Electric Inc.)
Apr. 2019 Corporate Vice President and Executive Officer, Vice President, Sales Division, KOKUSAI ELECTRIC CORPORATION
Apr. 2021 Chairman & President, KE Semiconductor Equipment (Shanghai) Co., Ltd.
Apr. 2022 Senior Vice President and Executive Officer, KOKUSAI ELECTRIC CORPORATION
Apr. 2024 Executive Vice President and Executive Officer, KOKUSAI ELECTRIC CORPORATION
Jun. 2024 Executive Director, KOKUSAI ELECTRIC CORPORATION
Apr. 2025 Representative Director, President and Chief Executive Officer, KOKUSAI ELECTRIC CORPORATION (current)



Executive Vice President and Executive Officer
Hidehiro Yanagawa

Career Summary

Apr. 1988 Kokusai Electric Co., Ltd. (now KOKUSAI DENKI Electric Inc.)
Jun. 2018 Corporate Vice President and Executive Officer, Vice President, Volume Manufacturing & Engineering Unit; Vice President, Volume Manufacturing Design Division; and General Manager, Toyama Technology & Manufacturing Center, KOKUSAI ELECTRIC CORPORATION
Apr. 2021 Senior Vice President and Executive Officer, Vice President of Business Strategy Unit, KOKUSAI ELECTRIC CORPORATION
Apr. 2023 Executive Vice President and Executive Officer, KOKUSAI ELECTRIC CORPORATION (current)
Apr. 2024 Vice President, Business Development Division, KOKUSAI ELECTRIC CORPORATION
Jun. 2024 Executive Director, KOKUSAI ELECTRIC CORPORATION (current)



Senior Vice President and Executive Officer
Masayuki Yamada

Career Summary

Apr. 1983 Kokusai Electric Co., Ltd. (now KOKUSAI DENKI Electric Inc.)
Apr. 2016 Vice President, Manufacturing Division, Toyama Works, Semiconductor Process Engineering Division, Hitachi Kokusai Electric Inc. (formerly Kokusai Electric Co., Ltd.)
Jun. 2018 Corporate Officer, Vice President, Production Division, Volume Manufacturing & Engineering Unit, and Deputy General Manager, Toyama Technology & Manufacturing Center, KOKUSAI ELECTRIC CORPORATION
Apr. 2021 Corporate Vice President and Executive Officer, Vice President, Production Division, and General Manager, Toyama Technology & Manufacturing Center, KOKUSAI ELECTRIC CORPORATION
Apr. 2022 Senior Vice President and Executive Officer, KOKUSAI ELECTRIC CORPORATION (current)



Senior Vice President and Executive Officer
Yoshitaka Kawakami

Career Summary

Nov. 1988 Kokusai Electric Co., Ltd. (now KOKUSAI DENKI Electric Inc.)
Jun. 2018 Vice President, and General Manager, Finance & Accounting Department, Corporate Management Division, KOKUSAI ELECTRIC CORPORATION
Apr. 2021 Corporate Officer, Vice President of Finance & Accounting Division, KOKUSAI ELECTRIC CORPORATION
Apr. 2022 Corporate Vice President and Executive Officer, Vice President, Finance & Accounting Division, KOKUSAI ELECTRIC CORPORATION
Apr. 2024 Senior Vice President and Executive Officer, KOKUSAI ELECTRIC CORPORATION (current)



Senior Vice President and Executive Officer
Kenji Kanayama

Career Summary

Nov. 1991 Kokusai Electric Co., Ltd. (now KOKUSAI DENKI Electric Inc.)
Apr. 2016 Vice President, Volume Manufacturing Design Division, Toyama Works, Semiconductor Process Engineering Division, Hitachi Kokusai Electric Inc. (formerly Kokusai Electric Co., Ltd.)
Jun. 2018 Corporate Officer, Vice President, Technology Development Division, Strategic Business Development Unit, and General Manager, Marketing Strategy Department, KOKUSAI ELECTRIC CORPORATION
Apr. 2022 Corporate Vice President and Executive Officer, Vice President, Process Development Division, KOKUSAI ELECTRIC CORPORATION
Apr. 2024 Senior Vice President and Executive Officer, KOKUSAI ELECTRIC CORPORATION (current)



Senior Vice President and Executive Officer
Naotoshi Yamamine

Career Summary

Apr. 1990 Kokusai Electric Co., Ltd. (now KOKUSAI DENKI Electric Inc.)
Apr. 2019 Corporate Officer, Vice President, Strategic Service Business Development Division, Global Services Unit, and Member of China Business Strategy Office, Strategic Business Development Unit, KOKUSAI ELECTRIC CORPORATION
Apr. 2022 Corporate Vice President and Executive Officer, Vice President, Global Services Division, KOKUSAI ELECTRIC CORPORATION
Apr. 2024 Senior Vice President and Executive Officer, Vice President, Global Services Division, KOKUSAI ELECTRIC CORPORATION (current)



Senior Vice President and Executive Officer
Masami Miyamoto

Career Summary

Apr. 1990 Kokusai Electric Co., Ltd. (now KOKUSAI DENKI Electric Inc.)
Jun. 2018 Director and General Manager, North America & Europe Sales Department, Sales Division, KOKUSAI ELECTRIC CORPORATION
Apr. 2020 Vice President, Sales Division, Director and General Manager, North America & Europe Sales Department, and Member of China Business Strategy Office, KOKUSAI ELECTRIC CORPORATION
Apr. 2022 Corporate Officer, Vice President, Sales Division, KOKUSAI ELECTRIC CORPORATION
Apr. 2023 Corporate Vice President and Executive Officer, Vice President, Sales Division, KOKUSAI ELECTRIC CORPORATION
Apr. 2025 Senior Vice President and Executive Officer, KOKUSAI ELECTRIC CORPORATION (current)



Corporate Vice President and Executive Officer
Shigeru Odake

Career Summary

Apr. 1992 Kokusai Electric Co., Ltd. (now KOKUSAI DENKI Electric Inc.)
Apr. 2020 Vice President, Volume Manufacturing Design Division, Project Leader of Product Strategy, Volume Manufacturing Design Division, and General Manager, Design Department I, Volume Manufacturing Design Division, KOKUSAI ELECTRIC CORPORATION
Apr. 2022 Corporate Officer, Vice President, System Development Division, and Acting General Manager, Toyama Technology & Manufacturing Center, KOKUSAI ELECTRIC CORPORATION
Apr. 2024 Corporate Vice President and Executive Officer, General Manager, Toyama Technology & Manufacturing Center, KOKUSAI ELECTRIC CORPORATION (current)



Corporate Vice President and Executive Officer
Teruhiko Kawakami

Career Summary

Apr. 1992 Hitachi Denshi, Ltd. (now KOKUSAI DENKI Electric Inc.)
Jun. 2018 General Manager in charge of Human Resources & Corporate Administration Department, Corporate Management Division, KOKUSAI ELECTRIC CORPORATION
Apr. 2021 General Manager, Group Corporate Planning Office, KOKUSAI ELECTRIC CORPORATION
Apr. 2022 Vice President, Human Resources & Corporate Administration Division, and General Manager, Human Resource Strategy Department, KOKUSAI ELECTRIC CORPORATION
Apr. 2024 Corporate Vice President and Executive Officer, Vice President, Human Resources & Corporate Administration Division, KOKUSAI ELECTRIC CORPORATION
Apr. 2025 Corporate Vice President and Executive Officer, Vice President, Platform Division, KOKUSAI ELECTRIC CORPORATION (current)



Corporate Vice President and Executive Officer
Yasuyuki Homma

Career Summary

Apr. 1984 Ricoh Information Systems Co., Ltd. (now Ricoh Japan Corp.)
Apr. 1998 ORACLE CORPORATION JAPAN
Jun. 2011 Executive Officer, Head of Application Consulting Division, ORACLE CORPORATION JAPAN
Aug. 2014 Corporate Officer, IBM Japan Ltd.
Aug. 2022 Director, Claudio Inc.
Jan. 2024 Representative Director, Scalewise Co., Ltd.
Apr. 2025 Corporate Vice President and Executive Officer, KOKUSAI ELECTRIC CORPORATION (current)

Governance >>

Skills Matrix

Independent = Independent Outside Directors

		Directors						Directors (Audit and Supervisory Committee Members)				Executive Officers							
		Kazunori Tsukada	Hidehiro Yanagawa	Masaki Nakamura	Masaaki Tsuruta Independent	Mami Sasaki Independent	Tsuyoshi Abe Independent	Yuji Kamiya	Hitoshi Kumagai Independent	Noriko Sakai Independent	Chizu Sekine Independent	Masayuki Yamada	Yoshitaka Kawakami	Kenji Kanayama	Naotoshi Yamamine	Masami Miyamoto	Shigeru Odake	Teruhiko Kawakami	Yasuyuki Homma
Enhancement of corporate value	Corporate management	●	●	●	●	●	●	●	●		●								●
	Finance/accounting			●		●	●	●	●		●		●						
	Internal control/corporate governance	●		●	●	●	●	●	●	●	●		●		●			●	
	Legal affairs/risk management	●				●	●	●		●								●	
	Human resources	●					●	●										●	
Company's sustainable growth	Knowledge of the semiconductor industry	●	●	●	●		●	●				●	●	●	●	●	●	●	●
	R&D/design		●		●		●				●	●		●			●		
	Global	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Business strategy	●	●		●		●				●								
	Service strategy	●	●				●								●				
Business promotion	Production/quality assurance/supply chain management		●				●					●			●				●
	Sales	●	●				●									●			
	DX/IT	●	●				●						●						●

Reasons for Selection of Skills Matrix Items

The Company conducted an awareness survey of executive officers regarding the skills whose importance and priority for the Company's management are considered to increase in view of the Company's organizational and functional structure. The survey results were organized in terms of "enhancement of corporate value," "the Company's sustainable growth," and "business promotion," and the knowledge, experience, and abilities required and expected of each director and executive officer are listed in the skills matrix.

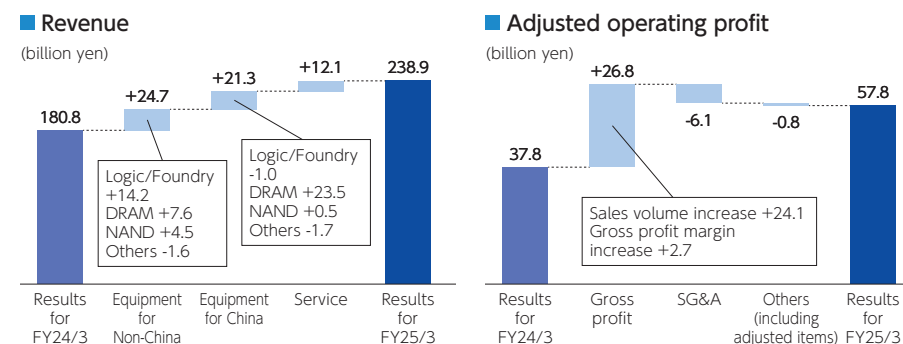
Financial Overview >>

Operating Results

During the fiscal year ended March 31, 2025, while the global economy was on a gradual growth trend, its outlook remained uncertain due to factors such as prolonged geopolitical risks in Europe and the Middle East, a slowdown in the Chinese economy, the impact of trade friction between the United States and China, and concerns over tariff policies in various countries.

In the business environment surrounding the Group, demand for cutting-edge DRAM is increasing in the semiconductor device market due to factors such as the spread of generative AI, while the recovery in demand for electronic devices such as smartphones and personal computers has been delayed. Although some device manufacturers are exercising restraint in their investments in Logic/Foundry, capital expenditures on cutting-edge nodes are accelerating on the whole. NAND also showed signs of recovery at the end of the fiscal year, and we can expect that recovery to progress in the future. In the medium to long term, the semiconductor-related market is expected to grow significantly in view of factors including increasing demand for electronic devices such as smartphones and personal computers, expansion of data centers driven by the spread of technologies such as AI, IoT, and DX, as well as investment in green transformation.

Under such circumstances, the Group's revenue for the fiscal year ended March 31, 2025 was 238.9 billion yen, up 32.1% year on year, due to higher revenue in the equipment business resulting from increased equipment sales for all applications of DRAM, Logic/Foundry, and NAND from the previous fiscal year, as well as increased revenue in the service business resulting from favorable component sales and legacy equipment sales. As a result, operating profit was 51.3 billion yen, up 66.9% year on year, income before income tax was 50.8 billion yen, up 70.7% year on year, and net income attributable to owners of the parent was 36.0 billion yen, up 60.9% year on year, with all profit indicators increasing compared to the previous fiscal year.



(billion yen)	FY24/3					FY25/3					
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	YoY
Revenue	32.7	45.0	54.0	49.2	180.8	65.2	49.3	60.1	64.3	238.9	+32.1%
Gross profit	14.3	19.9	21.7	19.1	75.0	29.4	22.0	24.9	25.5	101.7	+35.7%
Gross profit margin (%)	43.6	44.2	40.3	38.8	41.5	45.0	44.6	41.4	39.7	42.6	+1.1pts
Adjusted operating profit	5.6	11.0	12.4	8.8	37.8	19.4	11.3	13.9	13.2	57.8	+52.6%
Adjusted operating profit margin (%)	17.2	24.5	23.0	17.9	20.9	29.7	22.9	23.1	20.5	24.2	+3.2pts
Adjusted net income	3.8	7.3	9.1	7.1	27.3	14.3	7.3	9.6	11.1	42.3	+55.0%
Adjusted net income margin (%)	11.6	16.2	16.9	14.5	15.1	22.0	14.7	16.0	17.2	17.7	+2.6pts
Operating profit	4.0	9.4	10.7	6.7	30.7	17.9	9.6	12.3	11.6	51.3	+66.9%
Operating profit margin (%)	12.2	20.9	19.8	13.6	17.0	27.4	19.4	20.4	18.1	21.5	+4.5pts
Income before income tax	3.7	9.1	10.7	6.1	29.8	17.7	10.2	11.2	11.6	50.8	+70.7%
Income before income tax margin (%)	11.4	20.3	19.9	12.5	16.5	27.2	20.7	18.7	18.1	21.3	+4.8pts
Net income	2.7	6.2	7.9	5.6	22.4	13.3	4.8	8.0	9.9	36.0	+60.9%
Net income margin (%)	8.1	13.7	14.7	11.5	12.4	20.4	9.6	13.3	15.5	15.1	+2.7pts
R&D expenses	2.9	3.0	3.1	3.7	12.7	3.3	3.9	3.8	4.6	15.6	+23.0%
Capital expenditures	5.1	2.1	10.5	2.8	20.5	11.2	3.0	2.5	3.6	20.3	-0.5%
Depreciation and amortization	2.6	2.7	2.8	2.8	10.9	2.9	3.0	3.3	3.4	12.6	+15.3%
Dividend per share (yen)	—	—	—	11	11*	—	18	—	19	37	+26 yen

* Dividend per share for the fiscal year ended March 31, 2024 was an amount for a half year, as Kokusai Electric's stock was listed in the 2H.

Financial Overview >>

The Group calculates adjusted operating profit and adjusted net income to appropriately grasp changes in operating results. These are not indicators specified by International Financial Reporting Standards, but financial indicators that are deemed useful by investors as a result of normal business activities in evaluating the Company's business performance. Non-recurring items such as listing-related expenses incurred for listing preparation are excluded.

① Adjusted operating profit

(million yen)

	FY24/3	FY25/3
Operating profit	30,745	51,320
–Other income	(679)	(348)
+Other expenses	487	253
(Adjustments)		
+Purchase price allocation amortization	6,369	5,907
+Stand-alone related expenses*3	223	317
+Stock-based compensation (except for performance-linked stock compensation)	694	304
Total adjustments	7,286	6,528
Adjusted operating profit*1	37,839	57,753

② Adjusted net income

(million yen)

	FY24/3	FY25/3
Net income	22,374	36,004
–Other income	(679)	(348)
+ Other expenses	487	253
(Adjustments)		
+Purchase price allocation amortization	6,369	5,907
+Stand-alone related expenses*3	223	317
+Stock-based compensation (except for performance-linked stock compensation)	694	304
–Tax adjustment to total adjustments	(2,172)	(1,970)
+Temporary adjustment of tax expenses*4	–	1,836
Adjusted net income*2	27,296	42,303

*1 Adjusted operating profit is calculated by the following formula.

Adjusted operating profit = Operating profit (IFRS) - Other income + Other expenses + Purchase price allocation amortization + Stand-alone related expenses + Stock-based compensation (except for performance-linked stock compensation)

*2 Adjusted net income is calculated by the following formula.

Adjusted net income = Net income - Other income + Other expenses + Purchase price allocation amortization + Stand-alone related expenses + Stock-based compensation (except for performance-linked stock compensation) - Tax adjustment to total adjustments + Temporary adjustment of tax expenses

*3 Stand-alone related expenses are one-time expenses related to the listing including the adoption of IFRS, the establishment of a system for timely disclosure, and the establishment of an internal control system.

*4 The temporary adjustment of tax expenses is a one-time expense arising from business transfers between consolidated subsidiaries.

Financial Position

■ Overview of financial position for the fiscal year under review

Total assets at the end of the fiscal year ended March 31, 2025 decreased by 33.9 billion yen from the end of the previous fiscal year to 341.5 billion yen. This is mainly attributable to a decrease of 47.9 billion yen in cash and cash equivalents, which included a decrease of 91.5 billion yen from early repayment of loans payable, a decrease of 18.5 billion yen from repurchase of treasury stock, and an increase of 60.0 billion yen from new borrowings. On the other hand, property, plant and equipment increased by 11.5 billion yen mainly due to new factory construction in Tonami City, Toyama Prefecture. Trade and other receivables increased by 10.8 billion yen in line with an increase in revenue.

Total liabilities decreased by 42.7 billion yen from the end of the previous fiscal year to 145.3 billion yen. This is mainly attributable to decreases of 33.3 billion yen in loans payable due to refinancing and 13.1 billion yen in trade and other payables.

Equity increased by 8.8 billion yen from the end of the previous fiscal year to 196.2 billion yen. This was mainly due to an increase of 28.1 billion yen in retained earnings resulting from the recording of net income attributable to owners of the parent. Meanwhile, treasury stock, which is a deduction item of equity, increased by 18.0 billion yen due to the repurchase of treasury stock.

■ Overview of cash flows for the fiscal year under review

Cash and cash equivalents at the end of the fiscal year ended March 31, 2025 decreased by 47.9 billion yen from 92.6 billion yen at the end of the previous fiscal year to 44.8 billion yen. The status of each cash flow and the factors behind it are as follows.

Net cash provided by operating activities was 38.5 billion yen, up 35.5 billion yen year on year. The main factor for the increase in the cash flows was the recording of net income of 36.0 billion yen associated with the increase in revenue. Meanwhile, the main factor for the decrease was an increase of 11.6 billion yen in trade and other receivables associated with the increase in revenue.

Net cash used in investing activities was 27.7 billion yen due mainly to purchase of property, plant and equipment.

Net cash used in financing activities was 58.1 billion yen primarily due to refinancing of loans payable and repurchase of treasury stock.

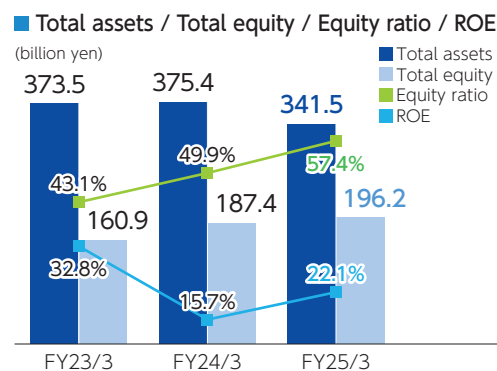
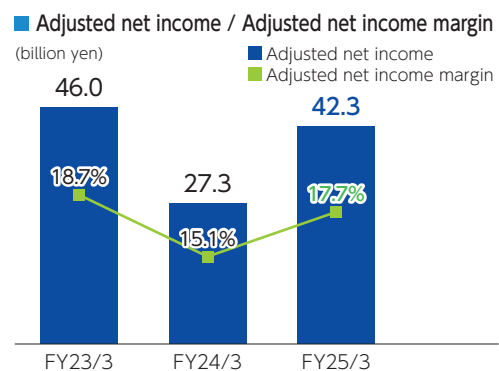
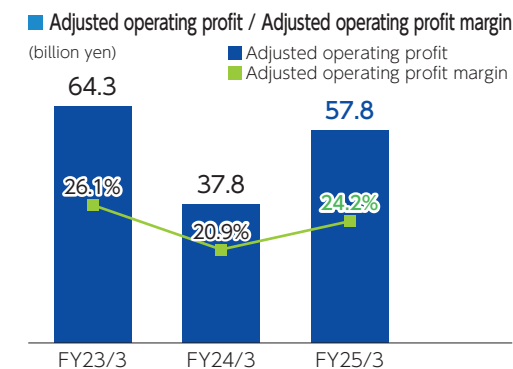
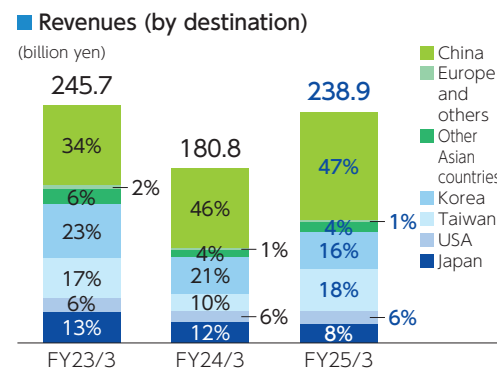
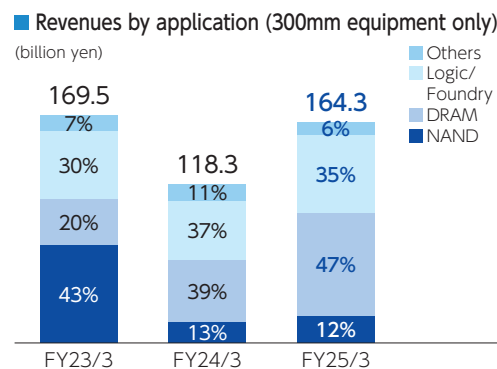
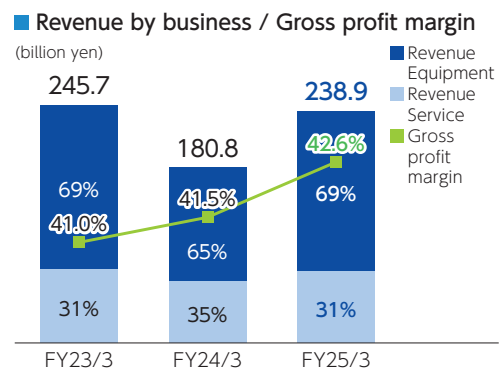
Dividends

Year-end dividend per share for the fiscal year ended March 31, 2025 was 37 yen, consisting of an interim dividend of 18 yen and a year-end dividend of 19 yen.

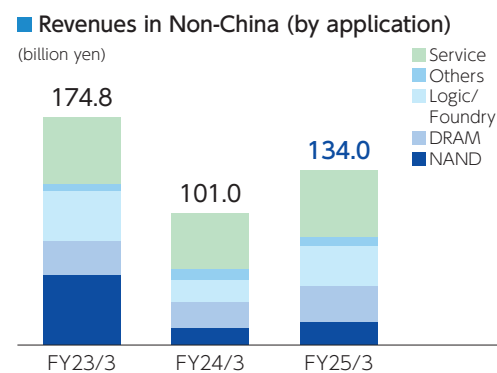
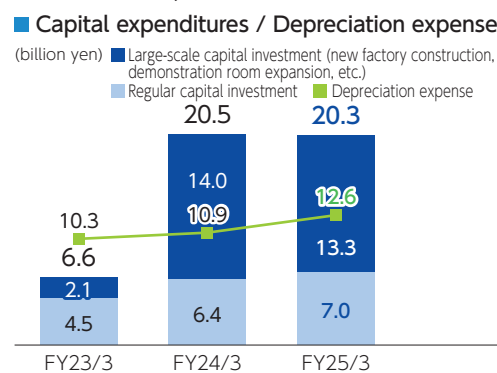
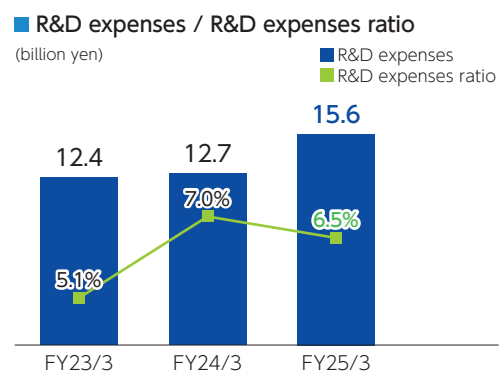
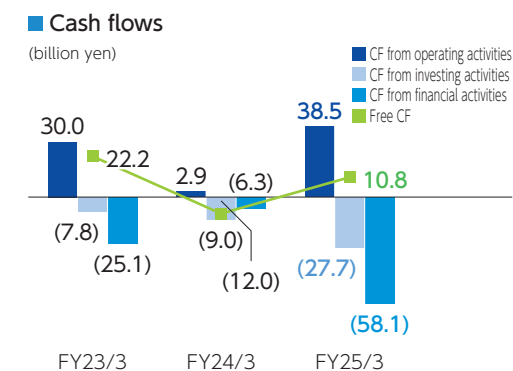
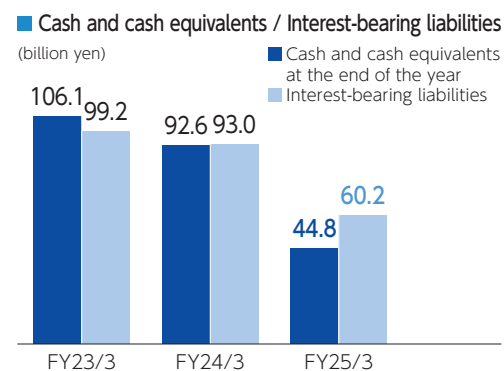
FY25/3		
Interim dividend per share	Year-end dividend per share	Total
18 yen	19 yen	37 yen

Financial Overview >>

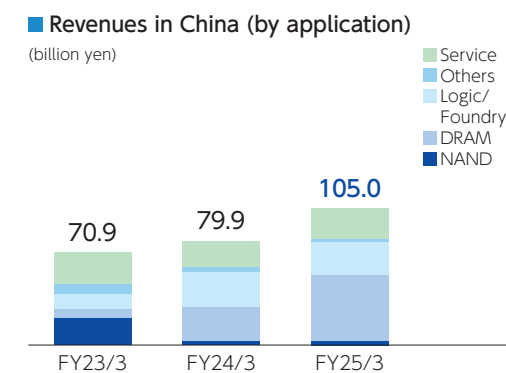
Graphic Data



* ROE is based on adjusted net income



* For device manufacturers around the world



* For local device manufacturers in China

Financial Overview >>

Key Financial Data for 5 Years

Key Items	FY2021/3	FY2022/3	FY2023/3	FY2024/3	FY2025/3
Revenues (million yen)	178,023	245,425	245,721	180,838	238,933
Gross profit (million yen)	75,951	107,069	100,805	74,965	101,743
Gross profit margin (%)	42.7	43.6	41.0	41.5	42.6
Operating profit (million yen)	60,037	70,652	56,064	30,745	51,320
Operating profit margin (%)	33.7	28.8	22.8	17.0	21.5
Income before income tax (million yen)	50,504	69,264	55,895	29,757	50,789
Income before income tax margin (%)	28.4	28.2	22.7	16.5	21.3
Net income attributable to owners of the parent (million yen)	33,043	51,339	40,305	22,374	36,004
(Reference) Adjusted operating profit (million yen)	52,413	79,421	64,251	37,839	57,753
(Reference) Adjusted net income (million yen)	31,903	55,566	45,985	27,296	42,303
Total equity (million yen)	64,943	119,519	160,881	187,388	196,168
Total assets (million yen)	273,769	356,532	373,539	375,433	341,512
Interest-bearing liabilities (million yen)	125,760	123,191	99,206	93,018	60,184
Net cash (million yen)	(85,721)	(14,792)	6,847	(399)	(15,429)
R&D expenses (million yen)	7,552	9,885	12,425	12,683	15,604
Capital expenditures (million yen)	2,562	3,322	6,568	20,454	20,348
Depreciation and amortization (million yen)	9,609	10,004	10,304	10,945	12,625
Cash flows from operating activities (million yen)	51,127	73,615	29,993	2,942	38,477
Cash flows from investing activities (million yen)	(3,312)	(3,348)	(7,825)	(11,950)	(27,706)
Cash flows from financing activities (million yen)	(48,317)	(3,508)	(25,113)	(6,312)	(58,106)
Free cash flows (million yen)	47,815	70,267	22,168	(9,008)	10,771
Equity per share attributable to owners of parent (yen)	281.87	518.75	698.26	804.49	842.12
Basic earnings per share (yen)	143.42	222.83	174.93	96.82	154.60
Dividend per share (yen)	—	—	—	11.00	37.00
Dividends payout ratio (%)	—	—	—	11.4	20.4
R&D expenses ratio (%)	4.2	4.0	5.1	7.0	6.5
Equity ratio (%)	23.7	33.5	43.1	49.9	57.4
(Reference) Return on equity (ROE) (%)	47.3	60.2	32.8	15.7	22.1
(Reference) Return on invested capital (ROIC) (%)	17.1	25.6	18.3	10.1	15.8

* The Group prepares its consolidated financial reports in accordance with International Financial Reporting Standards (IFRS)

* Dividend per share and dividends payout ratio are stated only after the Company's stock was listed. Dividend per share for the fiscal year ended March 31, 2024 is an amount for a half year as the Company's stock was listed in the 2H.

Information >>

Group Network (as of March 31, 2025)

Kokusai Semiconductor Europe GmbH <https://kokusai-se.com>



Georg Birkmaier President & Managing Director

Career Summary

Jan. 1986 Siemens Semiconductor Munich. Equipment Engineer PVD and Metal CVD
Dec. 1988 Applied Materials; Vacuum Engineer/ Endura PVD Design Team, Account Manager Central Europe, Business Development Manager Metal Deposition, Product Manager Electro Plating.
Mar. 2001 Wind River, Regional Director EMEA
Mar. 2004 Novellus Systems, President Europe Operations
Oct. 2018 GlobalFoundries, Managing Director, Region Head EMEA Sales
Apr. 2022 Kokusai Semiconductor Europe GmbH, President & Managing Director (current)

KE Semiconductor Equipment (Shanghai) Co., Ltd.

<https://kesh.kokusai-electric.com/>



Ruosong Xu Chairman & President

Career Summary

Jul. 1997 Baosteel Group
Jan. 2001 Applied Materials
May 2017 Chairman and GM, Cymer (an ASML company) China
May 2022 KE Semiconductor Equipment (Shanghai) Co., Ltd., President
Apr. 2023 Chairman & President (current)

Kokusai Electric Korea Co., Ltd. (Kook Je Electric Korea Co., Ltd.)

<https://www.kekorea.co.kr/eng/>



YongSung Park President & CEO

Career Summary

Mar. 1990 Samsung Electronics Co., Ltd.
Aug. 1993 Kokusai Electric Korea Co., Ltd.
Apr. 2016 Senior Vice President, Design & Manufacturing Division
Apr. 2023 President & CEO (current)

Kokusai Electric Asia Pacific Co., Ltd. <https://www.kap.com.tw/>



YiMing Wu Chairman & President

Career Summary

Jun. 1995 Kokusai Electric Asia Pacific Co., Ltd.
Apr. 2016 Director, Technical Dept.
Oct. 2018 Director, Logistics Dept.
Apr. 2021 Director, Logistics and Accountant and Human Resource & General Affairs Dept.
Jan. 2022 Vice President, Logistics and Accountant and Human Resource & General Affairs Dept.
Oct. 2022 President
Apr. 2023 Chairman & President (current)

Kokusai Semiconductor Equipment Corporation <https://www.ksec.com/>



Dale Jones President & CEO

Career Summary

Jan. 1984 U.S. Naval Officer
Dec. 1988 KLA-Tencor: GM Micron Strategic Business
Nov. 2015 Applied Materials: VP N.A. Field Operations
Jan. 2022 Kokusai Semiconductor Equipment Corporation, Vice President
Apr. 2022 President & COO
Apr. 2023 President & CEO (current)

KOKUSAI ELECTRIC CORPORATION

Head Office

Kokusai Electric Semiconductor Service Inc.

<https://service.kokusai-electric.com>



Takanori Tamai President and Chief Executive Officer

Career Summary

Apr. 1991 Joined Kokusai Electric System Service Inc. (now Kokusai Electric Semiconductor Service Inc.)
Apr. 2015 General Manager in charge of Management Support Department (now Business Planning Department), Kokusai Electric Semiconductor Service Inc.
Oct. 2015 General Manager, Management Support Department (now Business Planning Department)
Apr. 2023 Vice President, Service Division; General Manager, Business Planning Department
Apr. 2024 President and Chief Executive Officer (current)

Kokusai Semiconductor Singapore Pte. Ltd.



HengLai Chew President & Managing Director

Career Summary

Apr. 1988 Chartered Semiconductor Manufacturing Ltd.
Sep. 2002 Hitachi Semiconductor Singapore Ltd.
Jan. 2011 System on Silicon Manufacturing Company Pte Ltd.
May 2017 Kokusai Electric Asia Pacific Co. Ltd. (Singapore Branch)
July. 2024 Kokusai Semiconductor Singapore Pte Ltd., President & Managing (current)

In addition to the above, each of the Group companies (7 in total with 1 in Japan and 6 overseas) operates several business bases with a focus on services.

* Details about our group companies are available on the websites of each of our group companies.

Information >>

Company Information/State of Shares

Company Outline/Information on Shares (as of March 31, 2025)

Company Name	KOKUSAI ELECTRIC CORPORATION
Established	February 2, 2017
Address of Head Office	5th floor, oak Kanda Kajicho (Bldg.), 3-4 Kandakaji-cho, Chiyoda-ku, Tokyo 101-0045, Japan
Paid-in Capital	¥14.086 billion
Number of Employees	Consolidated: 2,540 persons/Non-consolidated: 1,148 persons
Listing	Tokyo Stock Exchange Prime Market
Securities code:	6525
Total number of authorized shares	900,000,000 shares
Total number of issued shares	238,002,985 shares
Business year	From April 1 to March 31 of the following year
Annual Shareholders Meeting	Every June
Record date	March 31
Year-end dividend recipient shareholder record date	March 31
Interim dividend recipient shareholder record date	September 30
Share unit	100 shares

Communication Tools

Important information to facilitate understanding of the Group is compiled and included in this report. Information on the Group's business activities, detailed information not included in this report, and content that we want to continuously convey are posted on the Company's website.

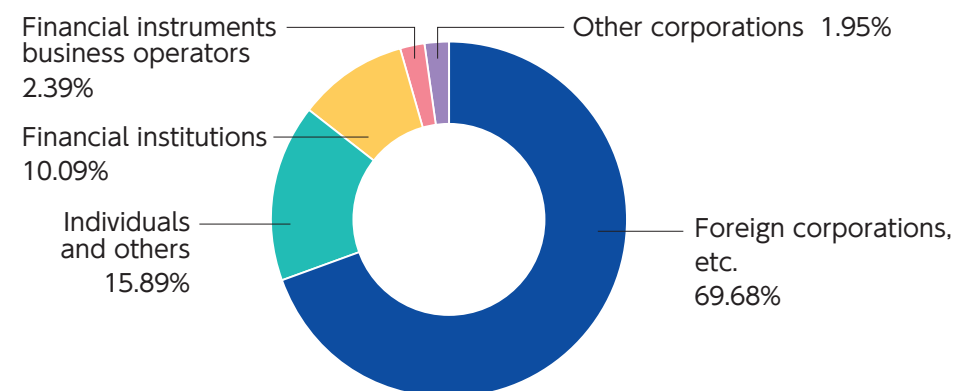


Website

In addition to corporate information and sustainability information, Company Introduction MOVIE and Corporate Profile, etc. are posted on the Company's website.

KOKUSAI ELECTRIC  <https://www.kokusai-electric.com/en/>

Distribution of shares by type of shareholders (as of March 31, 2025)



Major Shareholders (as of March 31, 2025)

Name of shareholder	Number of shares held (thousand shares)	Shareholding ratio (%)
KKR HKE Investment L.P.	42,505	18.25
BNYM AS AGT/CLTS NON TREATY JASDEC	35,080	15.06
STATE STREET BANK AND TRUST COMPANY 505001	17,673	7.59
The Master Trust Bank of Japan, Ltd. (trust account)	16,331	7.01
KKR HKE Investment L.P. G.P./KKR HKE Investment Limited	12,187	5.23
Qatar Holding LLC	11,520	4.95
Custody Bank of Japan, Ltd. (trust account)	4,730	2.03
STATE STREET BANK WEST CLIENT-TREATY 505234	3,168	1.36
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	2,313	0.99
HSBC-FUND SERVICES CLIENTS A/C 500	1,942	0.83

Information >>

Sustainability Data

1. The State of Kokusai Electric

(fiscal year)

Category	Scope	Unit	2020	2021	2022	2023	2024
Revenues* ¹	Kokusai Electric Group* ²	Billion yen	178.0	245.4	245.7	180.8	238.9
Employees (including executives)	Kokusai Electric and its group company in Japan* ³	Persons	1,152	1,200	1,273	1,335	1,373
	Overseas group companies* ⁴	Persons	883	902	1,156	1,148	1,174
Percentage of employees (including executives) by region	Japan	%	56.6	53.4	52.4	53.8	53.9
	Asia (excluding Japan)	%	36.5	40.2	41.2	39.9	39.7
	USA	%	4.4	4.1	4.3	4.3	4.4
	Europe	%	2.5	2.3	2.1	2.0	2.0

2. Environment and Sustainable Procurement

(fiscal year)

			(fiscal year)				
Category			Scope	Unit	2022	2023	2024
Input	Electricity use	Kokusai Electric Group	MWh	42,160	45,014	56,681	
	Gasoline	Kokusai Electric Group	kL	20	19	22	
	Light oil	Kokusai Electric Group	kL	9	11	10	
	Heavy oil and kerosene use	Kokusai Electric Group	kL	166	258	227	
	LPG and LNG use	Kokusai Electric Group	t	155	171	195	
	City gas	Kokusai Electric Group	km ³	30	29	56	
	Materials and parts use	Kokusai Electric	t	6,818	4,231	5,969	
	Packaging materials use	Kokusai Electric	t	628	504	630	
	Paper consumption	Kokusai Electric	t	12.2	9.9	11.3	
	PRTR-specified chemical use	Kokusai Electric (Toyama Technology & Manufacturing Center, and Tonami Manufacturing Center)* ⁵	t	0.4	0.4	0.2	
	Water withdrawal Tap water use	Kokusai Electric Group	km ³	31	42	46	
	Water withdrawal Industrial water use	Kokusai Electric Group	km ³	150	164	184	
	Water withdrawal Groundwater	Kokusai Electric Group	km ³	—	—	116	
Output	GHG emissions (Scope 1)* ⁷	Kokusai Electric Group	t-CO ₂ e	1,037	1,488	1,403	
	GHG emissions (Scope 2)* ⁷ Market-based	Kokusai Electric Group	t-CO ₂ e	19,384	20,294	21,791	
	GHG emissions (Scope 2)* ⁷ Location-based	Kokusai Electric Group	t-CO ₂ e	18,321	20,579	25,445	
	GHG emissions (Scope 3)* ⁷	Kokusai Electric Group	t-CO ₂ e	1,333,351	806,107	1,173,395	
	GHG emissions (Scope 3)* ⁷ Category 11	Kokusai Electric	t-CO ₂ e	1,248,754	719,170	989,468	
	SOx emissions	Kokusai Electric (Toyama Technology & Manufacturing Center)* ⁶	m ³	0.0	0.0	0.0	
	NOx emissions	Kokusai Electric (Toyama Technology & Manufacturing Center)	m ³	194.0	240.0	71.0	
	Particulate matter	Kokusai Electric (Toyama Technology & Manufacturing Center)	t	0.0	0.0	0.0	
	Waste and valuables generation	Kokusai Electric (Toyama Technology & Manufacturing Center)	t	596.0	578.0	585.0	
	Final disposal	Kokusai Electric	t	2.0	1.8	2.5	
	Release, transfer and recycling of PRTR-specified chemical substances	Kokusai Electric (Toyama Technology & Manufacturing Center, and Tonami Manufacturing Center)* ⁵	t	0.2	0.2	0.2	
	Drainage Areas of public waters	Kokusai Electric Group	km ³	161	146	170	
	Drainage Sewers	Kokusai Electric Group	km ³	—	24	26	
	Drainage Land surface (For snowmelt water)	Kokusai Electric Group	km ³	—	—	116	
	Drainage Seas	Kokusai Electric Group	km ³	—	0	0	
	BOD	Kokusai Electric (Toyama Technology & Manufacturing Center)	t	0.51	0.49	0.80	
	Energy use	Crude oil equivalent	Kokusai Electric (Toyama Technology & Manufacturing Center)	kL/year	7,650	7,131	7,566
	Intensity compared to previous year	Kokusai Electric (Toyama Technology & Manufacturing Center)	%	112.7	130.4	73.8	
Renewable energy	Purchase volume	Kokusai Electric Group	MWh	1,563	4,032	10,212	
Solar power generation system	Power generation amount	Kokusai Electric Group	MWh	484	508	1,315	
GHG emissions as a result of own energy use (Scope 1 + Scope 2)	GHG emissions reduction rate (compared with fiscal 2021)	Kokusai Electric Group	%	3.1	10.0	17.1	
GHG emissions from use of products sold (Scope 3, Category 11)	GHG emissions per wafer Intensity	Kokusai Electric Group	kg-CO ₂ e/Wafer	0.330	0.340	0.308	
	GHG emissions per wafer Reduction rate (compared with fiscal 2021)	Kokusai Electric Group	%	(11.4)	(8.7)	(17.3)	
Waste and valuables generation	Intensity improvement rate of waste and valuables generation* ⁸	Kokusai Electric	%	35	30	43	
Water use	Water use intensity improvement rate* ⁹	Kokusai Electric (Toyama Technology & Manufacturing Center)	%	3.3	2.2	(5.6)	

Information >>

(fiscal year)

Category		Scope	Unit	2022	2023	2024
ESG evaluation of new suppliers*10	Number of new suppliers assessed	Kokusai Electric	suppliers	2	2	3

3. Society

(fiscal year)

Category		Scope	Unit	2020	2021	2022	2023	2024
Number of female managers	Directors	Kokusai Electric	Persons	1	1	1	1	2
	Executive officers	Kokusai Electric	Persons	0	0	0	0	0
	Managers and those in equivalent or higher positions	Kokusai Electric	Persons	5	5	8	12	15
	Engineer leads, assistant managers	Kokusai Electric	Persons	18	16	17	16	18
Percentage of female directors in Board of Directors		Kokusai Electric	%	10	10	10	10	18.2
Percentage of female executive officers in Management Meeting (a board meeting comprising executive officers)		Kokusai Electric	%	0	0	0	0	0
Percentage of female managers		Kokusai Electric	%	2.1	2.2	3.2	4.2	5.6
Percentage of female employees	Kokusai Electric Group		%	—	—	—	—	12.1
	Group company in Japan		%	—	—	—	—	0.7
	Overseas group companies		%	—	—	—	—	6.0
Percentage of employees with disabilities		Kokusai Electric	%	1.82	1.78	1.89	2.61	2.42
Percentage of temporary workers*11		Kokusai Electric and its group company in Japan	%	26.8	30.1	29.4	26.4	27.7
Difference in pay between male and female workers	All workers	Kokusai Electric	%	70.4	74.4	72.5	74.6	78.1
	Regular employees	Kokusai Electric	%	72.5	76.7	72.1	74.6	78.0
Number of employees who took childcare and nursing care leave	Men	Kokusai Electric	Persons	1	7	12	19	15
	Women	Kokusai Electric	Persons	4	5	6	1	4
Percentage of employees who took childcare leave	Men	Kokusai Electric	%	5	25	57	66	68
	Women	Kokusai Electric	%	100	100	100	100	100
Percentage of mid-career employees in all employees		Kokusai Electric	%	—	—	11.8	13.8	15.8
Percentage of women in new employees (new graduates + mid-career employees)		Kokusai Electric	%	—	—	—	—	15.5
Total number and rate of employee turnover (voluntary)	Kokusai Electric		Persons	—	—	—	—	31
	Kokusai Electric		%	0.9	1.2	2.3	1.8	2.6
Hours for training per employee to develop their abilities and improve their skills		Kokusai Electric	Hours	30	32	39	39	44
Total number of hours for training to develop employees' abilities and improve their skills		Kokusai Electric	Hours	30,213	33,707	42,881	43,428	50,744
Percentage of employees who obtained the eco people certification		Kokusai Electric	%	15	24	28	51	70
Mental leave rate*13		Kokusai Electric and its group company in Japan	%	0.32	0.37	0.64	0.71	0.60
Number of occupational accidents*12	No lost time	Kokusai Electric and its group company in Japan	Cases	3	6	6	7	1
	Lost time	Kokusai Electric and its group company in Japan	Cases	1	0	1	0	1
Frequency rate of occupational accidents*12		Kokusai Electric and its group company in Japan	Cases	0.09	0.00	0.27	0.00	0.05
Number of occupational deaths*12		Kokusai Electric Group	Persons	0	0	0	0	0
Social contribution expenditure	Donation to non-profit organizations	Kokusai Electric Group	Thousand yen	—	—	—	—	5,801

*1 Revenues: Calculated and notated in accordance with International Financial Reporting Standards (IFRS). Values presented are reference values before auditing.

*2 Kokusai Electric Group:
KOKUSAI ELECTRIC CORPORATION
Kokusai Electric Semiconductor Service Inc.
Kokusai Semiconductor Equipment Corporation
Kokusai Semiconductor Europe GmbH
KE Semiconductor Equipment (Shanghai) Co., Ltd.
Kokusai Electric Asia Pacific Co., Ltd.
Kokusai Semiconductor Singapore Pte. Ltd.
Kook Je Electric Korea Co., Ltd. (Kokusai Electric Korea Co., Ltd.)

*3 Kokusai Electric and its group company in Japan:
KOKUSAI ELECTRIC CORPORATION
Kokusai Electric Semiconductor Service Inc.

*4 Overseas group companies
Kokusai Semiconductor Equipment Corporation
Kokusai Semiconductor Europe GmbH
KE Semiconductor Equipment (Shanghai) Co., Ltd.
Kokusai Electric Asia Pacific Co., Ltd.
Kokusai Semiconductor Singapore Pte. Ltd.
Kook Je Electric Korea Co., Ltd. (Kokusai Electric Korea Co., Ltd.)

*5 Kokusai Electric (Toyama Technology & Manufacturing Center and Tonami Manufacturing Center): Limited to business activities at Toyama Technology & Manufacturing Center and Tonami Manufacturing Center

*6 Kokusai Electric (Toyama Technology & Manufacturing Center): Limited to business activities at Toyama Technology & Manufacturing Center
*7 Referred to the Ministry of the Environment's "Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain"
Electricity emission factor in Japan: Uses the Ministry of the Environment's emission factor by electric utility operator (for calculating GHG emissions of specified emitters)
Electricity emission factor for Group overseas companies: Uses emission factor released by relevant country or grid emission factor by country released by IGES

4. Governance

(fiscal year)

Category		Scope	Unit	2020	2021	2022	2023	2024
Total number of serious legal violations, fines, charges, litigations, etc.	Corrective Recommendation from the Labor Bureau*14	Kokusai Electric	Cases	0	—	—	0	—
	Environment*15	Kokusai Electric Group	Cases	0	0	0	0	0
	Occupational health and safety	Kokusai Electric Group	Cases	0	0	0	0	0
	Human rights	Kokusai Electric and its group company in Japan	Cases	0	0	0	0	0
	Corruption	Kokusai Electric Group	Cases	0	0	0	0	0
	Information security	Kokusai Electric Group	Cases	0	0	0	0	0
	Tax	Kokusai Electric Group	Cases	0	0	0	0	0
	Antisocial behavior, antitrust, monopolistic practices	Kokusai Electric Group	Cases	0	0	0	0	0
	Discrimination, harassment	Kokusai Electric and its group company in Japan	Cases	0	0	0	0	0
	Product/service information and labeling	Kokusai Electric Group	Cases	0	0	0	0	0
	Marketing and communication (e.g., advertising, publicity, sponsorship activities)	Kokusai Electric Group	Cases	0	0	0	0	0
	Customer privacy violations, loss of customer data	Kokusai Electric Group	Cases	0	0	0	0	0
Total amount of fines, penalties, and settlements related to corruption		Kokusai Electric Group	Million yen	0	0	0	0	0
Amount of corporate tax paid overseas in domestic and global breakdown	Japan	Million yen	—	—	—	7,483	10,033	
	Asia	Million yen	—	—	—	3,413	2,327	
	Europe and USA, etc.	Million yen	—	—	—	64	144	
Political contributions		Kokusai Electric Group	Million yen	0	0	0	0	0
Financial assistance from the government (including tax exemptions)		Kokusai Electric and its group company in Japan	Million yen	20	1,136	1,341	1,342	1,888

*8 Waste and valuables generation intensity improvement rate: Base year 2019

*9 Water use intensity improvement rate: Base year 2021 (2005 baseline revised in 2022)

*10 Screening using a questionnaire in consideration of management, quality, environment, safety and health, export control, and human rights

*11 There were no material changes in the number of temporary workers and contents of their work during the reporting period, as a high proportion of temporary workers were involved in production operations, field support, or other product-related matters.

*12 Number of occupational accidents, frequency rate of occupational accidents, and number of occupational deaths: calculated from Jan. 1 to Dec. 31

*13 Leave rate = Number of days absent due to illness / Number of prescribed working days x 100 (excluding cases of less than 7 consecutive work days absent)

*14 Number of corrective recommendations that rank high in the guidance for improvement ("—" indicates fiscal years in which data were not counted.)

*15 Environmental laws and regulations such as the Air Pollution Control Act and the Water Pollution Control Act stipulated by the Ministry of the Environment, as well as regulatory values and water intake regulations stipulated in pollution prevention agreements with prefectural and municipal governments

| Information >>

Glossary

1 Terms related to technology

Term	Explanation
Batch deposition equipment	Of batch deposition equipment that performs deposition on several dozen wafers or more at a time by batch processing, one compatible with ALD technology
Treatment (film property improvement) process equipment	Equipment designed to improve film properties by removing impurities in the film by plasma or heating after deposition, and stabilizing particles.
ALD	Abbreviation of Atomic Layer Deposition. We refer to a technique for thin-film deposition at an atomic layer level involving a process of cyclical supply of multiple gases as "ALD."
CVD	Abbreviation of Chemical Vapor Deposition. A technique to perform deposition by simultaneously supplying gases and causing a chemical reaction in the gas phase.
Particles	Fine particles mainly at the level of several hundred to several tens of nanometer that have a detrimental effect on the manufacturing process of semiconductor devices
Production efficiency	Refers to production capacity per unit of equipment installation area.
Process Informatics	It refers to data science technology (a method introduced to materials development (semiconductor deposition process development)) that synthesizes previously unattainable semiconductor materials and derives deposition procedures and deposition conditions for semiconductor materials.

2 Terms related to products

Term	Descriptions
VERTRON®	Name of our equipment for sub-200 mm wafers. Named "VERTRON," meaning the highest point, expressing the wish that this series will sell well worldwide
ZESTONE®	Equipment for 300 mm wafers
MARORA®	Name of a single wafer plasma nitridation/oxidation system. MARORA is a word coined from the modified magnetron type (MMT) plasma generation method and aurora, a plasma phenomenon that occurs in nature.
QUIXACE®	Name of a vertical batch thermal processing system offering quick turnaround time (Q-TAT). QUIXACE employs comprehensively upgraded core technologies, including temperature control, wafer handling, replacement, cooling, and deposition.
QUIXACE ULTIMATE®	Platform with high productivity, energy-saving control, and improved process quality in view of the cost of ownership.
TANDUO®	The successor to our Lambda series of single wafer dry resist strip systems. TANDUO is a word coined from "tandem" and "duo."
TSURUGI-C ² ® 剣®	Name of a short cycle batch cluster (SCBC) platform. Equipped with two furnaces for deposition of 25-50 wafers
AdvancedAce®	High-throughput equipment for thermal process

Information >>

Glossary

3 Terms related to sustainability

Term	Descriptions
United Nations Global Compact (UNGC)	In the UNGC, which is the world's largest corporate sustainability initiative, the United Nations and the private sector (companies and organizations) collaborate to build a sound global society. It is a voluntary initiative by companies and organizations, acting as good members of society, to achieve sustainable growth by demonstrating responsible leadership
eco people	Persons who passed the Certification Test for Environmental Specialists (Eco Test) of the Tokyo Chamber of Commerce and Industry
IPCC	Abbreviation of Intergovernmental Panel on Climate Change. Intergovernmental body that provides assessments by international experts of research findings on climate change in the scientific papers that it gathers.
GHG Protocol	International standards for calculating and reporting greenhouse gas emissions
chemSHERPA®	Common scheme for information handling for appropriate management of chemical substances in products in order to continuously respond to expanding regulations. chemSHERPA is a registered trademark of the Japan Environmental Management Association for Industry (JEMAI).
TCFD	Abbreviation of Task Force on Climate-related Financial Disclosures. Framework for disclosure of financial information on companies' actions to mitigate climate change and their impacts
Diversity, Equity, and Inclusion	Initiatives to create a society in which personal diverse backgrounds, experiences, opinions, and abilities, etc. are accepted, respected, and equally treated so as to inclusively allow each individual to participate easily.
TechInsights customer satisfaction survey	Questionnaire survey covering the chip market and subsystems customers. The survey participants were asked to rate equipment suppliers in 14 categories based on 3 key factors: supplier performance, customer service, and product performance.
BCP	Abbreviation of Business Continuity Plan. BCPs are plans that define how to minimize damage such as business interruption and achieve quick recovery and ensure business continuity in the event that business continuity is jeopardized, such as by a large-scale natural disaster or an outbreak of infectious disease.
CDP	Formerly known as the Carbon Disclosure Project, CDP is a non-governmental organization (NGO). CDP conducts questionnaire surveys of companies and municipalities on their actions regarding climate change, water resources, and deforestation, and publishes the scoring results.
SBT	Abbreviation of Science Based Targets (Science-based greenhouse gas emissions reduction targets). The Science Based Targets initiative (SBTi) assists companies in the setting of science-based greenhouse gas emissions reduction targets and their achievement with the aim of limiting global warming to well below 2°C above pre-industrial levels.
PRTR	Abbreviation of Pollutant Release and Transfer Register. The PRTR system requires businesses handling chemical substances potentially hazardous to human health and the ecosystem to monitor and report the amounts of chemical substances released into the environment and transferred in waste to the government, which then compiles the amounts released and transferred based on reports from businesses and estimates made using statistical data and makes the results public.
RBA Code of Conduct	Abbreviation of Responsible Business Alliance. A set of standards for the electronics industry and other industries to ensure throughout the supply chain that the working environment is safe, workers are treated with respect and dignity, the manufacturing process is responsible for its environmental impact, and so on.
Conflict minerals	Minerals that may be used to finance armed groups involved in civil wars and conflicts that cause major human rights abuses. Tin, tantalum, tungsten, gold (collectively "3TG") as well as cobalt from the Democratic Republic of the Congo (DRC) and adjoining countries.
OECD Transfer Pricing Guidelines	Guidance on transfer pricing for multinational enterprises and tax authorities
BEPS Action Plan	BEPS is an abbreviation of Base Erosion and Profit Shifting. An action plan to address base erosion and profit shifting.
Certified Health & Productivity Management Outstanding Organizations Recognition Program	This program recognizes outstanding large enterprises and small and medium-sized enterprises implementing health & productivity management based on initiatives attuned to regional health issues and health-promoting initiatives of the Nippon Kenko Kaigi. The aim is to develop an environment in which such enterprises are able to gain enhanced recognition in society as enterprises strategically implementing initiatives that lead to maintenance and promotion of health of employees from a business management perspective.
WEPs	Abbreviation of Women's Empowerment Principles

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