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Question-and-Answer Session

Results Briefing for the Second Quarter of the Fiscal Year Ending December 31, 2024

Outline of briefing session

16:00–17:00 on Thursday, August 8, 2024 (Zoom Webinar)

For institutional investors and analysts

Question 1. Factors behind the higher chemical sales in Q2 compared to Q1

Answer EXE and SF sold more due to an increase in sales for TVs and tablet PCs.

With CZ, there was an overemphasis placed on investment in AI servers up to now, but a major factor has been that investment in conventional servers is also recovering.

Question 2. Selling, general, and administrative expenses

Answer Expenses for Q2 were lower than expected, but are expected to occur later in Q3 and Q4.

Question 3. Revision of full-year financial forecast and future outlook

Answer An increase is expected for the CZ Series. Demand for conventional servers is expected to recover. We also expect PCs to increase in the second half of the year due to factors such as OS switching.

Question 4. Expenses for the full-year financial forecast

Answer Personnel and labor costs are expected to increase in the second half of the year. Furthermore, the profit ratio is expected to be lower than in the first half of the year due to the impact of delayed expenses.

Question 5. Customer-side excess chemical inventory

Answer Based on shipment volumes, we do not believe that any inventory buildup of our chemicals is occurring on the customer side.

Question 6. Is the Kitakyushu Factory being considered an R&D base in addition to a production base?

Answer For the time being, Kitakyushu is considered a production base.

Question 7. Trends regarding products for cutting-edge applications

Answer We recognize that chemically adhesive products will become indispensable for cutting-edge products and high-frequency compatibility in the future, and we will continue to focus on their development.