

**Summary of Q&A on Financial Results Presentation Meeting**  
**for the Fiscal Year Ended March 31, 2025**  
**(Held on May 19, 2025)**

**ORGANO CORPORATION**

Please note that this Q&A summary was summarized for simplicity based on the Company's judgment.

Q: Please explain the reasons and background for achieving your past medium-term plans ahead of schedule. Are the plans overly conservative?

A: We have been achieving our medium-term plans, which are formulated on a rolling basis each year, ahead of schedule in recent years, mainly because investments in the semiconductor sector have exceeded our expectations. Amid this, we have been able to achieve business performance growth while maintaining profit margins by factoring in cost increases. Additionally, in managing project budgets, we have factored in contingency costs, and the continued occurrence of these costs staying within expectations has also been a contributing factor.

Q: What is the outlook for the semiconductor market?

A: Generally, we expect demand to expand in the medium to long term, but we believe short-term adjustment phases may occur in certain sectors. Currently, short-term fluctuations are occurring, such as stagnation in legacy devices due to the impact of EVs and the like. We continue to expect growth in cutting-edge fields, such as the advancement of AI.

Q: While order expansion continues, securing human resources amid labor shortages is considered a risk point. Please tell us about your response to capacity and resource expansion.

A: Since the last fiscal year, we have been actively expanding recruitment of new graduates and experienced personnel to strengthen our workforce. We are also working on improving productivity through engineering training programs and enhancing IT literacy. In addition, we are working on digital utilization for the reform of engineering operations. Last year, we actively invested, such as in LIGHTz Inc.

Q: Regarding your forecast for orders received for the fiscal year ending March 31, 2026, when do you expect the corresponding sales to be recorded in Europe and the Americas? When can we expect new orders in Singapore?

A: Sales are recorded on a percentage of completion basis. For large projects, the lead time is about 1.5 to 2 years, and sales are recorded according to the occurrence of costs during that period. We refrain from answering about individual projects.

Q: Is there any upside scenario to the plan for the fiscal year ending March 31, 2026?

A: We have incorporated the certainty of orders into the profit and loss plan. As it is still early in the fiscal year, we are not considering fluctuations such as upside or downside scenarios.

Q: Please tell us about the actual results, plans, and long-term outlook for sales from facility-owned service contracts.

A: Please refer to page 19 of the materials for actual results and plans for net sales. Our customers are domestic, and we respond according to their financial policies, but we also view it as a stable revenue base. It is difficult to quantitatively indicate outlook, but we will consider them according to customer needs.

Q: Was the reason for the orders received falling short of your company's forecast for the fiscal year ended March 31, 2025, due to individual company factors or market conditions? Also, to what extent is the carryover from the fiscal year ended March 31, 2025 included in the plan for the fiscal year ending March 31, 2026?

A: The reason for the orders received falling short of our company's forecast for the fiscal year ended March 31, 2025 can be attributed to both individual company and market factors. One reason is that customers postponed capital expenditures in light of market conditions. For many of such cases, we expect orders this fiscal year, but it is difficult to answer how much is incorporated into sales as they are recorded on a percentage of completion basis.

Q: The operating profit ratio for the fiscal year ending March 31, 2026 is planned to slightly decline year-on-year, but is there no plan to raise sales prices in response to rising personnel expenses?

A: Sales prices are considered based on the situation of individual projects. We will negotiate with customers to pass on rising personnel expenses and raw materials prices as much as possible.

Q: Is it not necessary to expand shareholder returns to mitigate the future decline in ROE?

A: Our plan is to provide shareholder returns mainly through dividends. We aim to improve the dividend payout ratio while considering market averages and other factors. Regarding share buybacks, we will consider them while observing the trend of our stock price and do not rule out future actions.

Q: Regarding the investment outlook for customers, major customer investments are expanding in Japan, Taiwan, the United States, and Europe. How many years do you expect the scale of orders seen in the previous and current fiscal years to continue?

A: We refrain from discussing situations regarding individual customers, but we expect the semiconductor market to remain active towards 2030. On the other hand, semiconductor investments may include investments from the perspective of national economic security, and there is a possibility of a temporary plateau.

Q: In the medium-term plan targets, you anticipate sales growth, but why do you expect a deterioration in profit margins?

A: That is because we plan to expand growth investments, such as investments in IT and human resources. The profit projections are somewhat conservative.