

**Summary of Q&A on Financial Results Presentation Meeting**  
**for the First Half of the Fiscal Year Ending March 31, 2026**  
**(Held on November 4, 2025)**

**ORGANO CORPORATION**

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

Q: Have there been any changes from initial expectations regarding the Chinese market?

A: Although cutting-edge fields such as AI-related semiconductors continue to experience extremely strong demand, the market for other semiconductors is sluggish. In China, investment in the semiconductor area continues as a key industry. However, against the backdrop of trade issues with the United States, such as tariffs, that are affecting customers' procurement of raw materials and equipment, we are seeing customers hold back on investment.

Q: Over the past few years, improved profit margin of Plant projects has been driving the overall improvement in profitability for Organo. Have there been any changes in that situation?

A: The power plants-related market can be described as a seller's market where supply continues to lag behind demand, which makes it possible to pass on increases in raw materials and personnel expenses to sales prices. Although there has been no change in this situation, the active semiconductor investments seen recently have been partly backed by government subsidies in various countries, and we expect investment levels to eventually stabilize. Although we believe it will be difficult to sustain the same level of profit margin improvement seen recently as we move forward, we do not anticipate a significant decline in profit levels.

Q: With growth potentially slowing in the future, there is a possibility that ROE will eventually plateau due to the balance between profit and shareholders' equity. What measures are being considered in response?

A: As shareholders' equity steadily accumulates, ROE will decline if profits do not grow. We believe it is important to maintain the current profit margin while properly advancing growth investments, such as strengthening personnel systems, IT investments, and M&A, etc. for inorganic growth. In terms of shareholder returns, we are currently focused primarily on dividends and intend to continue improving the dividend payout ratio and increasing dividends. Although there are no immediate plans for share buybacks, we may consider them in the future based on factors such as stock price trends.

Q: Against the backdrop of continued investment expansion by major customers, concentration on specific customers appears to be increasing. Are there any business areas you expect to become a second pillar of business following this?

A: We anticipate that approximately 30% of orders received this fiscal year will be from major customers, and with aggressive investment expansion in Taiwan and the United States, we anticipate this ratio will continue to rise. As subsequent business areas, we will strengthen our geographic portfolio through initiatives such as business expansion including Performance Products in the United States and approaching the Indian market where future growth is expected, while also strengthening our business portfolio by expanding Service Solutions both in Japan and overseas. Over the next few years, we plan to strengthen our regional and business portfolio while responding to large-scale investment projects from major customers.

Q: Could you explain the background to the significant improvement in the profit margin of the Water Treatment Engineering Business Unit in the 2Q and the outlook going forward?

A: The main factor behind the improvement in the profit margin in the 2Q was improved profitability of Plant projects in Taiwan and elsewhere. We believe we can maintain the current profit levels going forward if current supply-demand environment and competitive conditions continue.

Q: Did the improvement in profitability in the first half also reflect an improvement in the regional sales mix, such as increased sales in Japan and Taiwan and decreased sales in China?

A: The main factors behind the improvement in profitability in the first half were the growth of sales in Taiwan and improved profitability of Plant projects including those in Taiwan. In fact, because there are some differences in the profit margin by region (Japan, Taiwan, and China), changes in the regional sales mix have also had an impact on the improvement in the profit margin.

Q: What are the reasons for the downward revision of full-year Plant sales in the Water Treatment Engineering Business Unit and the upward revision of Service Solutions sales?

A: Plant sales were revised downward due to delays in receiving orders from China and other regions that were expected at the beginning of the fiscal year. Service Solutions performed well through the 2Q and are expected to be revised upward for the full year. Therefore, the Water Treatment Engineering Business Unit as a whole is expected to achieve the initial plan.

Q: Although Service Solutions sales are expected to grow in the second half, it appears this will not impact profits.

A: Service Solutions sales are projected to be higher in the second half than in the first half. However, we are taking a somewhat conservative view of full-year profits given future progress, while still expecting a slight upside.

Q: What is the background for the upward revision of order plans for Japan?

A: In addition to changes in the number and size of large-scale projects in Japan we plan to receive, Service Solutions in Japan have been performing strongly, leading us to upwardly revise the full-year forecast.

Q: Regarding the order outlook for the second half, you mentioned expecting large-scale orders in Japan. Do you anticipate a skew in orders and profits between the 3rd and 4th quarters?

A: Regarding orders received, order timing can shift forward or backward from our expectations depending on when customers place orders. We do not make quarterly projections, and we anticipate securing large-scale projects in Japan in the second half. Although we have not established specific plans for the 3rd and 4th quarters, the profit margin typically improves toward the latter half of the fiscal year. Forecasting is difficult because market fluctuations can also have an impact.

Q: Can profitability in the electronics industry be maintained going forward? Could you also comment on trends by region?

A: If the current supply-demand environment and competitive conditions continue, we believe we can maintain current profit levels. In Japan and Taiwan, Service Solutions are growing, so we expect stable profits. China relies heavily on Plant projects, and the investment trends of semiconductor customers significantly impact performance. Although we expect continued active investment in the United States, securing profits will be a major challenge amid high personnel expenses and potentially lower labor productivity. We aim to maintain our high share in cutting-edge semiconductors while keeping the profitability of the electronics industry at current levels.

Q: Expansion in the electric power sector is also expected. What is the expected impact and outlook for performance?

A: In the electric power sector, we anticipate opportunities from Service Solutions related to restarting existing nuclear power plants and replacing thermal power plants. However, we do not expect rapid expansion, so the impact on consolidated results is expected to be limited.

Q: Is the increase in orders received in Europe and the United States due to larger project sizes or the acquisition of new customers?

A: In Europe, while we have received orders for investment projects from major customers in Germany, the scale is smaller than United States projects. In the United States, orders are growing mainly for plants, maintenance, and renovation work for major customers. We expect business expansion based on these aggressive capital expenditures by customers.

Forward-looking statements such as the forecasts in this document regarding business are based on information available at the time of preparation and are therefore subject to risk and uncertainty. Actual performance may differ from these projections.