FY2026 Q2
(2026/4-2026/9)

Financial Results Briefing

November 11, 2026



TEKSCEND PHOTOMASK

INDEX

Part 1: FY2026 Q2 Financial Results
Director, Executive Officer & CFO
Seiichi Itoga

Part 2: Market Environment Update
Representative Director, President & CEO
Teruo Ninomiya

Part 1: FY2026 Q2 Financial Results

Financial Highlights and Analysis - Overview

	FY2026 Q2	
Revenue Growth	**YoY +19.7%**	• Strong demand in semiconductor market for AI and data center-related products along with the ongoing progress in miniaturization • Merchant Photomask Market Growth: - Outsourcing of advanced-nodes photomasks continues as captive manufacturers concentrating on leading-edge technologies - Supported by semiconductor market demand, the performance of foundry related business is solid mainly in advanced-nodes products compared with last year (As reference: FY2026 Q2 Revenue increased by 11.4% in US dollars)
Operating Profit Margin	**24.6%** **YoY +2.4pt**	• Operating profit margin for FY2026 Q2 increased by 2.4 pt YoY ⇒ Profit margins improved due to a more favorable product mix driven by increased orders for advanced products, offsetting higher fixed costs from newly installed equipment
EBITDA Margin	**37.5%** **YoY +0.2pt**	• EBITDA margin※1 for FY2026 Q2 increased by 0.2 pt YoY ⇒ Margin improved due to a more favorable product mix driven by increased orders for advanced products
CAPEX	**H1 Actual** 22.7 BJPY / **Plan** 63.0 BJPY	• We are allocating our CAPEX to advanced nodes to drive growth - Establishing a new manufacturing fab in Singapore - Expanding advanced-nodes production lines in the U.S. and Korea

* EBITDA = Profit Attributable to Owners of the Company + Income tax expenses –Finance income + Finance costs + Depreciation and amortization, EBITDA Margin = EBITDA / Revenue.

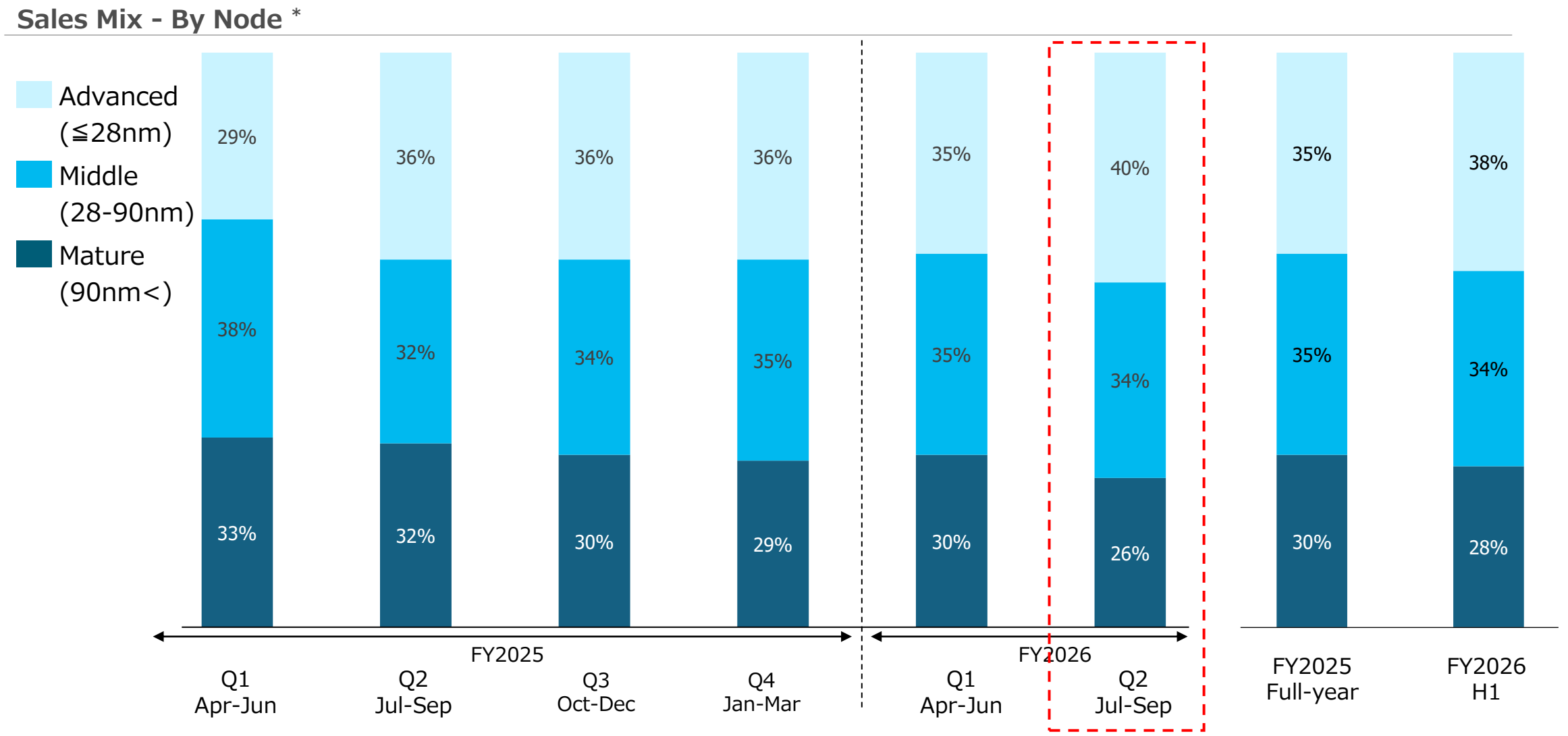
Consolidated Financial Results – P/L for FY2026 Q2

- **Revenue**: Increased YoY and QoQ, driven by strong demand for advanced-nodes products, primarily in Asia
- **Operating Profit**: Increased YoY and QoQ due to an improved product mix resulting from Increased orders for advanced-nodes products
- **Profit Attributable to Owners of the Company** : Decreased YoY due to a decrease in the fair value of financial assets, but increased QoQ due to a decrease in income tax expenses

(MJPY)	FY2026			Percentage Change		
	Q1	Q2	H1	YoY FY2026 Q2 vs FY2025 Q2	QoQ FY2026 Q2 vs FY2026 Q1	YoY FY2026 Q1–Q2 vs FY2025 Q1–Q2
Revenue	**34,518**	**37,944**	**72,462**	19.7%	9.9%	17.3%
Gross Profit Margin	*33.2%*	*36.6%*	*35.0%*	1.6 pt	3.4 pt	1.1 pt
Operating Profit	**7,360**	**9,339**	**16,699**	33.0%	26.9%	29.5%
Operating Profit Margin	*21.3%*	*24.6%*	*23.0%*	2.4 pt	3.3 pt	2.1 pt
Profit for the period	5,300	6,752	12,053	-1.8%	27.4%	-2.4%
Profit Attributable to Owners of the Company	**5,300**	**6,752**	**12,053**	-1.8%	27.4%	-2.4%
Exchange Rate (USD/JPY)	160.72 yen	159.36 yen	160.04			
As reference						
EBITDA (MJPY)	12,228	14,231	26,460	20.4%	16.4%	20.3%
EBITDA Margin	***35.4%***	***37.5%***	***36.5%***	***0.2Pt***	***2.1Pt***	***0.9Pt***
Revenue (KUSD)	214,771	238,103	452,774	11.4%	10.9%	7.1%
Operating Profit (KUSD)	45,795	58,603	104,344	23.8%	28.0%	18.2%

Sales Mix - By Node

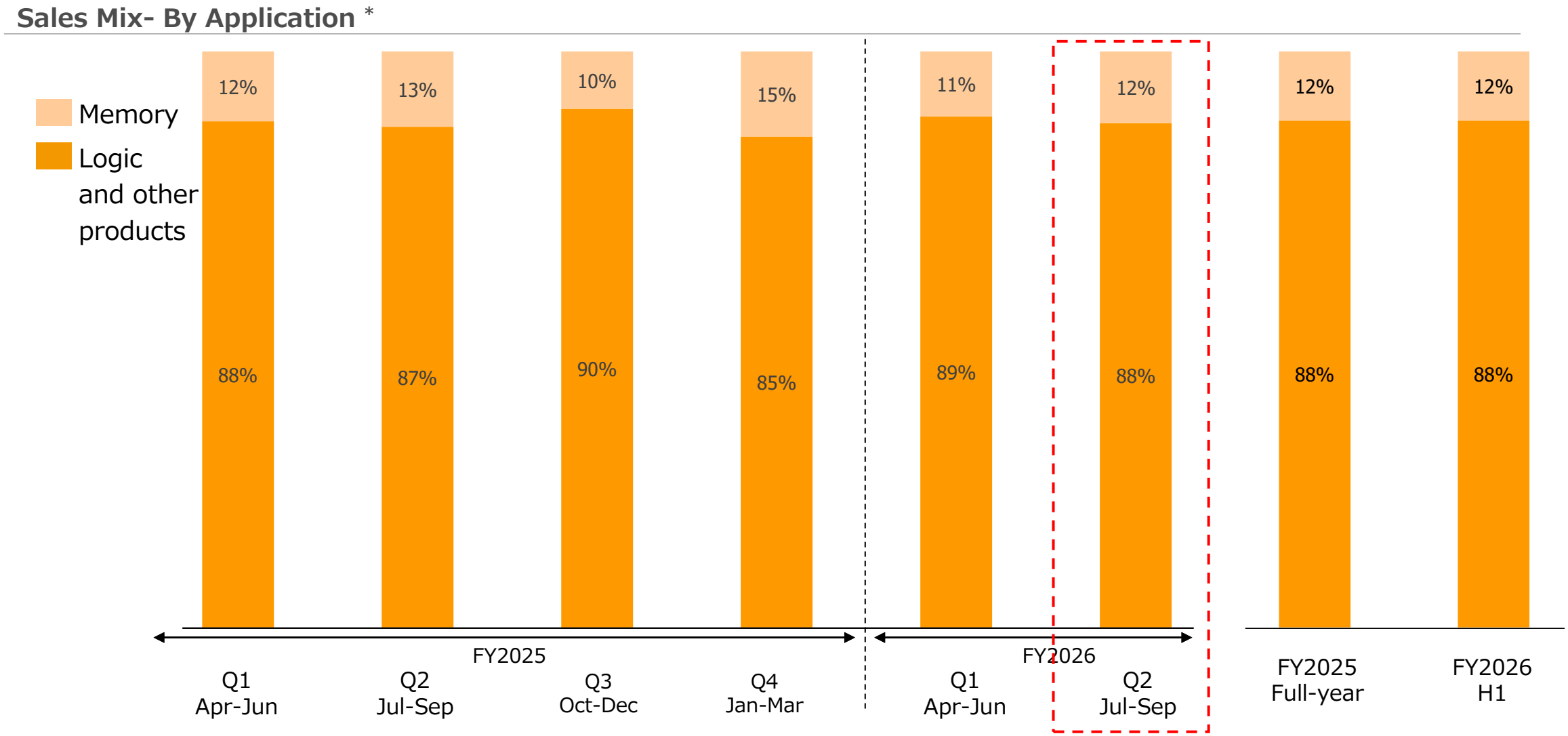
- Demand for advanced logic remained strong, and the revenue share of advanced-nodes (≤28 nm) rose to 40%.



* Based on the Photomask product sales revenue

Sales Mix - By Application

- Demand for memory also remained firm against the backdrop of AI-related investments, with both logic and memory maintaining a stable demand environment.

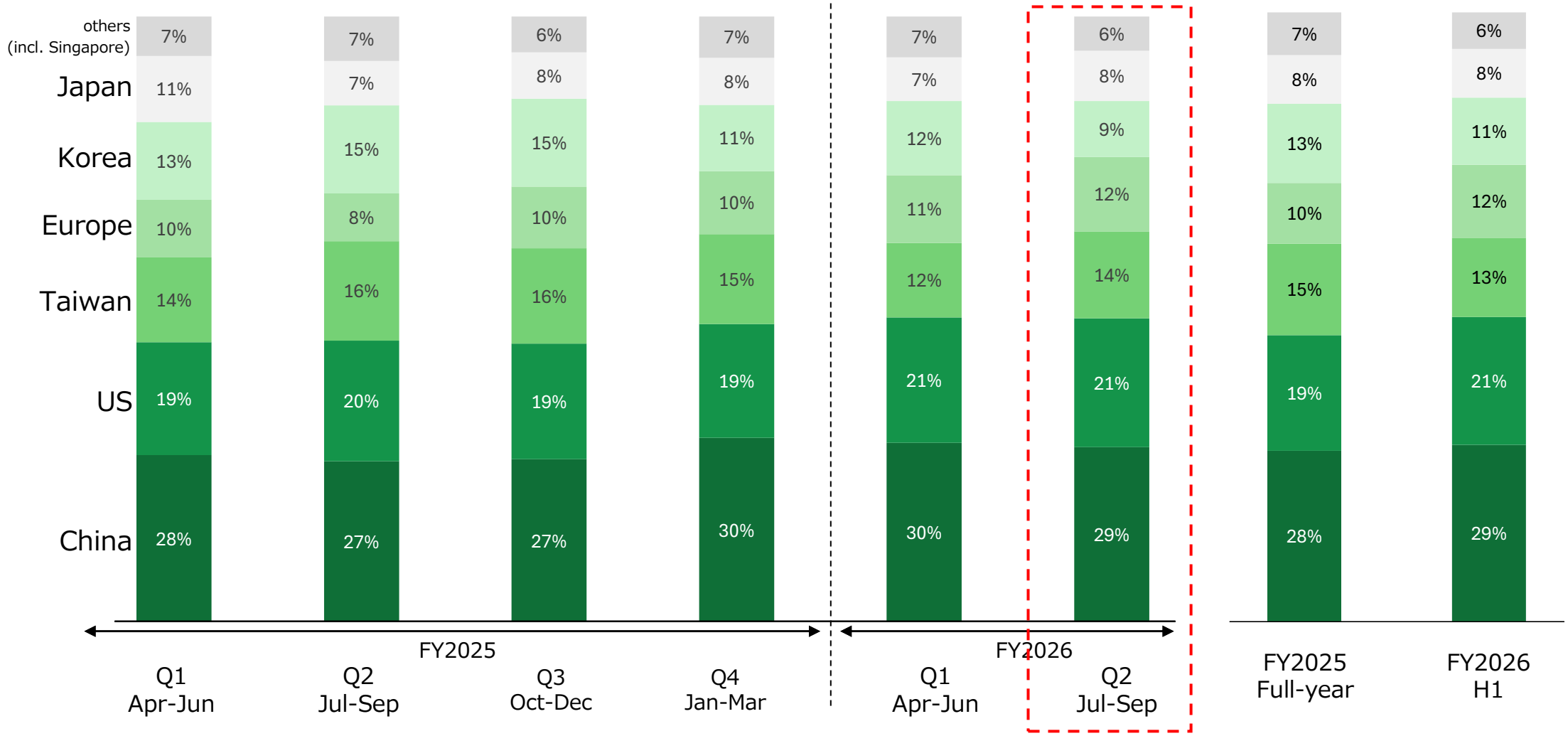


* Based on the Photomask product sales revenue

Sales Mix - By Region

- Global business expansion is progressing steadily. Revenue composition by region becomes more diversified, leading to a more varied customer portfolio.
- Sales to Taiwan recovered following the resolution of issues experienced in Q1. Demand for advanced products in other regions was also strong, contributing to an increase in the share of advanced products.

Sales Mix – By Region *

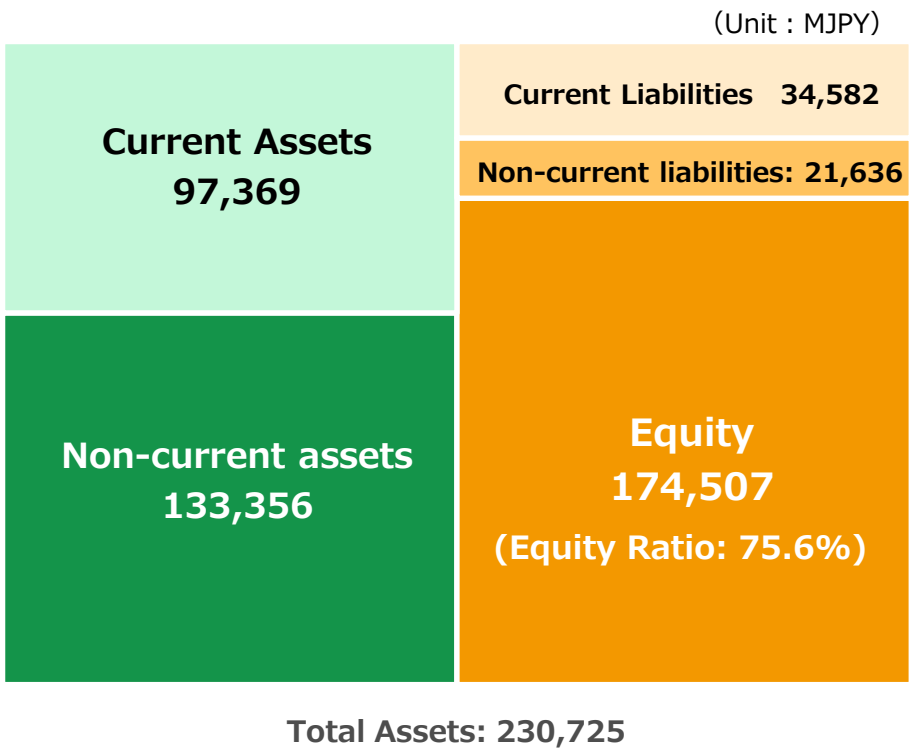


* Based on US Dollars

Consolidated Financial Results - B/S for FY2026 Q2

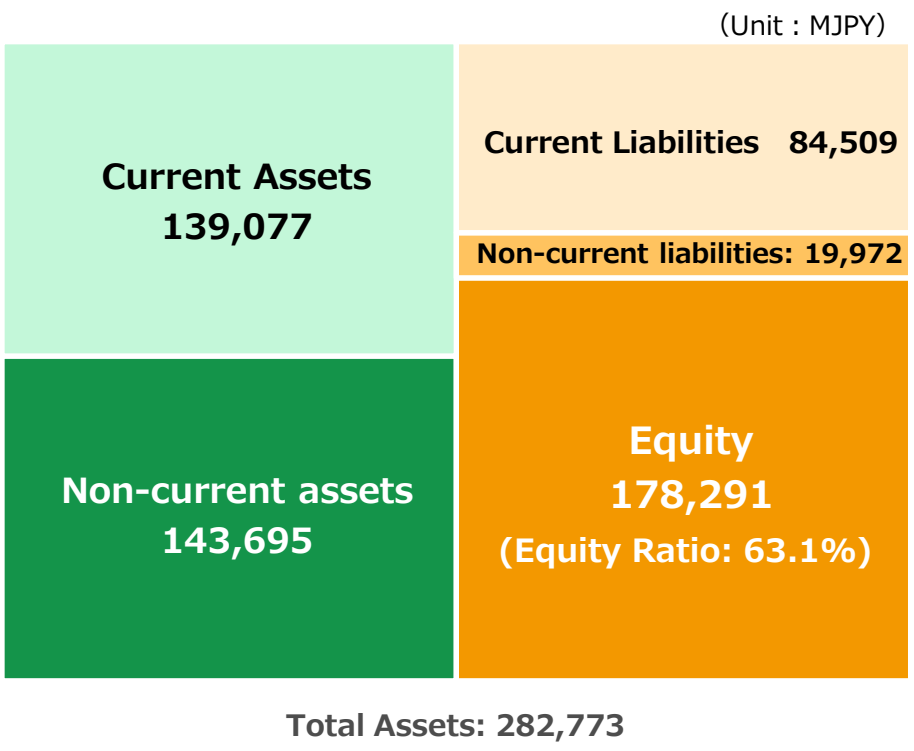
- Total Assets: Increased by 52,047 MJPY compared to the end of the previous fiscal year due to increases in cash and cash equivalents and property, plant, and equipment
- Liabilities: Increased by 48,263 MJPY compared to the end of the previous fiscal year due to bank borrowings to meet funding needs for new plant construction and equipment expansion
- Equity: Increased steadily due to first-half profits; however, the equity ratio fell to 63.1% due to the increase in liabilities

Balance Sheet（as of the End of March 2026）



Total Assets: 230,725

Balance Sheet（as of the End of September 2026）



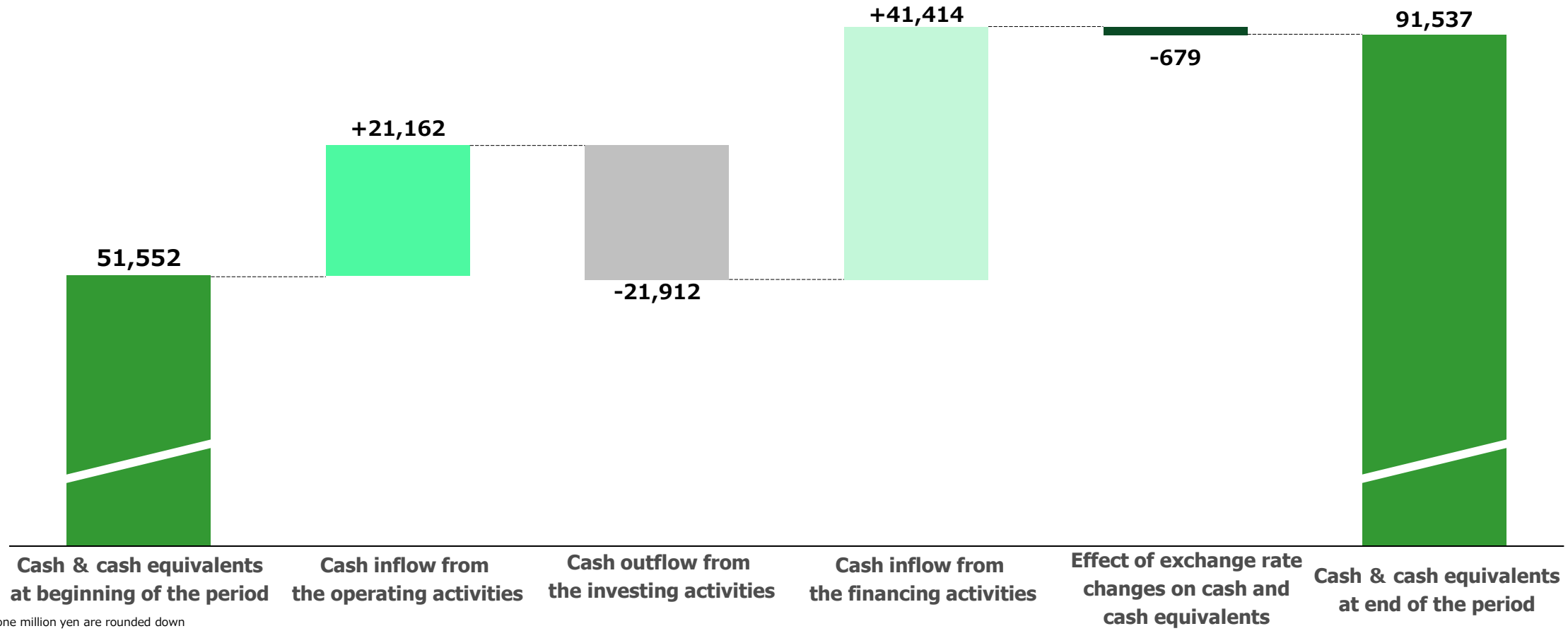
Total Assets: 282,773

Consolidated Financial Results - C/F for FY2026 Q2

- Operating Cash Flow: +21,162 MJPY, driven by profit before tax of 16,884 MJPY, depreciation and amortization of 9,475 MJPY, among other factors
- Investing Cash Flow: -21,912 MJPY, primarily due to payments for purchase of property, plant and equipment totaling 22,720 MJPY
- Financing Cash Flow: +41,414 MJPY, driven by bank borrowings of 50,000 MJPY and dividend payments of 5,556 MJPY for FY2025, among other factors

FY2026 H1 Cash Flow

(Unit: MJPY)



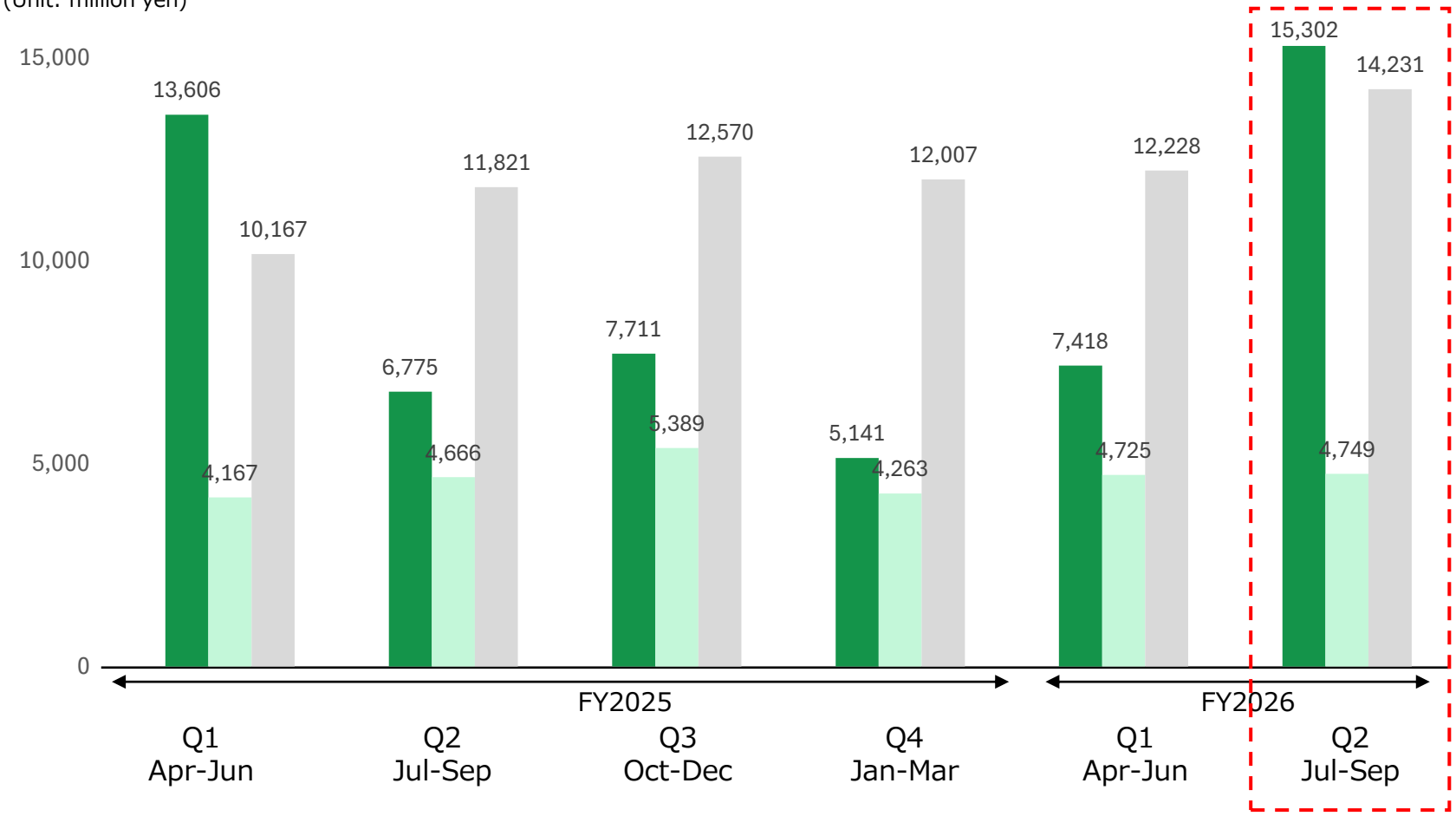
*Amounts less than one million yen are rounded down

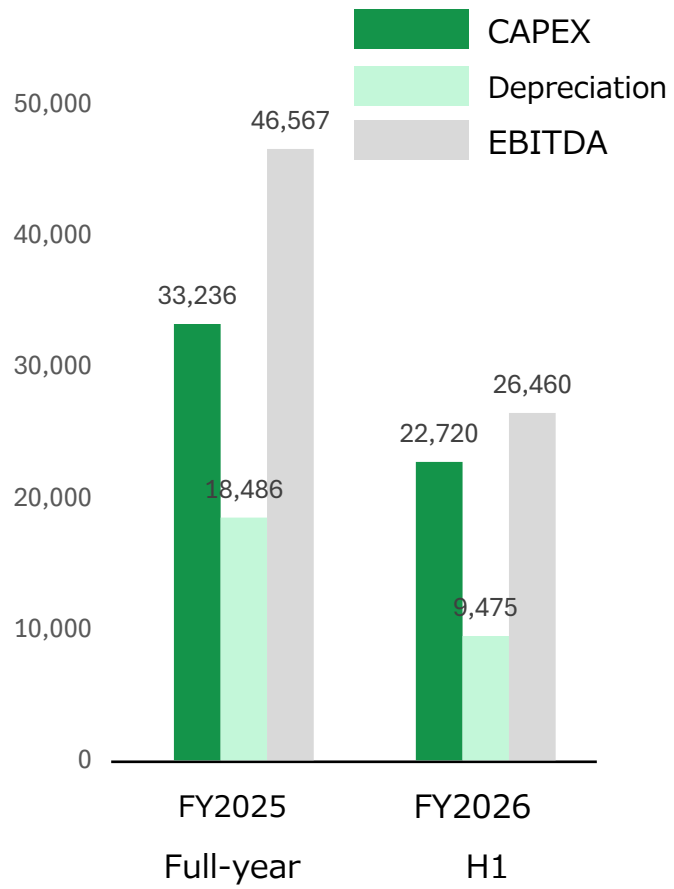
Consolidated Financial Results – CAPEX, Depreciation and EBITDA

- Capital expenditures expected to exceed EBITDA as growth investments enter the full-scale implementation phase; flexible funding through borrowings and other financing planned to address investment spending expected to significantly exceed operating cash flow this fiscal year.

FY2025 - FY2026

(Unit: million yen)





Progress Against FY2026 Full-Year Forecast

- We offset the difficulties in securing orders from major customers in Q1 with increased sales of advanced products and cost reductions in Q2, and progress is in line with the full-year outlook

MJPY	FY2026 Full-year (Initial Forecast)	FY2026 H1 (Result)	Progress Rate
Revenue	140,100	72,462	51.7%
Operating Profit	29,800	16,699	56.0%
Operating Profit Margin	21.3%	23.0%	
Profit Before Tax	31,200	16,884	54.1%
Profit before tax Margin	22.3%	23.3%	
Profit Attributable to Owners of the Company	23,700	12,053	50.9%
Margin of Profit Attributable to Owners of the Company	16.9%	16.6%	
Exchange Rate (USD/JPY)	145 Yen (plan)	160.04 Yen	-

Topics

Topics

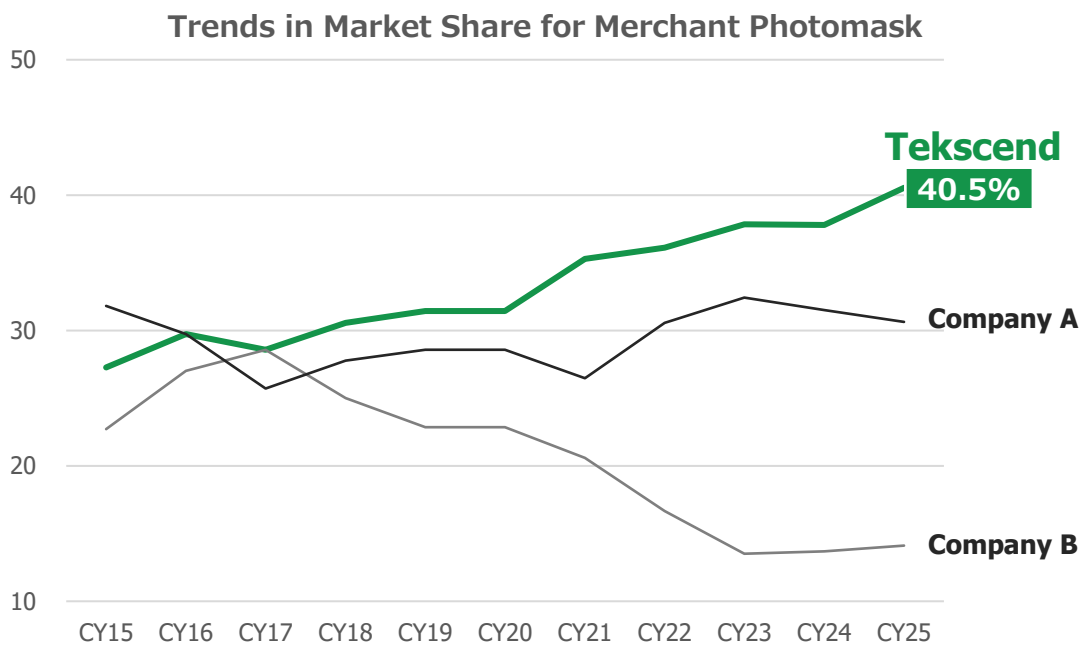
SEMI Merchant Photomask Market Share: 2025 Results Updated

- **Maintained the No.1 Position in the Merchant Photomask Market in 2025**

- SEMI annually publishes market share data for the merchant photomask market. The 2025 results were announced in August.

- Our market share stood at 40.5%, up 2.7 percentage points from the previous year, maintaining the No.1 market share.

- Since 2017, we have continued to expand our market share on an upward trajectory, marking the 10th consecutive year in the No.1 position and the first time we have exceeded 40%.



Rating Acquisition

- **Received a Long-Term Issuer Rating from Japan Credit Rating Agency, Ltd. (JCR) (announced on October 30, 2026)**

- This objective evaluation from a third-party organization aims to enhance management transparency and external credibility. Our business operations and financial condition were highly evaluated for their soundness.

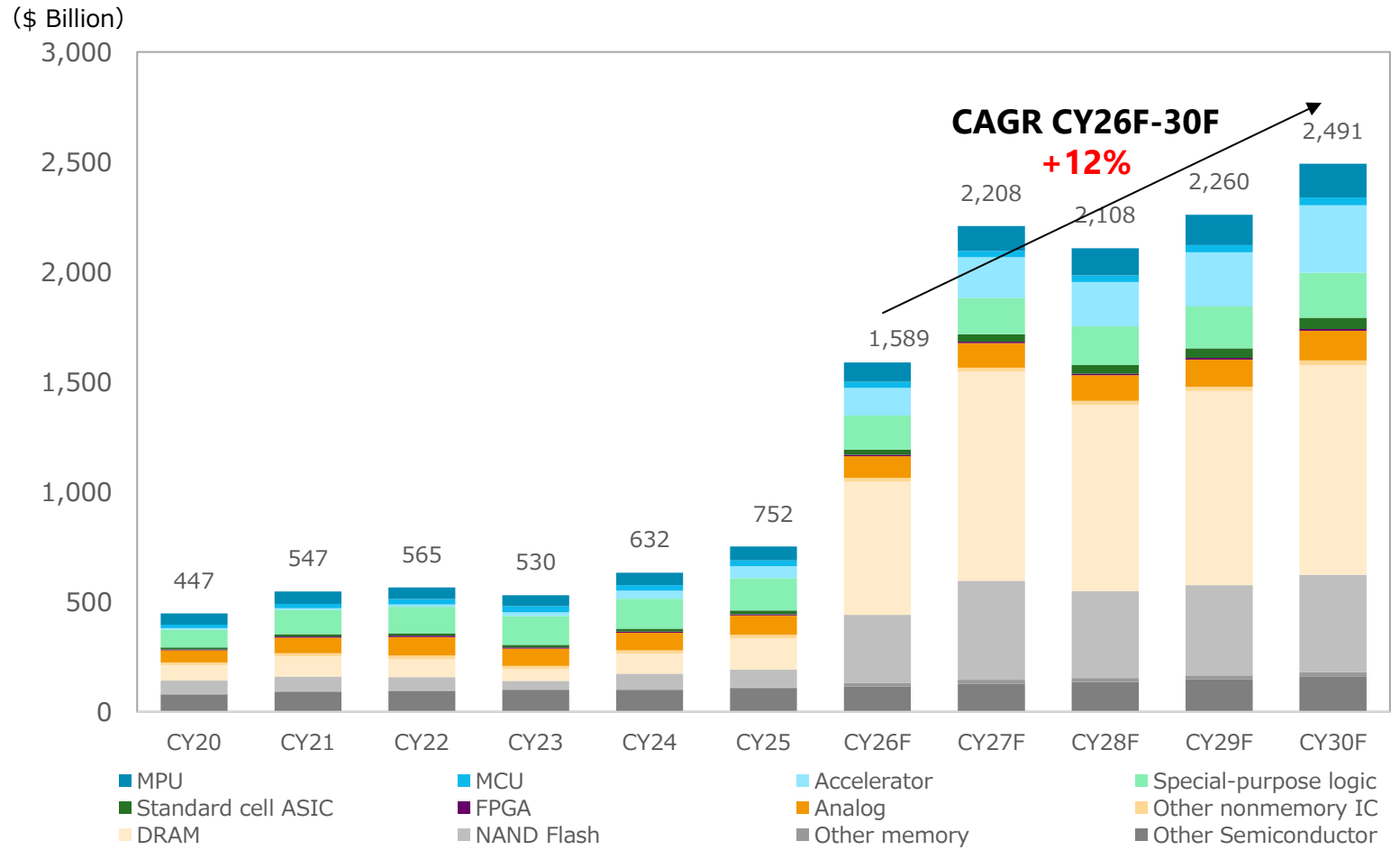
Rating Agency	Rating Subject	Rating	Rating Outlook
JCR	Long-Term Issuer Rating	A	Stable

Part 2: Market Environment Update

Market Environment (Semiconductor)

- Driven by AI-related demand and investment in cloud infrastructure, the semiconductor industry is expected to surpass $1 trillion early, led by memory in 2026, and enter an unprecedented growth phase reaching $2 trillion in 2027.
- While an adjustment phase is expected in 2028, the industry is expected to maintain robust growth at a CAGR of around 12% thereafter

Semiconductor Market Forecast by Product

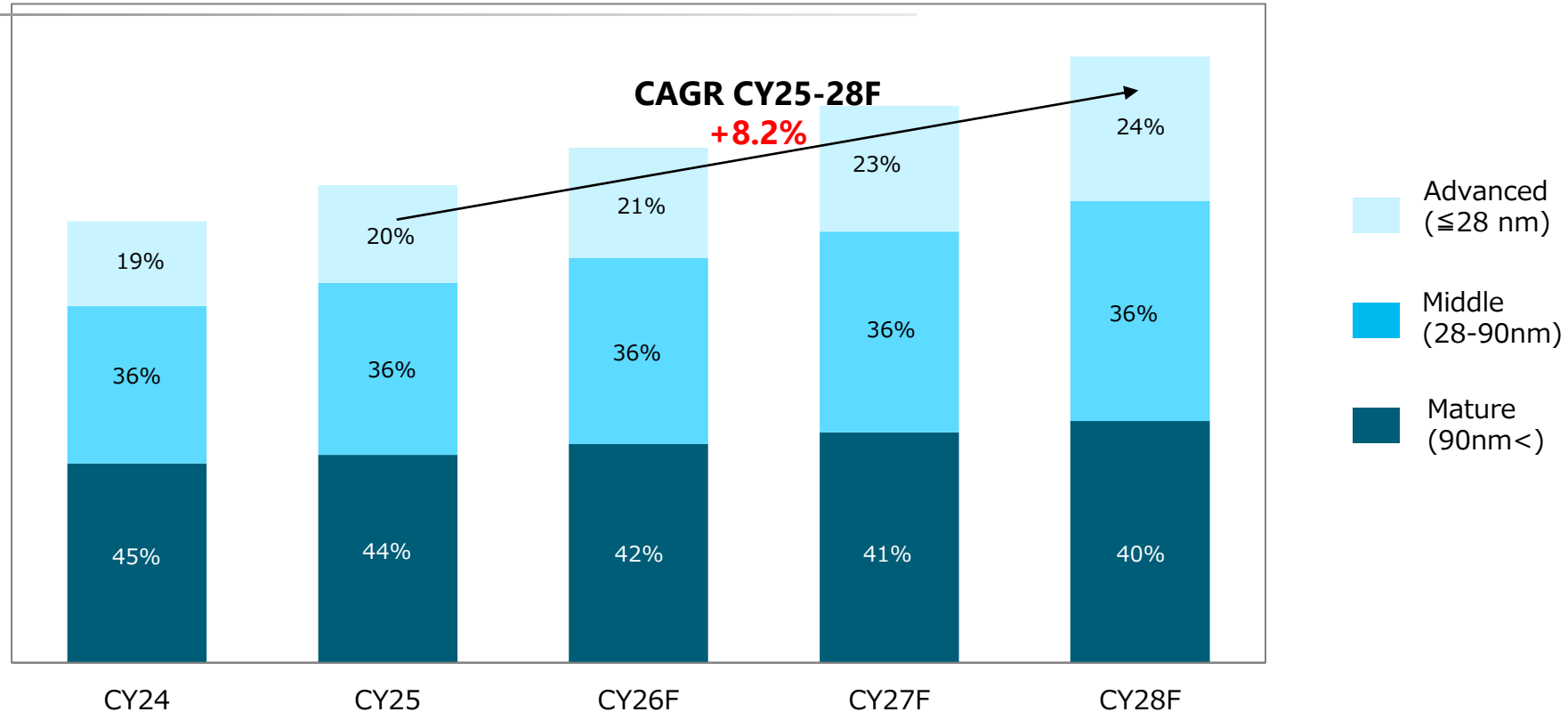


Source： IBS Oct 2026

Market environment (Increasing in the number of design start)

- Increasing demand for higher computing performance and power efficiency is driving growth in new semiconductor designs utilizing advanced-nodes.
- The adoption of AI technology is boosting productivity in EDA (Electronic Design Automation) and design processes, leading to shorter development cycles and reduced costs, which in turn is driving an increase in design demand.
- While designs for mature-nodes still account for the largest share of the market in terms of market size and project volume, designs for advanced-nodes are expected to grow at a significantly higher rate.

Trends in the Number of Designs (Merchant Photomask Market)



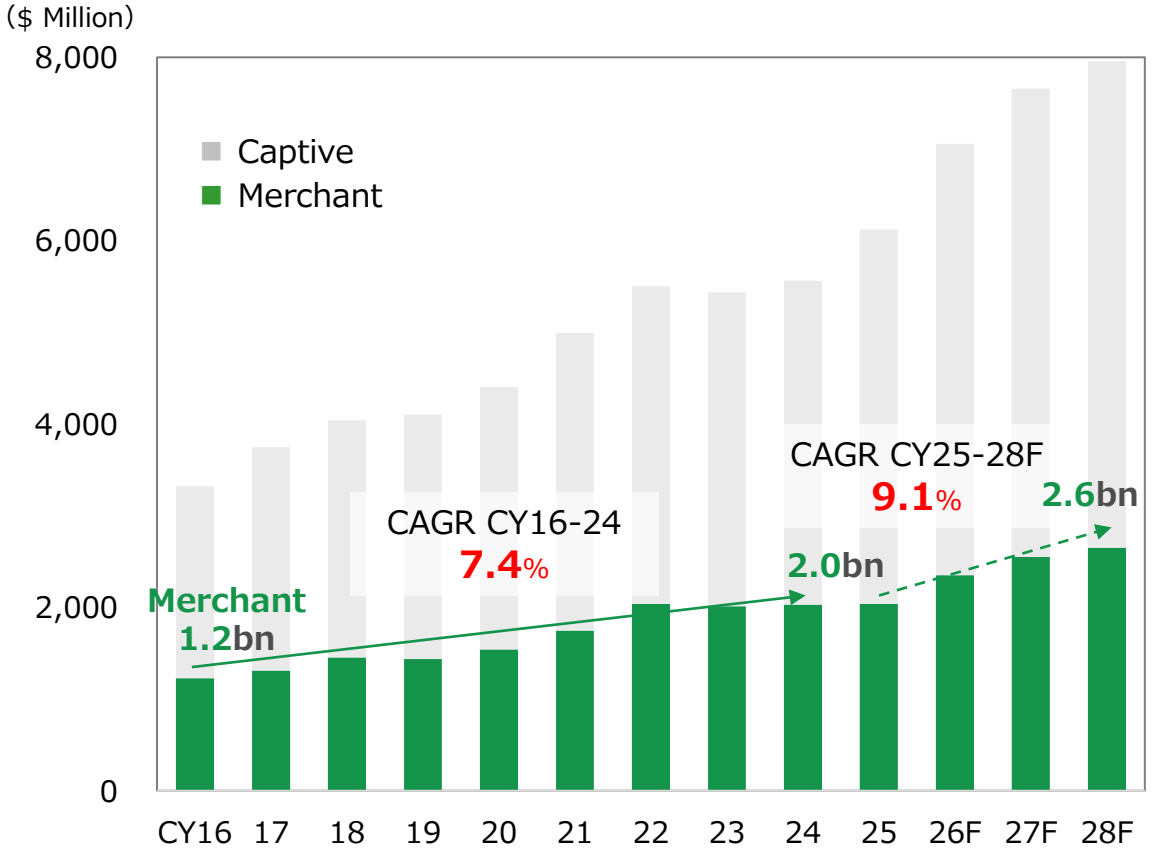
Source: : Tekscend Estimation

©Tekscend Photomask

Market Environment (Photomasks)

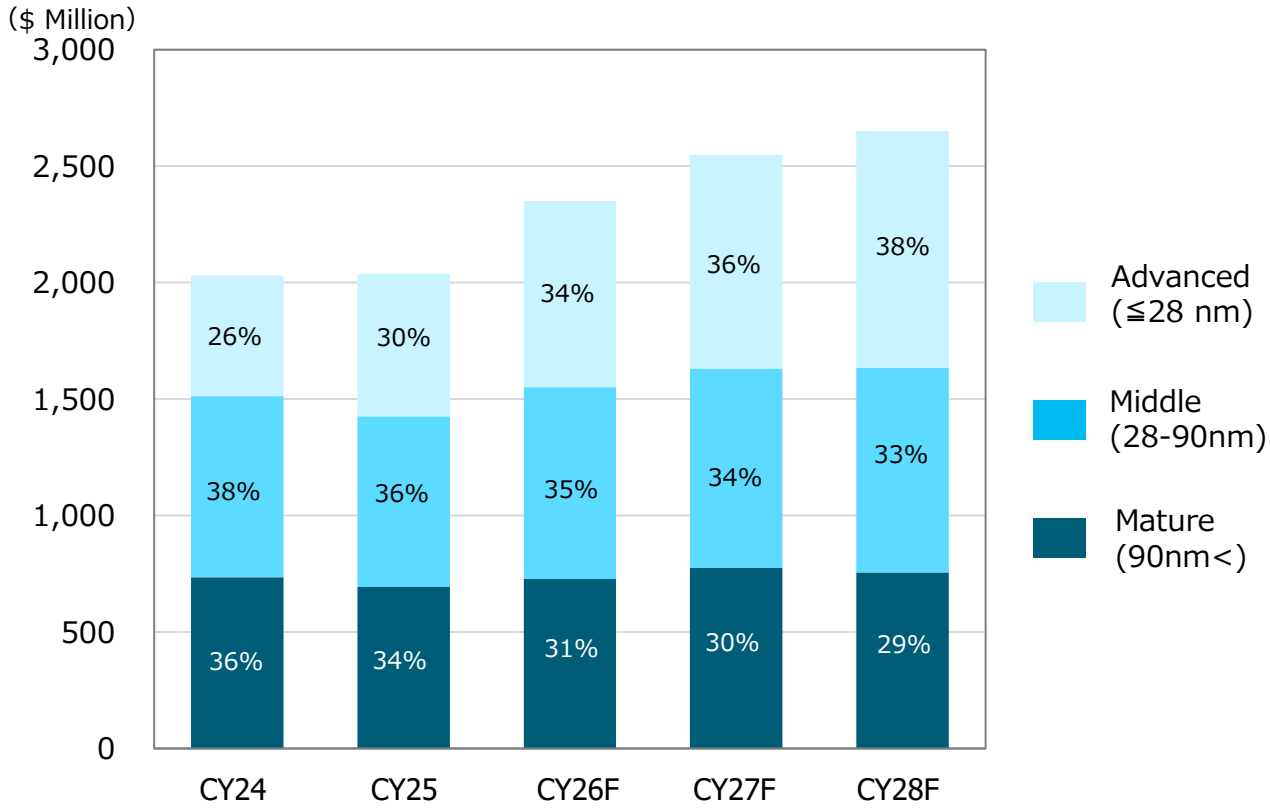
- In addition to AI-related demand, the increasing sophistication of semiconductors for automotive and telecommunications infrastructure is driving growth across the entire semiconductor market, which is expected to lead to an expansion in demand for photomasks.
- Against this backdrop, the merchant photomask market is projected to grow at a CAGR of 9.1%.
- Broken down by node, the merchant photomask market is expected to grow, driven primarily by the advanced-node segment.

Trends in the Photomask Market



Source: SEMI+ Tekscend Estimation

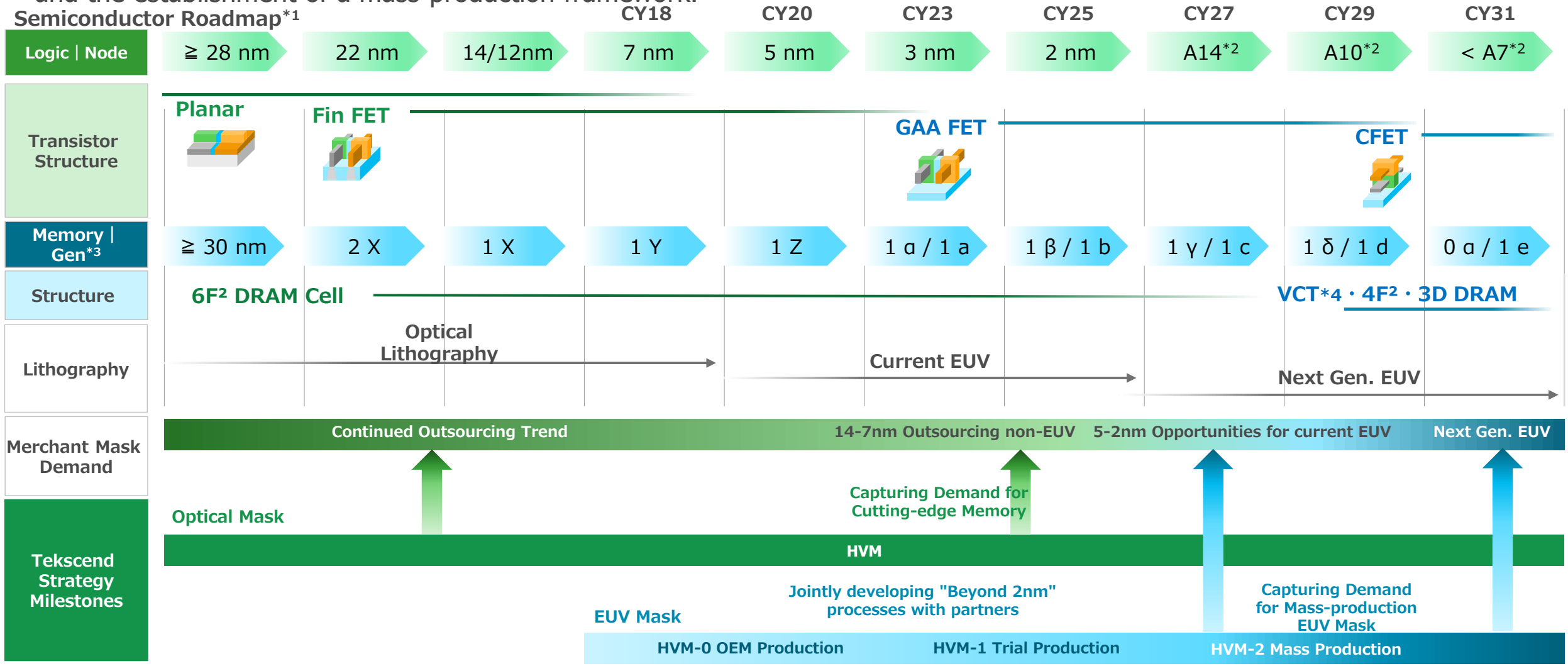
Trends in the merchant photomask market by node



©Tekscend Photomask

Expansion of the EUV business

- Shifting toward FinFET/EUV accelerate the outsourcing of masks, particularly in the cutting-edge segment
- In line with the semiconductor industry's process roadmap, Tekscend is progressively advancing the development of EUV masks and the establishment of a mass-production framework.



Note: *1: Logic based on imec's scaling roadmap and the Company forecasts
*2: A14=1.4nm, A10=1.0nm, A7=0.7nm
*3: Memory refers to typical DRAM generations. Name and mass-production timelines vary by company.
*4 : VCT = Vertical Channel Transistor
*5 : HVM = High Volume Manufacturing

Key Strength as the 1st Mask Vendor

1st Mask Vendor

1. Strong Customer Base
2. Wide Node Coverage from Mature to Advanced
3. Global Production Footprint
4. Joint Development with Leading Partners
5. Expansion of the EUV Business

Appendix

Financial Information P/L (Non-GAAP)

(MJPY)	FY2025				FY2026		FY2025
	Q1 Apr – Jun	Q2 Jul – Sep	Q3 Oct - Dec	Q4 Jan - Mar	Q1 Apr – Jun	Q2 Jul – Sep	Full-year
Revenue	30,076	31,695	34,462	33,341	**34,518**	**37,944**	129,576
Gross Profit	9,811	11,088	10,749	11,619	**11,464**	**13,873**	43,269
Gross Profit Margin	*32.6%*	*35.0%*	*31.2%*	*34.8%*	*33.2%*	*36.6%*	*33.4%*
Adjusted Operating Profit	5,981	7,208	7,104	8,111	**7,368**	**9,376**	28,407
Adjusted Operating Profit Margin	*19.9%*	*22.7%*	*20.6%*	*24.3%*	*21.3%*	*24.7%*	*21.9%*
Adjusted profit for the period /for the year	5,549	7,005	6,705	6,295	5,306	6,778	25,556
Adjusted profit Attributable to Owners of the Company	5,549	7,005	6,705	6,295	**5,306**	**6,778**	25,556
EBITDA	*10,167*	*11,821*	*12,570*	*12,007*	*12,228*	*14,231*	*46,567*
EBITDA Margin	*33.8%*	*37.3%*	*36.5%*	*36.0%*	*35.4%*	*37.5%*	*35.9%*
Adjusted EBITDA	10,275	12,009	12,645	12,513	*12,237*	*14,269*	47,444
Adjusted EBITDA Margin	*34.2%*	*37.9%*	*36.7%*	*37.5%*	*35.5%*	*37.6%*	*36.6%*
Exchange Rate (USD/JPY)	143.75	148.34	155.46	156.51	160.72	159.36	151.09

Note: This document contains certain financial metrics of the Company that do not comply with IFRS, such as EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA marginAdjusted Operating Profit、Adjusted profit Attributable to Owners of the Company. This financial information has not been prepared in accordance with Japanese accounting standards or IFRS, nor has it been audited.

Financial Information P/L (IFRS)

(MJPY)	FY2025				FY2026		FY2025
	Q1 Apr – Jun	Q2 Jul – Sep	Q3 Oct - Dec	Q4 Jan - Mar	Q1 Apr – Jun	Q2 Jul – Sep	Full-year
Revenue	30,076	31,695	34,462	33,341	**34,518**	**37,944**	129,576
Gross Profit	9,811	11,088	10,749	11,619	**11,464**	**13,873**	43,269
Gross Profit Margin	*32.6%*	*35.0%*	*31.2%*	*34.8%*	*33.2%*	*36.6%*	*33.4%*
Operating Profit	5,875	7,020	7,028	7,605	**7,360**	**9,339**	27,530
Operating Profit Margin	*19.5%*	*22.2%*	*20.4%*	*22.8%*	*21.3%*	*24.6%*	*21.2%*
Profit for the period/for the year	5,475	6,874	6,652	5,944	5,300	6,752	24,947
Profit Attributable to Owners of the Company	5,475	6,874	6,652	5,944	5,300	6,752	24,947
Depreciation	4,167	4,666	5,389	4,263	**4,725**	**4,749**	18,486
Depreciation Rate	13.9%	14.7%	15.6%	12.8%	**13.7%**	**12.5%**	14.3%
Exchange Rate (USD/JPY)	143.75	148.34	155.46	156.51	160.72	159.36	151.09

Financial Information B/S (IFRS)

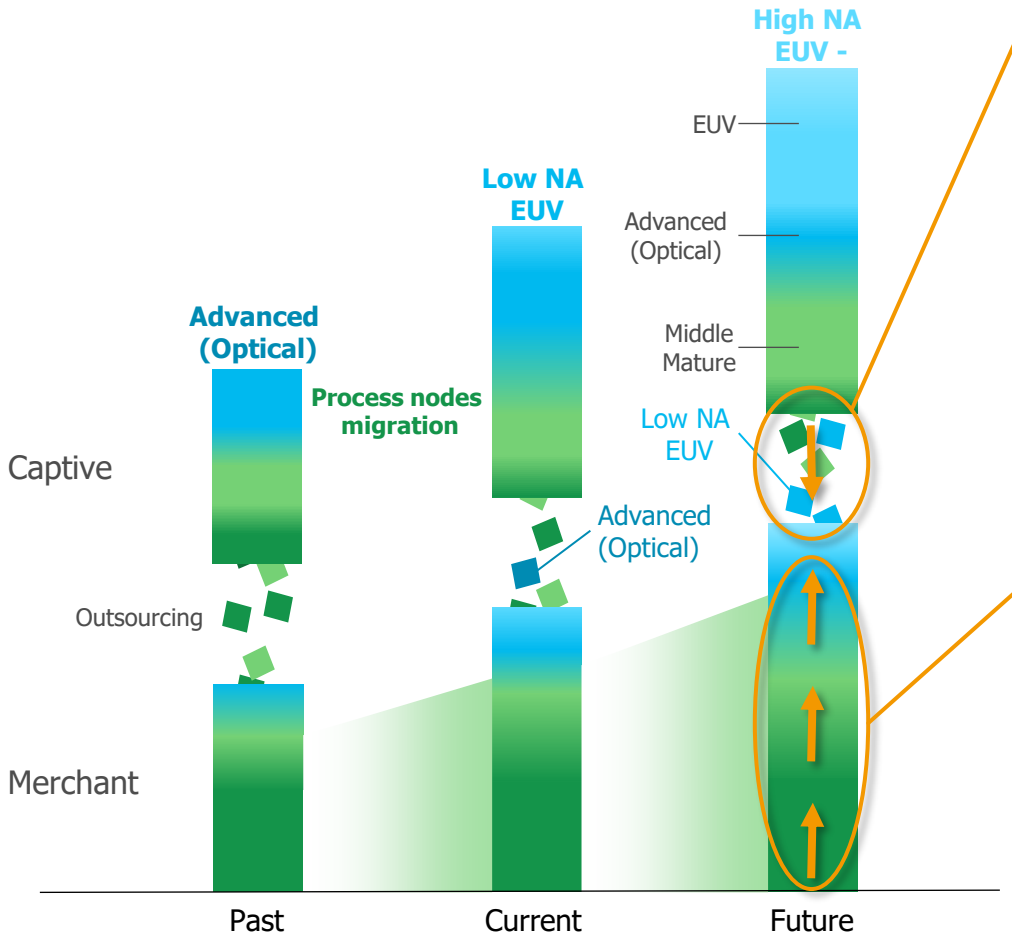
(MJPY)	As of March 31, 2026	As of Sep 30, 2026
Total assets	**230,725**	**282,773**
Cash and cash equivalents	51,552	91,537
Trade and other receivables	32,610	33,396
Other financial assets	12,520	11,030
Inventories	4,807	4,913
Property, plant and equipment	109,074	120,076
Investments accounted for using equity method	8,958	8,953
Deferred tax assets	2,199	3,211
Other assets	9,003	9,653
Total liabilities	**56,218**	**104,482**
Trade and other payables	19,065	20,928
Borrowings	1,460	50,199
Other financial liabilities	14,138	12,711
Income tax payable	4,645	3,622
Retirement benefit liabilities	3,374	3,565
Contract liabilities	4,884	4,003
Other liabilities	8,648	9,450
Total equity	**174,507**	**178,291**
Total liabilities and equity	**230,725**	**282,773**

Financial Information C/F (IFRS)

(MJPY)	FY2025 H1 Apr - Sep	FY2026 H1 Apr – Sep
Cash flows from operating activities	**16,278**	**21,162**
Profit before tax	15,429	16,884
Depreciation and amortization	8,833	9,475
Increase in working capital	-583	-1,523
Other operating activities	-5,207	-4,361
Changes in derivative assets and liabilities	-2,193	687
Cash flows from investing activities	**-22,776**	**-21,912**
Payments for purchase of property, plant and equipment	-20,381	-22,720
Collection of (Payments for) loans receivable	-2,299	821
Other investing activities	-94	-13
Cash flows from financing activities	**7,585**	**41,414**
Proceeds from issuance of new shares	—	—
Payments for purchase of treasury stock	—	—
Dividends paid	—	-5,556
Other financing activities	7,585	46,971
Free Cash Flow	**-6,498**	**-749**

Financial Highlights and Analysis - Merchant Photomask Market Growth Drivers

- Since FY2025 H2, outsourcing has been on an increasing trend, driven by capacity constraints in in-house production at memory manufacturers amid the AI boom.



New Demand - Accelerated Outsourcing from Captive Vendors

EUV Outsourcing Opportunities

- Conventional EUV* expected to be outsourced by acceleration of EUV adoption / migration to High-NA

Acceleration of Outsourcing in Advanced and Mature Nodes

- Increasing outsource demand for advanced nodes is expected due to greater focus on / Capex requirement for cutting-edge nodes
- Capacity limitation leads to accelerate the outsourcing of mature nodes

Existing Demand - Growing Demand from Chip Vendors Using Merchant Photomasks

Structural Demand Growth from Current Customers

- Semiconductor market expansion
- Expansion of fabs / production lines
- Growth / diversification of chip design
- More PM sheets / layers and increased ASP due to miniaturization

Low-NA EUV : EUV process currently used for manufacturing semiconductors in the 5–2 nm nodes
High-NA EUV : Next-generation EUV process under development for sub-1 nm semiconductor nodes

※ NA=Numerical Aperture

FY2026 Financial Outlook

MJPY	FY2026 Full-year Forecast	Growth Rate
Revenue	140,100	108.1%
Revenue Growth % in USD	**12.6%**	+1.7pt
Operating Profit	29,800	108.2%
Operating Profit Margin	**21.3%**	+0.2pt
Profit before tax	31,200	93.3%
Profit Attributable to Owners of the Company	23,700	95.0%
EBITDA Margin	**34.2%**	-1.7pt
Dividend per share	70.00yen	+14.00yen
Exchange Rate (USD/JPY)	145.00 Yen	-6.09 Yen

Market Trend

-Merchant Photomask Market Expansion

-Increase in mask demand driven by a growing number of Designs

-Margin expansion driven by a higher advanced-nodes mix

Cost Management

-Expansion of Advanced production Capacity

-Extending the useful life of legacy equipment and controlling renewal investments

-Lowering the SG&A ratio through appropriate cost management

-Optimizing workforce allocation through automation and AI

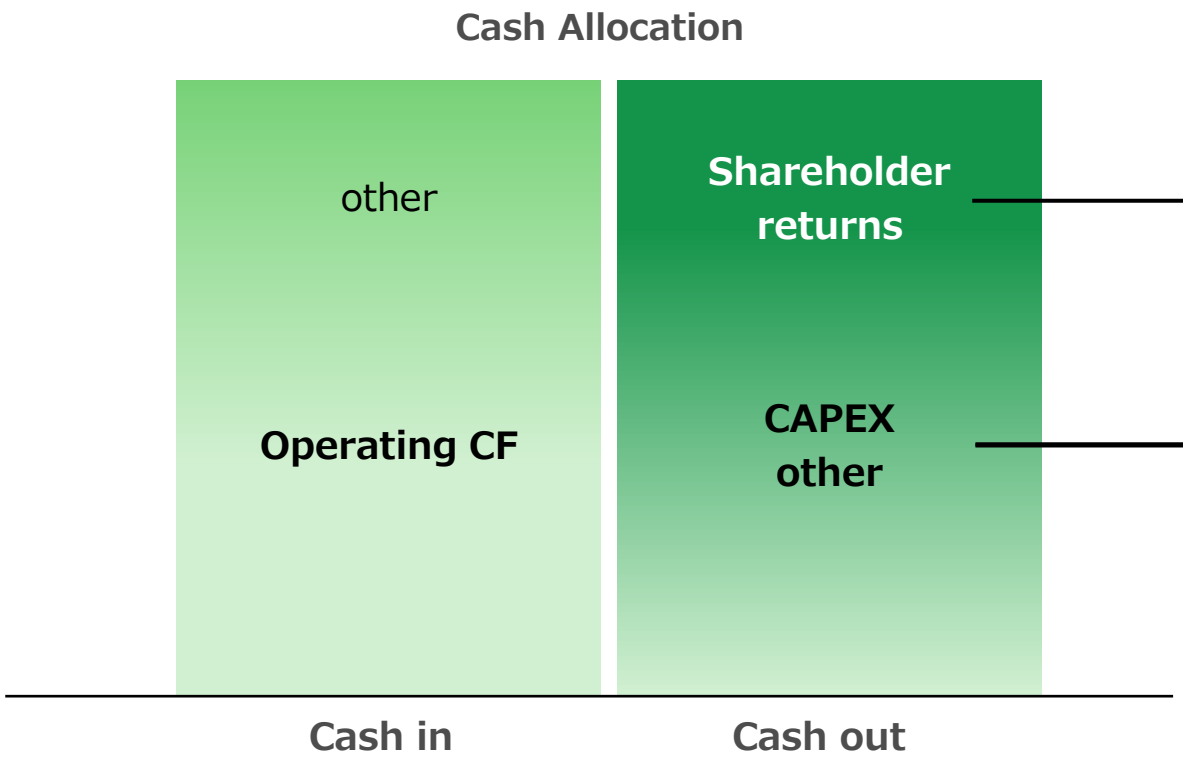
-Increase in expenses associated with the ERP system upgrade

Other Income

-Decrease in Finance Income(swap valuation gain)

Cash Allocation

- Cash In : Operating cash flow
  Debt financing from external sources (e.g., borrowings)
- Cash Out : Shareholder returns (approximately 30% payout ratio)
  CAPEX and others



Shareholder Returns

Dividend payout ratio: approximately 30%

Breakdown of Major Future CAPEX

1) Singapore New Plant
Production scheduled to start in H1 2027

2) US Round Rock Plant, Advanced
Production scheduled to start in H2 2027

3) Korea Icheon Plant, Advanced
Production scheduled to start in H2 2028

4) EUV-related
Mass production scheduled to start in 2027

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