

## Consolidated Financial Results Briefing for the Fiscal Year Ended March 2026 (April 28, 2026)

### Summary of Q & A

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Q1. It was explained that the product gross margin for the current fiscal year (FY 2027/3) is expected to be slightly lower than that in the previous fiscal year (FY 2026/3). In the current fiscal year, do you expect the product gross margin to improve in the first half but decline in the second half, due to the mass production launch of the new products?

A1. The full-year product gross margin for the current fiscal year is expected to be slightly lower than the level of the previous fiscal year (31.4%), but there may be quarter-to-quarter variations depending on the product mix.

Q2. For your full-year forecast for the current fiscal year, your assumption for the foreign exchange rate is 130 yen to 1 dollar. Why do you use an exchange rate that significantly deviates from the actual figure?

A2: Currently, a large portion of our business transactions are in foreign currency, as is the majority of our procurement costs. Therefore, our business is more likely to be impacted by fluctuations in FX rate. This is why we adopt this assumption, although it may be conservative. We also present the FX sensitivity. Moreover, because of the longer life cycle of our business from design win to development and mass production, we need to monitor the profitability of each project under a constant FX rate to assess long-term performance. For that purpose, we think we should use a conservative and consistent rate.

Q3. I believe end-market demand is currently being affected, as seen in the slowdown in EV demand in China and the shortage of memory products, among others. Does this also have an impact on your business, in terms of the full-year forecast for the current fiscal year?

A3. Regarding the impact of EV demand in China, we see that individual companies' demand status differs from that of the overall EV market. The customer, for whom we launched mass production and started delivering product last year, will have a higher volume in this fiscal year, as we will be shipping throughout the year, although there may be some fluctuations depending on the market situation. We will also start new mass production for the US automotive market, so the revenues are expected to increase.

As for the impact of memory shortage, I understand that many of our customers are affected in terms of supply volume and pricing. However, the situation differs for each individual customer. There are a few cases where we procure DRAMs for our customers. However, in general, we work together with customers and try to secure the required volume in advance. We also provide engineering evaluation support to customers when switching DRAMs. We have already taken certain risks into account in our forecast, but we will continue to closely monitor the situation.

Q4. Please let us know your Design Win Amount goal for the current fiscal year.

A4. We would like to secure at least the same amount as last fiscal year, but we are striving to exceed that level. This fiscal year, we aim to achieve a balanced mix of design wins from Data Center & Networking and Automotive sectors.

Q5. Regarding the Medium-Term Targets, the target figures differ significantly from actual results of the previous fiscal year. Do you think you can achieve them?

A5. Net sales returned to a growth track in the second half of FY2026/3, and is expected to exceed the assumptions set when the Medium-Term Targets were formulated (in April 2025). As for operating income and margin, both the FY2026/3 results and the FY2027/3 forecast fall short of the Medium-Term target assumptions in terms of both the amount and the percentage, since the product gross margin for those periods is also lower than the assumptions. For FY2028/3 and beyond, product gross margin is expected to remain below the Medium-Term Target assumptions, but we expect that this will be offset by the revenue growth, leading to an increase in operating income. We also expect that the operating leverage effect from the revenue growth to improve operating margin.

Q6. Regarding the product in the Data Center& Networking sector, for which you acquired the design win in FY2025/3, as well as the automotive product that entered mass production in FY2026/3, could these products be sold to other customers or for other applications?

A6. Regarding the data center CPU product, it is currently transitioning from the final sample evaluation to the mass production preparation phase. If we can ramp up the production smoothly, I believe there are chances that we can expand the business to other customers, given the growing demand for data center CPUs. As for the automotive product which we started mass production in the previous fiscal year, there has been some discussion about adopting the product for non-automotive applications. However, we have not confirmed any specific opportunities at this moment.

Q7. Regarding the business opportunities in CPU, we see that your company is mentioned as a supporting partner of a major IP vendor. Do you expect further business growth in the future?

A7. We maintain close and strong partnership with this IP vendor. The vendor has expressed their intention to expand their business not just for IPs but also for products that utilize the ecosystem, as well as for the chips they develop and deliver by themselves. I believe we can leverage our partnership in either of these business models. In the leading-edge data center SoCs, new designs are being adopted, in which functions such as compute, memory and I/O are designed as separate chiplets and integrated in order to meet performance, power consumption and cost targets. We have rich experience in leveraging their ecosystem. In addition, we announced the Flexlets, our distinctive solution for integrating memory and I/O chiplets. We would like to take advantage of the partnership to enhance our technological capability, as well as to expand our business.