2023.3 Corporate Strategy Meeting

April 28, 2022

Enplas Corporation

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Agenda

Management Policy・・・・・・・Daisuke Yokota, President

- Mid- to Long-term Direction
- Management Policy
- Risk Recognition and Countermeasure

Annual Results・・・・・・・・・・・Shigeya Fujita, Executive Officer

- 2022.3 Financial Results
- 2023.3 Financial Forecast

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2023.3 Management Policy

Enplas Corporation
Daisuke Yokota, President

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Current Status (From founding to Today)

From founding to Thirty Years

Foundation of mold building and injection molding technology
- Mechanics
- Electronics

Mainly domestic

From Thirty Years to Today

Progress in technology diversification
- Mechatronics
- Optics
- Biology

Global

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Mid- to Long-term Direction

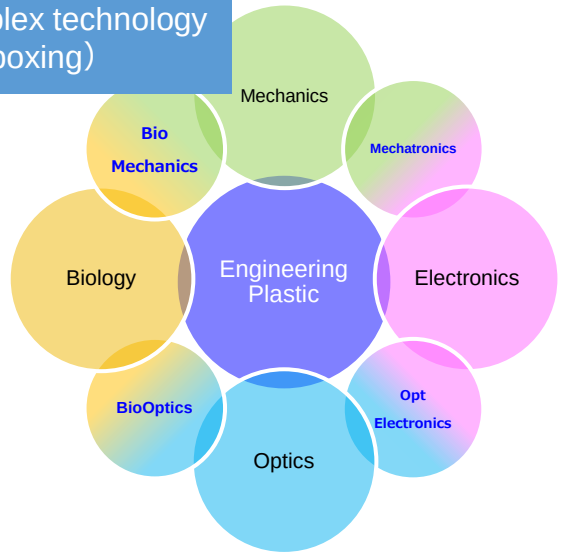
Dealing with Uncertainty

Speed and competition accelerates
Market and customer value change

Focus on Essential Business Fields

Customer use→Essential

Building devices by multiplex technology (Pursuit of black boxing)



And Process Engineering

Global localization

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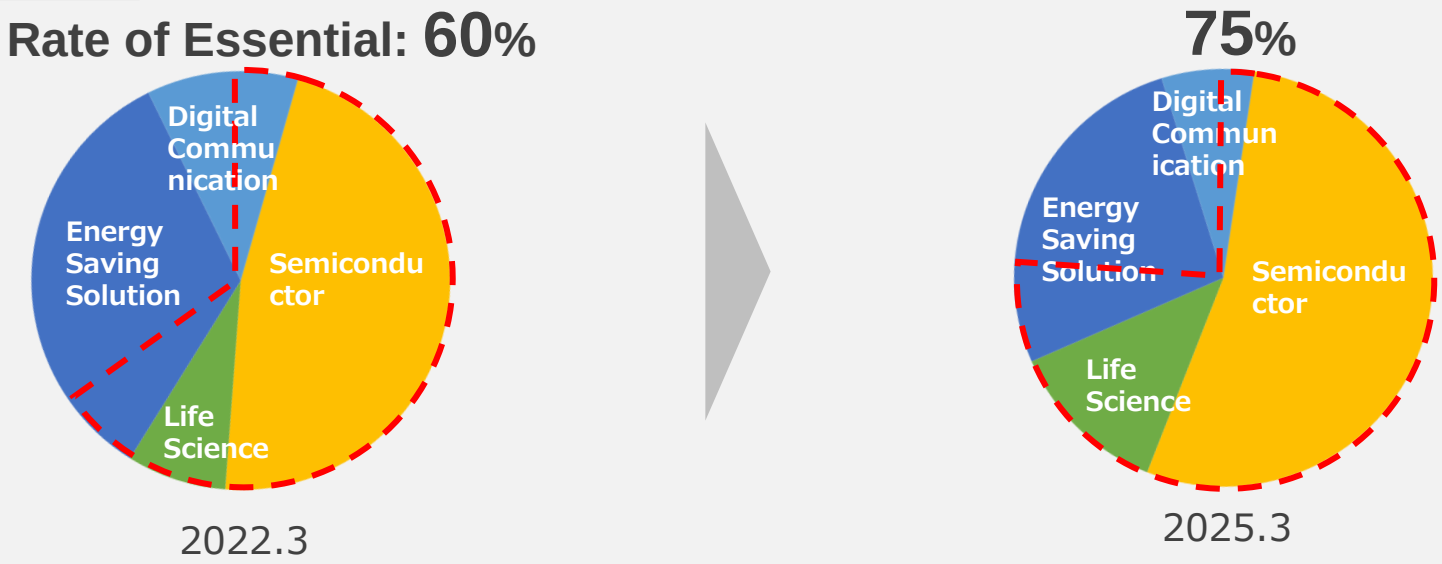
Management Policy: Business Portfolio (Mid term Strategy)

Focus on Essential Business Fields※

Semiconductor	Already essential and high growth business
Life Science	
Energy Saving Solution	Transition to more essential areas within the business e.g. Eco friendly cars, Optoplanics
Digital Communication	

※Essential Business Field: The Field enhancing the Quality of Life (QOL) of People and the Earth

Image of Sales breakdown



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Management Policy

Management Policy

Grow by Co-Creation and Competitiveness

Priority Items

- **Enhance our Competitiveness**
- **Co-create more**
- **Pursue the 3N’s (New technology, New customer, New applications)**

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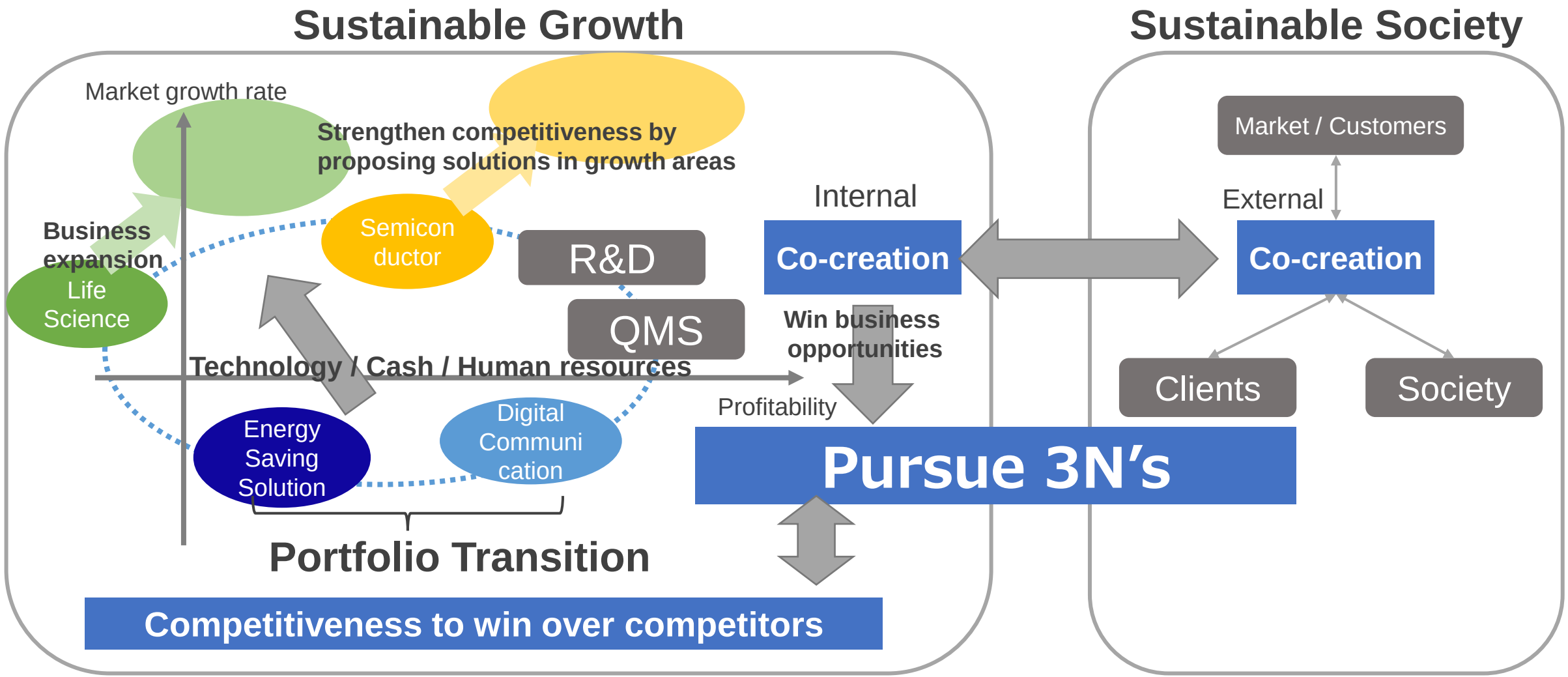
Management Policy: Business Portfolio (Priority Items)



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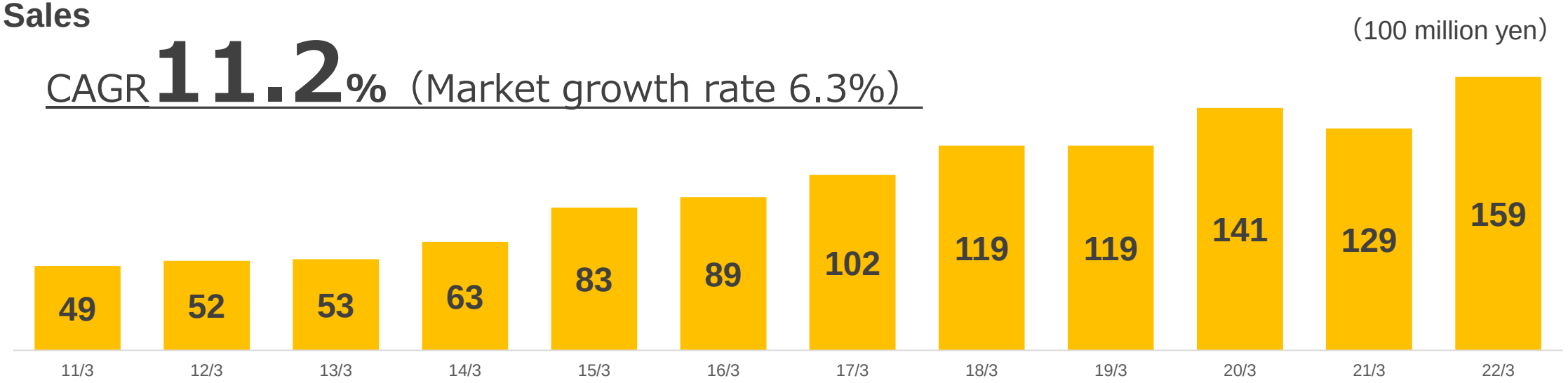
Competitiveness of Semiconductor Business

Sales

CAGR **11.2%** (Market growth rate 6.3%)



Strength: “Customer oriented system”

1 **Development**

Socket development in line with **customer’s** development roadmap.
(Sockets for miniaturization, larger sizes, and chiplet)

2 **Sales**

Customer-focused sales teams in 12 countries and regions around the world.
(Global Account Management)

3 **Production**

Production system to meet **customer** requirements.
(Cost reduction through molds, automated assembly machines, and lead time)

4 **Field support**

Enhancement of **customer** support system after the socket sales.
(Support from the nearest domestic and overseas offices)

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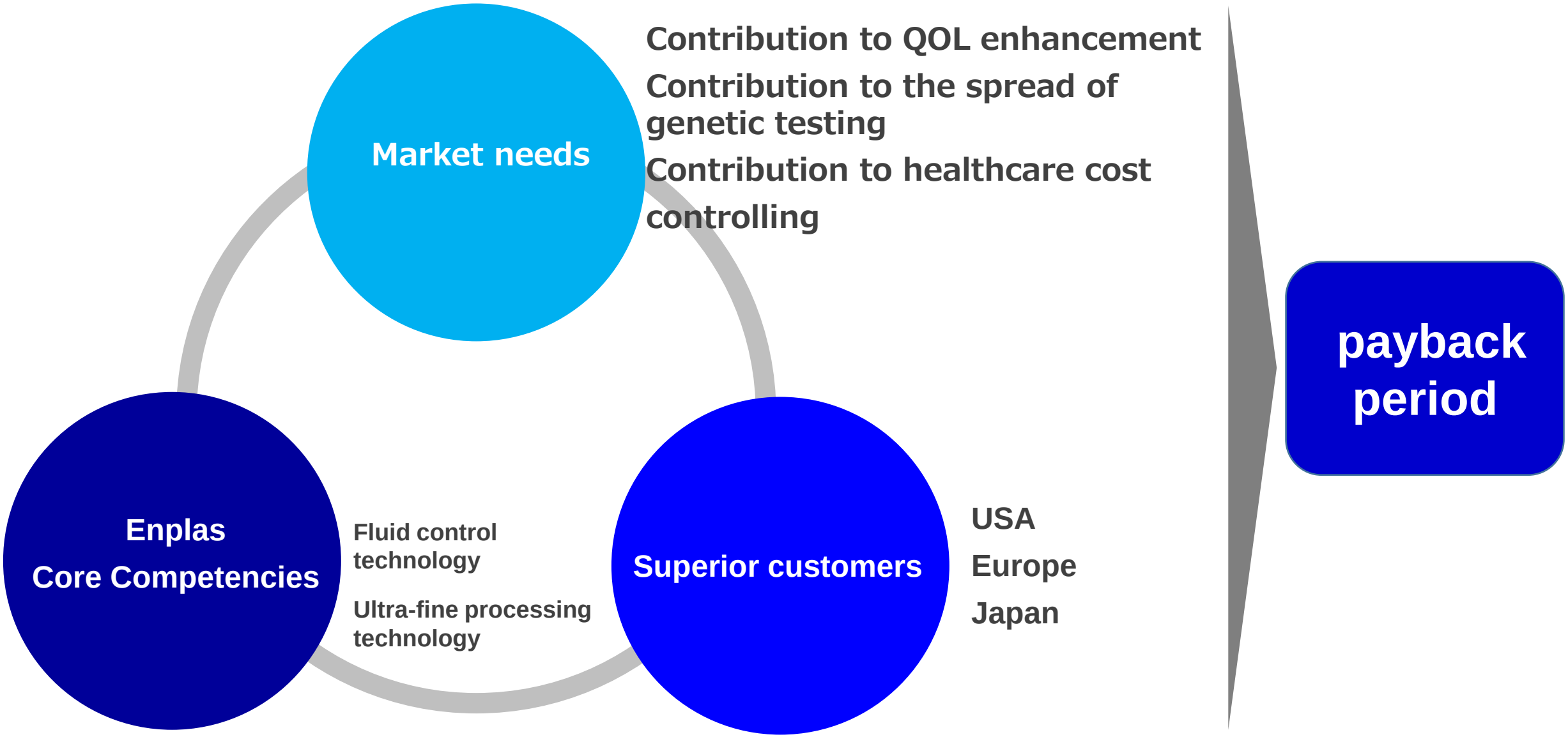
Competitiveness of Life Science Business



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Risk Recognition and Response

Item	Risk Recognition	Response
Materials	• Rising prices of resin materials • Difficulty in obtaining metals and mineral resources	• Obtaining information and arranging inventory • New business opportunities of offering alternative materials
Logistics (Supply Chain)	• Protectionism in various countries	• Establish supply chain in each region
Assets	• Assets in areas of high geopolitical risk	• Reduce assets in high-risk areas

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2022.3 Annual Results

Enplas Corporation
Shigeya Fujita, Executive Officer

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2022.3 Financial Results

(100 million yen)

	2021.3 Results	2022.3 Results	Change
Sales	294.3	328.9	11.7%
COGS Ratio	59.7%	59.4%	△0.3pt
Operating Income	21.2	36.0	69.8%
Ordinary Income	19.0	34.5	81.1%
Profit attributable to owners of parent	8.9	25.2	182.9%
Return of equity (ROE)	2.1%	6.4%	4.3pt
Net Income Per Share	79.41yen	287.10yen	207.69yen
Average Exchange Rate (US$)	106.15yen	112.87yen	6.72yen
Dividends Per Share	30.00yen	47.50yen	17.50yen

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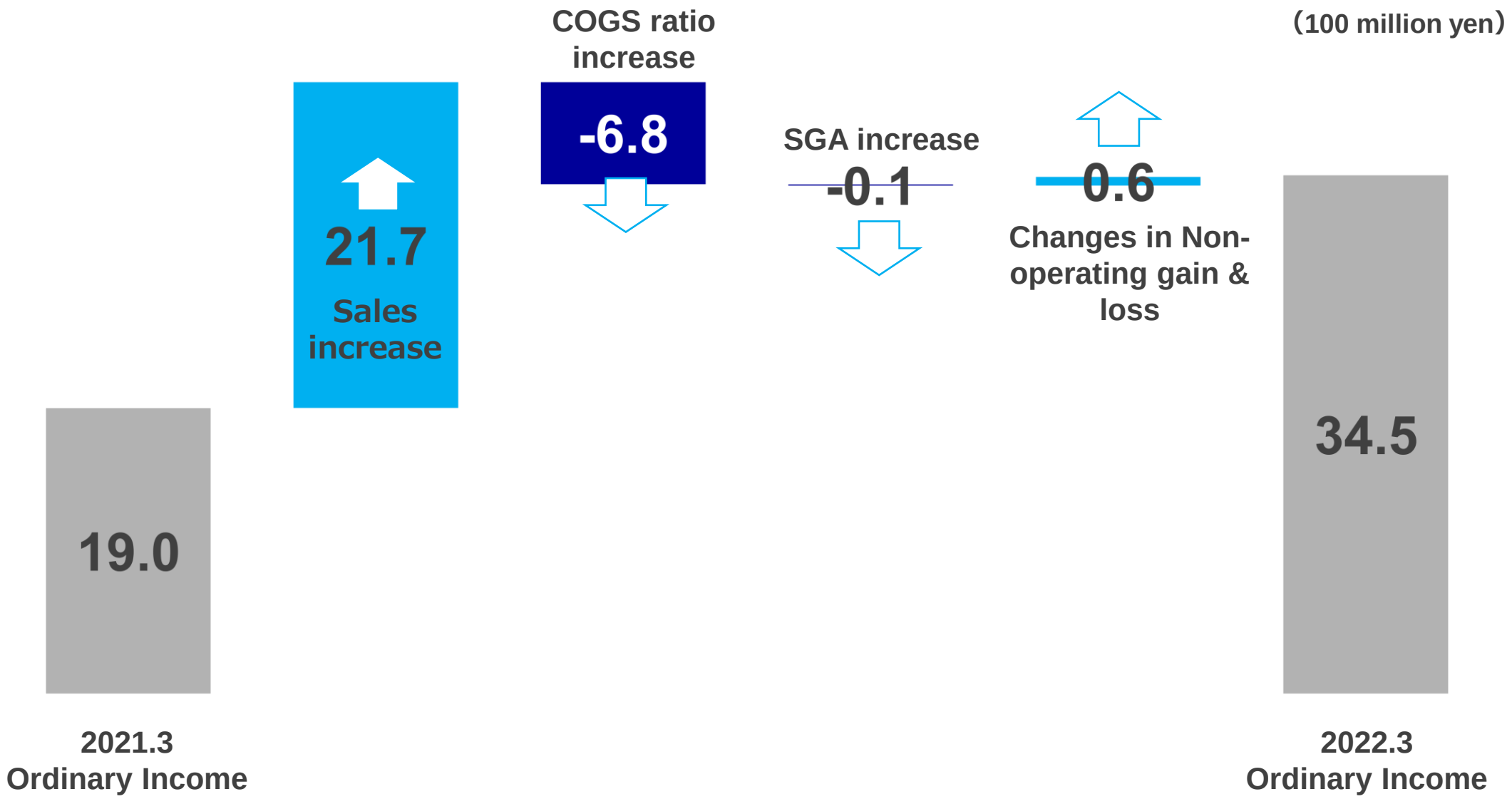
Ordinary Income Analysis



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2022.3 Segment Results

(100 million yen)

		2021.3 Results	2022.3 Results	Change
Semiconductor	Sales	129.2	159.1	23.1%
	COGS Ratio	56.4%	56.5%	0.1pt
	Operating Income	15.7	26.0	64.7%
Life Science	Sales	20.1	24.7	23.2%
	COGS Ratio	72.6%	67.0%	△5.6pt
	Operating Income	△14.0	△11.8	-
Digital Communication	Sales	40.3	35.3	△12.3%
	COGS Ratio	41.5%	42.6%	1.1pt
	Operating Income	11.7	10.6	△9.0%
Energy Saving Solution	Sales	104.6	109.6	4.8%
	COGS Ratio	68.2%	67.2%	△1.0pt
	Operating Income	7.7	11.2	44.3%

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Quarterly Results

(100 million yen)

	2021.3	2022.3			
	4Q	1Q	2Q	3Q	4Q
Sales	81.0	82.3	78.8	77.5	90.2
COGS Ratio	59.3%	59.4%	59.7%	62.0%	56.8%
Operating Income	7.6	8.7	7.8	5.6	13.8
Ordinary Income	8.8	7.6	7.6	5.3	13.8
Profit attributable to owners of parent	4.7	4.5	4.5	5.2	10.8
Net Income Per Share	51.15yen	51.49yen	51.96yen	59.97yen	123.61yen

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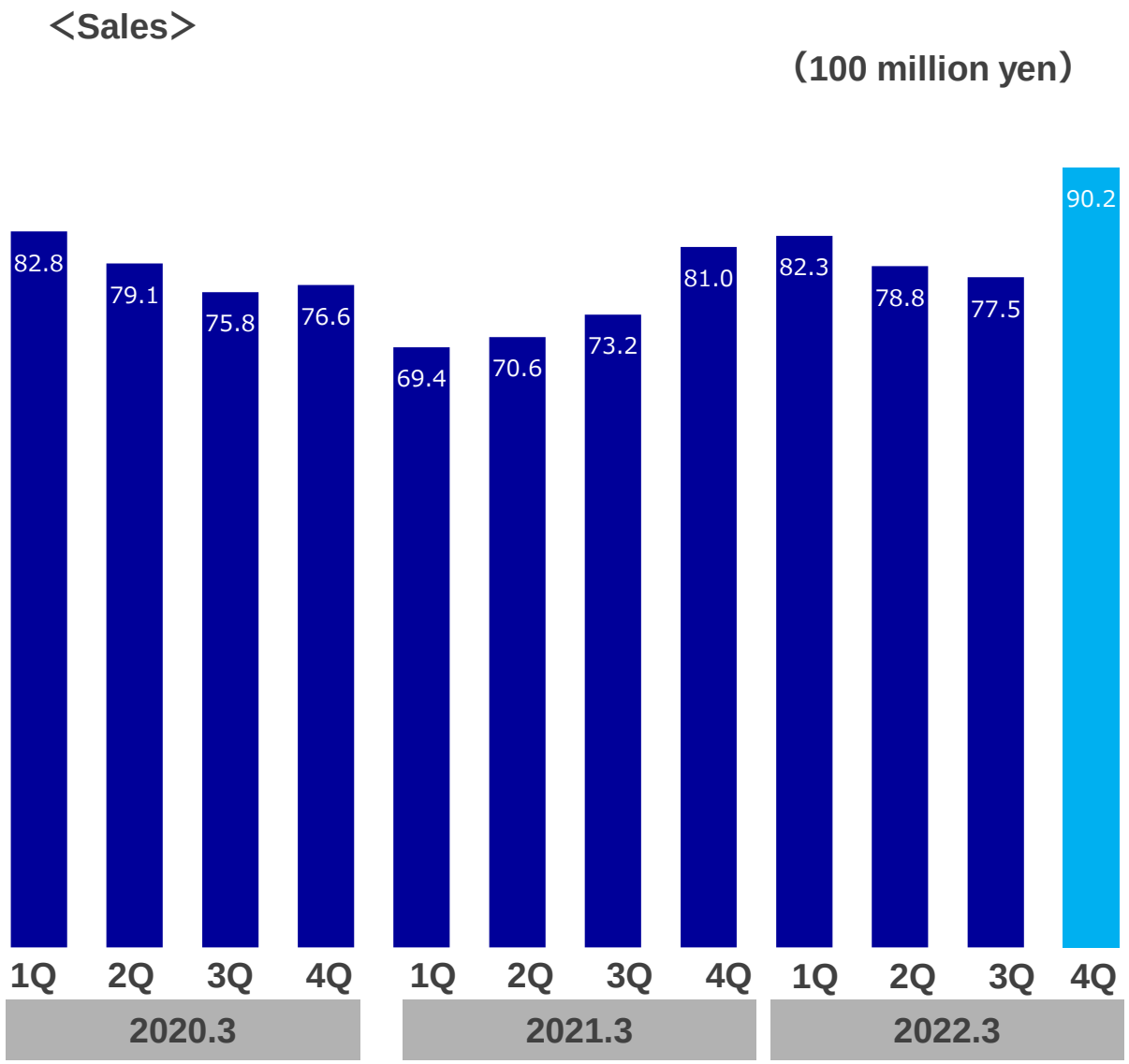
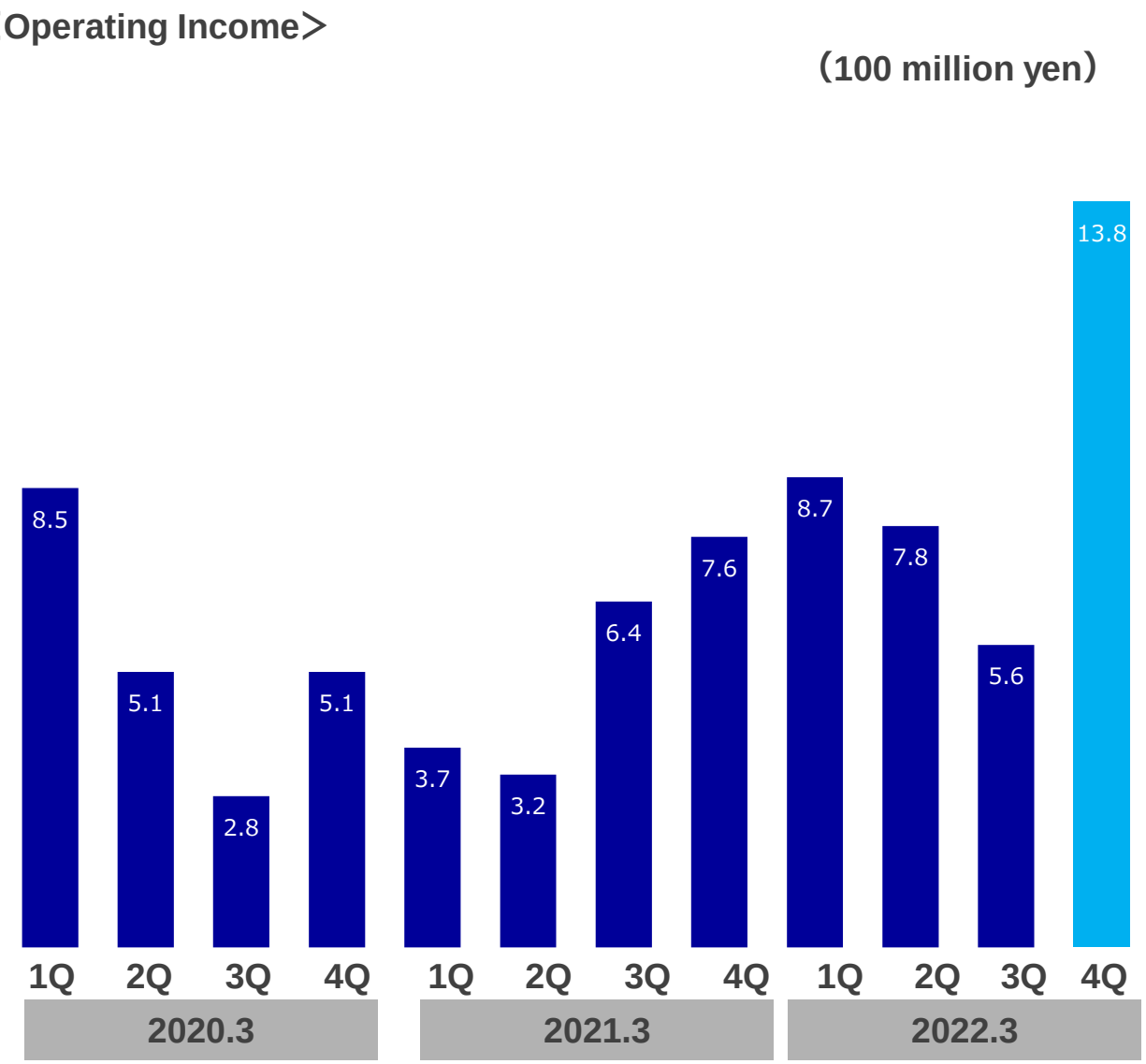
Quarterly Results





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Quarter Results by Segment

(100 million yen)

		2021.3	2022.3			
		4Q	1Q	2Q	3Q	4Q
Semiconductor	Sales	34.1	36.5	36.7	37.2	48.6
	COGS Ratio	57.7%	56.9%	59.2%	59.0%	52.1%
	Operating Income	3.9	5.4	4.5	4.6	11.3
Life Science	Sales	6.7	5.7	6.2	5.9	6.7
	COGS Ratio	68.9%	80.2%	67.8%	63.4%	58.4%
	Operating Income	△2.8	△3.7	△2.9	△2.9	△2.2
Digital Communication	Sales	10.2	11.4	9.0	7.5	7.3
	COGS Ratio	46.1%	40.0%	41.2%	46.0%	45.0%
	Operating Income	2.5	3.9	2.7	1.8	2.0
Energy Saving Solution	Sales	29.8	28.6	26.7	26.8	27.4
	COGS Ratio	63.7%	66.2%	64.6%	70.3%	67.8%
	Operating Income	3.9	3.1	3.4	1.9	2.6

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Financial Results Overview

■2022.3 fourth Quarter Financial Results

Summary : YoY sales and profit increase due to strong demand for semiconductors
(Sales +11.7%, Operating Income +69.8%, Profit attributable to owners of parent +182.9)

Segment : In Semiconductor business, sales reached a record high, and demand for semiconductors is expected to continue

In Life Science business, orders from existing and new customers, and prototype orders are strong, and are expected to continue

YoY sales and profit decrease in Digital Communication business due to customers' production adjustments caused by semiconductor shortages

YoY sales and profit increase in Energy Saving Solution business despite continued production adjustment by customers due to the shortage of semiconductors and materials

■Dividend Forecast : Total 47.50yen (Changes)

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2022.3 Actions Implemented

- Increase the number of independent directors
- Establish the “Nomination and Compensation Advisory Committee”
- Adopt Restricted Stock Remuneration System
- Select “Prime Market”
- Establish the “Sustainability Committee”
- Sales of investment securities on Cross-Shareholdings
- **Establish “Kyoto Co-Creation Center”**

Establish “Kyoto Co-Creation Center”

Name: Enplas Kyoto Co-Creation Center
Location: 309, Building #8, 90 Chudoji Awatacho Shimogyo-ku, Kyoto-shi, Kyoto 600-8815, Japan
Nearest Station: JR West Sagano Line Tambaguchi Station
Date of Establishment: April 11, 2022

Purpose

- Strengthen its recruiting capability in Kansai region.
- Accelerate joint research and development with universities and companies.

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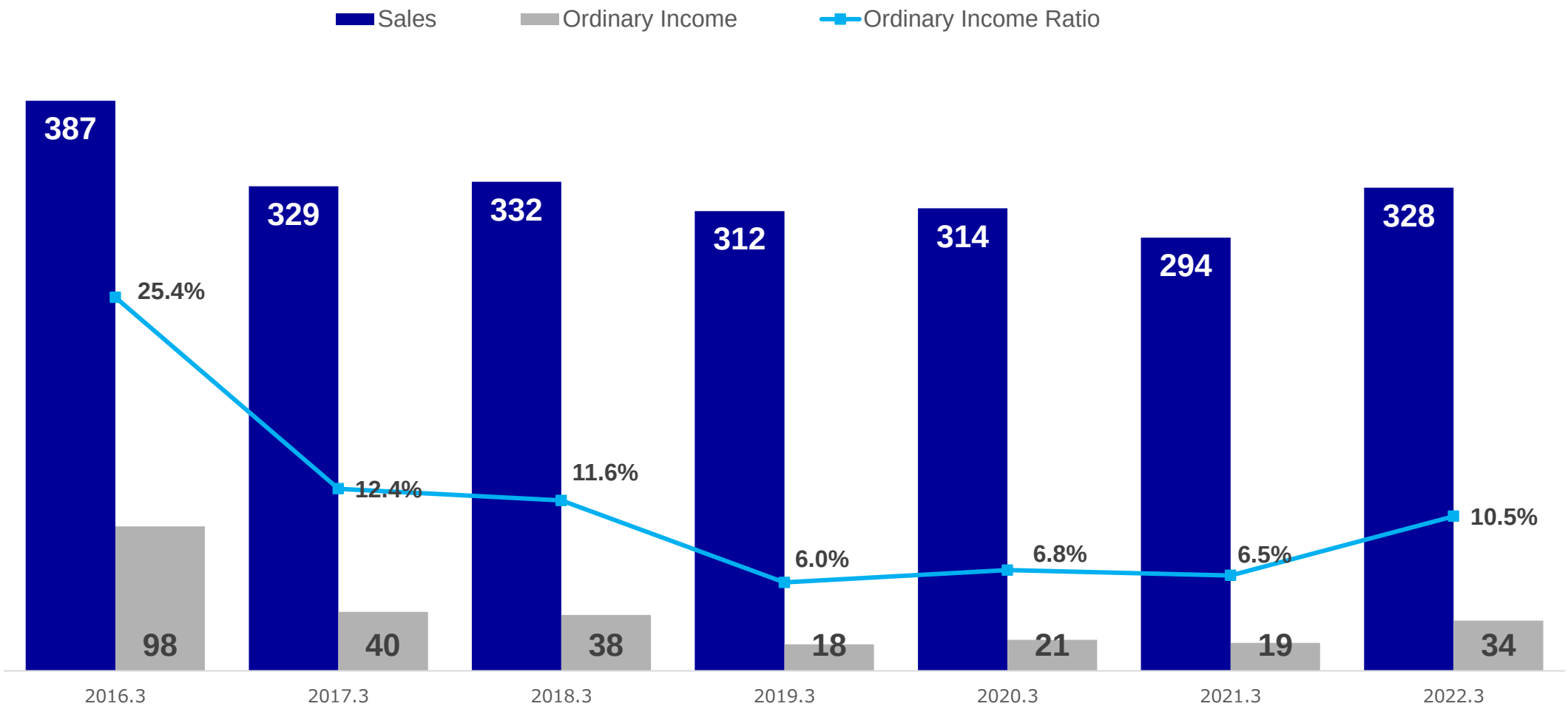
Sales and Ordinary Income

(100 million yen)



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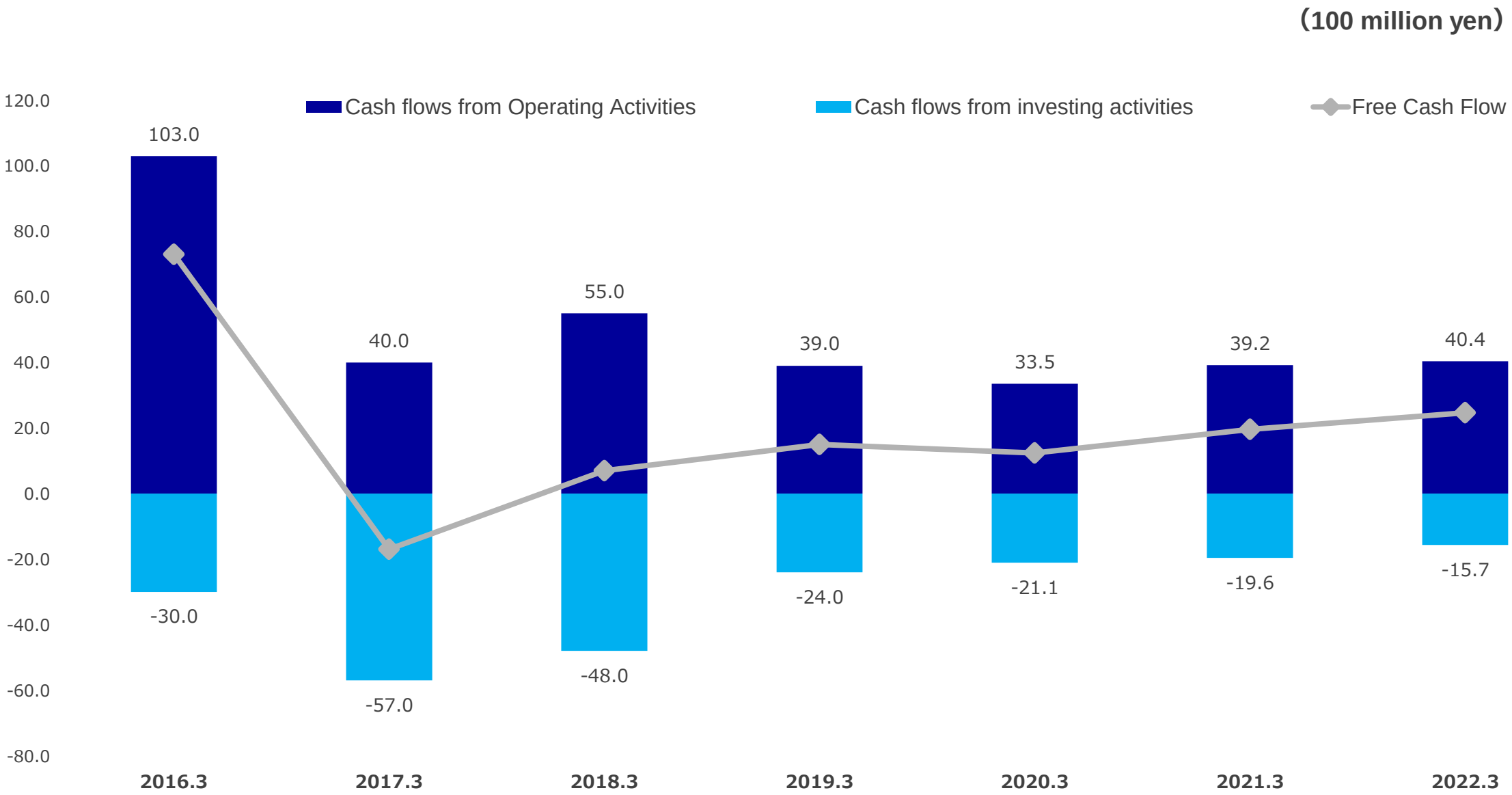
Cash Flow



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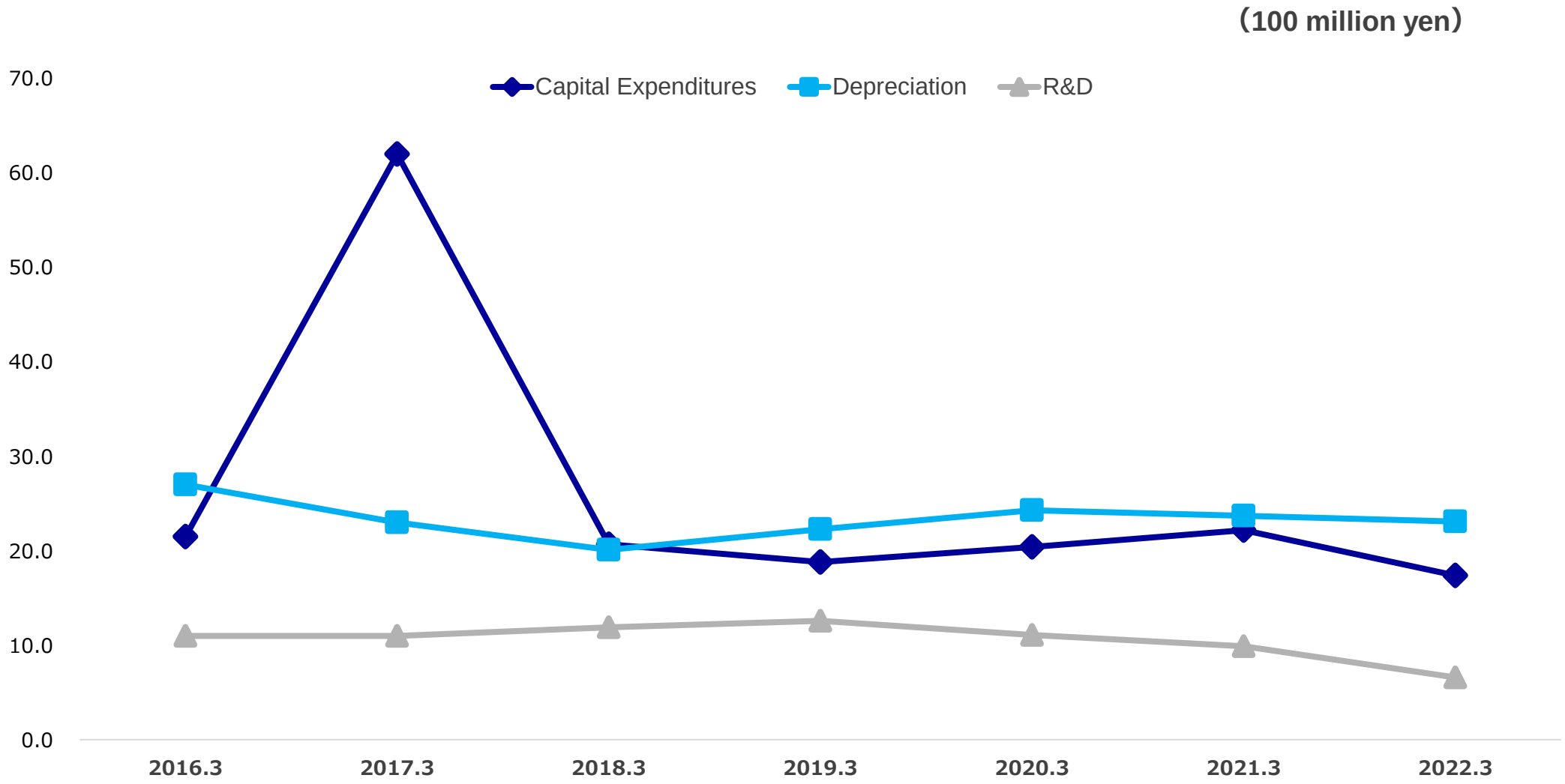
(Reference) Capital Expenditures, Depreciation and R&D



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2023.3 Financial Forecast

(100 million yen)

	2022.3	2023.3	
	Results	1st Half	Full-year
Net Sales	328.9	170.0	350.0
COGS Ratio	59.4%	58.8%	58.6%
Operating Income	36.0	20.0	42.0
Ordinary Income	34.5	19.0	40.0
Profit attributable to owners of parent	25.2	13.3	28.0
Net Income Per Share	287.10yen	150.86yen	317.60yen
Dividends Per Share	47.50yen	25.00yen	50.00yen

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2023.3 Financial Forecast by Segment

(100 million yen)

	2022.3	2023.3	
	Results	1st Half	Full-year
Semiconductor	159.1	82.0	170.0
Life Science	24.7	14.0	30.0
Digital Communication	35.3	18.0	36.0
Energy Saving Solution	109.6	56.0	114.0

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2023.3 Capital Expenditures, Depreciation, R&D (Reference)

(100 million yen)

	2022.3	2023.3
	Results	Full-year
Capital expenditures	17.4	24.0
Depreciation	23.1	24.0
R&D	6.6	9.0

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Semiconductor Business

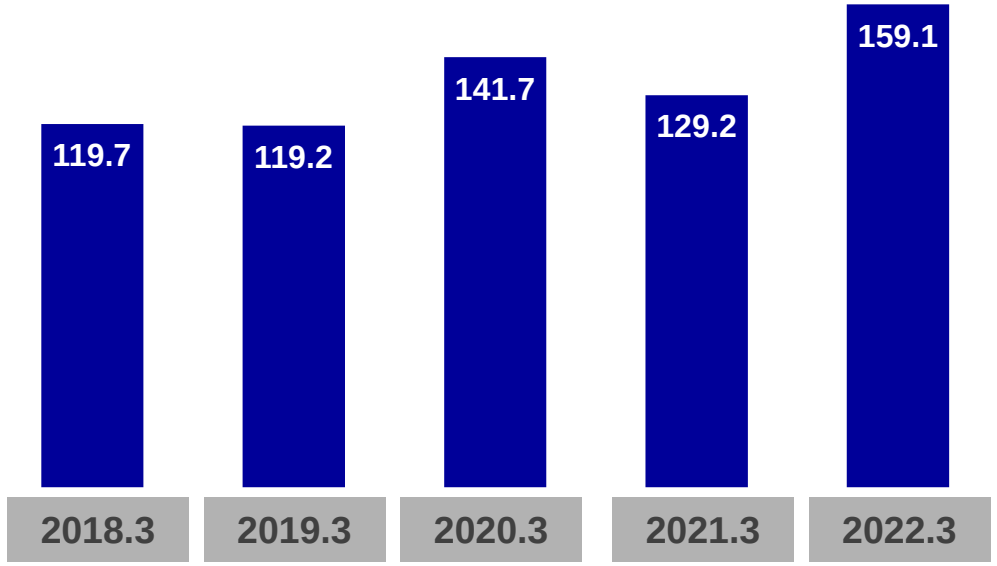
Environment

- Demand for server, PC, automobile, and analog applications remains high due to the spread of next-generation high-speed communications
- Demand for semiconductors will continue to increase due to the resumption of economic activity in many countries and the transformation of industrial structures toward the realization of DX and CASE

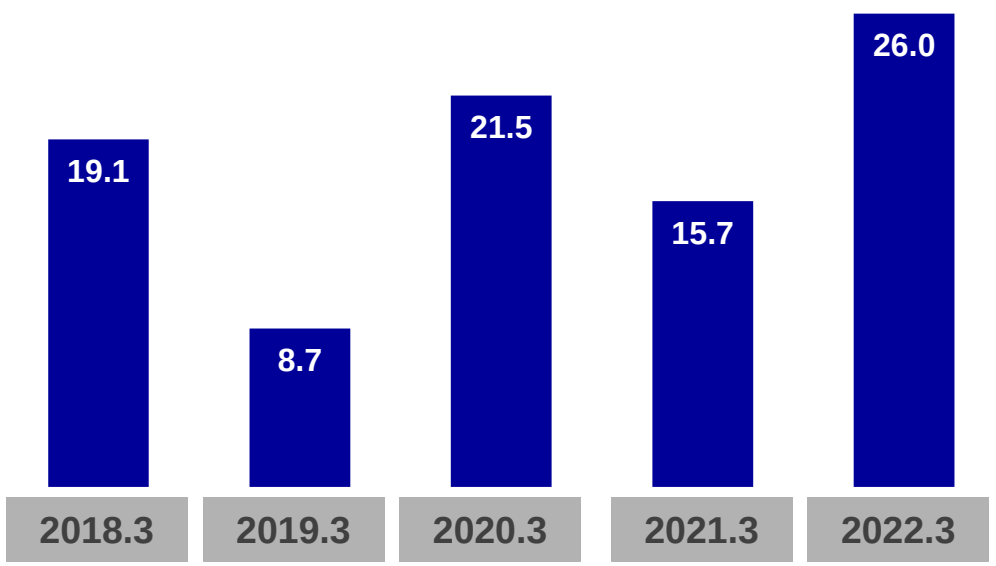
Strategy

- Strengthening competitiveness
- Strengthen manufacturing structure (promote co-creation)
- Promote to develop new solutions

＜Sales＞



＜Operating Income＞



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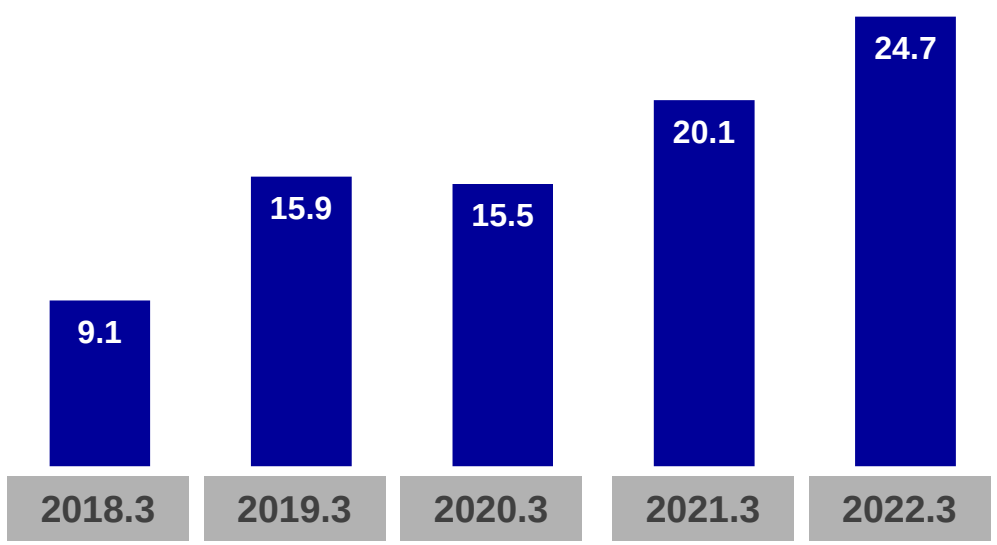
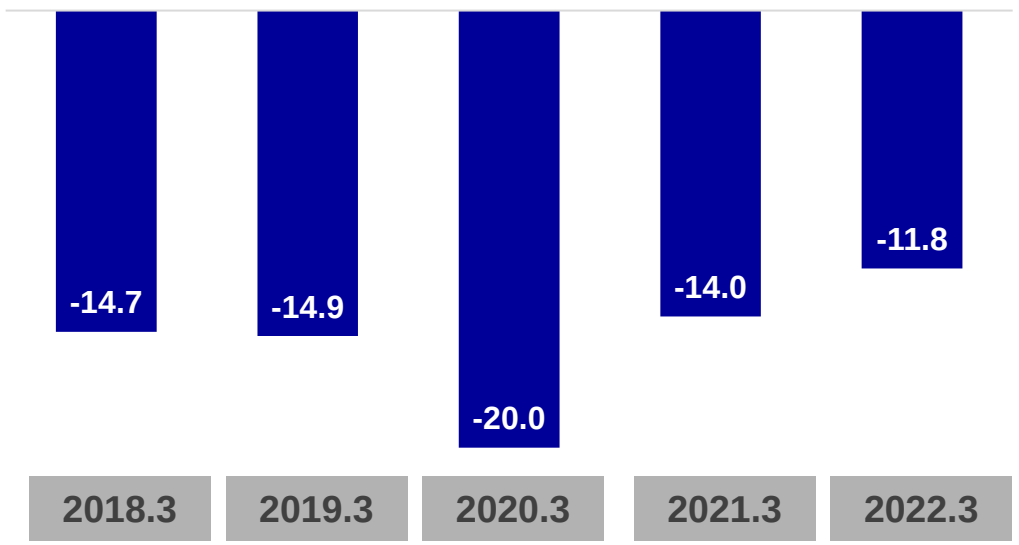
Life Science Business

Environment	■ Expect growth of the genetic testing market in Life Science business ■ Increasing demand for immediate clinical field testing and home-use clinical testing devices due to the spread of COVID-19
Strategy	■ Contribution to the spread of genetic testing ■ Contribution to QOL enhancement

＜Sales＞



＜Operating Income＞



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Digital Communication Business

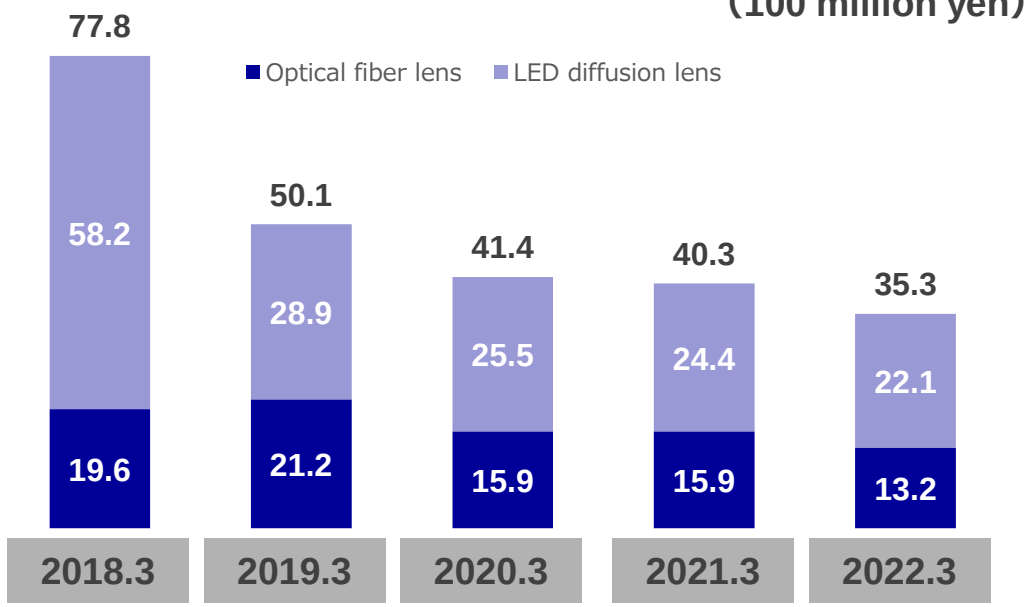
Environment

- In the optical fiber lenses, demand for data centers is on the rise as data traffic increases, but sales decreased due to customers' production adjustments caused by semiconductor shortages
- TV market declined due to market downturn caused by completion of stay-at-home demand and customers' production adjustments caused supply chain disruptions in Southeast Asia

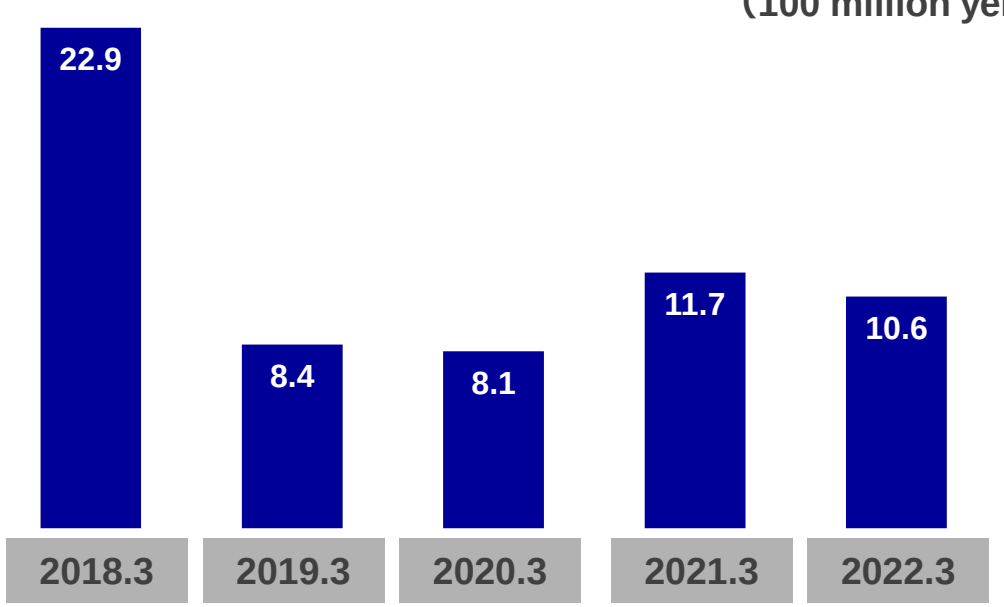
Strategy

- In the optical fiber lenses, develop new products in the high-end area and expand business areas other than data centers.
- In LED diffusion lens, secure profitability in existing areas and develop new solutions

<Sales>



<Operating Income>



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Energy Saving Solution Business

Environment

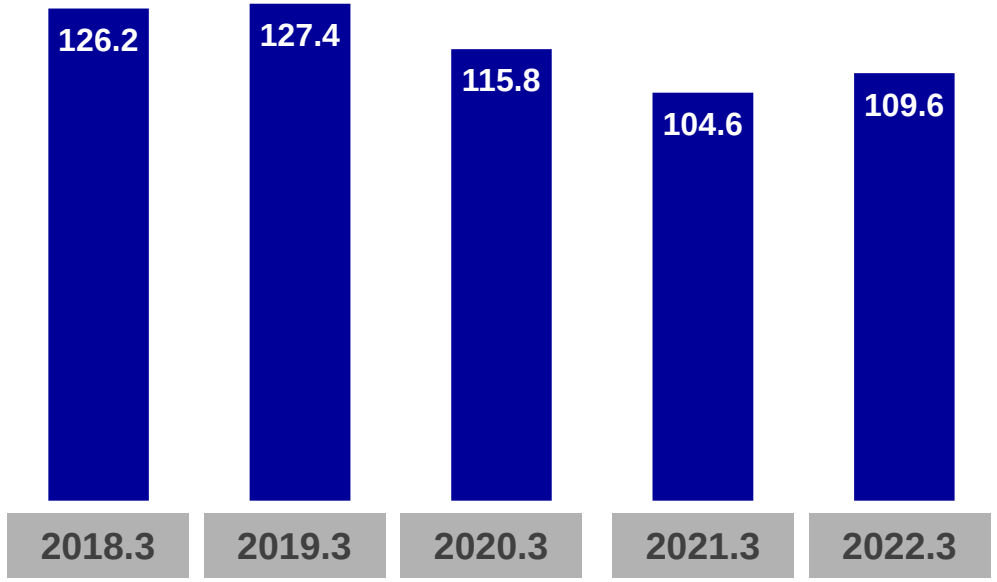
- Demand is growing in the automotive market as economic activity resumes and the trend toward EVs accelerates
- In the automotive and the OA, customers continue to adjust production due to the global shortage of semiconductors and difficulties in procuring parts.

Strategy

- Business portfolio transition
- Growth in the Gear solution Business

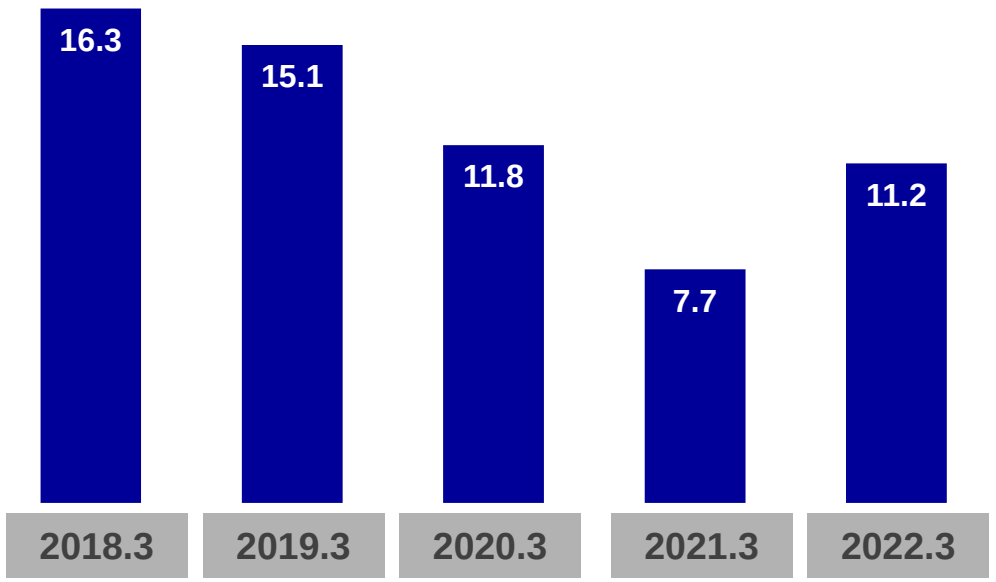
<Sales>

(100 million yen)



<Operating Income>

(100 million yen)



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Enplas Corporation

2023.3 Corporate Strategy Meeting

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Factors affecting our actual performance include but are not limited to: (i) changes in economic conditions or demand trends related to Enplas's business operations; (ii) fluctuation of foreign exchange rates or interest rates; and (iii) our ability to continue R&D, manufacturing and marketing in a timely manner in the electronics business sector, where technological innovations are rapid and new products are launched continuously.
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