
2023.3 Second Quarter Results

October 28, 2022
Enplas Corporation

60th
Anniversary

Agenda

2023.3 Management Policy

2023.3 Second-Quarter Results

- **Financial Results**
- **Financial Results Overview**

2023.3 Financial Forecast

Business Trend and Strategy for Each Segment

2023.3 Management Policy

Management Policy: Business Portfolio (Medium-term strategy)

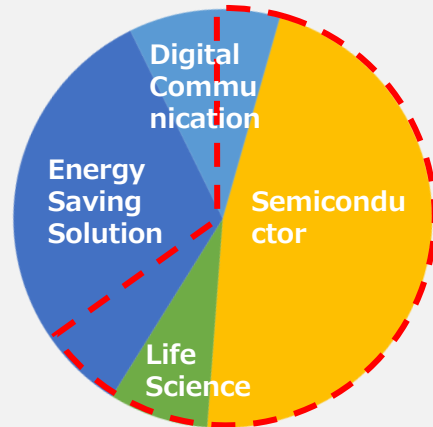
Focus on Essential* Business Fields

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 fields that enhance quality of life (QOL) for people and the planet.

Image of Sales breakdown

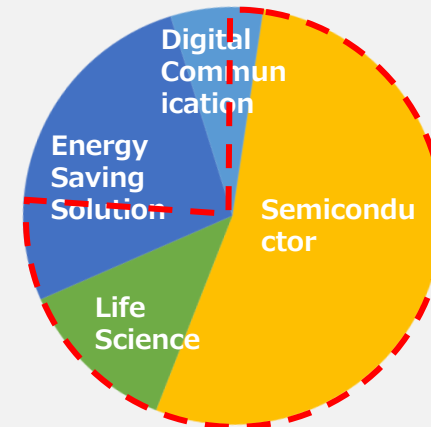
Rate of Essential: **60%**



2022.3



75%



2025.3

Management Policy

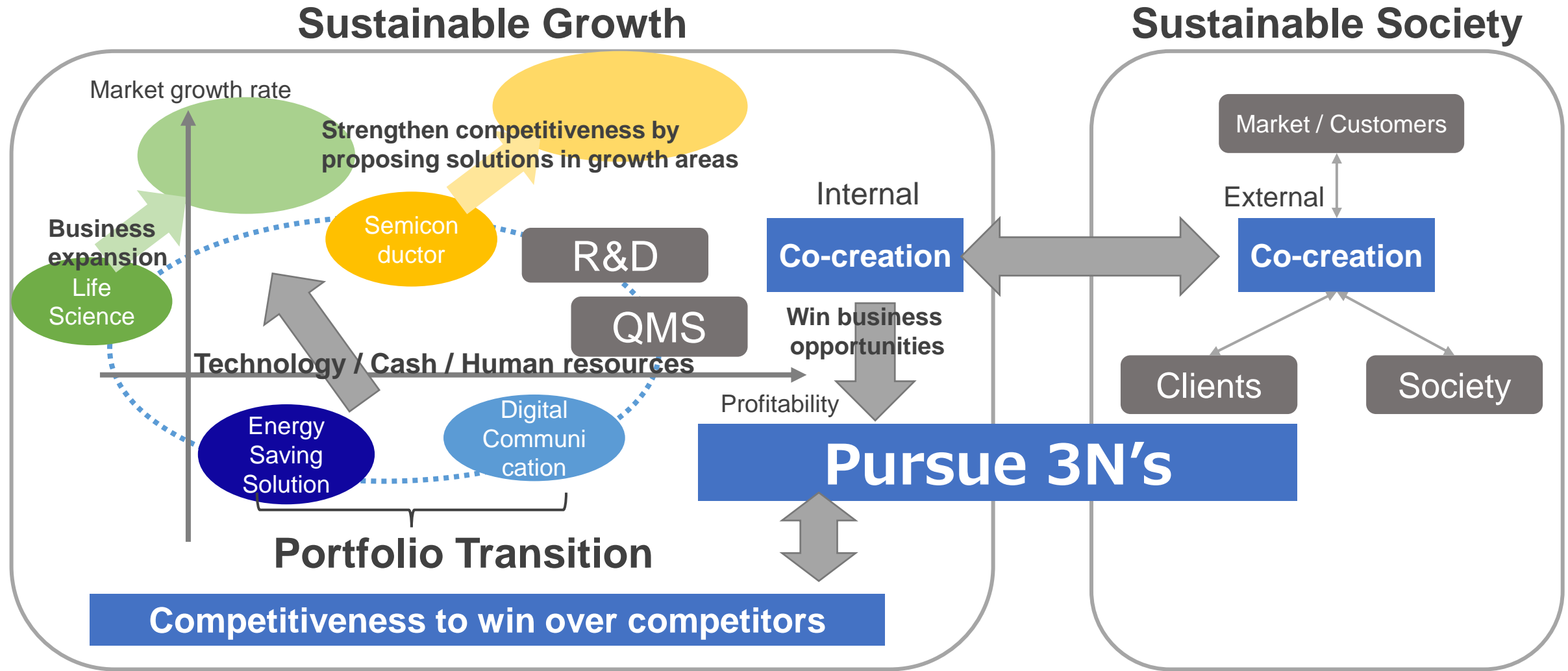
Management Policy

Grow by Co-Creation and Competitiveness

- **Enhance our Competitiveness**
- **Co-create more**
- **Pursue the 3N's (New technology, New customer, New applications)**
- **Rebuild “Digital Communication” as Essential and Sustainable business**

Priority Items

Management Policy: Business Portfolio (Priority Items)



2023.3 Second-Quarter Results

2023.3 Second-Quarter Financial Results

(100 million yen)

	2022.3	2023.3		(Reference) Plan
	1 st Half Results	1 st Half Results	Change	
Sales	161.1	210.9	+30.9%	190.0
COGS Ratio	59.6%	52.5%	-7.1pt	53.7%
Operating Income	16.5	43.5	+163.2%	34.0
Ordinary Income	15.3	45.0	+194.4%	35.0
Profit attributable to owners of parent	9.1	17.6	+93.6%	25.0
Earnings Per Share	103.44yen	199.84yen	96.40yen	283.57yen
Average Foreign Exchange rate (US\$)	110.20yen	133.46yen	23.26yen	(Planned rate) 130.00yen

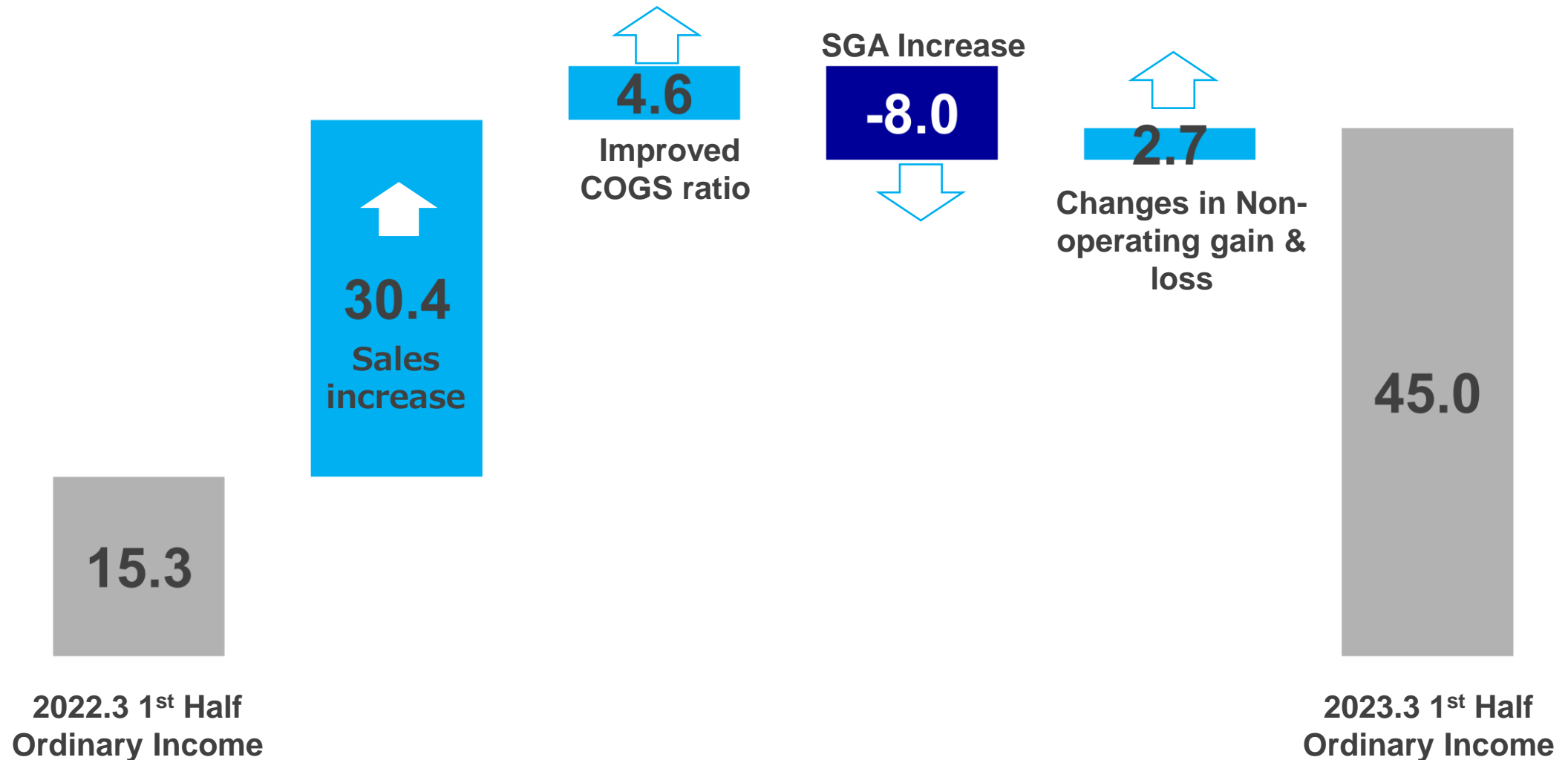
Effect of Foreign exchange (“FX”) rate

Average FX rate for the 2023.3 1st Half (US\$)	133.46 yen
Average FX rate for the 2022.3 1st Half (US\$)	110.20 yen
FX sensitivity (US\$) ※Effect of 1 yen change (Full-year)	Net sales Approx. 200 million yen Operating income Approx. 150 million yen
Effect of FX rate change for the 2023.3 1st Half ※Difference from 2022.3 1 st Half	Net sales +2,250 million yen, Operating income +1,650 million yen (Excluding effect of FX rate : Net sales 18,840 million yen, Operating income 2,700 million yen)
Overseas sales ratio	Approx. 80%

2023.3 Second-Quarter Ordinary Income Analysis

<2023.3 1st Half vs. 2022.3 1st Half >

(100 million yen)



2023.3 Second-Quarter Results by Segment (100 million yen)

		2022.3	2023.3	
		1 st Half Results	1 st Half Results	Change
Semiconductor	Sales	73.2	116.4	+58.9%
	COGS Ratio	58.1%	48.1%	-10.0pt
	Operating Income	9.9	31.2	+213.2%
Life Science	Sales	12.0	17.4	+45.0%
	COGS Ratio	73.7%	53.5%	-20.2pt
	Operating Income	-6.6	-1.6	-
Digital Communication	Sales	20.4	18.4	-9.8%
	COGS Ratio	40.6%	36.6%	-4.0pt
	Operating Income	6.6	7.4	+10.9%
Energy Saving Solution	Sales	55.3	58.6	+5.8%
	COGS Ratio	65.5%	66.0%	+0.5pt
	Operating Income	6.5	6.5	-0.6%

Quarterly Results

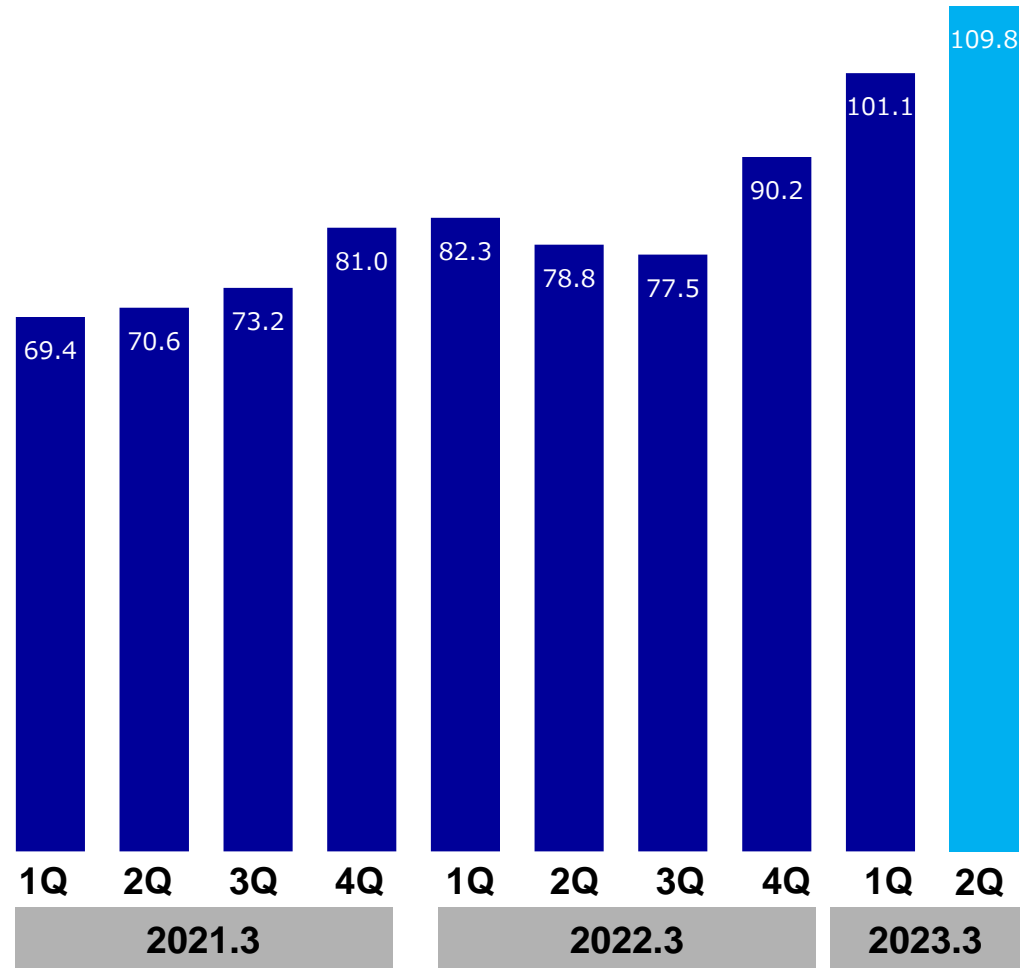
(100 million yen)

	2022.3			2023.3	
	2Q	3Q	4Q	1Q	2Q
Sales	78.8	77.5	90.2	101.1	109.8
COGS Ratio	59.7%	62.0%	56.8%	53.7%	51.4%
Operating Income	7.8	5.6	13.8	19.5	23.9
Ordinary Income	7.6	5.3	13.8	21.3	23.6
Profit attributable to owners of parent	4.5	5.2	10.8	15.0	2.5
Earnings Per Share	51.96yen	59.97yen	123.61yen	170.44yen	29.45yen

Quarterly Results

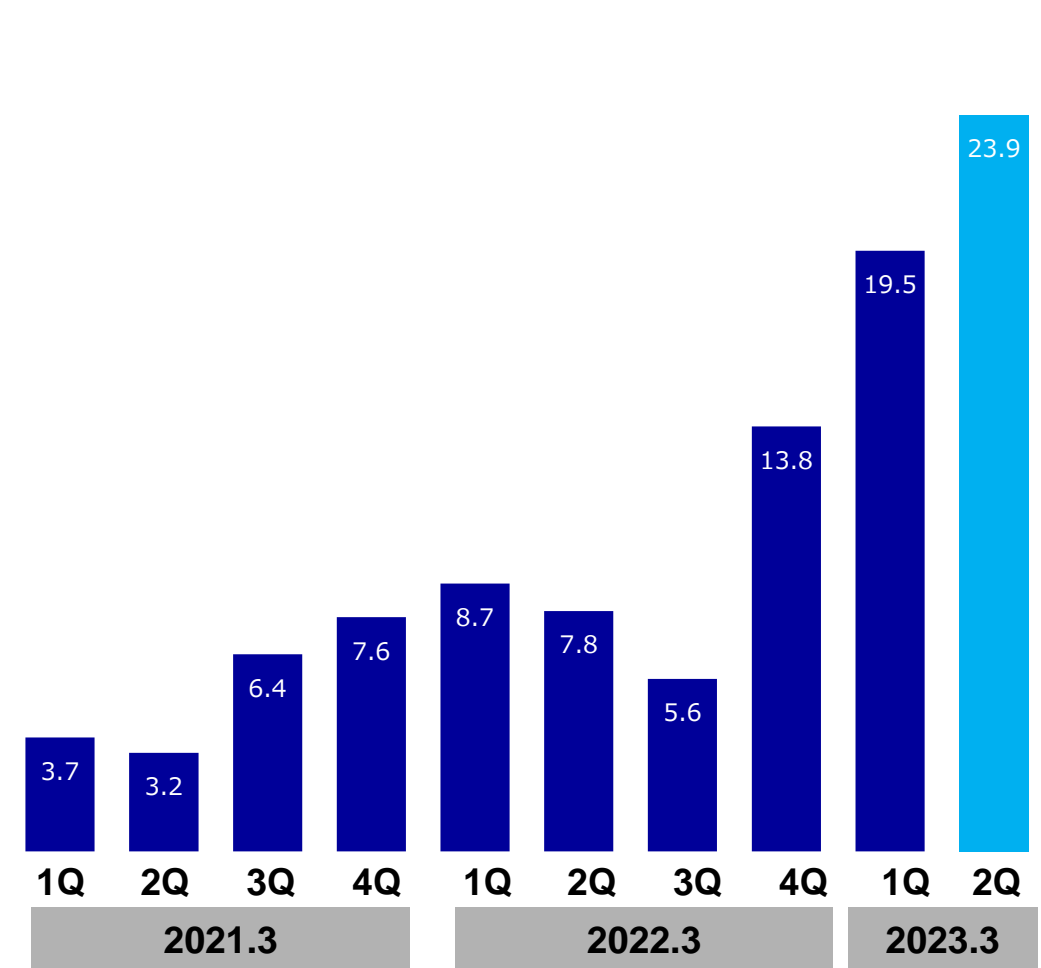
<Sales>

(100 million yen)



<Operating Income>

(100 million yen)



Quarter Results by Segment

(100 million yen)

		2022.3			2023.3	
		2Q	3Q	4Q	1Q	2Q
Semiconductor	Sales	36.7	37.2	48.6	56.6	59.8
	COGS Ratio	59.2%	59.0%	52.1%	49.9%	46.3%
	Operating Income	4.5	4.6	11.3	14.5	16.7
Life Science	Sales	6.2	5.9	6.7	7.9	9.5
	COGS Ratio	67.8%	63.4%	58.4%	54.5%	52.7%
	Operating Income	-2.9	-2.9	-2.2	-1.0	-0.5
Digital Communication	Sales	9.0	7.5	7.3	9.4	9.0
	COGS Ratio	41.2%	46.0%	45.0%	38.6%	34.5%
	Operating Income	2.7	1.8	2.0	3.5	3.8
Energy Saving Solution	Sales	26.7	26.8	27.4	27.2	31.3
	COGS Ratio	64.6%	70.3%	67.8%	66.6%	65.5%
	Operating Income	3.4	1.9	2.6	2.5	3.9

Financial Results Overview

➤ 2023.3 Second-Quarter Financial Results

■ Summary

YoY sales and profit increase due to strong demand for semiconductors.

(Sales +30.9%, Operating Income +163.2%, Profit attributable to owners of parent +93.6%)

■ Segment

<Semiconductor business> **Sales reached a record high**

- The demand for semiconductors is expected to continue to increase in the future, despite concerns of an adjustment in demand for semiconductors due to decreased demand for high-tech products such as PCs and smartphones.

<Life Science business> **Sales reached a record high**

- Strong orders from existing and new customers.
- The sales are expected to continue to increase in the future.

<Digital Communication business> **Sales decline and profit growth**

- In the optical fiber lens, sales increased due to improved impact of global semiconductor shortage.
- In LED diffusion lens, sales declined due to the impact of lower demand.

<Energy Saving Solution business> **Sales increased**

- Sales increased in the automotive and the OA, as semiconductor shortages gradually improved.

➤ 2023.3 Financial Forecast : Upward revision

➤ Dividend Forecast : Total 60.00yen (Changes)

Financial Results Overview

➤ SGA

(100 million yen)

2022.3 1 st Half	2023.3 1 st Half	Change
48.6	56.6	8.0

- Labor cost: 3.8
- Traveling and transportation expenses: 0.8
- Research & development expense: 3.0

➤ Non-operating profit and loss

(100 million yen)

2022.3 1 st Half	2023.3 1 st Half	Change
-1.2	1.5	2.7

- Foreign exchange gain: 4.4 (2022.3 1st Half: Foreign exchange loss: 0.1)
- Loss on investment in affiliates: 3.4 (2022.3 1st Half: 1.9)

➤ Extra-ordinary profit and loss

(100 million yen)

2022.3 1 st Half	2023.3 1 st Half	Change
-0.6	-15.3	-14.7

- Loss on valuation of investment securities: 14.3

2023.3 Second-Quarter Actions Implemented

Enplas Semiconductor Peripheral Corporation has moved to a new place.

Name: Enplas Semiconductor Peripheral Corporation

**Address: Sino-Omiya South wing 17F, 1-10-17 Sakuragi-cho,
Omiya-ku, Saitama-city, Saitama 330-0854, Japan**

Day of service opening: August 8, 2022

To expand the business



Sino-Omiya South wing 17F

2023.3 Financial Forecast

Assumptions for 2023.3 Financial Forecast

Consolidated financial forecast

- The consolidated earnings forecast is revised upward reflecting Second-Quarter results and the impact of FX rate.
- The SGA expenses are expected to increase due to the investment in human resources and R&D planned for the 2nd Half.
(1st Half: 5,600 million yen → 2nd Half: 6,400 million yen)
- Planned FX rate (US\$): 130.00 yen → 138.00 yen

Semiconductor business

- The demand for servers and automotive applications, on which Enplas focuses, is expected to continue to increase, despite concerns of an adjustment in demand for semiconductors due to decreased demand for high-tech products such as PCs and smartphones.

Life Science business

- Sales are expected to exceed the previous forecast in line with the expansion of the genetic testing market.

Digital Communication business

- In the optical fiber lens, sales are expected to exceed the previous forecast due to improved impact of global semiconductor shortage.

Energy Saving Solution business

- Sales are expected the previous forecast due to gradually improving supply shortage of semiconductors.

2023.3 Financial Forecast

(100 million yen)

	2023.3	2023.3	
	1 st Half Results	July Forecast	October Forecast
Net Sales	210.9	375.0	430.0
COGS Ratio	52.5%	53.3%	52.6%
Operating Income	43.5	65.0	84.0
Ordinary Income	45.0	65.0	86.0
Profit attributable to owners of parent	17.6	46.0	46.0
Earnings Per Share	199.84_{yen}	521.78_{yen}	521.61_{yen}
Dividends Per Share	30.00_{yen}	50.00_{yen}	60.00_{yen}

2023.3 Financial Forecast by Segment

(100 million yen)

	2023.3	2023.3	
	1 st Half Results	July Forecast	October Forecast
Semiconductor	116.4	196.0	236.0
Life Science	17.4	32.0	35.0
Digital Communication	18.4	36.0	39.0
Energy Saving Solution	58.6	111.0	120.0

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

	(100 million yen)		
	2022.3	2023.3	2023.3
	Results	1 st Half Results	Full-year
Capital expenditures	17.4	7.5	30.0
Depreciation	23.1	11.2	24.0
R&D	6.6	6.2	12.0

Business Trend and Strategy for Each Segment

Semiconductor Business

Environment

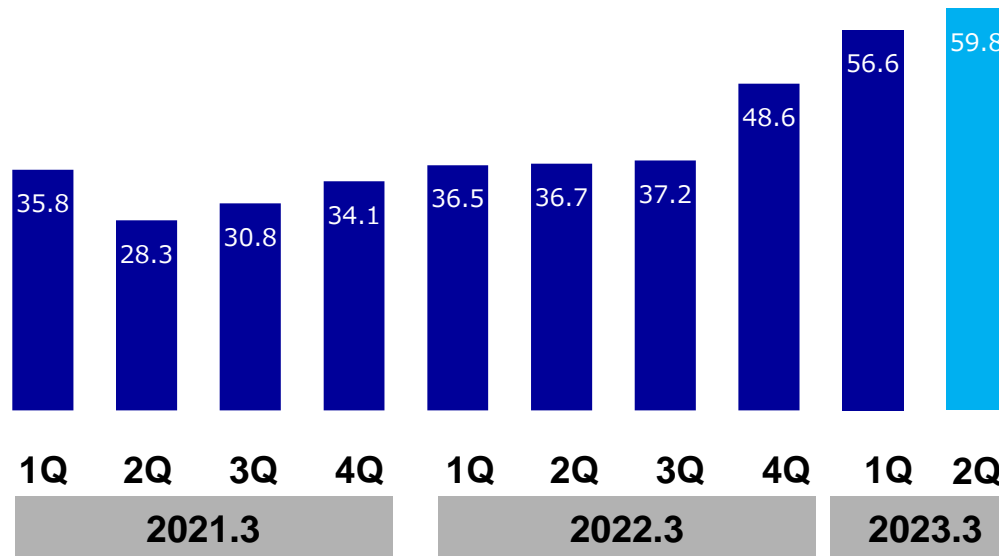
- Demand for server, automotive, and mobile applications remains high.
- Demand for servers and automotive applications, on which Enplas focuses, is expected to continue to increase, despite concerns of an adjustment in demand for semiconductors due to decreased demand for high-tech products such as PCs and smartphones.

Strategy

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

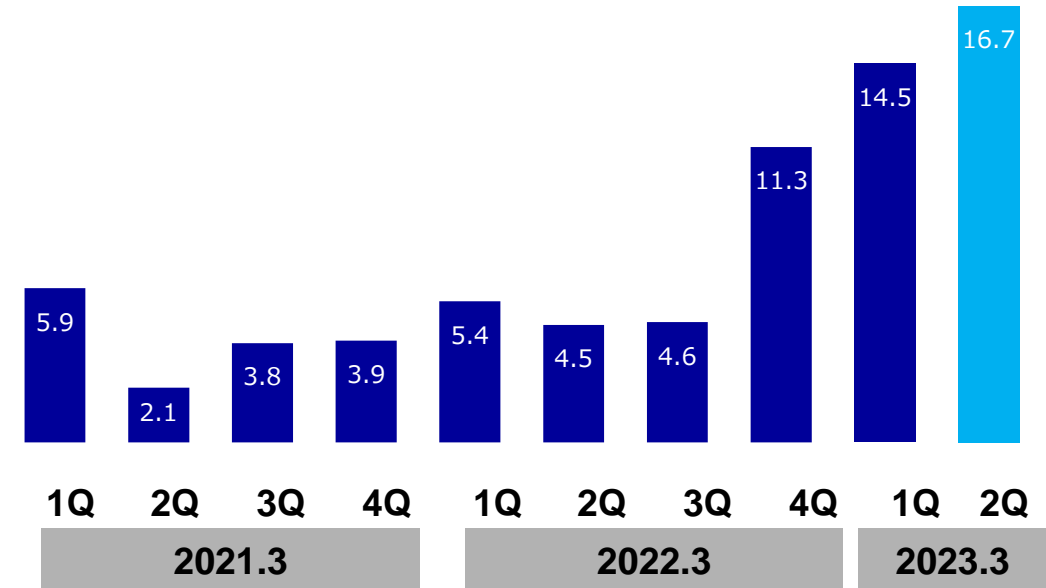
<Sales>

(100 million yen)



<Operating Income>

(100 million yen)



Life Science Business

Environment

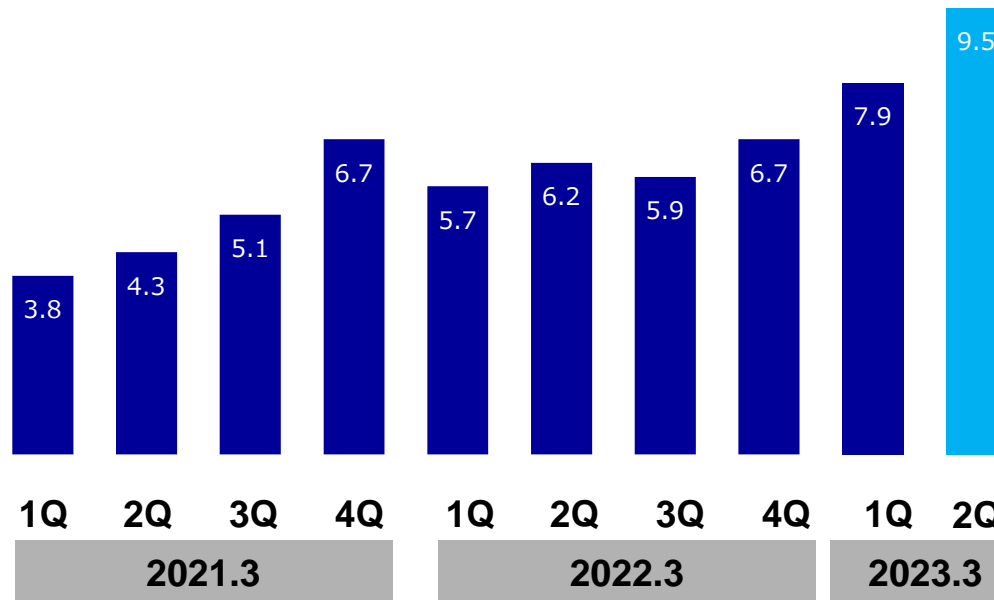
- Expect growth of the genetic testing market in Life Science business.
- Increasing demand for immediate clinical field testing and home-use clinical testing devices due to the spread of COVID-19.

Strategy

- Contribution to the spread of genetic testing.
- Contribution to QOL enhancement.

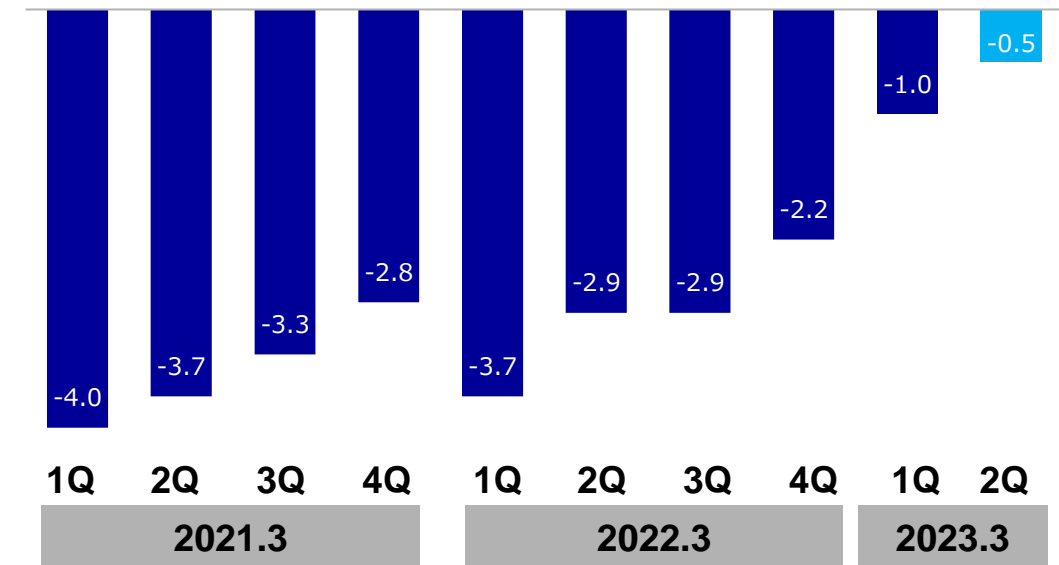
<Sales>

(100 million yen)



<Operating Income>

(100 million yen)



Digital Communication Business

Environment

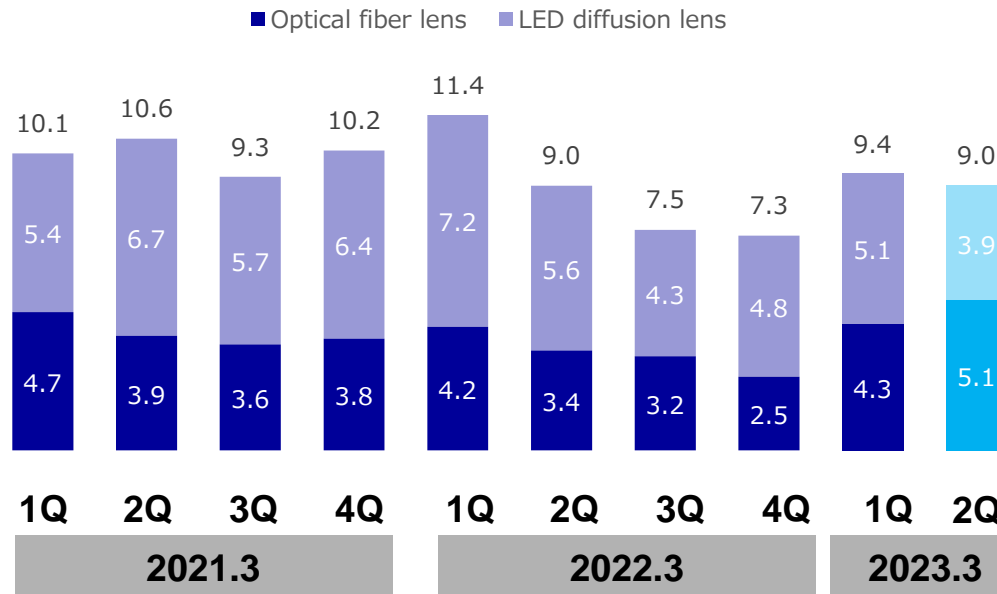
- In the optical fiber lenses, demand for data centers is on the rise as data traffic increases.
- The LED diffusion lens remain weak due to lower TV market demand caused by a rebound in stay-at-home demand, worsening the situation in Ukraine, and inflation.

Strategy

- In the optical fiber lenses, expand 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.

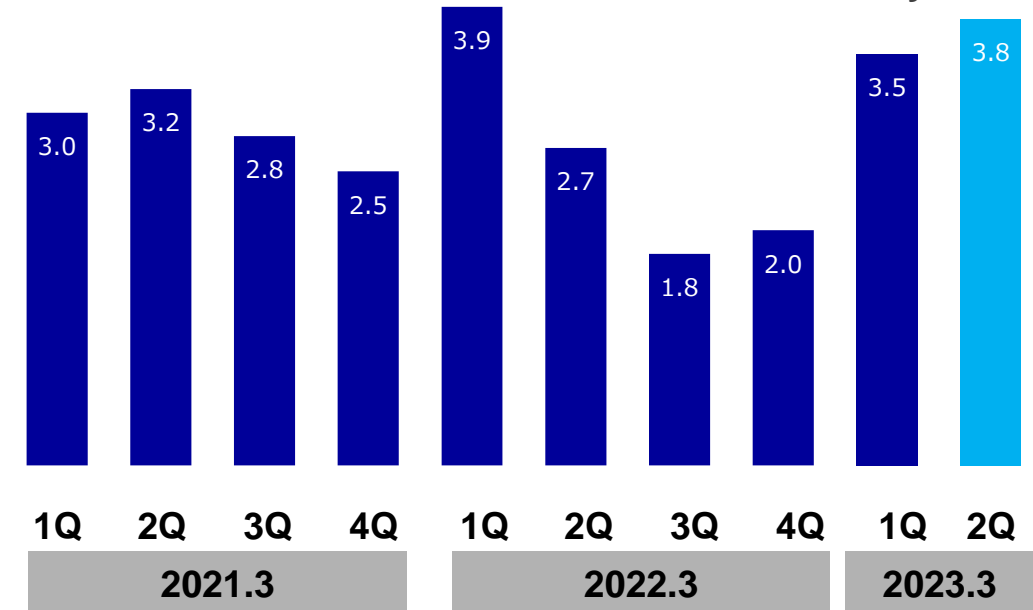
<Sales>

(100 million yen)



<Operating Income>

(100 million yen)



Energy Saving Solution Business

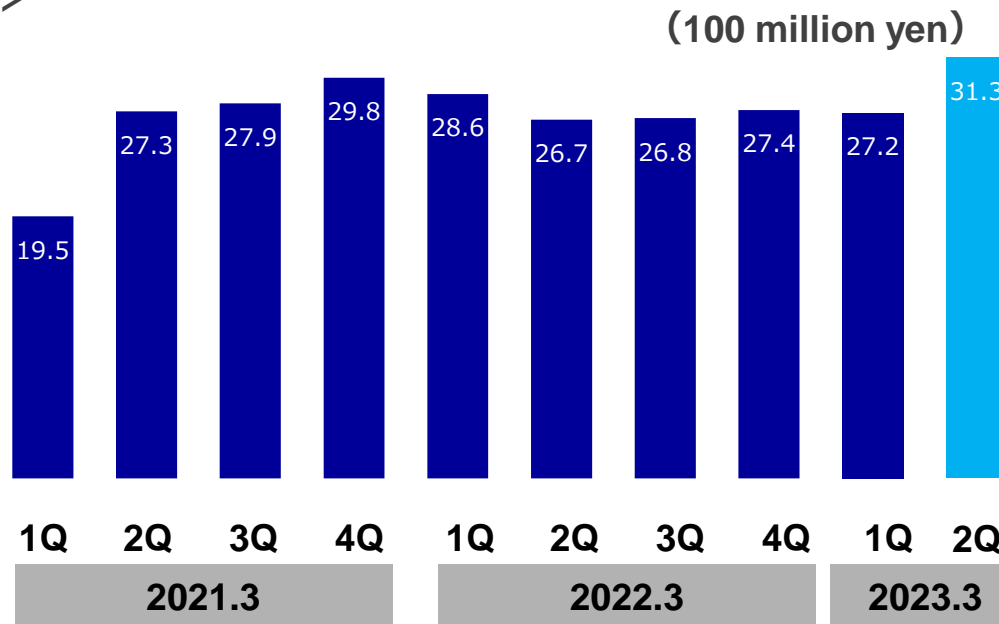
Environment

- Demand is growing in the automotive market as economic activity resumes and the trend toward EVs accelerates.
- In the automotive and the OA, the global shortage of semiconductors and difficulties in procuring parts are gradually improving.

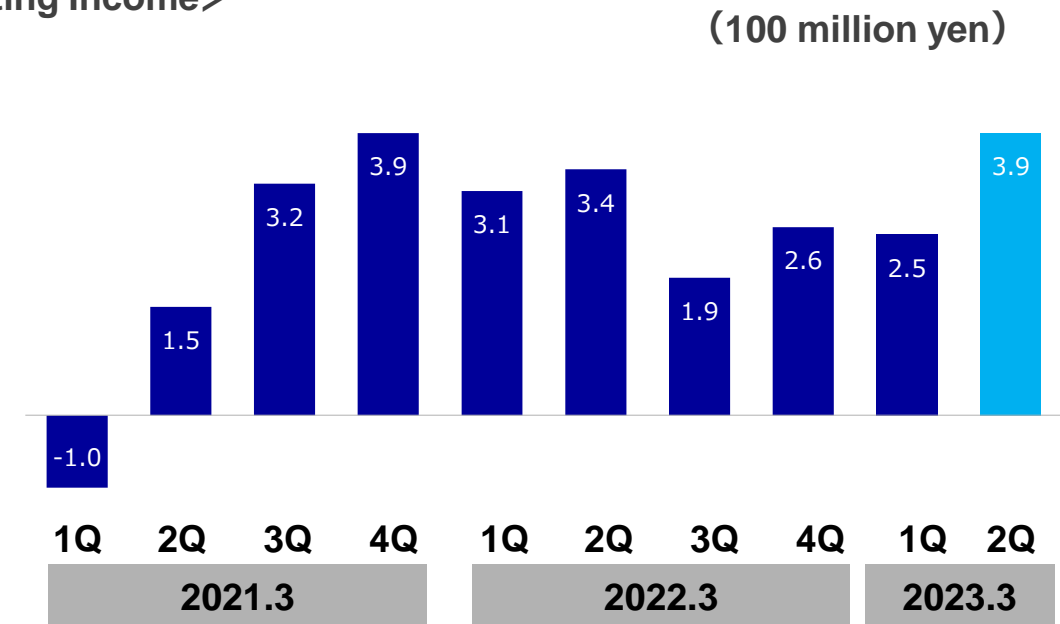
Strategy

- Business portfolio transition.
- Growth in the Gear solution Business.

<Sales>



<Operating Income>



Enplas Corporation

Financial Results for the Second-Quarter of the Year Ending March 31, 2023

[**https://www.enplas.co.jp/english/**](https://www.enplas.co.jp/english/)

Any statements in this presentation which are not historical are future projections based on certain assumptions and executive judgments drawn from currently available information. Please note that actual performance may vary significantly from any particular projection due to various factors.

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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