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# 2023.3 Third-Quarter Results

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January 31, 2023  
**Enplas Corporation**

# Agenda

## **2023.3 Management Policy**

## **2023.3 Third-Quarter Results**

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

## **2023.3 Financial Forecast**

## **Business Trend and Strategy for Each Segment**

## **2023.3 Management Policy**

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# Management Policy: Business Portfolio (Medium-term strategy)

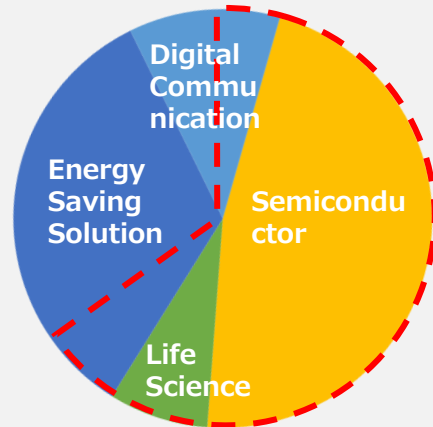
## Focus on Essential\* Business Fields

|                        |   |
|------------------------|---|
| Semiconductor          | Already essential and high growth business  |
| Life Science           |   |
| Energy Saving Solution | Transition to more essential areas within the business<br>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

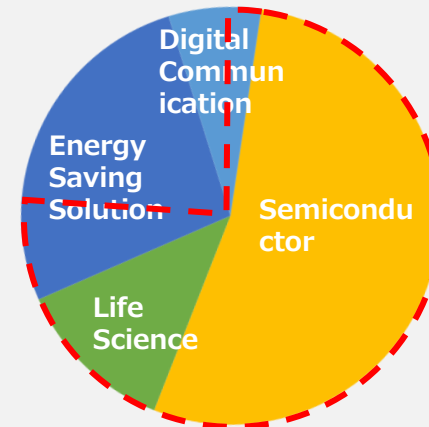
Rate of Essential: **60%**



2022.3



**75%**



2025.3

# Management Policy

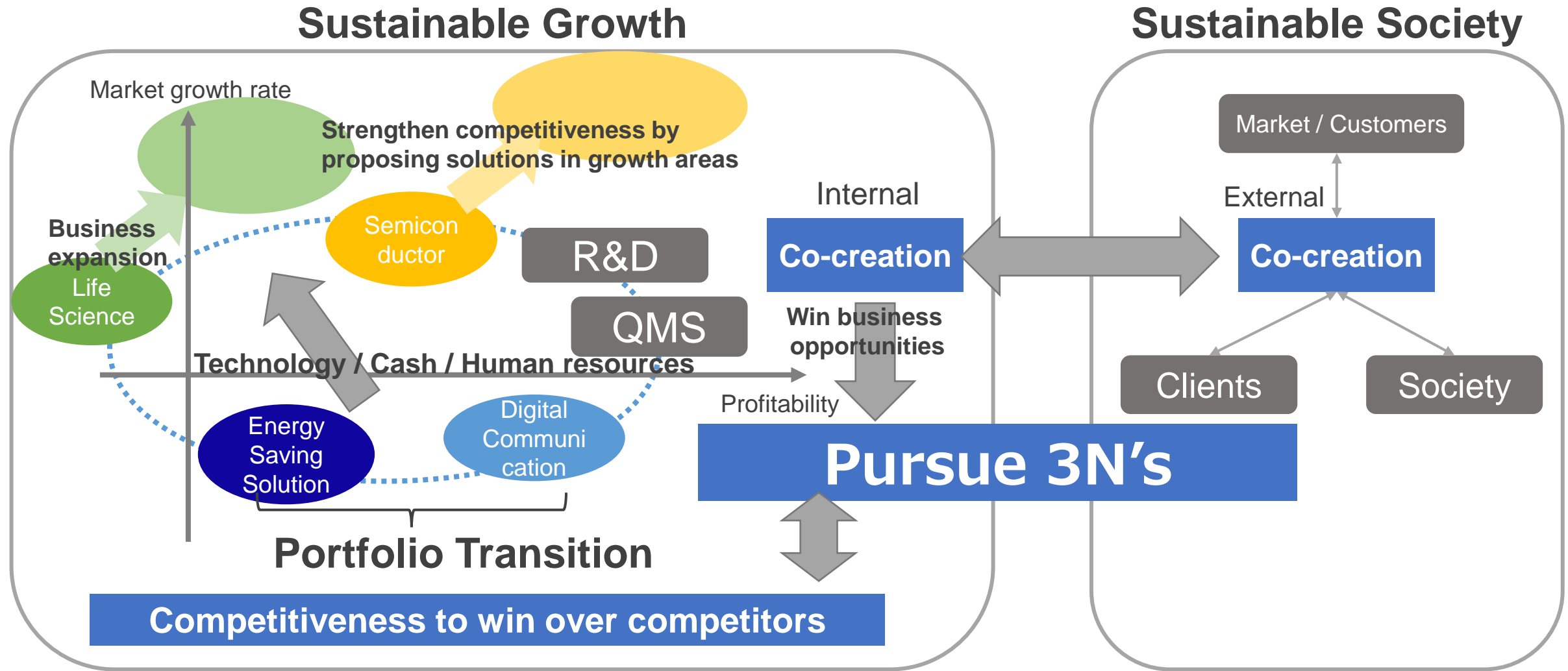
## Management Policy

### **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 Third-Quarter Results

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# 2023.3 Third-Quarter Financial Results

(100 million yen)

|   | 2022.3        | 2023.3        |            | (Reference)<br>Plan          |
|---|---------------|---------------|------------|------------------------------|
|   | 9M/3Q Results | 9M/3Q Results | Change     |                              |
| Sales                                   | 238.7         | 322.7         | +35.2%     | 430.0                        |
| COGS Ratio                              | 60.3%         | 51.4%         | -8.9pt     | 52.6%                        |
| Operating Income                        | 22.1          | 70.6          | +218.3%    | 84.0                         |
| Ordinary Income                         | 20.6          | 69.5          | +236.1%    | 86.0                         |
| Profit attributable to owners of parent | 14.3          | 36.3          | +152.7%    | 46.0                         |
| Earnings Per Share                      | 163.42yen     | 412.20yen     | +248.78yen | 521.61yen                    |
| Average Foreign Exchange rate (US\$)    | 111.39yen     | 135.41yen     | +24.02yen  | (Planned rate*)<br>135.73yen |

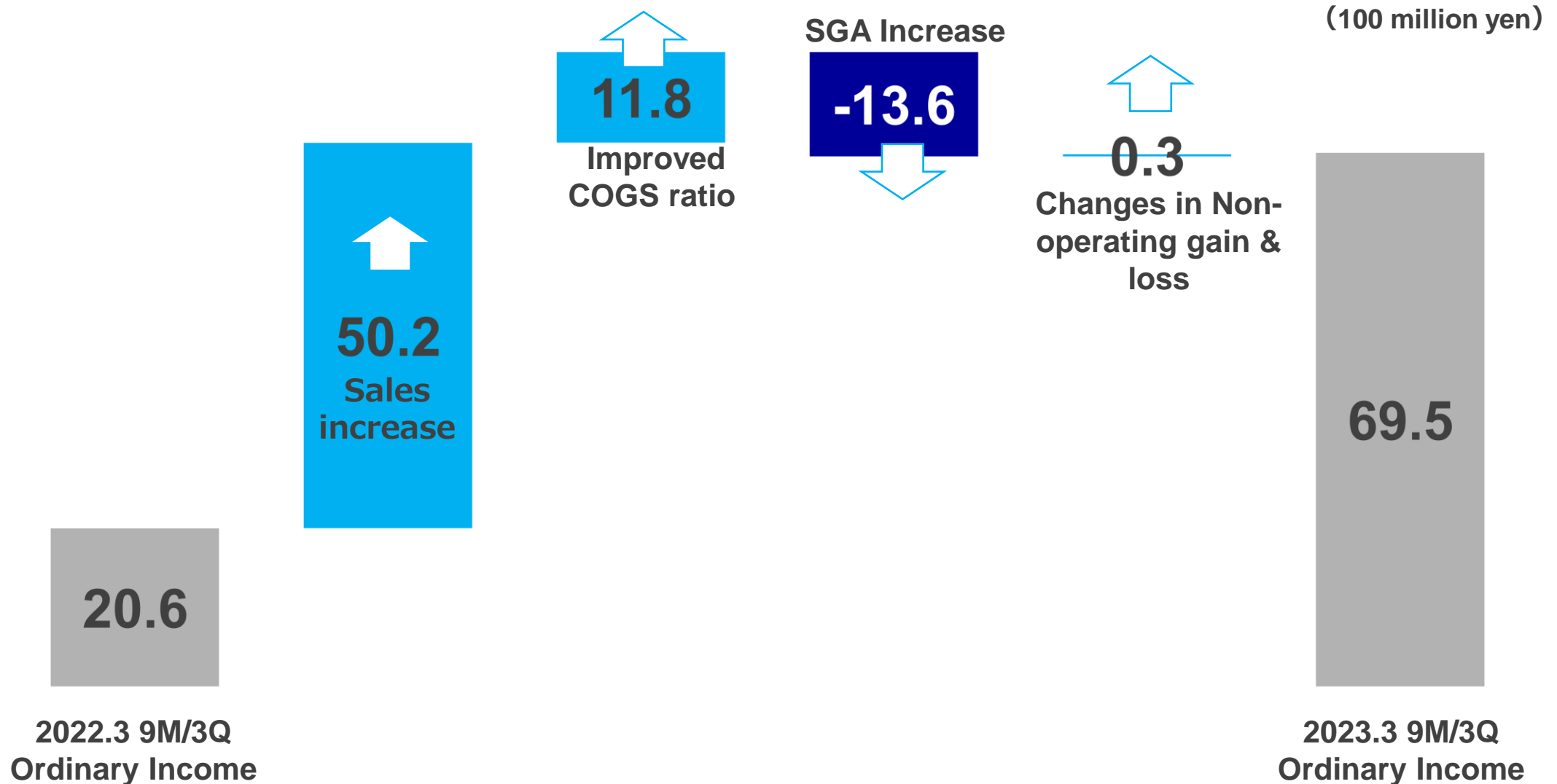
\*Planned rate is the avg. of 138.00yen (planned rate for the 2<sup>nd</sup> half) and 133.46yen (avg. rate for the 1<sup>st</sup> half).

# Effect of Foreign exchange (“FX”) rate

|   |   |
|---|---|
| <b>Average FX rate for the 2023.3 9M/3Q (US\$)</b>                                    | <b>135.41 yen</b>   |
| <b>Average FX rate for the 2022.3 9M/3Q (US\$)</b>                                    | <b>111.39 yen</b>   |
| <b>FX sensitivity (US\$)</b><br>*Effect of 1 yen change (Full-year)                   | <b>Net sales Approx. 200 million yen</b><br><b>Operating income Approx. 150 million yen</b>   |
| <b>Effect of FX rate change for the 2023.3 9M/3Q</b><br>*Difference from 2022.3 9M/3Q | <b>Net sales +3,550 million yen, Operating income +2,850 million yen</b><br><b>(Excluding effect of FX rate : Net sales 28,720 million yen, Operating income 4,210 million yen)</b> |
| <b>Overseas sales ratio</b>   | <b>Approx. 80%</b>  |

# 2023.3 Third-Quarter Ordinary Income Analysis

<2023.3 9M/3Q vs. 2022.3 9M/3Q >



# 2023.3 Third-Quarter Results by Segment

(100 million yen)

|                        |                  | 2022.3        | 2023.3        |         |
|------------------------|------------------|---------------|---------------|---------|
|                        |                  | 9M/3Q Results | 9M/3Q Results | Change  |
| Semiconductor          | Sales            | 110.5         | 180.9         | +63.7%  |
|                        | COGS Ratio       | 58.4%         | 47.2%         | -11.2pt |
|                        | Operating Income | 14.6          | 50.7          | +245.6% |
| Life Science           | Sales            | 18.0          | 25.2          | +40.2%  |
|                        | COGS Ratio       | 70.2%         | 53.6%         | -16.6pt |
|                        | Operating Income | -9.6          | -2.5          | -       |
| Digital Communication  | Sales            | 28.0          | 28.1          | +0.5%   |
|                        | COGS Ratio       | 42.0%         | 34.7%         | -7.3pt  |
|                        | Operating Income | 8.5           | 11.8          | +37.6%  |
| Energy Saving Solution | Sales            | 82.2          | 88.3          | +7.5%   |
|                        | COGS Ratio       | 67.0%         | 64.9%         | -2.1pt  |
|                        | Operating Income | 8.5           | 10.6          | +25.2%  |

# Quarterly Results

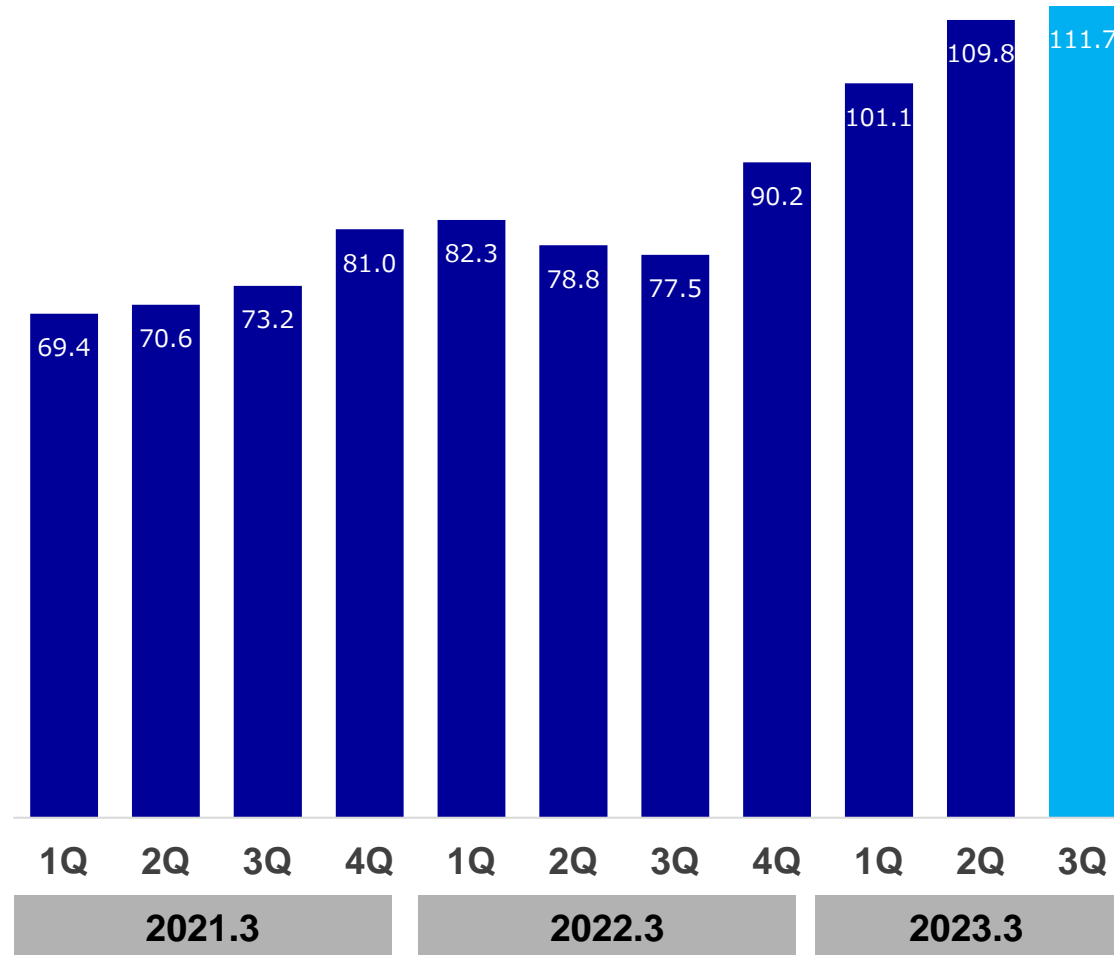
(100 million yen)

|   | 2022.3           |                   | 2023.3            |                  |                   |
|---|------------------|-------------------|-------------------|------------------|-------------------|
|   | 3Q               | 4Q                | 1Q                | 2Q               | 3Q                |
| Sales                                   | <b>77.5</b>      | <b>90.2</b>       | <b>101.1</b>      | <b>109.8</b>     | <b>111.7</b>      |
| COGS Ratio                              | <b>62.0%</b>     | <b>56.8%</b>      | <b>53.7%</b>      | <b>51.4%</b>     | <b>49.4%</b>      |
| Operating Income                        | <b>5.6</b>       | <b>13.8</b>       | <b>19.5</b>       | <b>23.9</b>      | <b>27.0</b>       |
| Ordinary Income                         | <b>5.3</b>       | <b>13.8</b>       | <b>21.3</b>       | <b>23.6</b>      | <b>24.4</b>       |
| Profit attributable to owners of parent | <b>5.2</b>       | <b>10.8</b>       | <b>15.0</b>       | <b>2.5</b>       | <b>18.7</b>       |
| Earnings Per Share                      | <b>59.97</b> yen | <b>123.61</b> yen | <b>170.44</b> yen | <b>29.45</b> yen | <b>212.33</b> yen |

# Quarterly Results

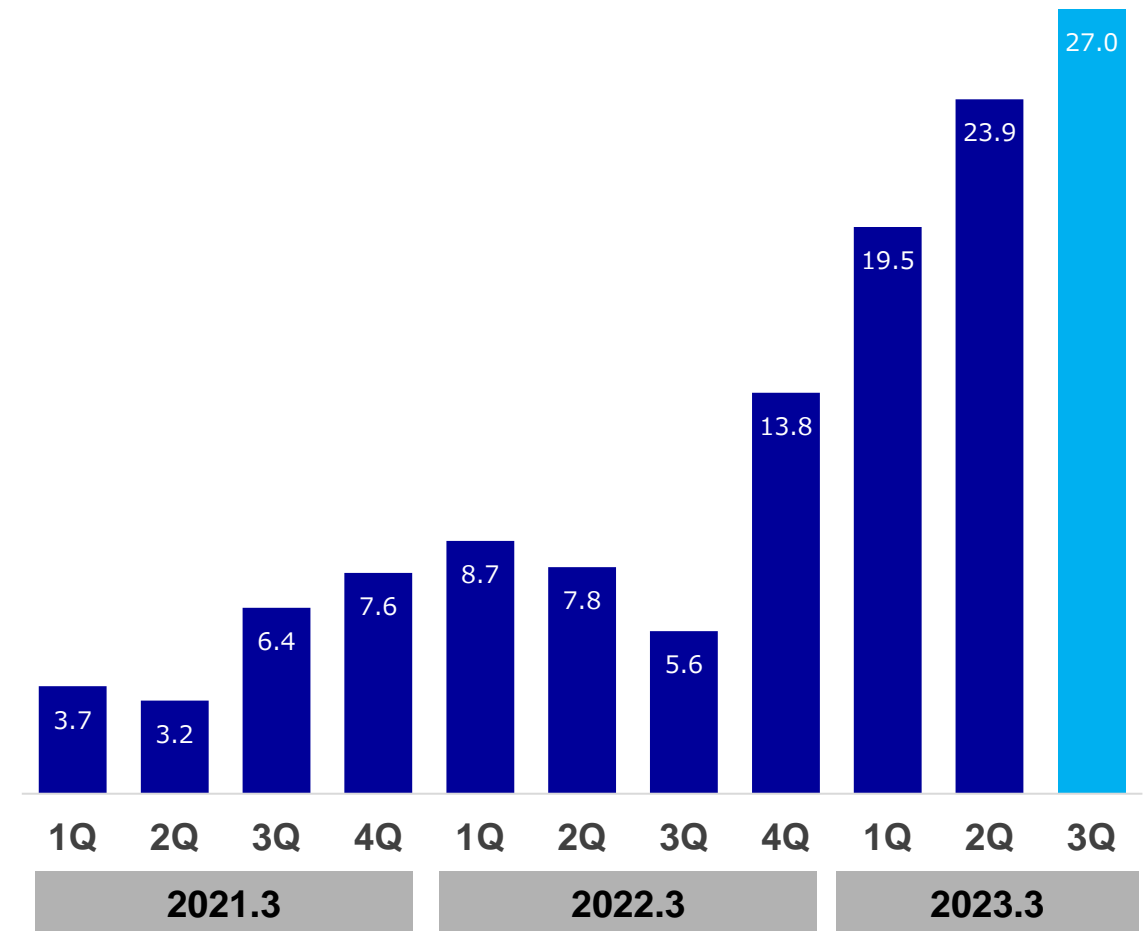
<Sales>

(100 million yen)



<Operating Income>

(100 million yen)



# Quarter Results by Segment

(100 million yen)

|                        |                  | 2022.3 |       | 2023.3 |       |       |
|------------------------|------------------|--------|-------|--------|-------|-------|
|                        |                  | 3Q     | 4Q    | 1Q     | 2Q    | 3Q    |
| Semiconductor          | Sales            | 37.2   | 48.6  | 56.6   | 59.8  | 64.4  |
|                        | COGS Ratio       | 59.0%  | 52.1% | 49.9%  | 46.3% | 45.5% |
|                        | Operating Income | 4.6    | 11.3  | 14.5   | 16.7  | 19.4  |
| Life Science           | Sales            | 5.9    | 6.7   | 7.9    | 9.5   | 7.8   |
|                        | COGS Ratio       | 63.4%  | 58.4% | 54.5%  | 52.7% | 54.0% |
|                        | Operating Income | -2.9   | -2.2  | -1.0   | -0.5  | -0.9  |
| Digital Communication  | Sales            | 7.5    | 7.3   | 9.4    | 9.0   | 9.6   |
|                        | COGS Ratio       | 46.0%  | 45.0% | 38.6%  | 34.5% | 31.1% |
|                        | Operating Income | 1.8    | 2.0   | 3.5    | 3.8   | 4.3   |
| Energy Saving Solution | Sales            | 26.8   | 27.4  | 27.2   | 31.3  | 29.7  |
|                        | COGS Ratio       | 70.3%  | 67.8% | 66.6%  | 65.5% | 62.7% |
|                        | Operating Income | 1.9    | 2.6   | 2.5    | 3.9   | 4.1   |

# Financial Results Overview

## ➤ 2023.3 Third-Quarter Financial Results

### ■ Summary Sales and profit growth

YoY sales and profit increased, driven by semiconductor business.

(Sales +35.2%, Operating Income +218.3%, Profit attributable to owners of parent +152.7%)

### ■ Segment

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

- Despite a primary adjustment in semiconductor demand, it is expected to increase in the medium term.

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

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

#### <Digital Communication business> Sales and profit growth

- In 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 and profit growth

- In the automotive and the OA, sales increased due to recovery of automotive production and increased demand for printers, although a full recovery of automotive production was not achieved.

# Financial Results Overview

## ➤ SGA

(100 million yen)

| 2022.3 9M/3Q | 2023.3 9M/3Q | Change |
|--------------|--------------|--------|
| 72.4         | 86.0         | +13.6  |

- Labor cost: +6.3
- Traveling and transportation expenses: +1.2
- Research & development expense: +4.4

## ➤ Non-operating profit and loss

(100 million yen)

| 2022.3 9M/3Q | 2023.3 9M/3Q | Change |
|--------------|--------------|--------|
| -1.5         | -1.1         | +0.4   |

- Foreign exchange gain: 1.4 (Foreign exchange gain for 2022.3 9M/3Q: 0.0)
- \*Foreign exchange loss for 2023.3 3M/3Q: 3.0 (Foreign exchange gain for 2023.3 6M/2Q: 4.4)
- Loss on investment in affiliates: 3.4 (2022.3 9M/3Q: 2.7)

## ➤ Extra-ordinary profit and loss

(100 million yen)

| 2022.3 9M/3Q | 2023.3 9M/3Q | Change |
|--------------|--------------|--------|
| 1.2          | -15.1        | -16.3  |

- Loss on valuation of investment securities: 14.3

# 2023.3 Financial Forecast

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# 2023.3 Financial Forecast

(100 million yen)

|   | 2023.3<br>9M/3Q Results | 2023.3<br>Full-year   |
|---|-------------------------|-----------------------|
| Net Sales                               | 322.7                   | 430.0                 |
| COGS Ratio                              | 51.4%                   | 52.6%                 |
| Operating Income                        | 70.6                    | 84.0                  |
| Ordinary Income                         | 69.5                    | 86.0                  |
| Profit attributable to owners of parent | 36.3                    | 46.0                  |
| Earnings Per Share                      | 412.20 <sub>yen</sub>   | 521.61 <sub>yen</sub> |
| Dividends Per Share                     | 30.00 <sub>yen</sub>    | 60.00 <sub>yen</sub>  |

\*No changes

# 2023.3 Financial Forecast by Segment

|                        |               | (100 million yen) |
|------------------------|---------------|-------------------|
|                        | 2023.3        | 2023.3            |
|                        | 9M/3Q Results | Full-year         |
| Semiconductor          | 180.9         | 236.0             |
| Life Science           | 25.2          | 35.0              |
| Digital Communication  | 28.1          | 39.0              |
| Energy Saving Solution | 88.3          | 120.0             |

\*No changes

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

|                      |         |               | (100 million yen) |
|----------------------|---------|---------------|-------------------|
|                      | 2022.3  | 2023.3        | 2023.3            |
|                      | Results | 9M/3Q Results | Full-year         |
| Capital expenditures | 17.4    | 17.7          | 30.0              |
| Depreciation         | 23.1    | 16.5          | 24.0              |
| R&D                  | 6.6     | 9.3           | 12.0              |

\*No changes

# **Business Trend and Strategy for Each Segment**

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# Semiconductor Business

## Environment

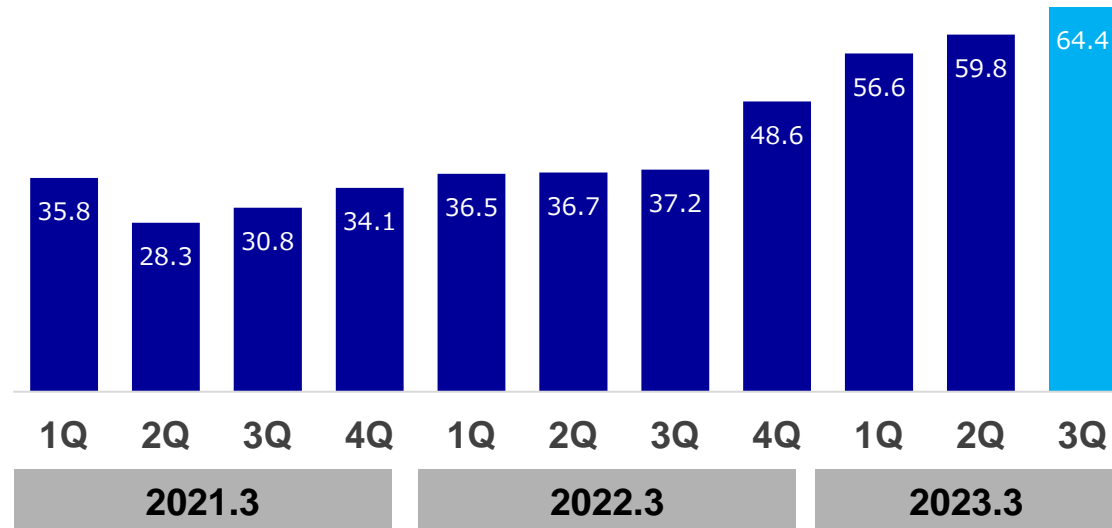
- Demand for server, automotive, and mobile applications remains high.
- Demand for server and automotive applications, on which Enplas focuses, is expected to continue to increase, despite concerns of an adjustment in demand for semiconductors.

## Strategy

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

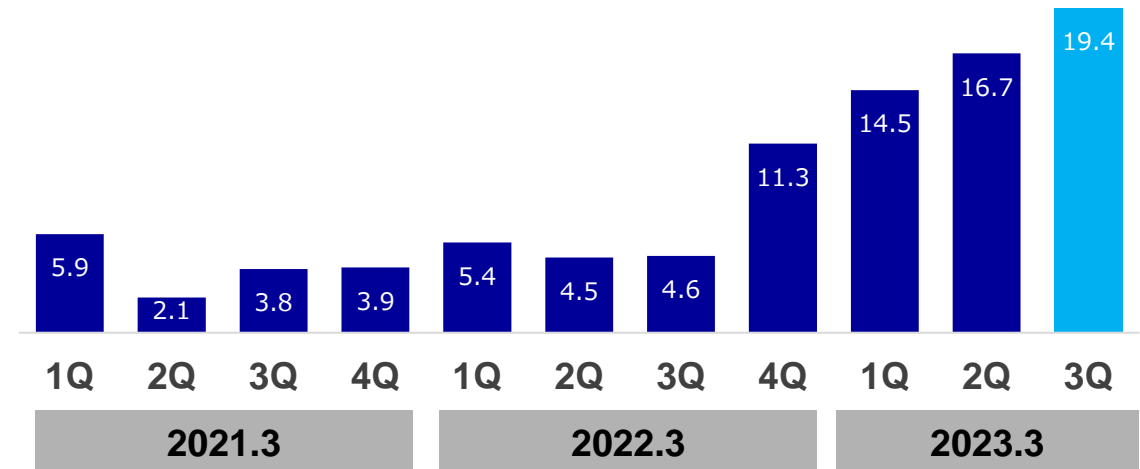
### <Sales>

(100 million yen)



### <Operating Income>

(100 million yen)



# Life Science Business

## Environment

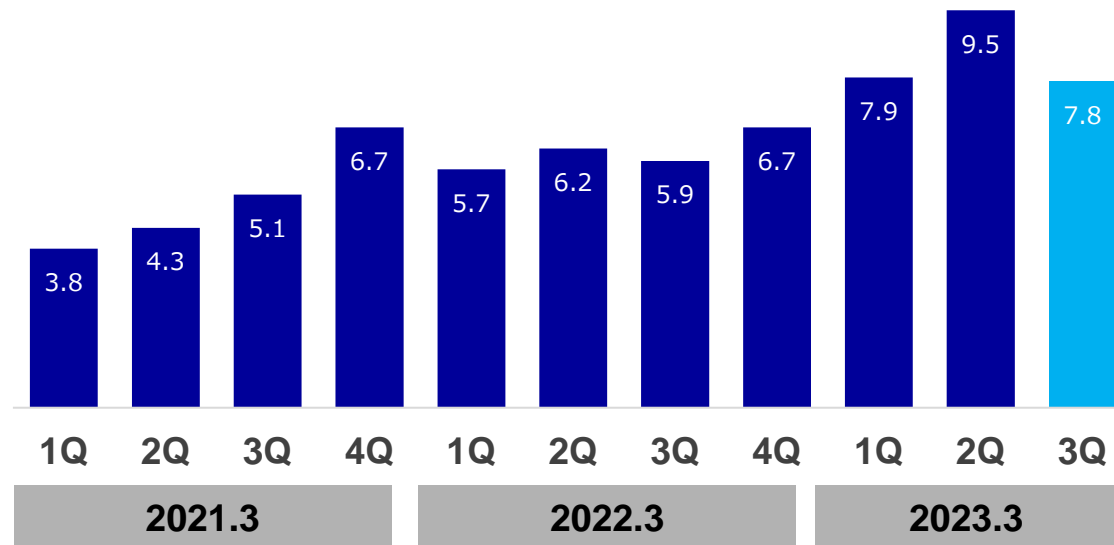
- Expect growth of the genetic testing market in Life Science business.
- Increasing demand for immediate clinical field testing and home-use clinical testing devices due to the spread of COVID-19.

## Strategy

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

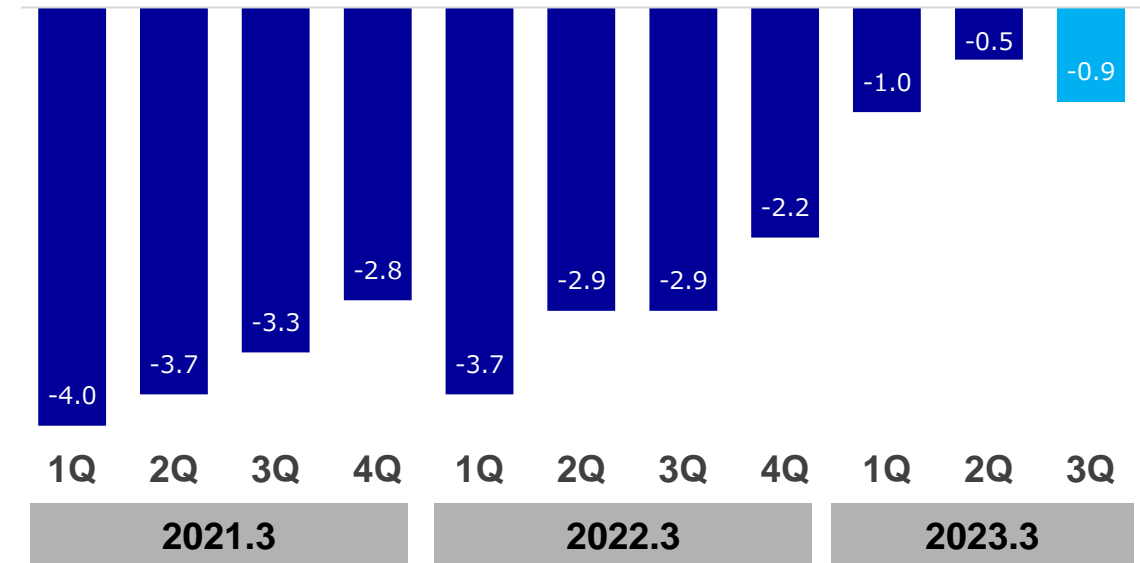
### <Sales>

(100 million yen)



### <Operating Income>

(100 million yen)



# Digital Communication Business

## Environment

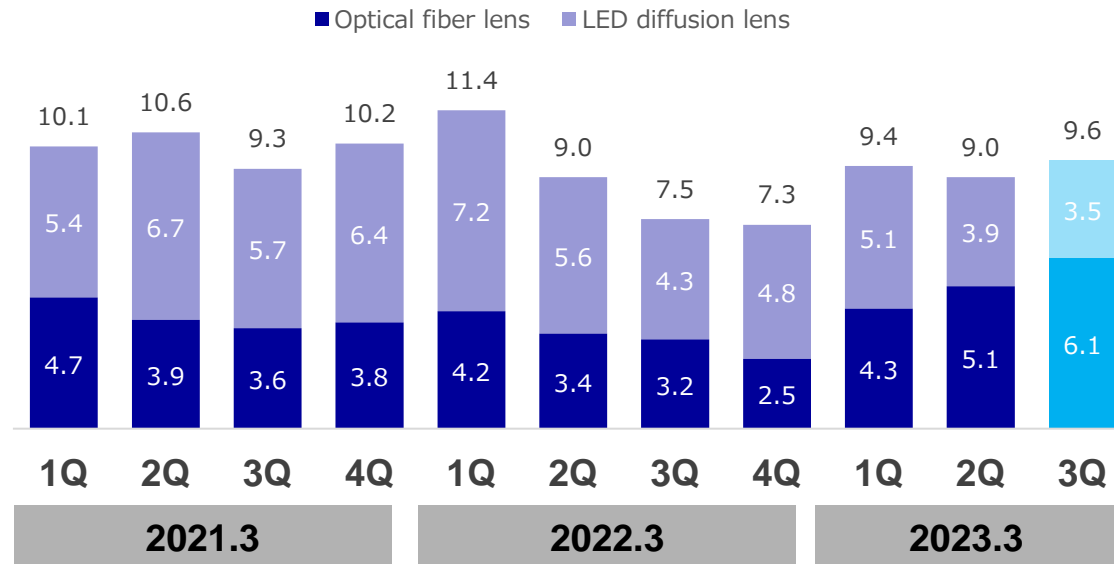
- In Optical fiber lens, demand for data centers is on the rise as data traffic increases.
- In LED diffusion lens, sales declined due to the impact of lower demand.

## Strategy

- In Optical fiber lens, 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.

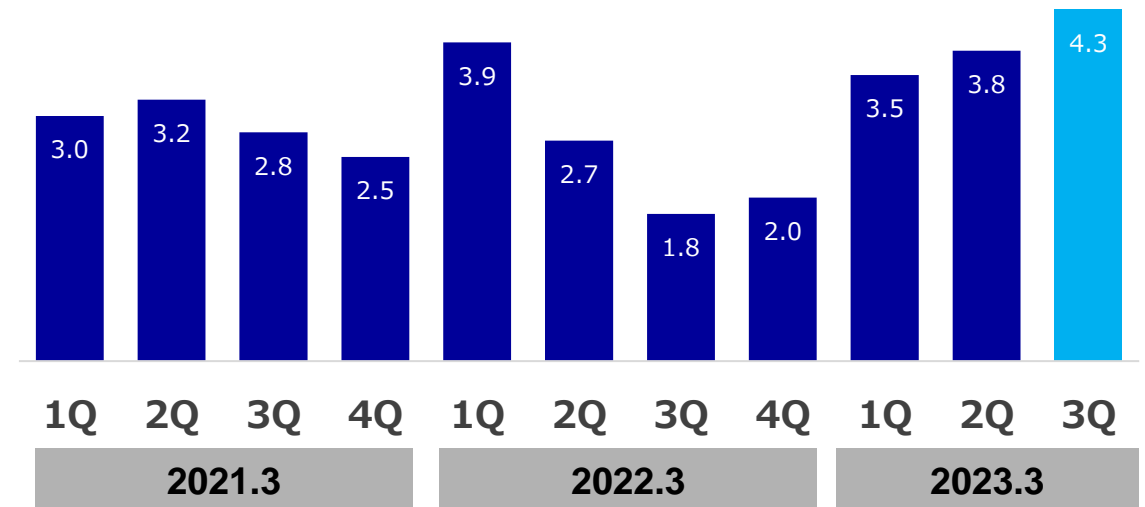
### <Sales>

(100 million yen)



### <Operating Income>

(100 million yen)



# Energy Saving Solution Business

## Environment

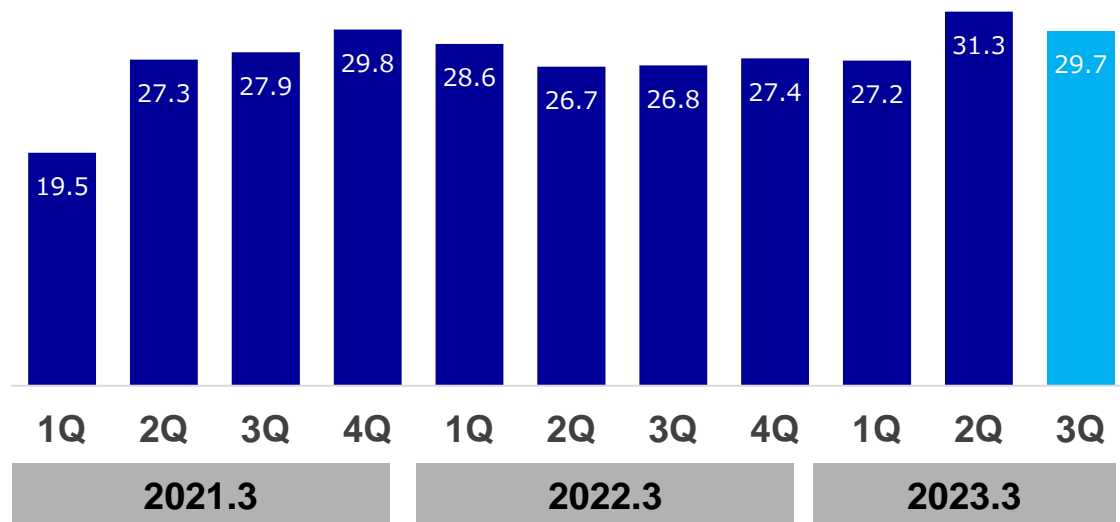
- Demand is growing in the automotive market as economic activity resumes and the trend toward EVs accelerates.
- In the automotive and the OA, the global shortage of semiconductors and difficulties in procuring parts are gradually improving, although the automotive production has not fully recovered.

## Strategy

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

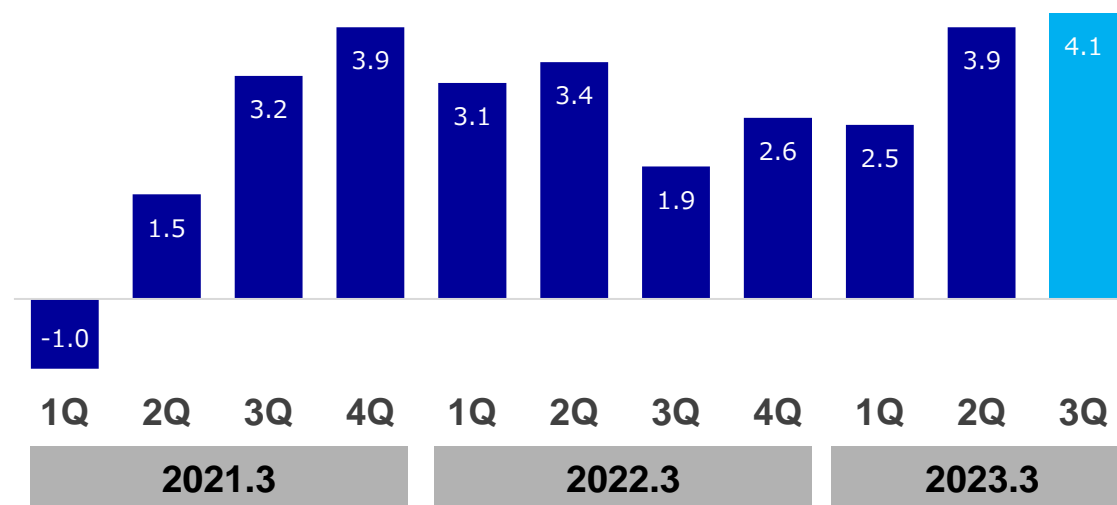
### <Sales>

(100 million yen)



### <Operating Income>

(100 million yen)



# Enplas Corporation

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

<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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