
2024.3 Corporate Strategy Meeting

April 28, 2023
Enplas Corporation

Agenda

Management Policy Daisuke Yokota, President

- **Our Approach**
- **New Corporate Philosophy**
- **FY2023 Management Policy**
- **Risk Recognition and Actions**

Annual Results Shigeya Fujita, Executive Officer

- **2023.3 Financial Results**
- **2024.3 Financial Forecast**



2024.3 Management Policy

Enplas Corporation
Daisuke Yokota, President

Our Approach

Mega Trend



The needs of the end user named Earth

Phenomena

Population Explosion



Aging Society



Global Environmental Problem



Issues

Poverty

Water shortage

Food shortage

Concentration in city population

Decrease in the working age population

Raising medical expenses

Global warming/Extreme weather

Marine plastic waste

Infectious disease

Concentrate the wisdom of mankind

Solutions

Healthy life expectancy

Personalized medicine

Effective use of water resources

Food safety

CASE

AI/IoT

Labor saving/Automation

Productivity improvement

CO₂ reduction

Recycle

Create bright future

Technology Trend

Core Competencies

enplas

(Total Engineering Plastic technology)

Fluid control technology

Luminous flux control technology

Contact solutions

Gear trains solutions

Global production system

Uniform quality in the world

Environmental solutions such as biodegradable plastics

Development of new materials

Ultra-fine processing technology

Corporate culture of "Creation" and "Challenge"



Solving social issues ⇒ Missions

Pursing of economic value ⇒ Opportunities

Business Portfolio (Medium-term strategy)

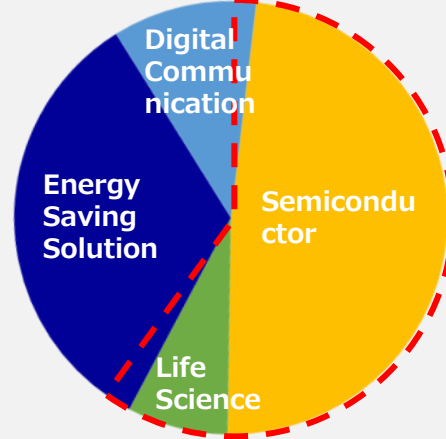
Focus on Essential* Business Fields

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.

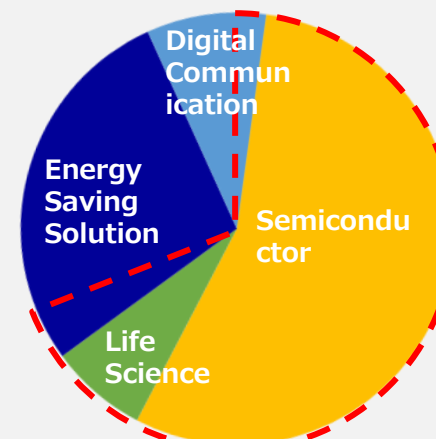
Image of Sales breakdown

Rate of Essential: **60%**



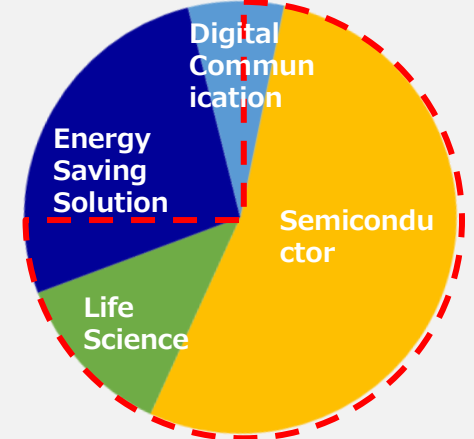
2022.3

69%



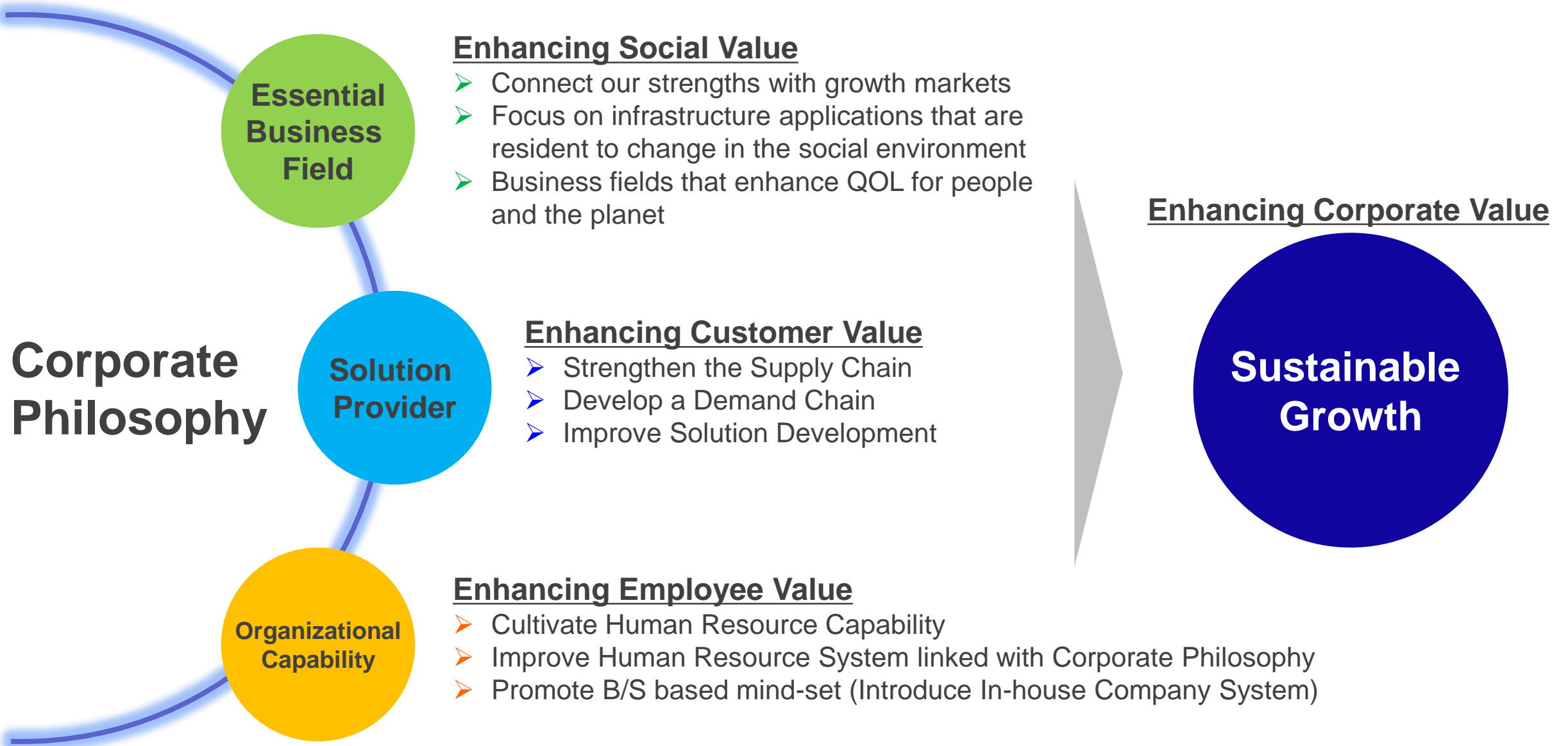
2023.3

75%

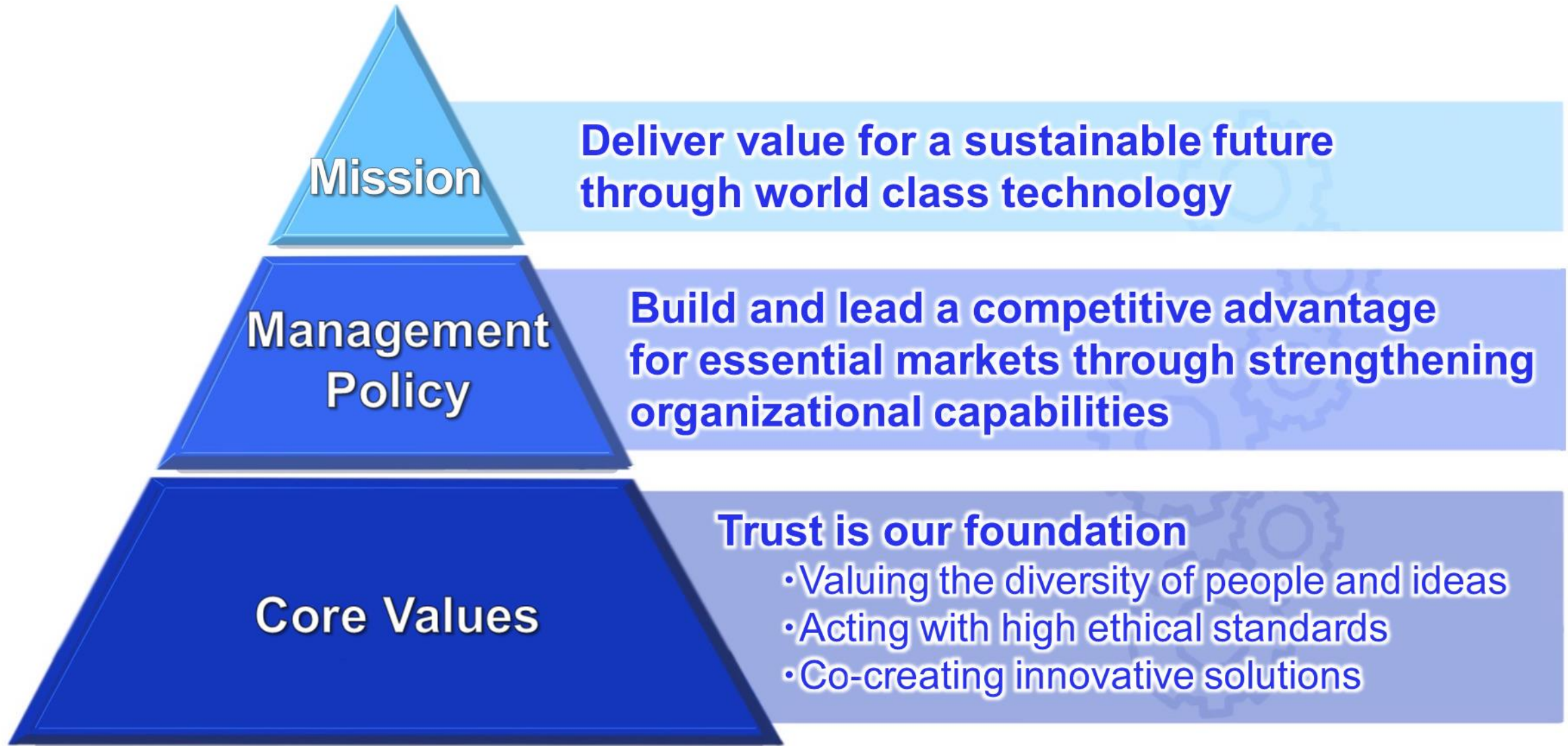


2025.3

Our Approach to Enhancing Corporate Value



New Corporate Philosophy



Drive growth through focused competitiveness

Risk Recognition and Actions

Item	Risk Recognition	Response
Business cost	<ul style="list-style-type: none"> Rising prices of resin materials Inflation (Labor costs, electricity, etc.) 	<ul style="list-style-type: none"> Price pass-through Solution provider (Increase sales of high value-added products)
Logistics (Supply Chain)	<ul style="list-style-type: none"> Protectionism in various countries 	<ul style="list-style-type: none"> Establish supply chain in each region
Assets	<ul style="list-style-type: none"> Increased difficulty of exit in areas of high geopolitical risk 	<ul style="list-style-type: none"> Reduce assets in high-risk areas

Situation by region: Assets held, Sales, and Production

	Asset holding ratio			
	Japan	Europe and America	Chinese District	Other Asia
Cash	38%	16%	9%	37%
Accounts receivable	35%	20%	29%	16%
Inventory	17%	14%	8%	61%
Land	96%	4%	0%	0%
Buildings	69%	20%	5%	6%
Machinery & Equipment	60%	11%	7%	22%
Sales*	21%	28%	22%	29%
Production	64%	9%	4%	23%

※Sales are as of March 31, 2022.



2023.3 Annual Results

Enplas Corporation
Shigeya Fujita, Executive Officer

2023.3 Financial Results

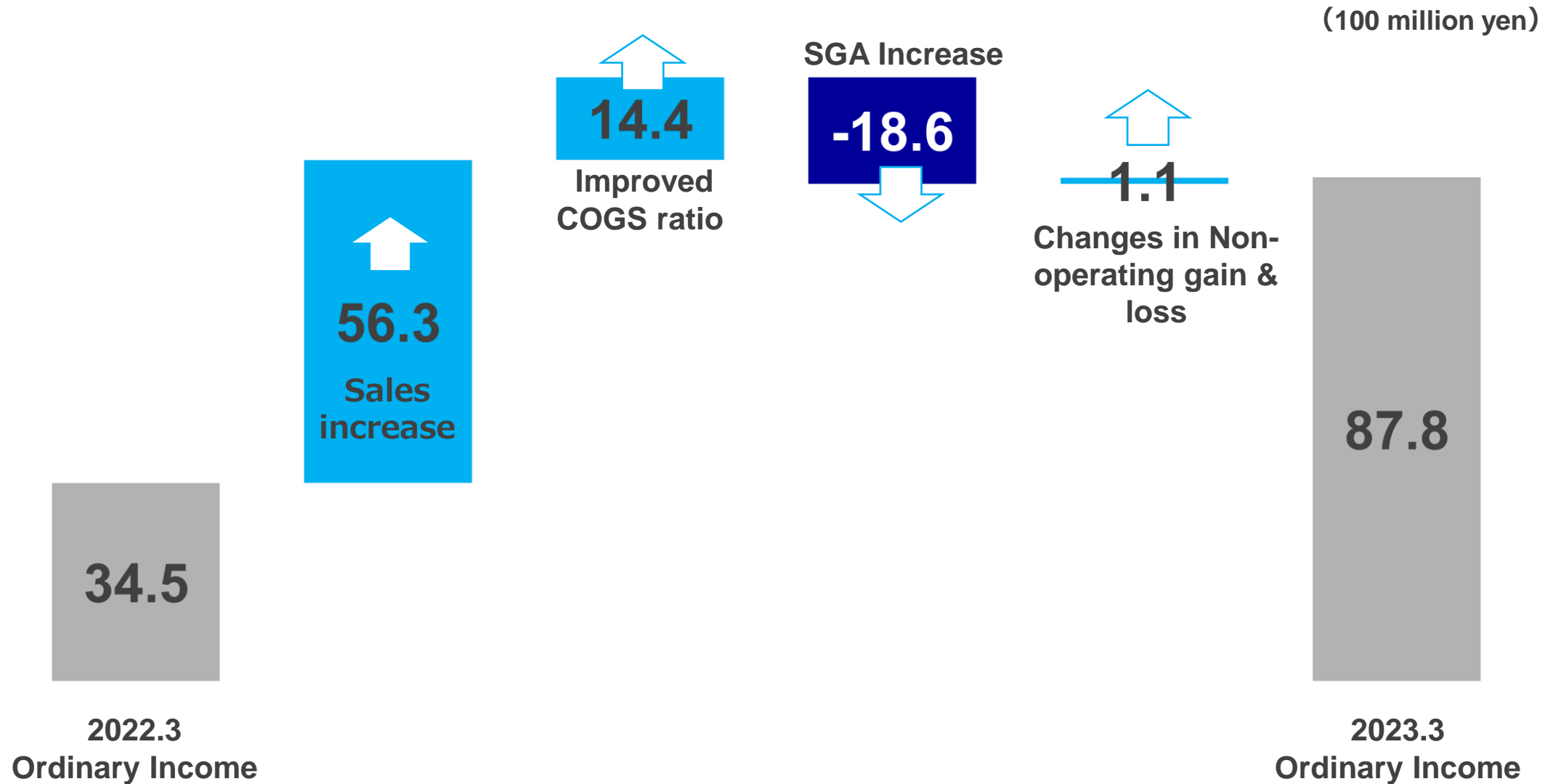
(100 million yen)

	2022.3 Results	2023.3 Results	Change
Sales	328.9	422.4	+28.4%
COGS Ratio	59.4%	51.6%	-7.8pt
Operating Income	36.0	88.2	+145.0%
Ordinary Income	34.5	87.8	+154.5%
Profit attributable to owners of parent	25.2	46.2	+82.8%
Return of equity (ROE)	6.4%	10.6%	+4.2pt
Net Income Per Share	287.10 _{yen}	523.94 _{yen}	+236.84 _{yen}
Average Exchange Rate (US\$)	112.87 _{yen}	134.95 _{yen}	+22.08 _{yen}
Dividends Per Share	47.50 _{yen}	60.00 _{yen}	+12.50 _{yen}

Effect of Foreign exchange (“FX”) rate

Average FX rate for the 2023.3 (US\$)	134.95 yen
Average FX rate for the 2022.3 (US\$)	112.87 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 *Difference from 2022.3	Net sales +4,210 million yen, Operating income +3,290 million yen (Excluding effect of FX rate : Net sales 38,030 million yen, Operating income 5,530 million yen)
Overseas sales ratio	Approx. 80%

Ordinary Income Analysis



2023.3 Segment Results

(100 million yen)

		2022.3	2023.3	
		Results	Results	Change
Semiconductor	Sales	159.1	234.3	+47.3%
	COGS Ratio	56.5%	46.8%	-9.7pt
	Operating Income	26.0	65.1	+150.4%
Life Science	Sales	24.7	30.9	+24.8%
	COGS Ratio	67.0%	56.1%	-10.9pt
	Operating Income	-11.8	-6.3	-
Digital Communication	Sales	35.3	37.8	+6.8%
	COGS Ratio	42.6%	33.1%	-9.5pt
	Operating Income	10.6	15.8	+48.9%
Energy Saving Solution	Sales	109.6	119.3	+8.8%
	COGS Ratio	67.2%	65.6%	-1.6pt
	Operating Income	11.2	13.5	+21.3%

Quarterly Results

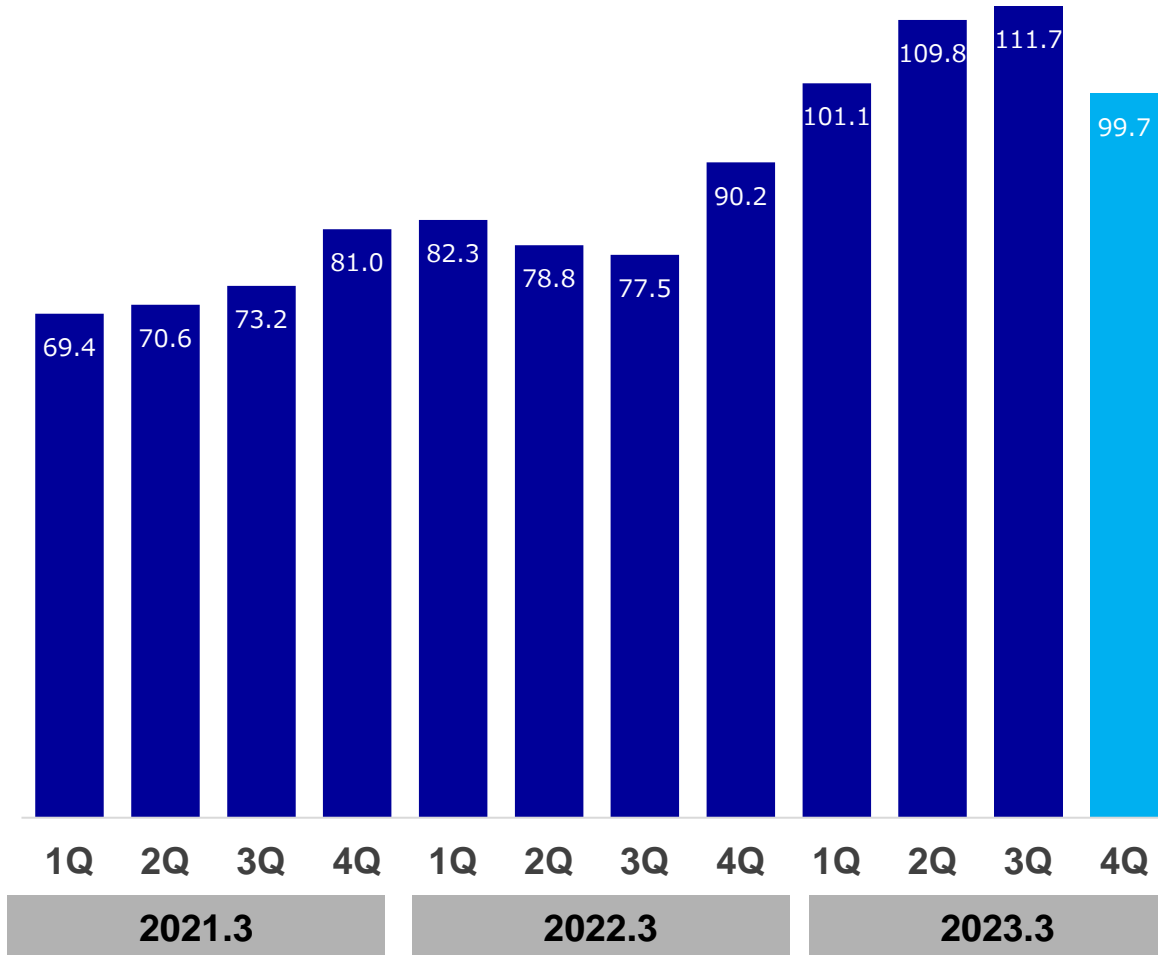
(100 million yen)

	2022.3	2023.3			
	4Q	1Q	2Q	3Q	4Q
Sales	90.2	101.1	109.8	111.7	99.7
COGS Ratio	56.8%	53.7%	51.4%	49.4%	52.1%
Operating Income	13.8	19.5	23.9	27.0	17.5
Ordinary Income	13.8	21.3	23.6	24.4	18.3
Profit attributable to owners of parent	10.8	15.0	2.5	18.7	9.8
Earnings Per Share	123.61yen	170.44yen	29.45yen	212.33yen	111.74yen

Quarterly Results

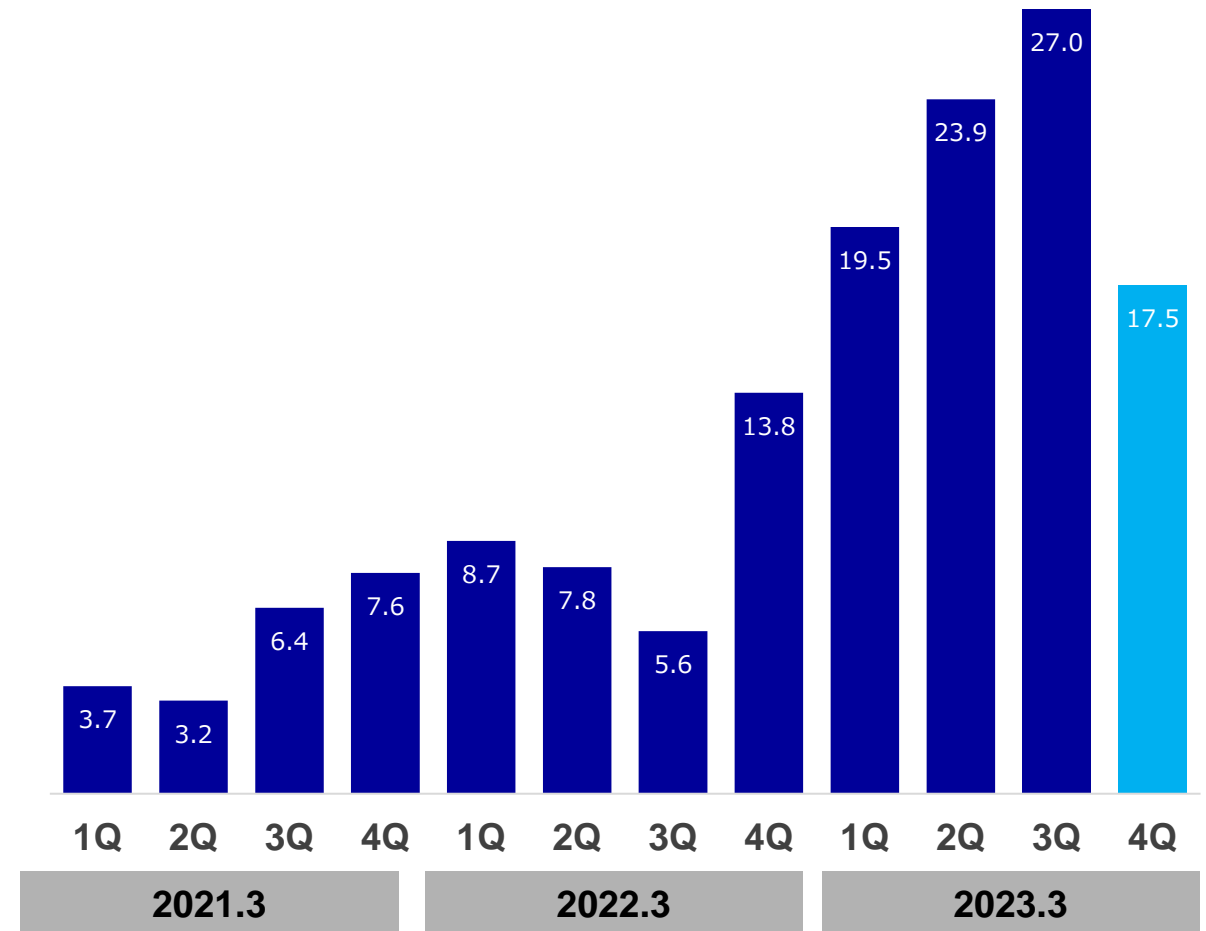
<Sales>

(100 million yen)



<Operating Income>

(100 million yen)



Quarter Results by Segment

(100 million yen)

		2022.3	2023.3			
		4Q	1Q	2Q	3Q	4Q
Semiconductor	Sales	48.6	56.6	59.8	64.4	53.3
	COGS Ratio	52.1%	49.9%	46.3%	45.5%	45.7%
	Operating Income	11.3	14.5	16.7	19.4	14.3
Life Science	Sales	6.7	7.9	9.5	7.8	5.6
	COGS Ratio	58.4%	54.5%	52.7%	54.0%	67.2%
	Operating Income	-2.2	-1.0	-0.5	-0.9	-3.8
Digital Communication	Sales	7.3	9.4	9.0	9.6	9.6
	COGS Ratio	45.0%	38.6%	34.5%	31.1%	28.4%
	Operating Income	2.0	3.5	3.8	4.3	4.0
Energy Saving Solution	Sales	27.4	27.2	31.3	29.7	31.0
	COGS Ratio	67.8%	66.6%	65.5%	62.7%	67.8%
	Operating Income	2.6	2.5	3.9	4.1	2.8

Financial Results Overview

■ Summary Sales and profit growth

YoY sales and profit increased, driven by semiconductor business.

(Sales +28.4%, Operating Income +145.0%, Profit attributable to owners of parent +82.8%)

■ Segment

<Semiconductor business> Sales reached a record high Sales and profit growth

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

<Life Science business> Sales reached a record high Sales and profit growth

- 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 printer demand, although automotive production didn't achieve a full recovery.

Financial Results Overview

➤ SGA

(100 million yen)

2022.3	2023.3	Change
97.6	116.2	+18.6

- Labor cost: +8.4
- Traveling and transportation expenses: +1.7
- Research & development expense: +6.1

➤ Non-operating profit and loss

(100 million yen)

2022.3	2023.3	Change
-1.4	-0.3	+1.1

- FX gain: 1.7 (FX gain for 2022.3: 1.1)

➤ Extra-ordinary profit and loss

(100 million yen)

2022.3	2023.3	Change
5.8	-21.0	-26.8

2023.3

- Loss on valuation of investment securities: 14.3
- Impairment loss: 6.9 (Impairment loss for 2022.3: 1.5)

2023.3 Actions Implemented

- **Issuance of Stock options**

Allotment date: July 19, 2022

Exercise period of stock options: June 28, 2025 to June 27, 2027

Total number of stock options: 2,942 stock options (294,200 shares)

Exercise price: 3,353 yen per share

- **Cancellation of treasury stock**

Date of cancellation: August 31, 2022

Number of shares: 3,500,000 shares

- **Sustainability initiatives**

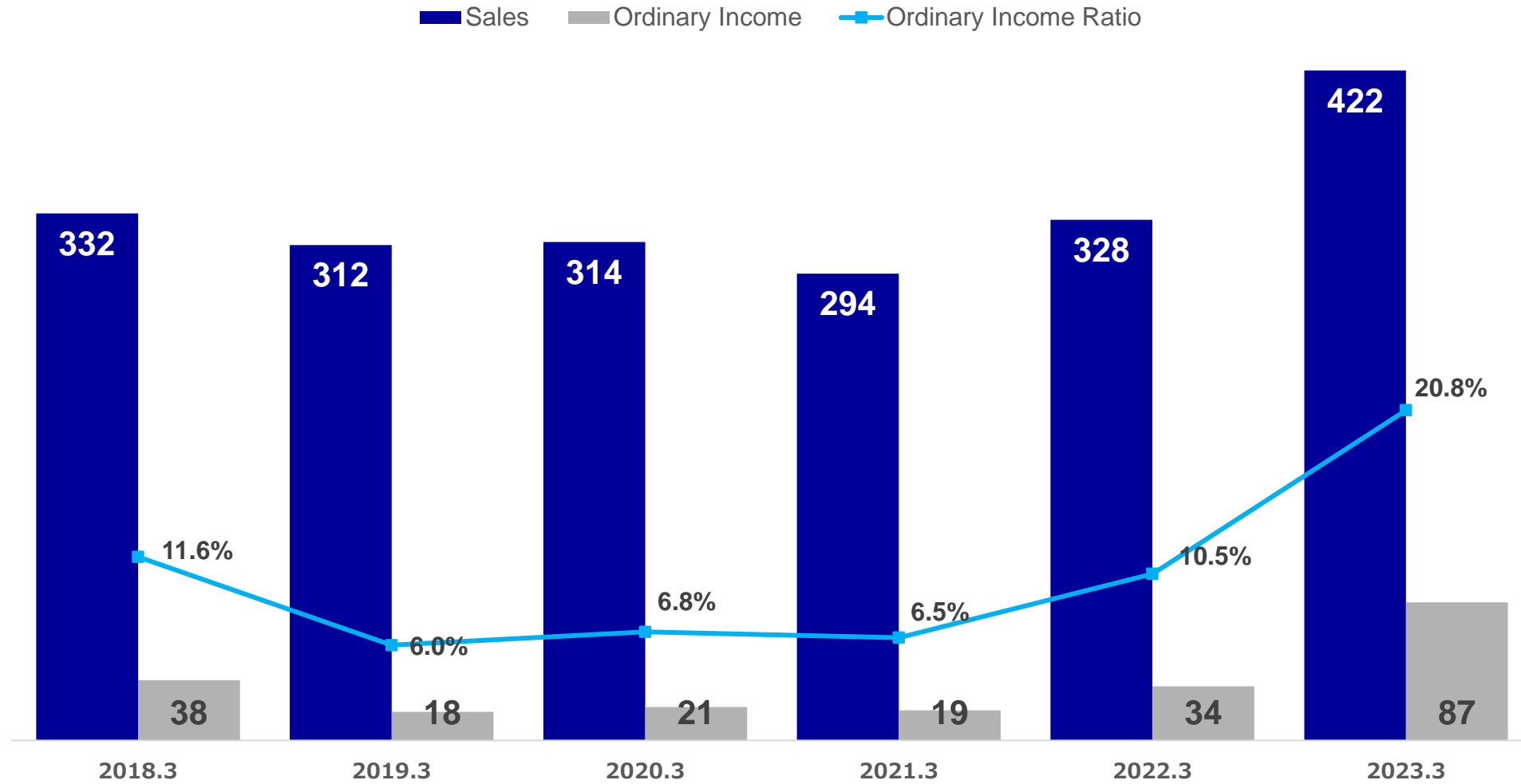
(reporting based on the TCFD recommendations)

- **Enplas Semiconductor Peripheral Corporation has moved to a new place.**

- **Establish “Kyoto Co-Creation Center”**

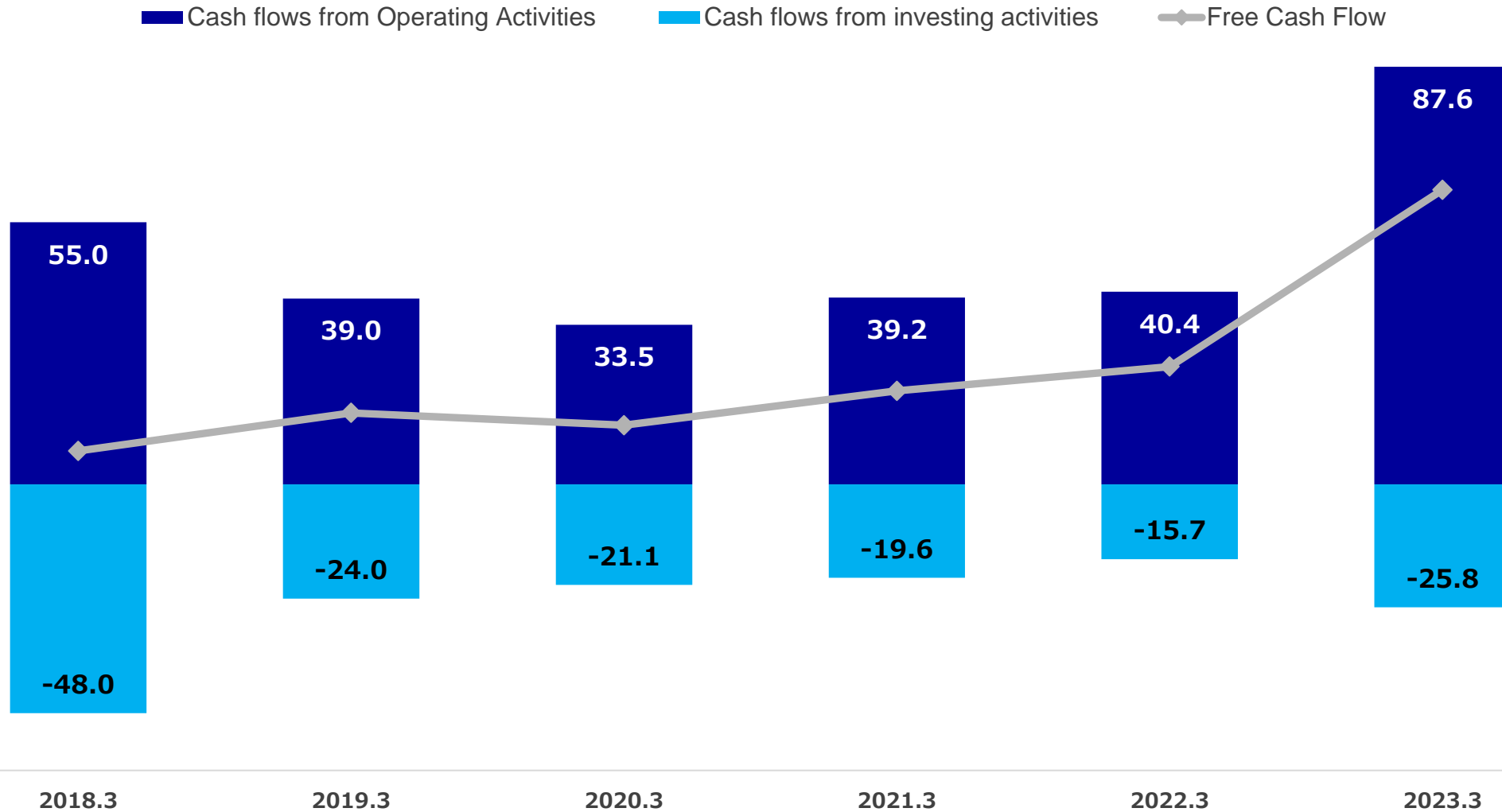
Sales and Ordinary Income

(100 million yen)



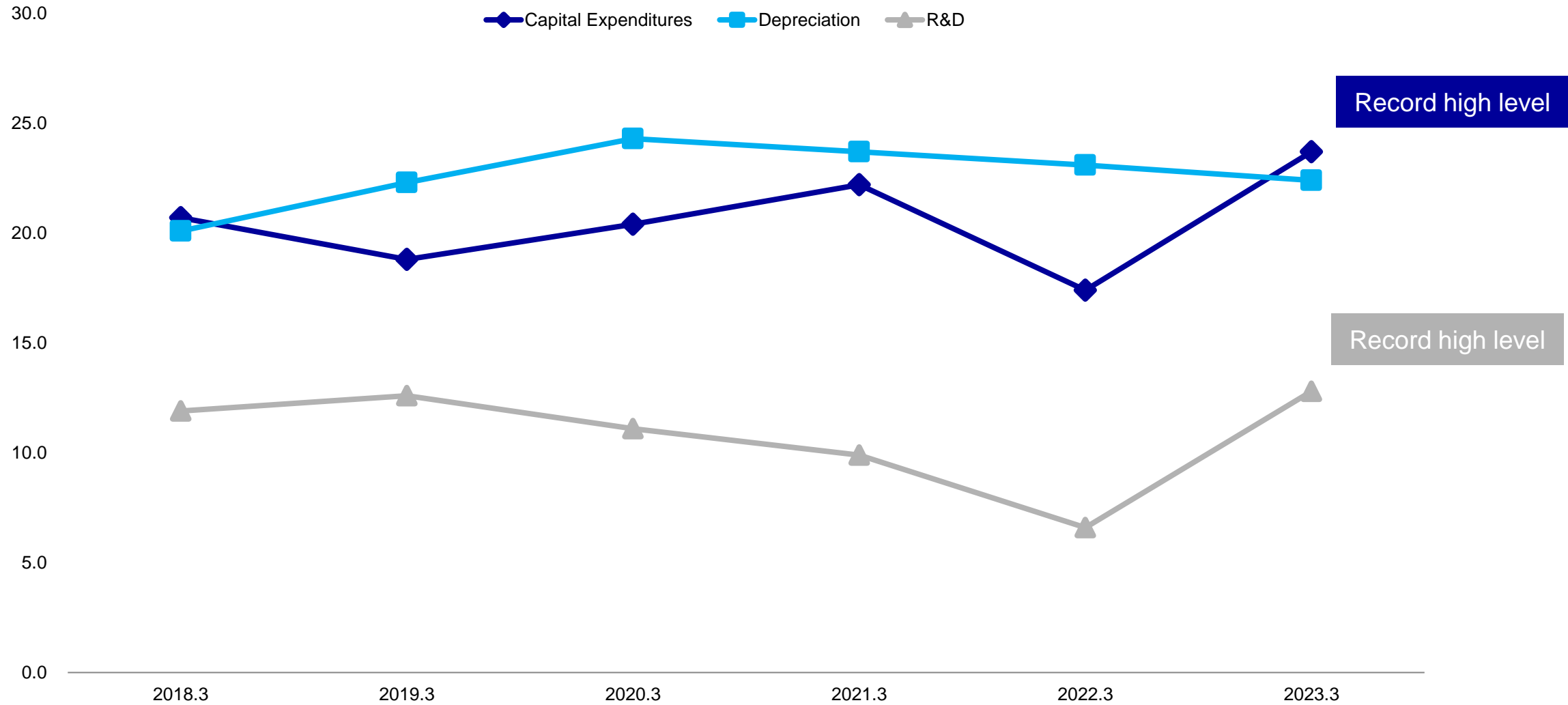
Cash Flow

(100 million yen)



Capital Expenditures, Depreciation, R&D (Reference)

(100 million yen)



2024.3 Financial Forecast

Assumptions for 2024.3 Financial Forecast

Consolidated financial forecast

- Planned FX rate (US\$): 130.00 yen (Average FX rate for the 2023.3: 134.95 yen)
- Increase SGA due to aggressive investment in human resources, R&D, and higher business costs.
(2023.3: 11,600 million yen → 2024.3: 13,300 million yen)

Semiconductor business

- Semiconductor demand adjustment will continue through 1st half.
- Demand will recover in 2nd half, mainly for servers, on which Enplas focus, and sales will be at the same level as previous year, excluding the impact of FX rates.

Life Science business

- Sales will increase 6.8% YoY, although some adjustments will remain in 1st half.

Digital Communication business

- Segment sales will be at the same level as the previous year, as sales of optical fiber lens continue to be strong, but sales of LED diffusion lens continue to decline due to the impact of lower demand.

Energy Saving Solution business

- Sales will increase 7.2% YoY due to recovery of automotive production with improvement in semiconductor supply shortages.

2024.3 Financial Forecast

(100 million yen)

	2023.3	2024.3	
	Results	1 st Half	Full-year
Net Sales	422.4	195.0	425.0
COGS Ratio	51.6%	52.5%	52.1%
Operating Income	88.2	27.0	70.0
Ordinary Income	87.8	27.0	70.0
Profit attributable to owners of parent	46.2	19.0	50.0
Net Income Per Share	523.94 _{yen}	215.36 _{yen}	566.74 _{yen}
Dividends Per Share	60.00 _{yen}	30.00 _{yen}	60.00 _{yen}

2024.3 Financial Forecast by Segment

(100 million yen)

	2023.3	2024.3	
	Results	1 st Half	Full-year
Semiconductor	234.3	102.0	226.0
Life Science	30.9	15.0	33.0
Digital Communication	37.8	18.0	38.0
Energy Saving Solution	119.3	60.0	128.0

2024.3 Capital Expenditures, Depreciation, R&D (Reference)

	2023.3 Results	(100 million yen) 2024.3 Full-year
Capital expenditures	23.7	40.0
Depreciation	22.4	28.0
R&D	12.8	18.0

Business Trend and Strategy for Each Segment

Semiconductor Business

Environment

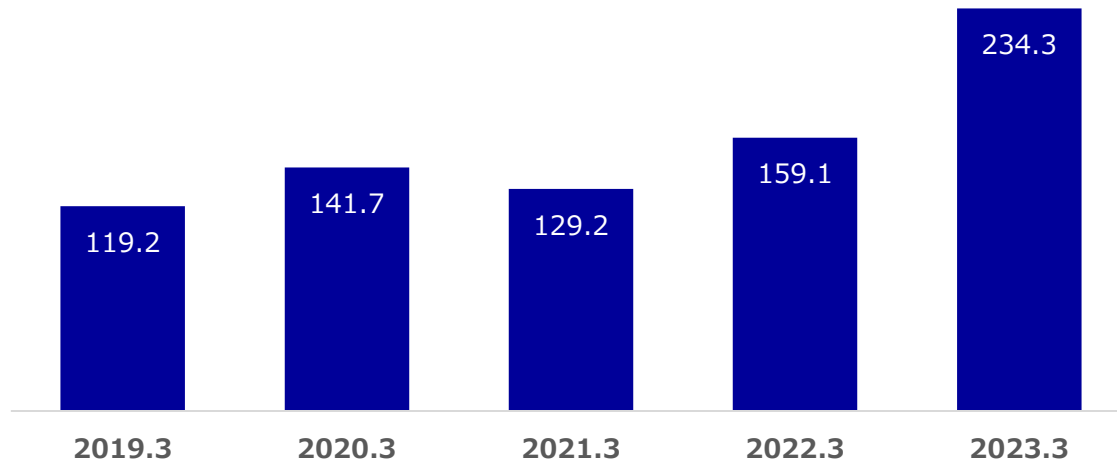
- Demand for server, automotive, and mobile applications remains high.
- Demand for server and automotive applications, on which Enplas focuses, is expected to continue to increase, despite concerns of an adjustment in demand for semiconductors.

Strategy

- Develop a Demand Chain
- Strengthen a solution development system
- Strengthen the Supply Chain

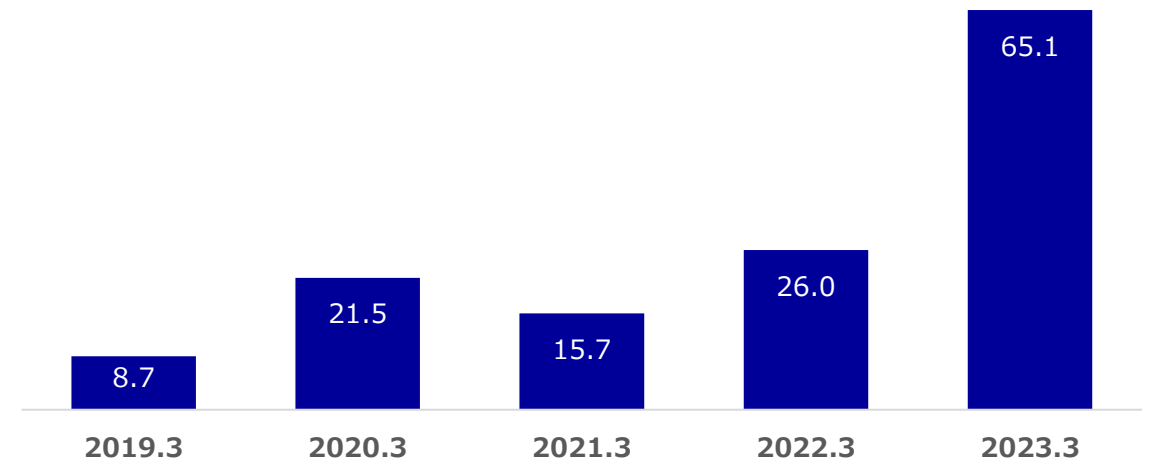
<Sales>

(100 million yen)



<Operating Income>

(100 million yen)



Life Science Business

Environment

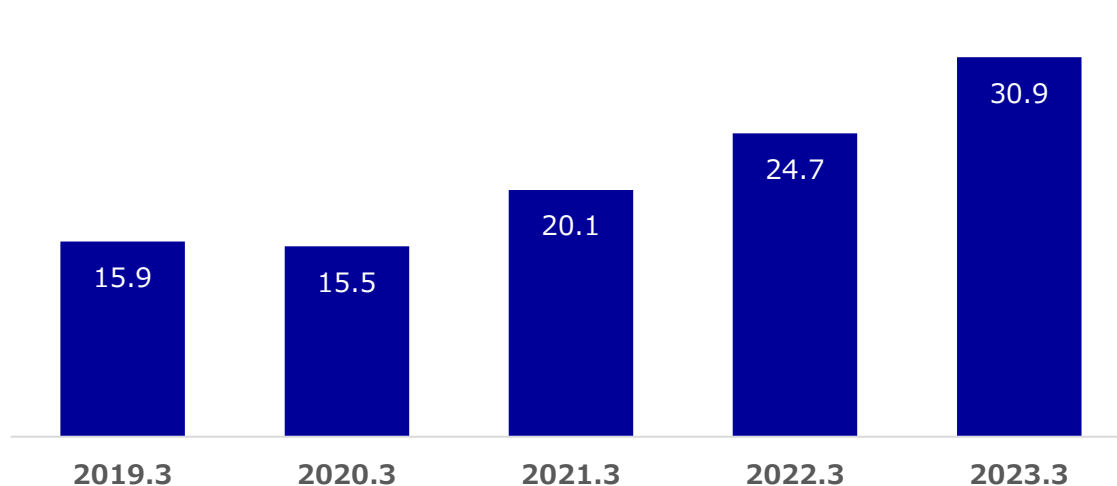
- Expect growth of the genetic testing market in Life Science business.
- Increasing demand for immediate clinical field testing and home-use clinical testing devices due to the spread of COVID-19.

Strategy

- Find new customers and launch new products.
- Establish a market-leading technology development system.

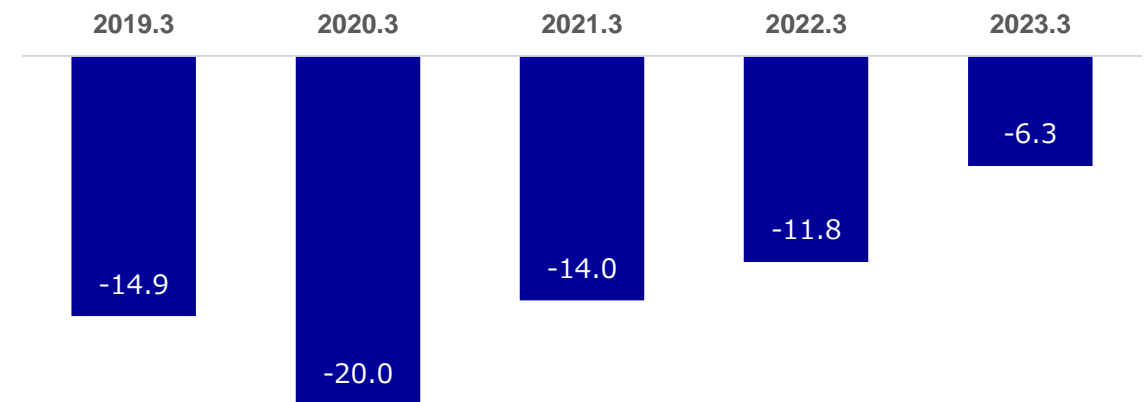
<Sales>

(100 million yen)



<Operating Income>

(100 million yen)



Digital Communication Business

Environment

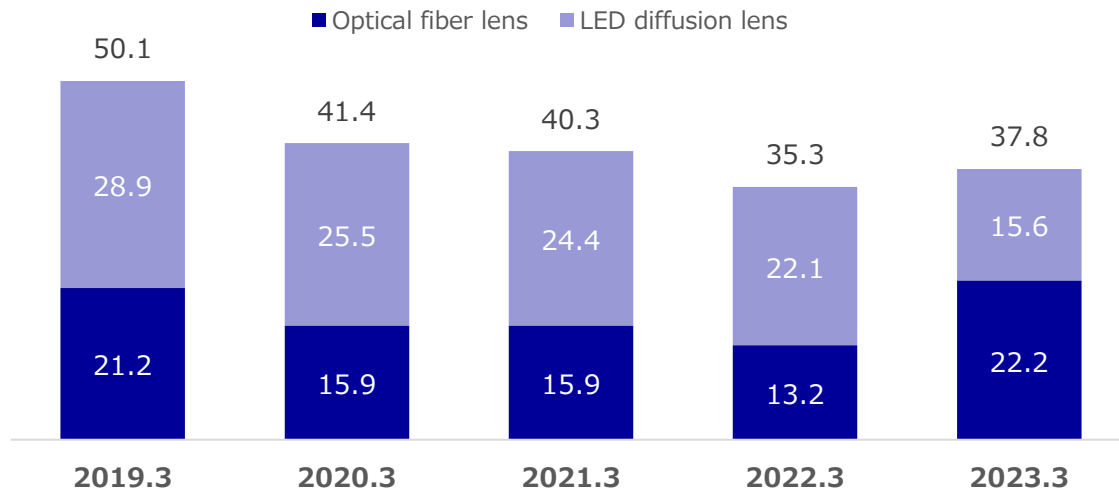
- In Optical fiber lens, demand for data centers is on the rise as data traffic increases.
- In LED diffusion lens, sales declined due to the impact of lower demand.

Strategy

- In Optical fiber lens, expand market share in the high-end area such as AI applications, and enter new markets.
- In LED diffusion lens, secure profitability in existing areas and develop new solutions.

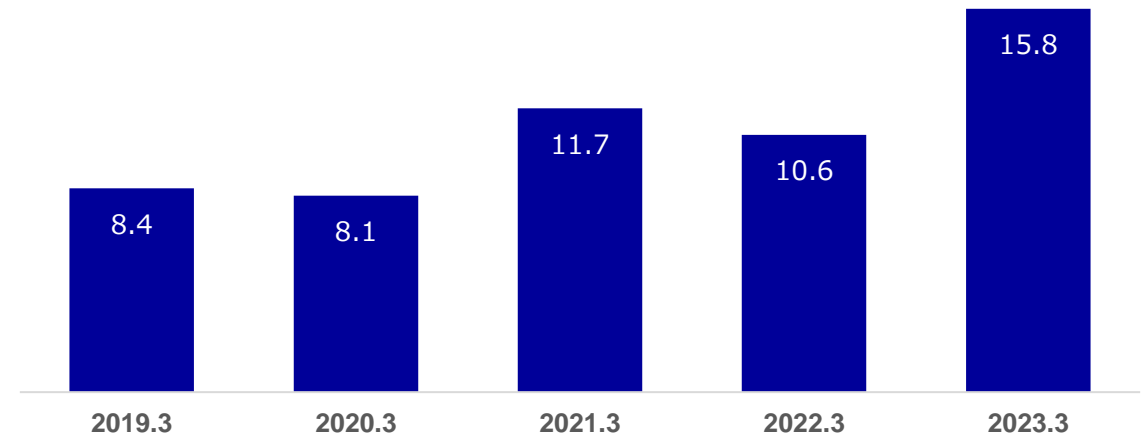
<Sales>

(100 million yen)



<Operating Income>

(100 million yen)



Energy Saving Solution Business

Environment

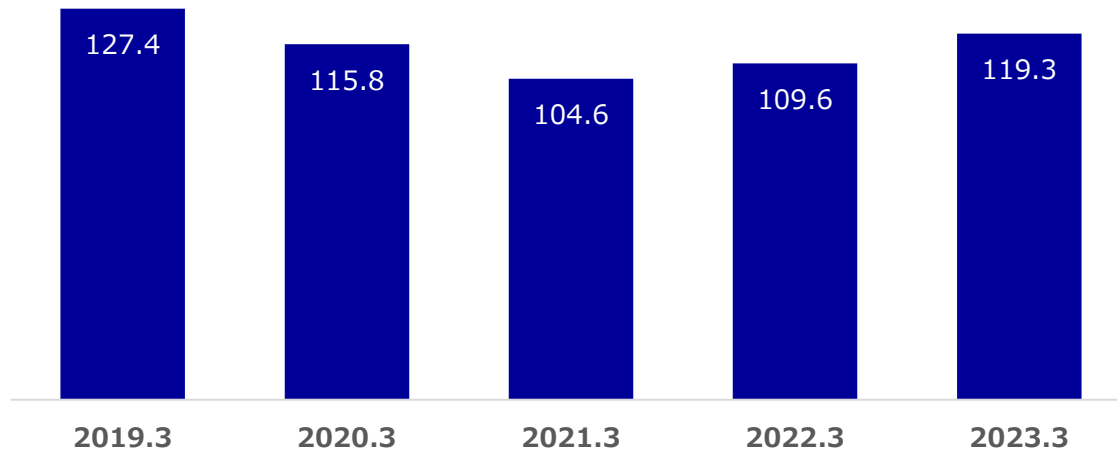
- Demand is growing in the automotive market as economic activity resumes and the trend toward EVs accelerates.
- In the automotive and the OA, the global shortage of semiconductors and difficulties in procuring parts are gradually improving, although the automotive production has not fully recovered.

Strategy

- Capture demand for EVs mainly in Europe, US and China.
- Grow in the Low-noise, High-efficiency Gear solution Business.

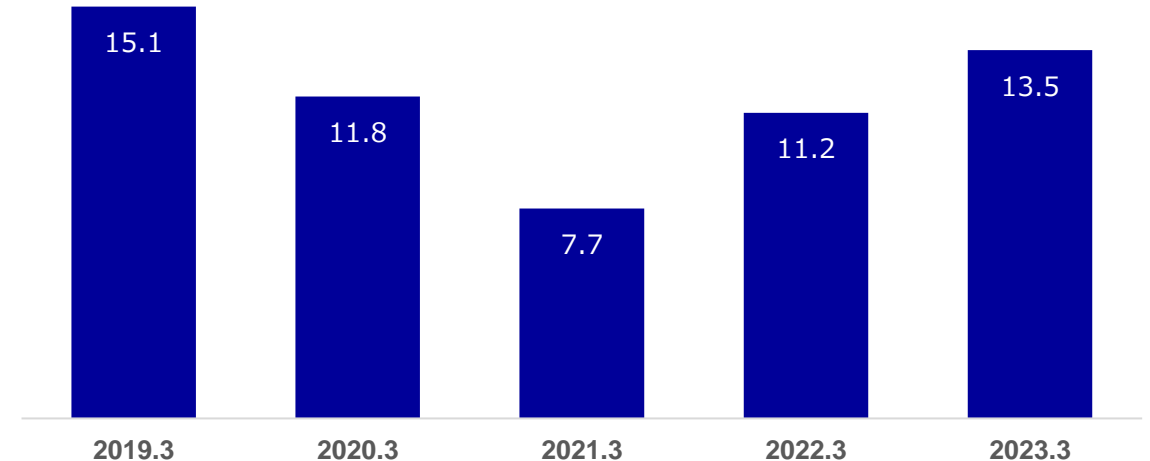
<Sales>

(100 million yen)



<Operating Income>

(100 million yen)



Enplas Corporation

2024.3 Corporate Strategy Meeting

<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.

All the information in this document is the property of Enplas Corporation. All parties are prohibited, for whatever purpose, to copy, modify, reproduce, transmit, etc. this information regardless of ways and means without prior written permission of Enplas Corporation.

The official version of this announcement was published in Japanese. An unofficial English translation is provided for the convenience of overseas investors. For any discrepancies between the Japanese and English versions, the Japanese version shall prevail.