
2024.3 Third-Quarter Results

January 31, 2024
Enplas Corporation

Agenda

Financial Results

- **2024.3 Third-Quarter Results**
- **2024.3 Financial Forecast**

Business Trend and Strategy for Each Segment

(Reference) Our Approach to Enhancing Corporate Value

Action to Implement Management that is Conscious of Cost of Capital and Stock Price

- **Analysis & Targets**
- **Our Approach to Enhancing Corporate Value**
- **Cash Allocation**

Financial Results

2024.3 Third-Quarter Financial Results

(100 million yen)

	2023.3	2024.3		(Reference) Plan
	9M/3Q Results	9M/3Q Results	Change	
Sales	322.7	279.5	-13.4%	395.0
COGS Ratio	51.4%	53.9%	+2.5pt	53.8%
Operating Income	70.6	35.5	-49.7%	54.0
Ordinary Income	69.5	38.7	-44.3%	60.0
Profit attributable to owners of parent	36.3	22.8	-37.2%	42.0
Earnings Per Share	412.20yen	258.78yen	-153.42yen	475.91yen
Average Foreign Exchange rate (US\$)	135.41yen	142.76yen	+7.35yen	(Planned rate*) 140.65yen

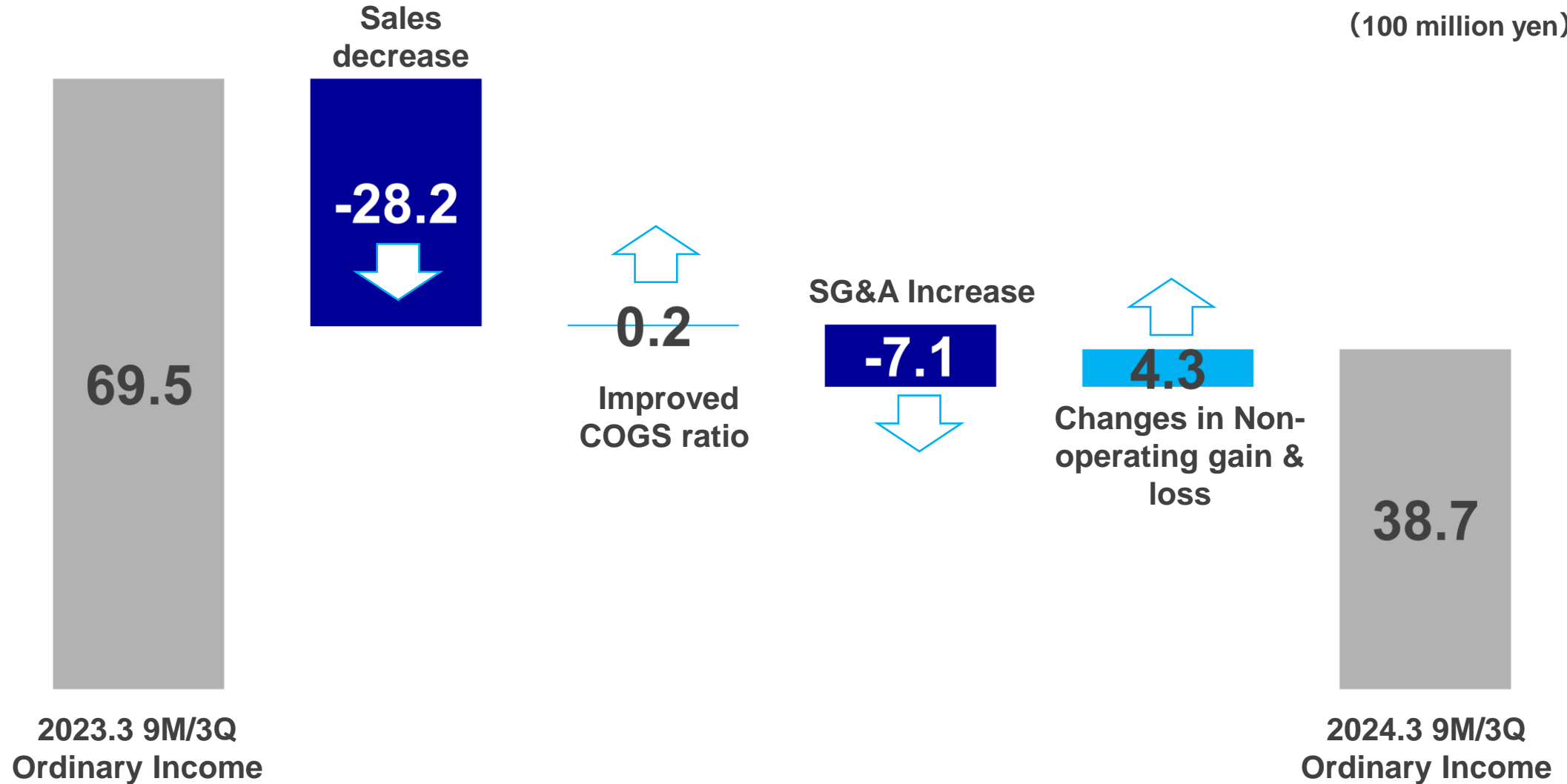
*Planned rate is the avg. of 140.00yen (planned rate for the 2nd half) and 141.31yen (avg. rate for the 1st half).

FX sensitivity (US\$): Sales Approx. 200 million yen / Operating income Approx. 150 million yen

2024.3 Third-Quarter Ordinary Income Analysis

<2024.3 9M/3Q vs. 2023.3 9M/3Q >

(100 million yen)



2024.3 Third-Quarter Results by Segment

(100 million yen)

		2023.3	2024.3	
		9M/3Q Results	9M/3Q Results	Change
Semiconductor	Sales	180.9	121.1	-33.1%
	COGS Ratio	47.2%	53.6%	+6.4pt
	Operating Income	50.7	13.4	-73.6%
Life Science	Sales	25.2	18.5	-26.6%
	COGS Ratio	53.6%	60.5%	+6.9pt
	Operating Income	-2.5	-8.9	-
Digital Communication	Sales	28.1	43.9	+56.2%
	COGS Ratio	34.7%	22.6%	-12.1pt
	Operating Income	11.8	24.1	+105.0%
Energy Saving Solution	Sales	88.3	95.9	+8.6%
	COGS Ratio	64.9%	67.5%	+2.6pt
	Operating Income	10.6	6.8	-35.7%

Quarterly Results

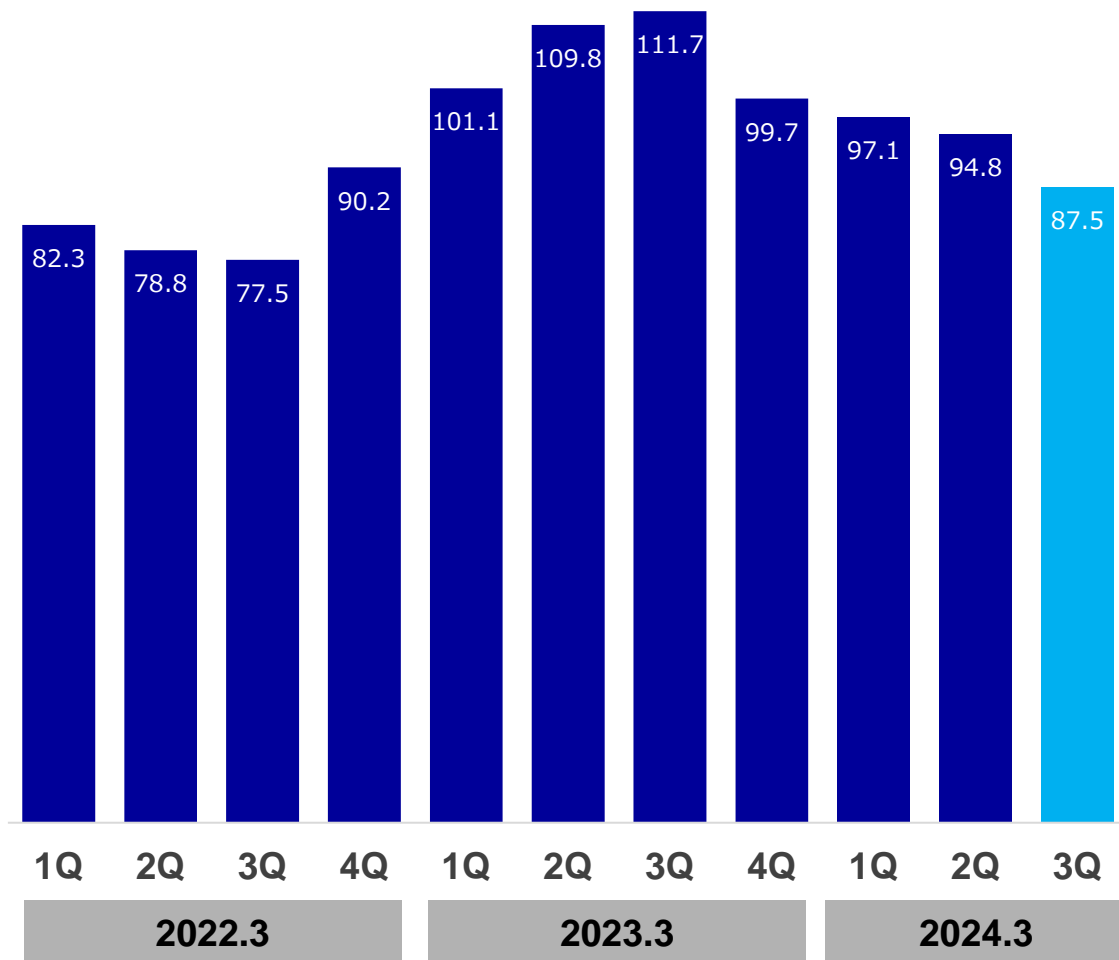
(100 million yen)

	2023.3		2024.3		
	3Q	4Q	1Q	2Q	3Q
Sales	111.7	99.7	97.1	94.8	87.5
COGS Ratio	49.4%	52.1%	53.2%	53.9%	54.8%
Operating Income	27.0	17.5	14.1	12.0	9.3
Ordinary Income	24.4	18.3	16.8	14.1	7.7
Profit attributable to owners of parent	18.7	9.8	7.3	10.6	4.8
Earnings Per Share	212.33yen	111.74yen	83.42yen	120.39yen	54.98yen

Quarterly Results

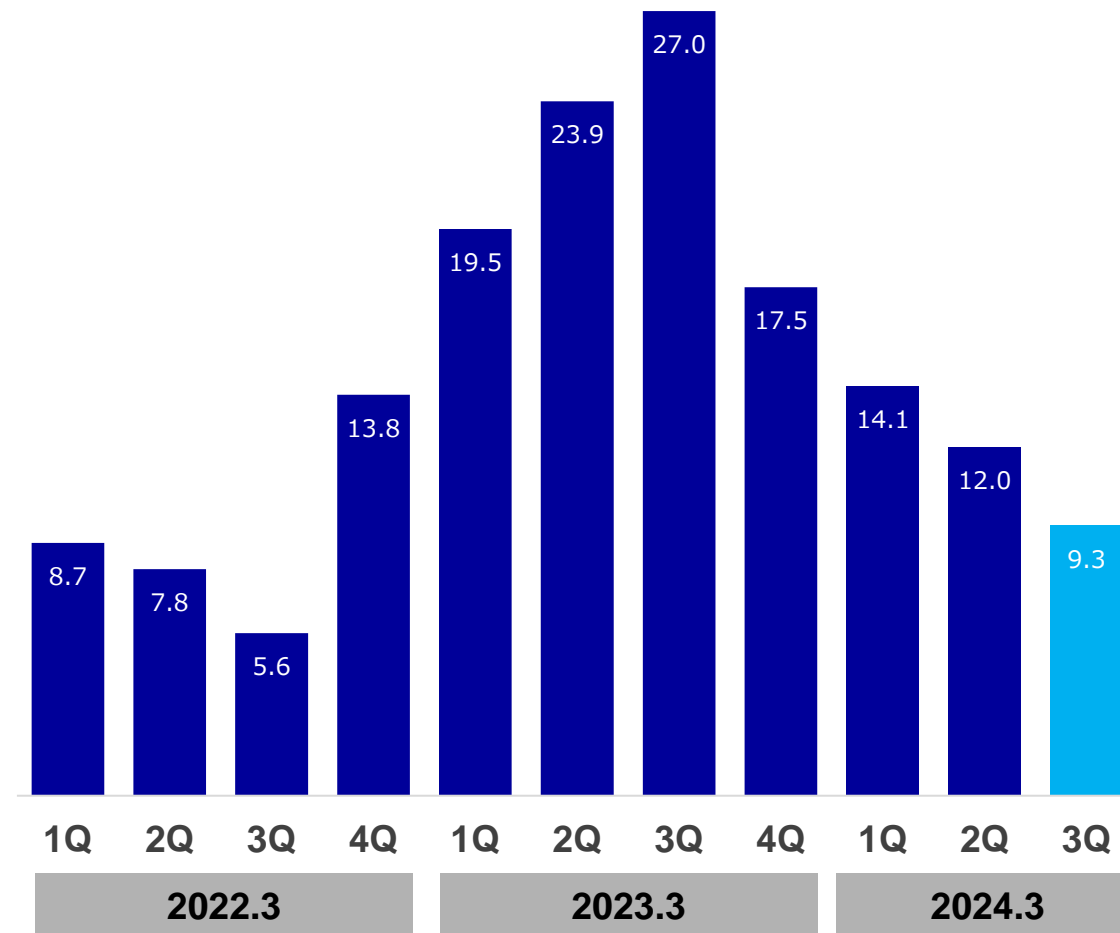
<Sales>

(100 million yen)



<Operating Income>

(100 million yen)



Quarterly Results by Segment

(100 million yen)

		2023.3		2024.3		
		3Q	4Q	1Q	2Q	3Q
Semiconductor	Sales	64.4	53.3	46.7	40.1	34.2
	COGS Ratio	45.5%	45.7%	50.3%	54.8%	56.5%
	Operating Income	19.4	14.3	8.5	3.9	0.9
Life Science	Sales	7.8	5.6	6.0	6.5	5.9
	COGS Ratio	54.0%	67.2%	63.9%	62.0%	55.4%
	Operating Income	-0.9	-3.8	-3.5	-3.2	-2.1
Digital Communication	Sales	9.6	9.6	14.4	15.2	14.2
	COGS Ratio	31.1%	28.4%	23.5%	21.8%	22.6%
	Operating Income	4.3	4.0	7.8	8.6	7.7
Energy Saving Solution	Sales	29.7	31.0	29.8	32.8	33.1
	COGS Ratio	62.7%	67.8%	70.0%	66.1%	66.6%
	Operating Income	4.1	2.8	1.3	2.7	2.8

Financial Results Overview

2024.3 Third-Quarter Financial Results

■ Summary

- YoY sales and profit decreased, due to sales decrease in Semiconductor business, despite continued earnings growth in optical fiber lens in Digital Communication business.
(Sales -13.4%, Operating Income -49.7%, Profit attributable to owners of parent -37.2%)

■ Segment

<Semiconductor business>

- YoY sales decreased due to continued market adjustments in server and mobile applications.
- QoQ sales of server application decreased sharply from 2Q, while sales of other applications were generally firm.

<Life Science business>

- YoY sales decrease due to customers' production adjustments, etc.

<Digital Communication business>

Sales and profit growth

- In optical fiber lens, sales increased due to growth in high-end areas such as AI applications.

<Energy Saving Solution business>

- Sales increased due to recovery of automotive production and expansion of low-noise and high-efficiency gear solution business for automotive electrification.
- Profit decreased due to an increase in the allocation of expenses in the corporate division as a result of change in the segment sales mix (27.4% → 34.3%).

Financial Results Overview

➤ SG&A

(100 million yen)

2023.3 9M/3Q	2024.3 9M/3Q	Change
86.0	93.2	+7.2

- Labor cost: +3.0
- Traveling and transportation expenses: +1.4
- Research & development expense: +0.7

➤ Non-operating profit and loss

(100 million yen)

2023.3 9M/3Q	2024.3 9M/3Q	Change
-1.1	3.1	+4.2

- Interest income: 2.1 (Interest income for 2023.3 9M/3Q: 0.4)
- FX gain: 1.0 (FX gain for 2023.3 9M/3Q: 1.4)

➤ Extra-ordinary profit and loss

(100 million yen)

2023.3 9M/3Q	2024.3 9M/3Q	Change
-15.1	-3.9	+11.2

2024.3 9M/3Q

- Provision of allowance for doubtful accounts: 1.6
- Provision for loss on disaster: 1.0
- Business restructuring expenses: 1.0

2024.3 Financial Forecast

2024.3 Financial Forecast

(100 million yen)

	2024.3	2024.3
	9M/3Q Results	Full-year
Net Sales	279.5	395.0
COGS Ratio	53.9%	53.8%
Operating Income	35.5	54.0
Ordinary Income	38.7	60.0
Profit attributable to owners of parent	22.8	42.0
Earnings Per Share	258.78_{yen}	475.91_{yen}
Dividends Per Share	30.00_{yen}	60.00_{yen}

*No changes

2024.3 Financial Forecast by Segment

(100 million yen)

	2024.3 9M/3Q Results	2024.3 Full-year
Semiconductor	121.1	175.0
Life Science	18.5	28.0
Digital Communication	43.9	62.0
Energy Saving Solution	95.9	130.0

*No changes

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

(100 million yen)

	2023.3	2024.3	2024.3
	Results	9M/3Q Results	Full-year
Capital expenditures	23.7	32.7	40.0
Depreciation	22.4	16.7	24.0
R&D	12.8	10.0	14.0

*No changes

Business Trend and Strategy for Each Segment

Semiconductor Business

Environment

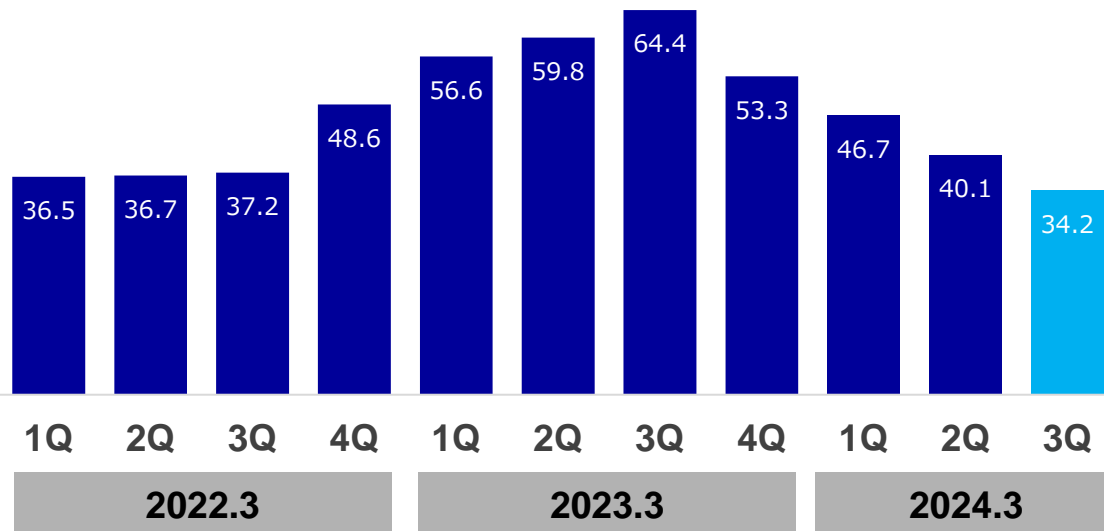
- The market continues to decline, especially for server and mobile applications.
- Although the adjustment in semiconductor demand has lasted longer than initially expected, demand for servers and automotive applications, on which Enplas is focusing, is expected to increase in the mid-term.

Strategy

- Continue to invest in production capacity expansion and technology development for future growth.

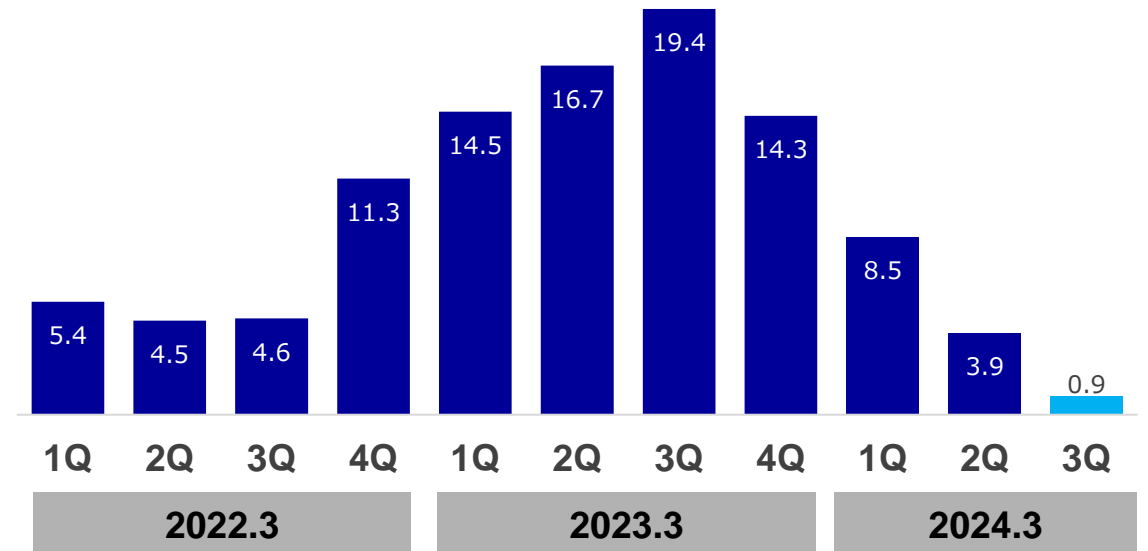
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(100 million yen)



<Operating Income>

(100 million yen)



Life Science Business

Environment

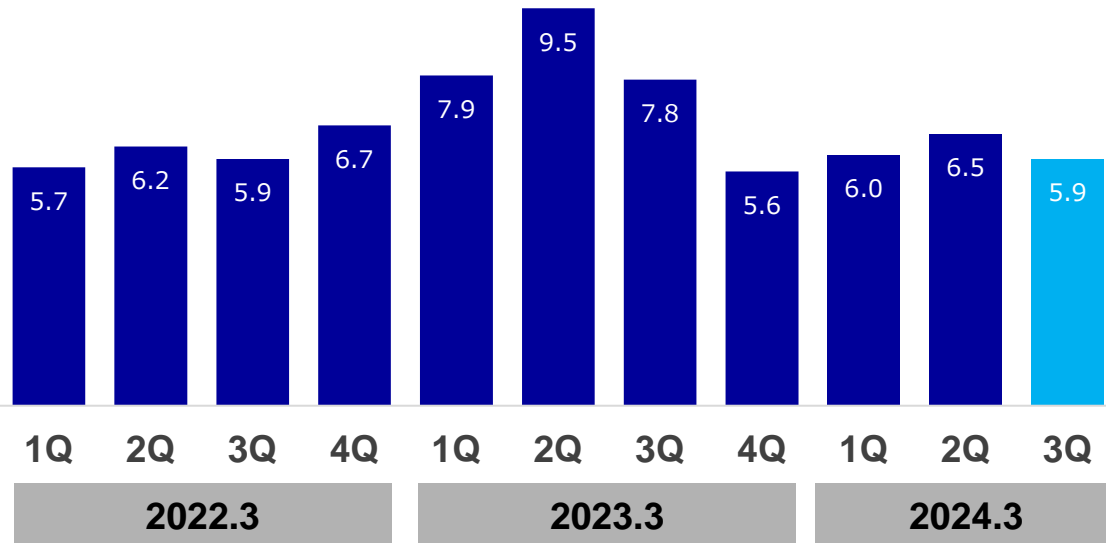
- Expect growth of the genetic testing market in Life Science business.
- In genetic testing, customers' inventory adjustment is expected to continue.

Strategy

- Aiming to become profitable in the next fiscal year by reviewing the profit structure drastically.

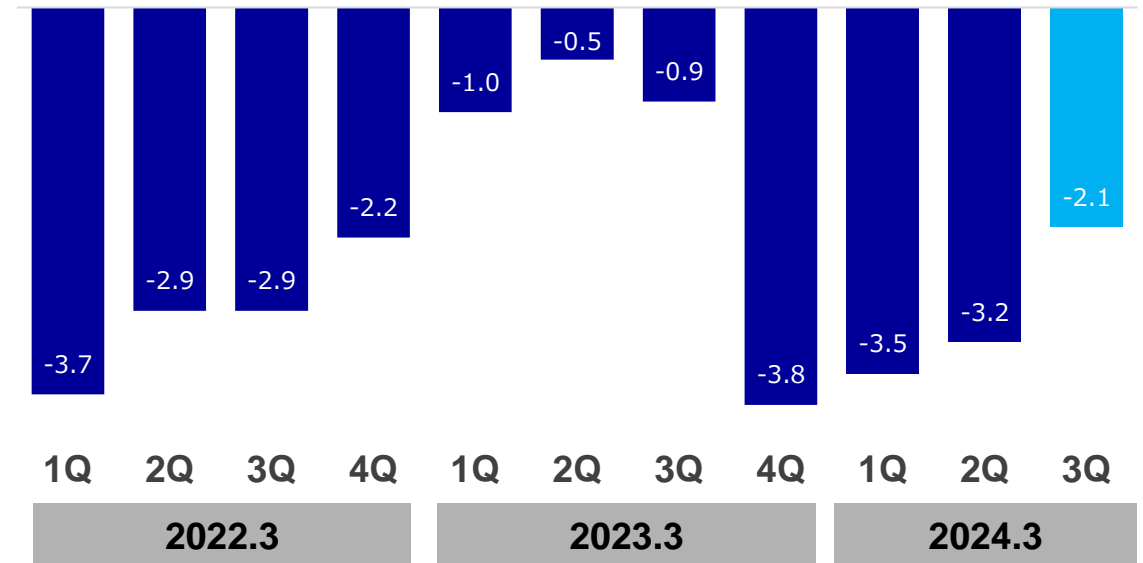
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(100 million yen)



<Operating Income>

(100 million yen)



Digital Communication Business

Environment

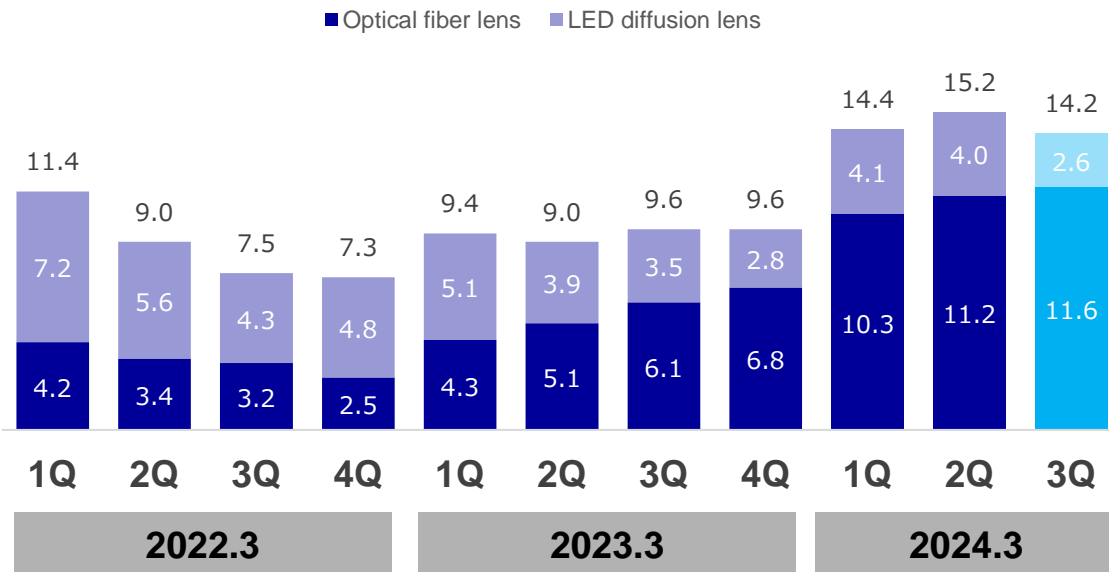
- In Optical fiber lens, generative AI market is expected to expand due to the progress of generative AI tech and the beginning of its social implementation, while the competitive environment is expected to become more intensity.
- In LED diffusion lens, sales declined due to lower demand.

Strategy

- In Optical fiber lens, aim for business growth by maintaining market share of main products, promoting sales horizontally, and developing and launching next-generation products.
- In LED diffusion lens, secure profitability in existing areas and develop new solutions.

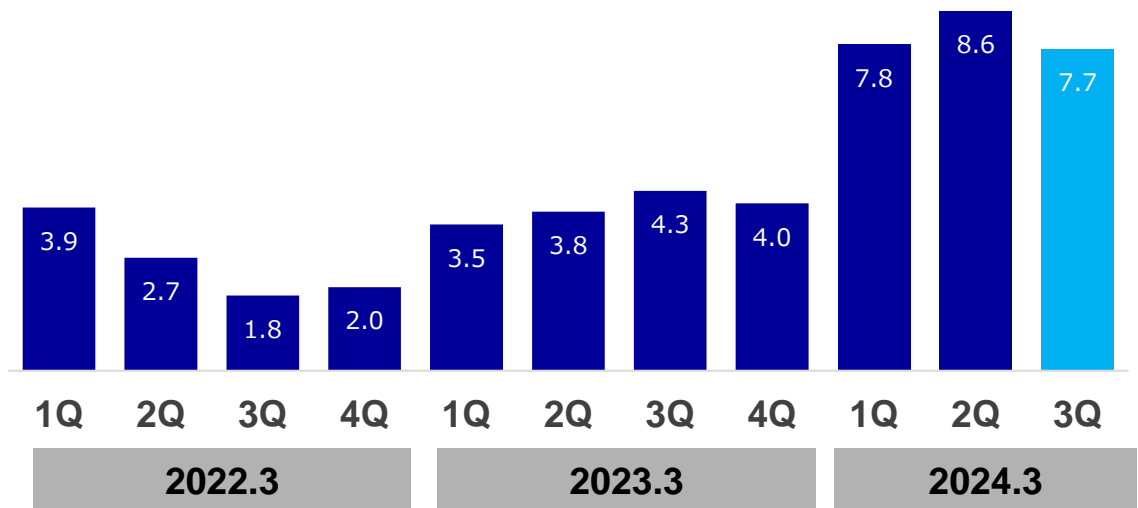
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(100 million yen)



<Operating Income>

(100 million yen)



Energy Saving Solution Business

Environment

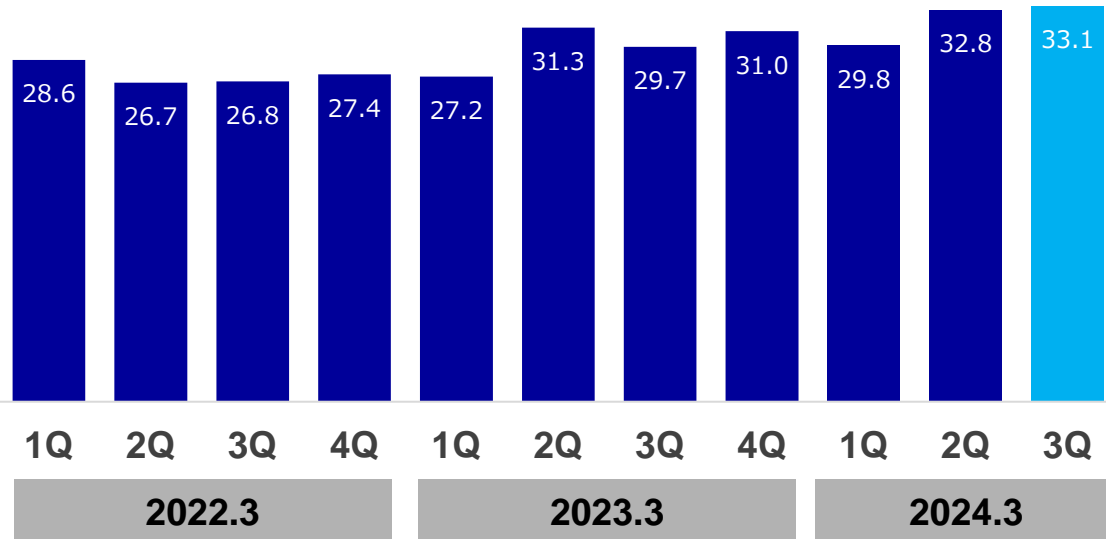
- Demand is growing in the automotive market as economic activity resumes and the trend toward Eco friendly cars accelerates.
- In automotive, production is recovering due to improvements in global semiconductor shortage and parts procurement difficulties.

Strategy

- Expand market share by capturing EV demand mainly in Europe and US, and promote sales to existing Japanese customers.
- Grow in the Low-noise, High-efficiency Gear solution Business.

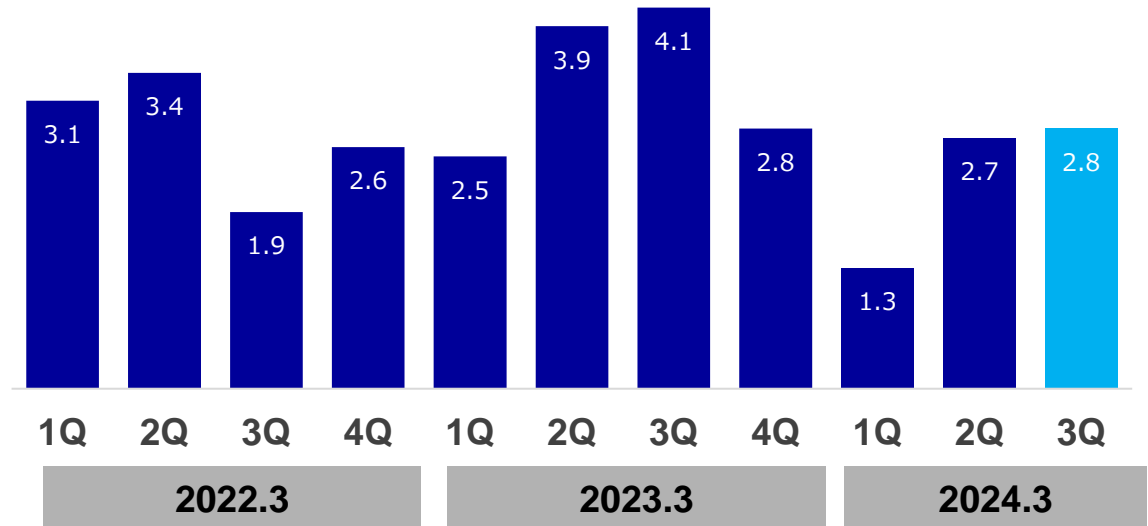
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(100 million yen)



<Operating Income>

(100 million yen)



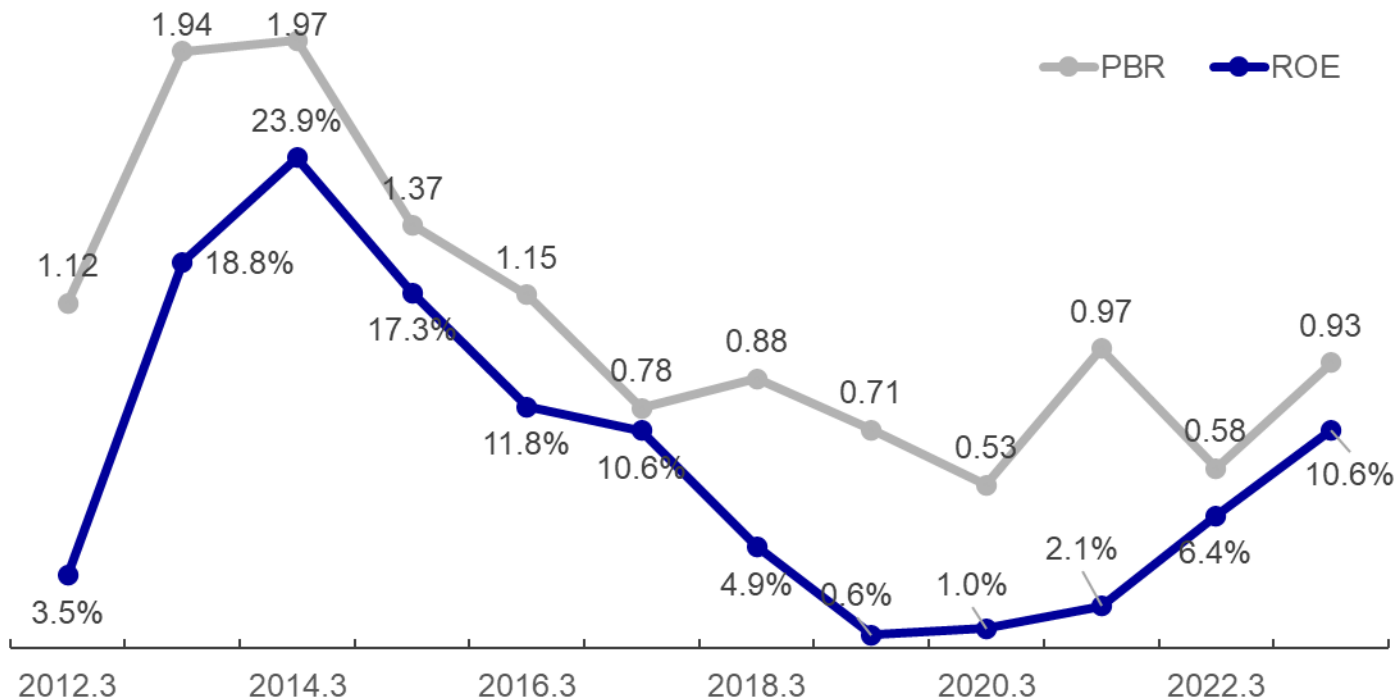
(Reference)

Our Approach to Enhancing Corporate Value

Action to Implement Management that is Conscious of Cost of Capital and Stock Price

Analysis & Targets

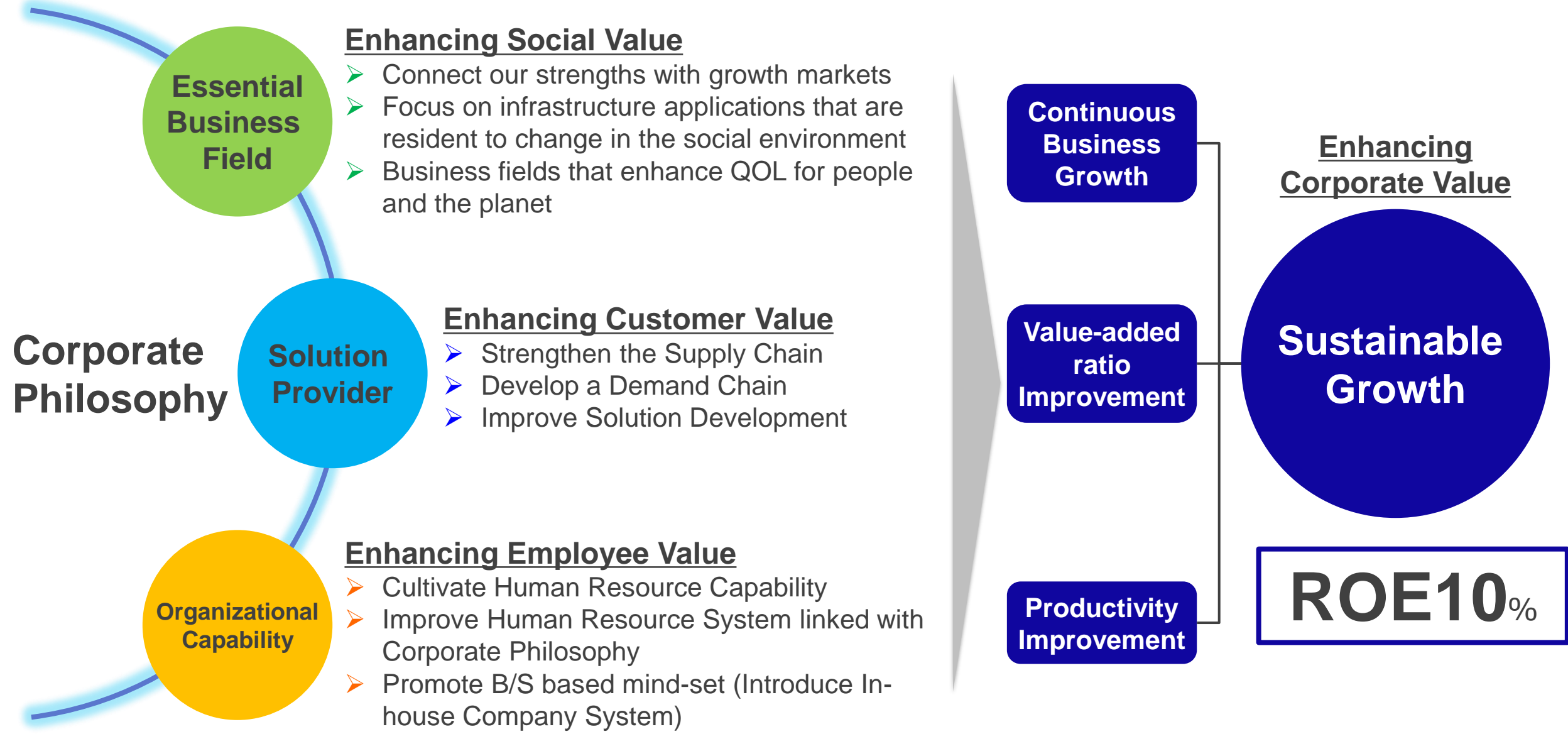
- Based on past performance, our ROE and PBR are highly correlated.
- Assumes cost of equity in the 7%-9% range.



Mid- & Long-term Targets
ROE 10% or more

Aiming for Sustainable Growth

Our Approach to Enhancing Corporate Value



Cash Allocation

Prioritize investments in new business, creating innovation and growth areas

Investment items	Payback Period	Assumed Effects	Expected investment for the next 3 years (100 million yen)
New business / Creating Innovation Environmental Investment <ul style="list-style-type: none"> • Innovation Center (in Saitama Shintoshin) • Reduction of environment impact 	Long	Enhancing Corporate Value for the future	100-150
Investment in Growth area <ul style="list-style-type: none"> • Essential Business Field • IT System 	Mid	Profitability Improvement	70-120
Other Capital expenditures <ul style="list-style-type: none"> • Mold Investment • Replace aging equipment 	Short	Productivity Improvement	60-70

Enplas Corporation

Financial Results for the Third-Quarter of the Year Ending March 31, 2024

<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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