

2025.3 Corporate Strategy Meeting

April 30, 2024

Enplas Corporation
(TSE: 6961)

Agenda

Management Policy ····· Daisuke Yokota, President

- **Our Approach to Enhancing Corporate Value**
- **Risk Recognition and Actions**
- **2025.3 Management Policy**
- **Construction of New Building**

Annual Results ····· Shigeya Fujita, Executive Officer

- **2024.3 Financial Results**
- **2025.3 Financial Forecast**

Business Strategy ····· Shoji Miyasaka, Managing Executive Officer

- **Business Trend and Strategy for Each Segment**
- **Cash Allocation**

2025.3 Management Policy

Enplas Corporation
Daisuke Yokota, President

Our Approach to Enhancing Corporate Value



*High Value-Added Products whose mass-production started within the past three years.

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)
Foreign Exchange	<ul style="list-style-type: none"> FX Fluctuation 	<ul style="list-style-type: none"> Balance Production Weight
Logistics (Supply Chain)	<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 Establish supply chain in each region

Situation by region: Assets held, Sales, and Production

	Asset holding ratio			
	Japan	Europe and America	Chinese District	Other Asia
Cash	58%	13%	9%	20%
Accounts receivable	36%	32%	17%	15%
Inventory	52%	18%	7%	23%
Land	96%	4%	0%	0%
Buildings	75%	18%	2%	5%
Machinery & Equipment	61%	10%	6%	23%
Sales*	18%	34%	21%	27%
Production	61%	11%	4%	24%

*Sales are as of March 31, 2023.

2025.3 Management Policy

【Management Policy】

Execute value-added strategy

【Priority Items】

- 1. Provide value for customers**
- 2. Strengthen competitive advantages
in technologies, skills, and operations**
- 3. Act with high speed management**

Construction of New Building (Innovation Center)

- **Transform our Business Model to “Solution Provider”**
- **Create Sustainable Value in Essential Business Fields**
- **Cultivate Corporate Culture “Pursuing Novelty”**

Outline of New Building

1. Realization of functional evaluation that reaches customer issues

- Adapt to various development themes by renovating laboratory layout
- Establish co-creation environment by concentrating human resources and infrastructure

2. Workplace improvement

- Improve human capital through experience of a wide range of projects, learning knowledge, technology and people in various fields
- Minimize BCP Risk and Reduce energy consumption
- Strengthen competitive advantage for recruitment

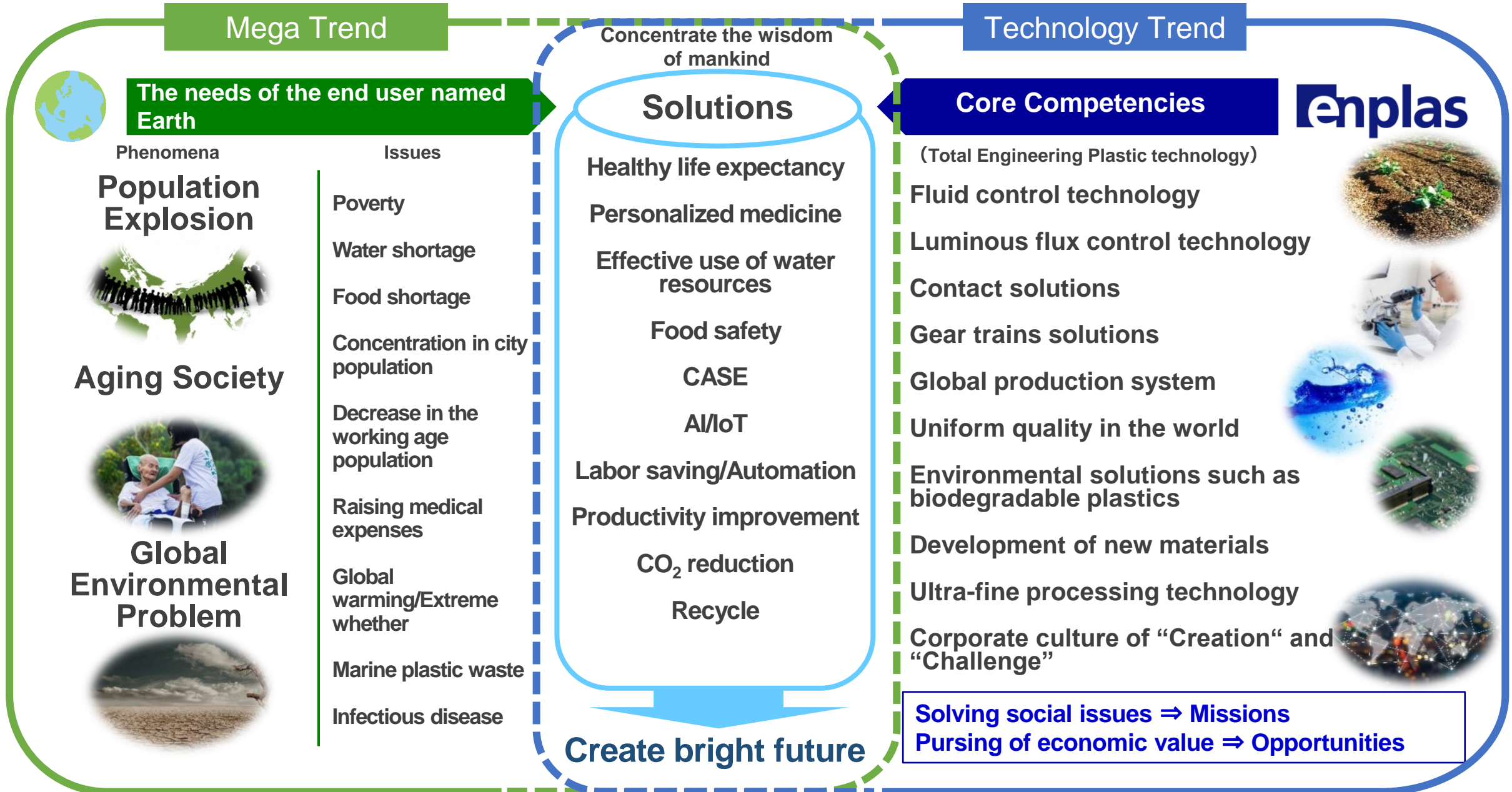
3. Planned Investment Amount

- Approx. 15 Billion Yen



Conceptual Drawing

Reference: Our Approach



Reference: Business Portfolio (Medium-term strategy)

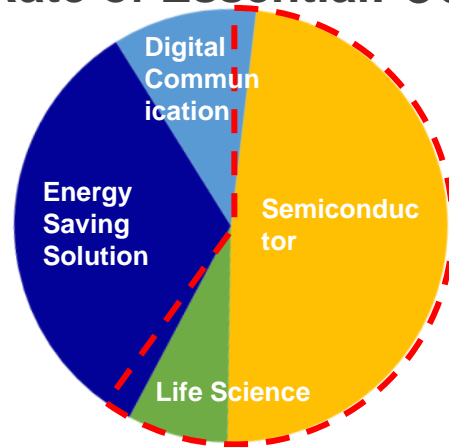
Focus on Essential* Business Fields

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.

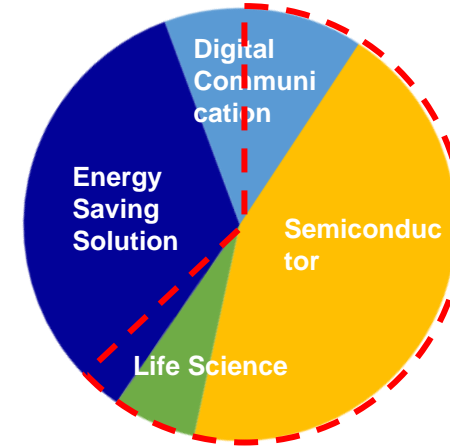
Image of Sales breakdown

Rate of Essential: **60%**



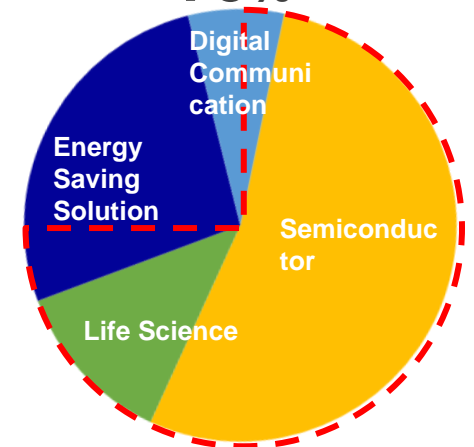
2022.3

63%



2024.3

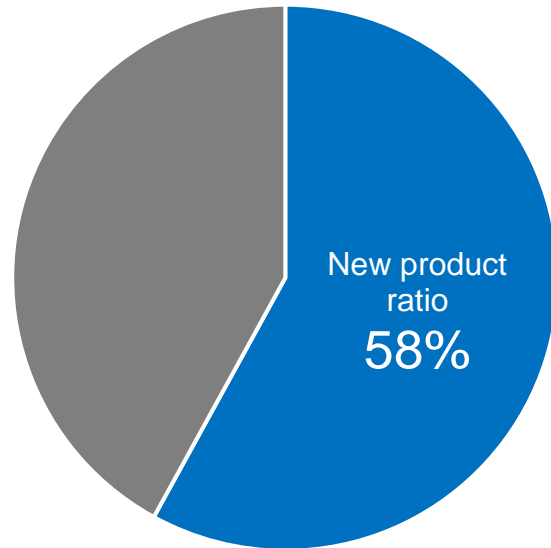
75%



2025.3

Non-Financial Indicators - New Product Ratio*

New product ratio (2024.3)



New product ratio is the most important KPI.

This aims to drive continuous innovation, actively refresh product groups, and maintain and increase sales by introducing new products.

Target: New product ratio **50% or more**

*New products: High Value-Added Products whose mass-production started within the past three years.

Estimation of Product Life Cycle

- Semiconductor Business 1 to 3 years
- Life Science Business Over 10 years
- Digital Communication Business
 - Optical Fiber Lens 2 to 5 years
 - LED Diffusion Lens 1 to 2 years
- Energy Saving Solution Business Over 10 years



Annual Results

Enplas Corporation
Shigeya Fujita, Executive Officer

2024.3 Financial Results

(100 million yen)

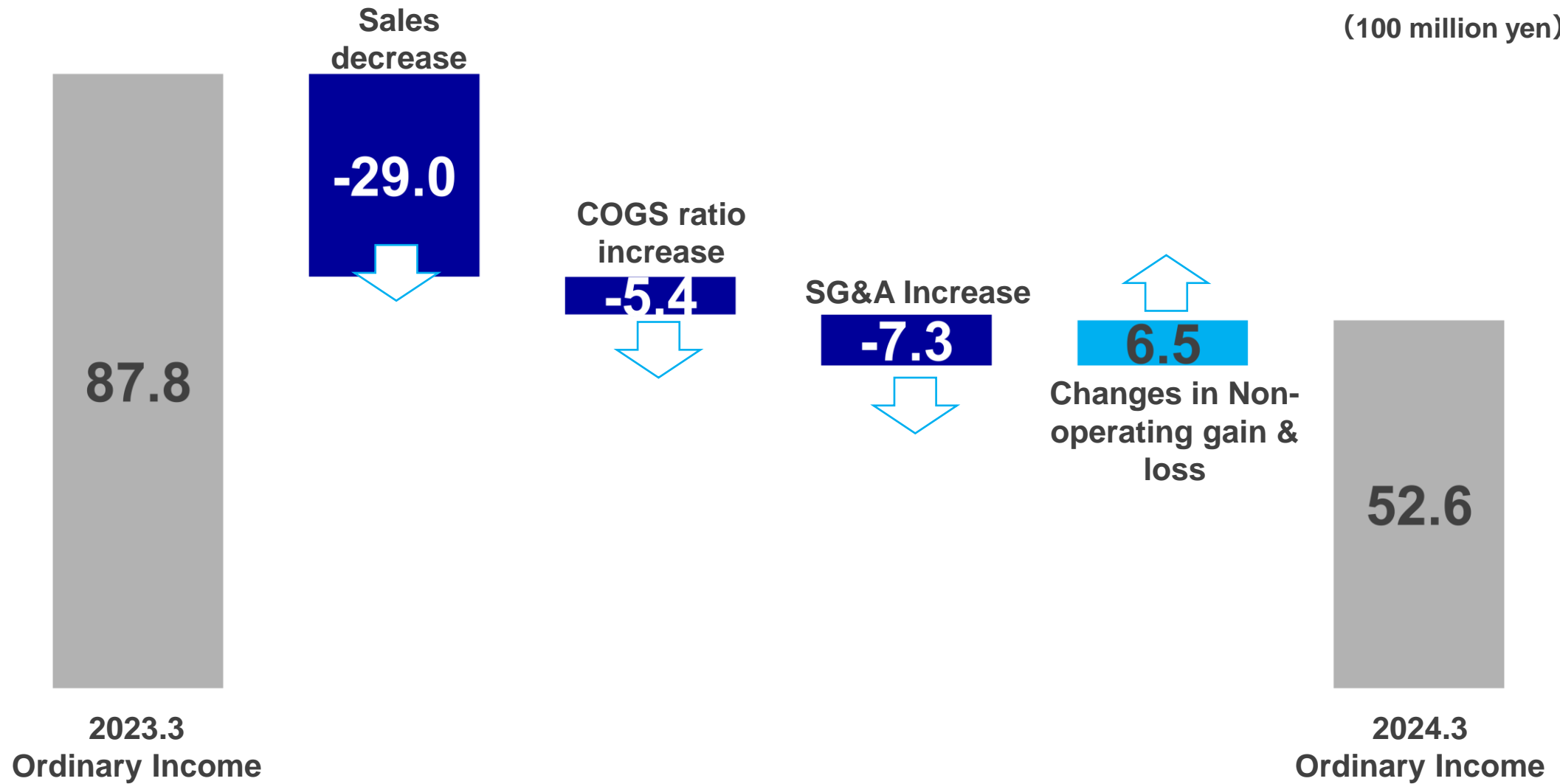
	2023.3 Results	2024.3 Results	Change
Sales	422.4	378.0	-10.5%
COGS Ratio	51.6%	55.0%	+3.4pt
Operating Income	88.2	46.4	-47.3%
Ordinary Income	87.8	52.6	-40.1%
Profit attributable to owners of parent	46.2	34.4	-25.5%
Return of equity (ROE)	10.6%	7.0%	-3.6pt
Net Income Per Share	523.94yen	390.14yen	-133.80yen
Average Exchange Rate (US\$)	134.95yen	144.40yen	+9.45yen
Dividends Per Share	60.00yen	60.00yen	0yen

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

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Ordinary Income Analysis

(100 million yen)



2024.3 Segment Results

(100 million yen)

		2023.3	2024.3	
		Results	Results	Change
Semiconductor	Sales	234.3	166.7	-28.8%
	COGS Ratio	46.8%	55.1%	+8.3pt
	Operating Income	65.1	17.4	-73.2%
Life Science	Sales	30.9	23.6	-23.4%
	COGS Ratio	56.1%	60.0%	+3.9pt
	Operating Income	-6.3	-11.5	-
Digital Communication	Sales	37.8	56.3	+49.1%
	COGS Ratio	33.1%	22.8%	-10.3pt
	Operating Income	15.8	31.1	+96.6%
Energy Saving Solution	Sales	119.3	131.2	+9.9%
	COGS Ratio	65.6%	67.8%	+2.2pt
	Operating Income	13.5	9.3	-31.2%

Quarterly Results

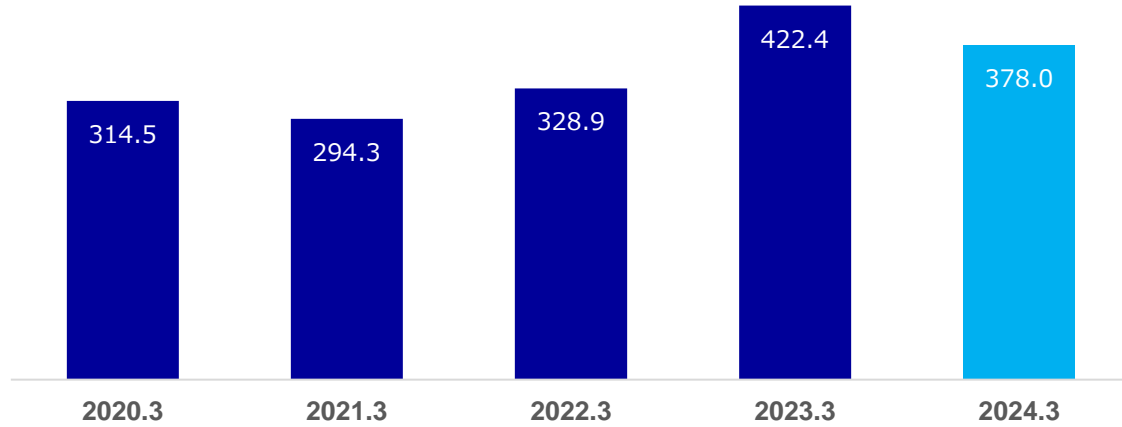
(100 million yen)

	2023.3	2024.3			
	4Q	1Q	2Q	3Q	4Q
Sales	99.7	97.1	94.8	87.5	98.5
COGS Ratio	52.1%	53.2%	53.9%	54.8%	58.1%
Operating Income	17.5	14.1	12.0	9.3	10.9
Ordinary Income	18.3	16.8	14.1	7.7	13.9
Profit attributable to owners of parent	9.8	7.3	10.6	4.8	11.5
Earnings Per Share	111.74yen	83.42yen	120.39yen	54.98yen	131.35yen

Quarterly Results

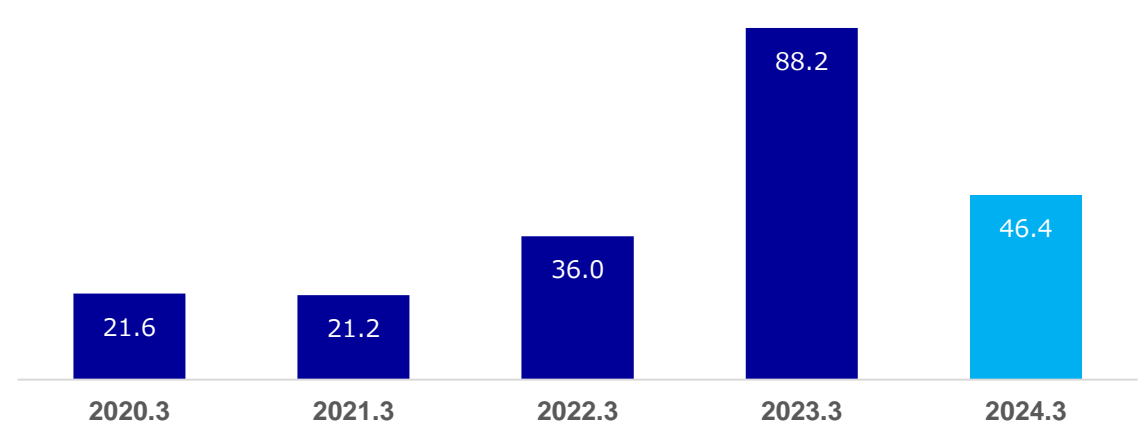
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(100 million yen)



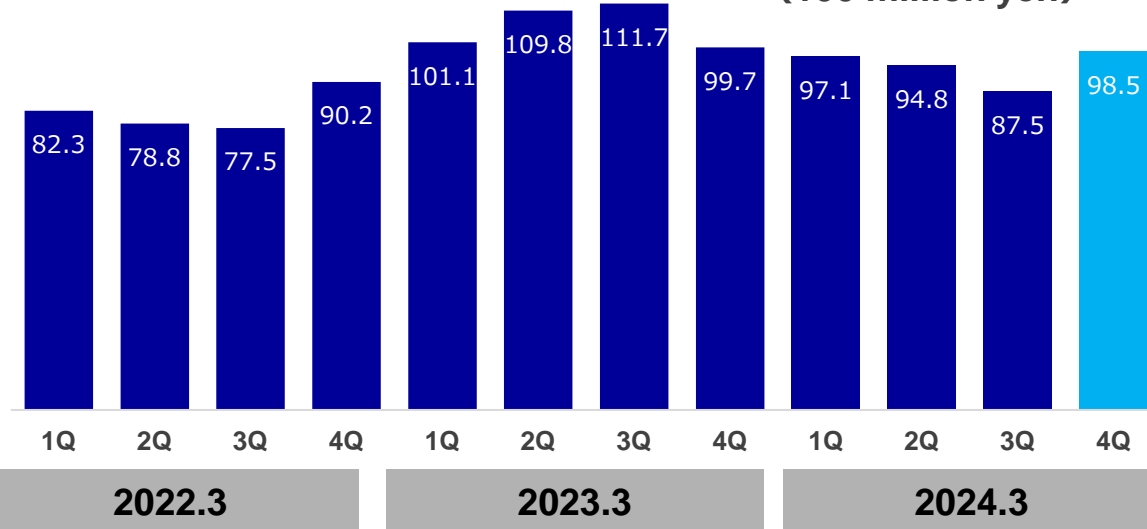
<Operating Income>

(100 million yen)



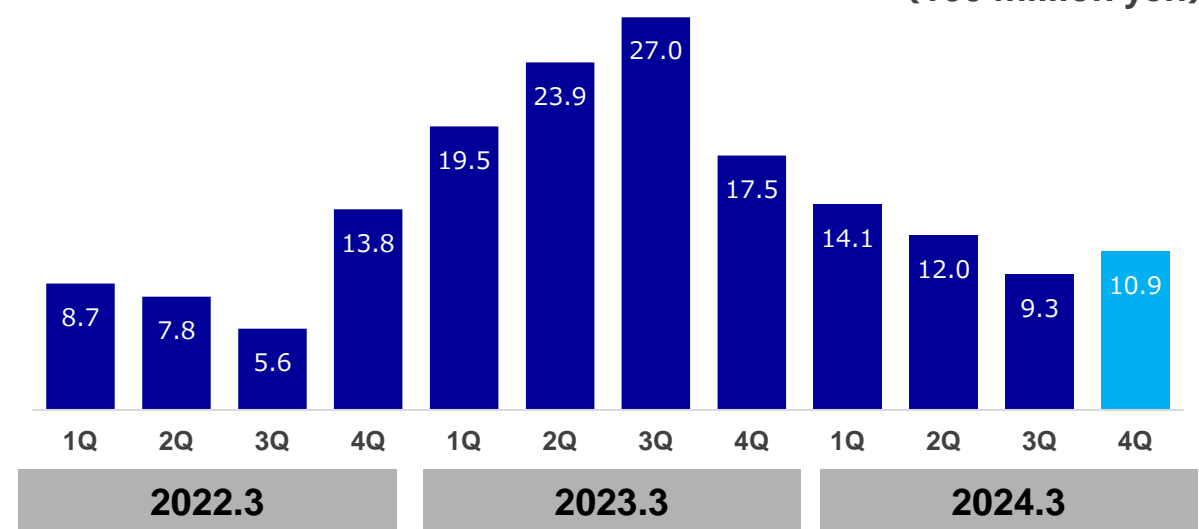
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(100 million yen)



<Quarterly Operating Income>

(100 million yen)



Quarterly Results by Segment

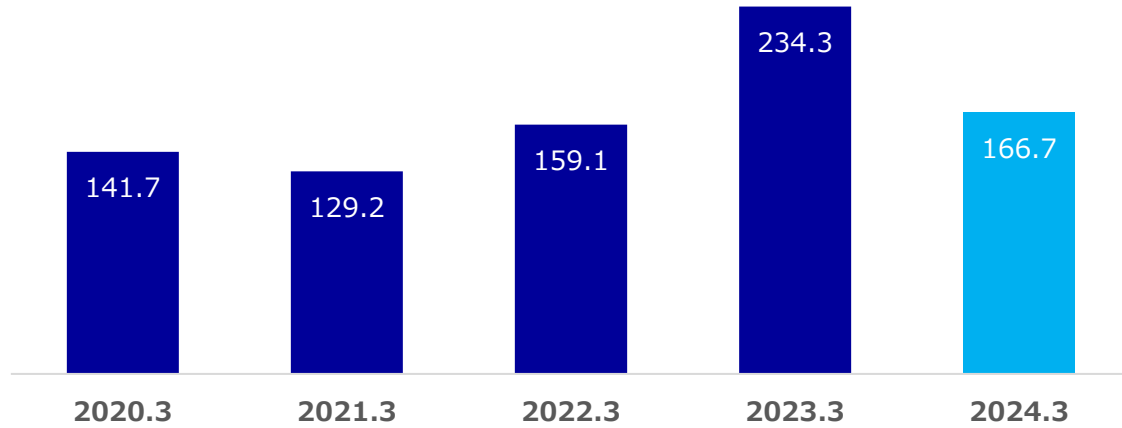
(100 million yen)

		2023.3	2024.3			
		4Q	1Q	2Q	3Q	4Q
Semiconductor	Sales	53.3	46.7	40.1	34.2	45.6
	COGS Ratio	45.7%	50.3%	54.8%	56.5%	59.3%
	Operating Income	14.3	8.5	3.9	0.9	4.0
Life Science	Sales	5.6	6.0	6.5	5.9	5.1
	COGS Ratio	67.2%	63.9%	62.0%	55.4%	58.1%
	Operating Income	-3.8	-3.5	-3.2	-2.1	-2.5
Digital Communication	Sales	9.6	14.4	15.2	14.2	12.3
	COGS Ratio	28.4%	23.5%	21.8%	22.6%	23.4%
	Operating Income	4.0	7.8	8.6	7.7	7.0
Energy Saving Solution	Sales	31.0	29.8	32.8	33.1	35.3
	COGS Ratio	67.8%	70.0%	66.1%	66.6%	68.6%
	Operating Income	2.8	1.3	2.7	2.8	2.4

Semiconductor

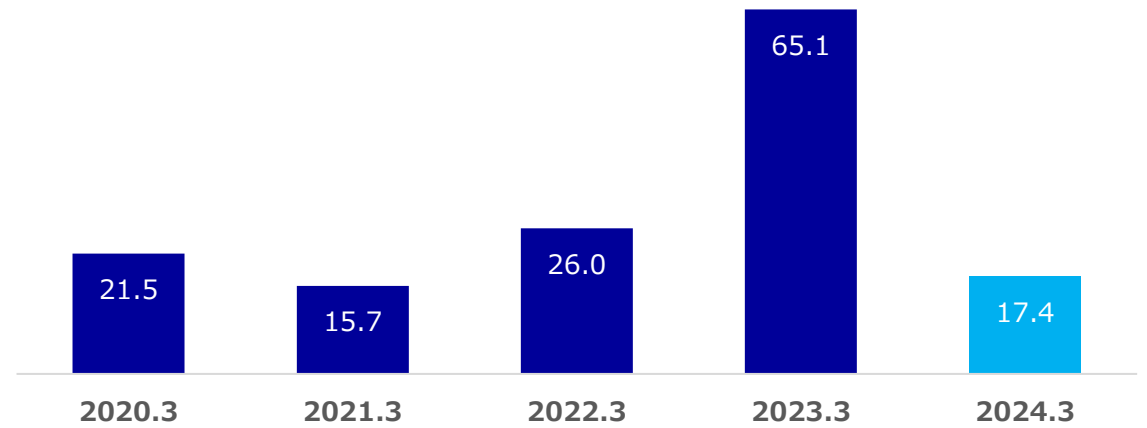
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(100 million yen)



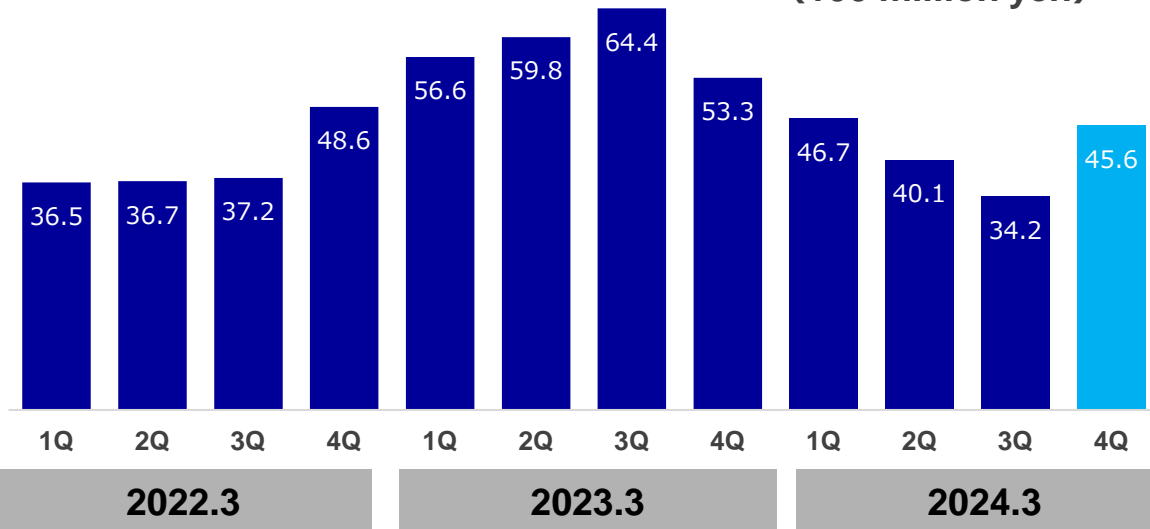
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(100 million yen)



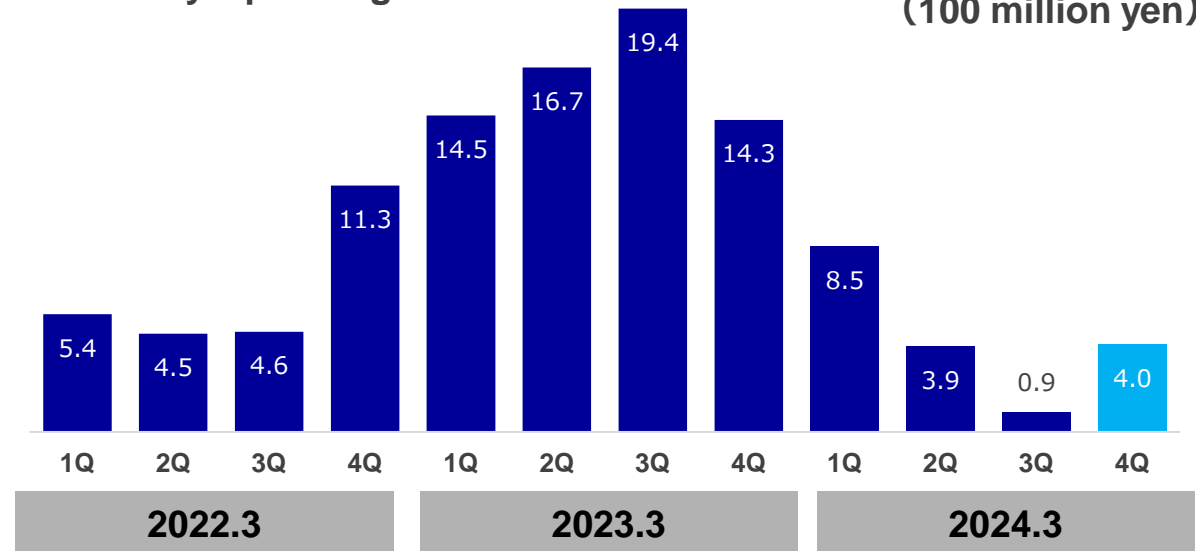
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(100 million yen)



<Quarterly Operating Income>

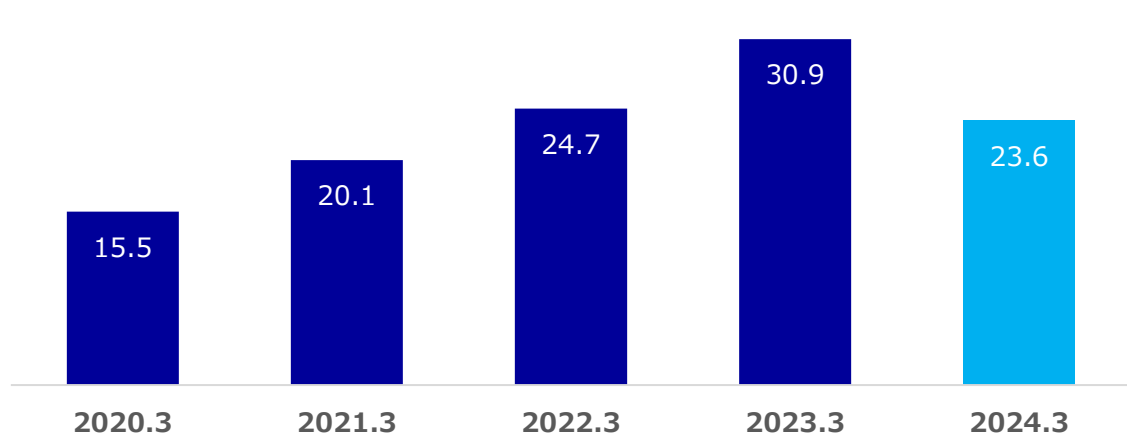
(100 million yen)



Life Science

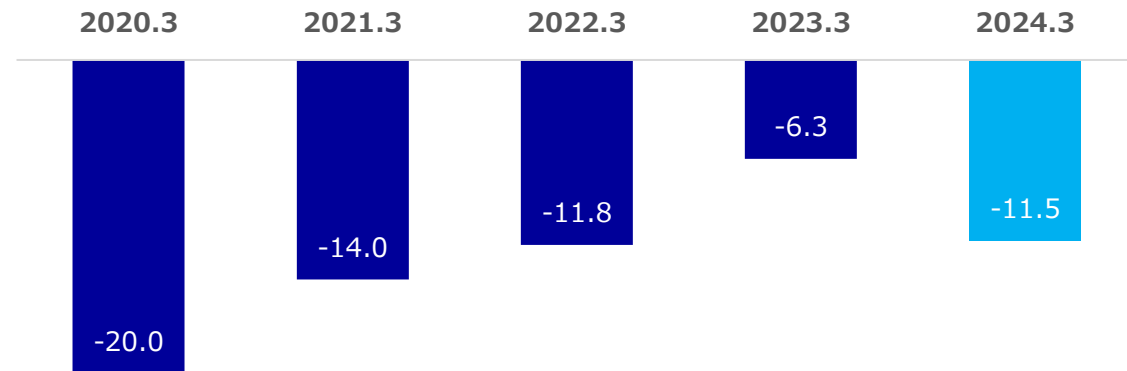
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(100 million yen)



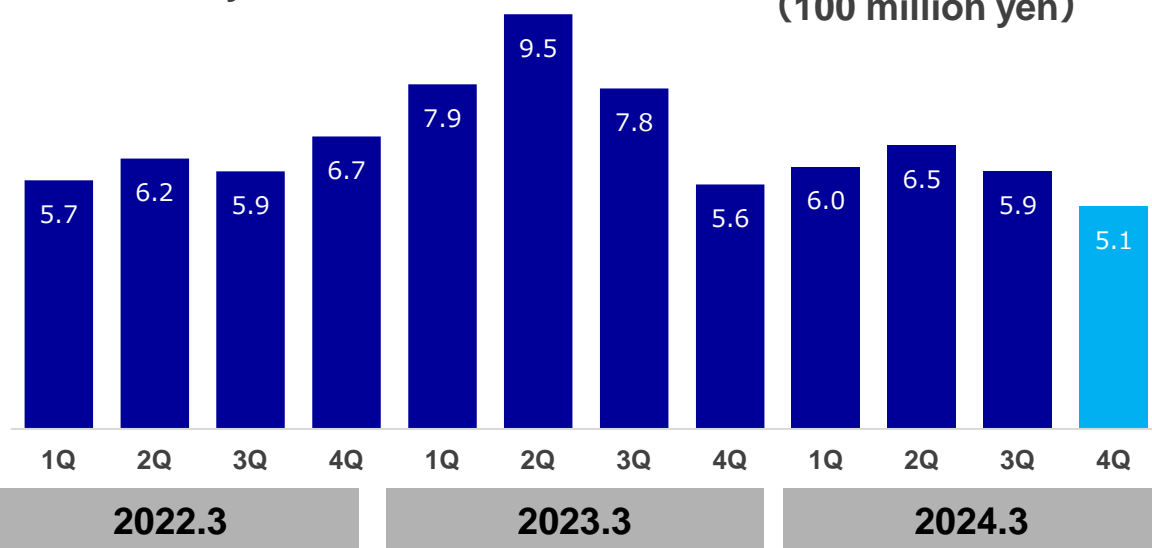
<Operating Income>

(100 million yen)



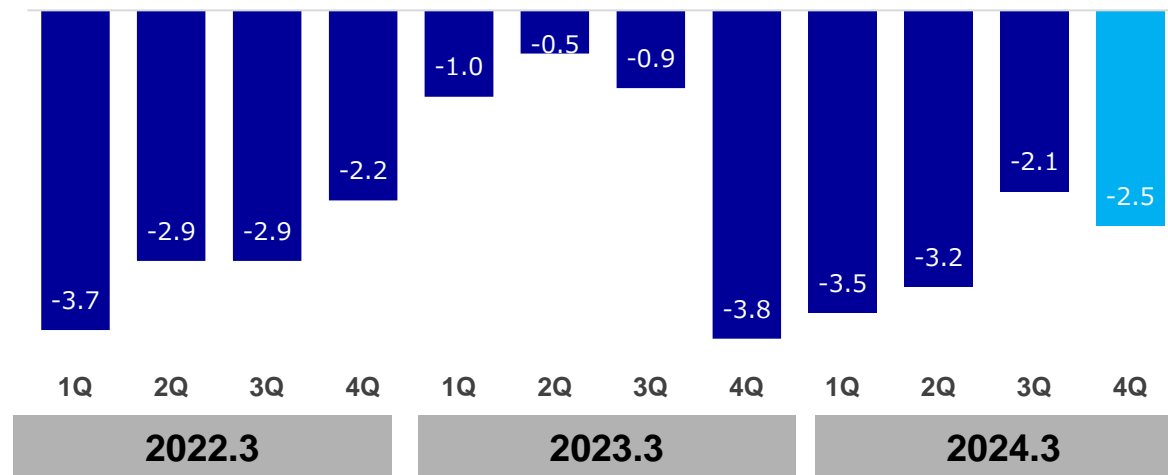
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(100 million yen)



<Quarterly Operating Income>

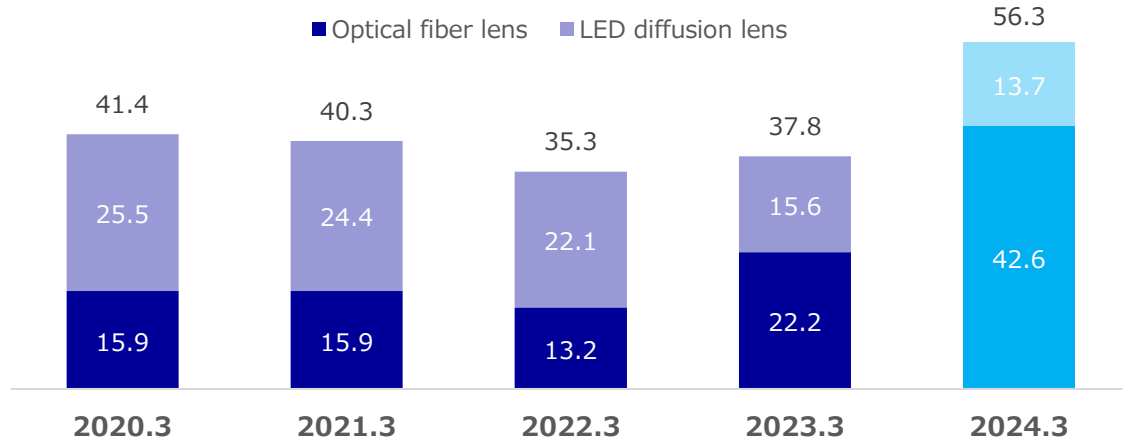
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Digital Communication

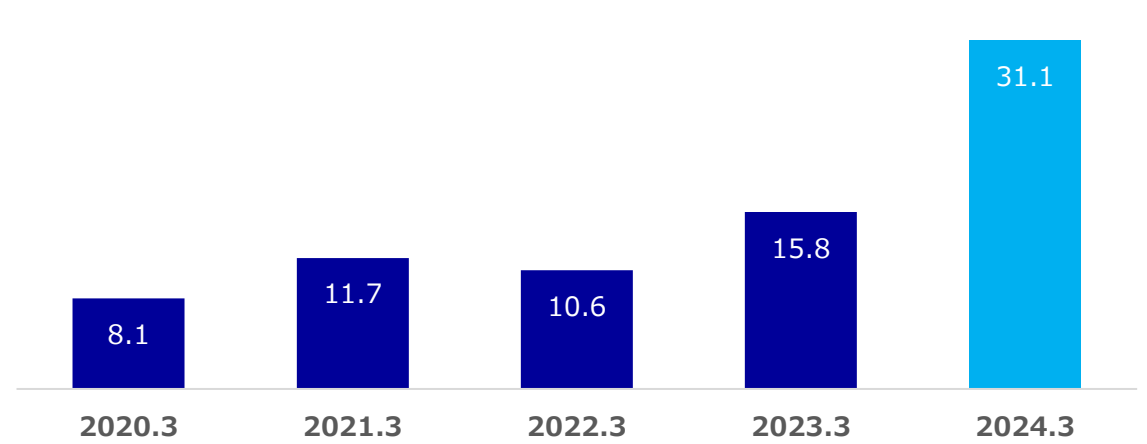
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(100 million yen)



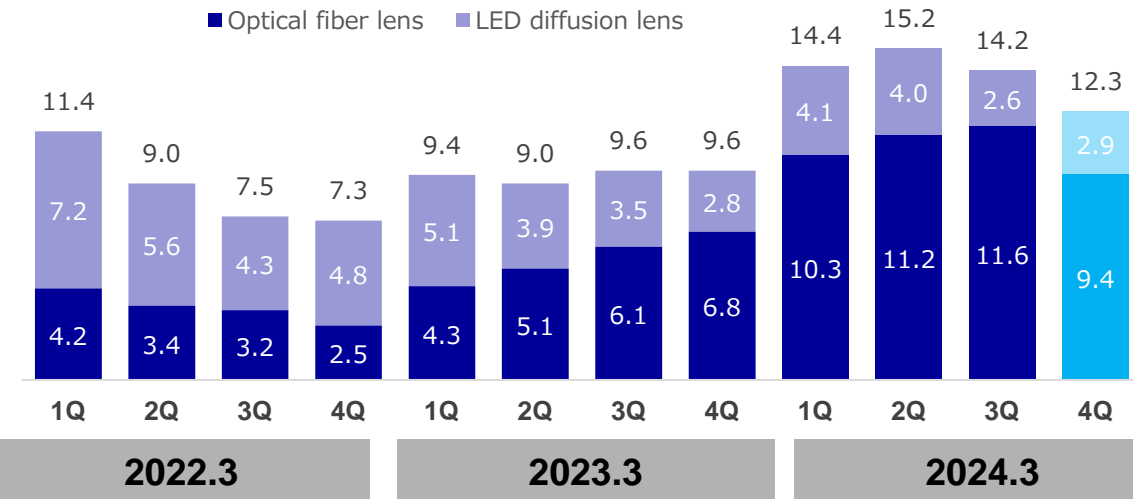
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(100 million yen)



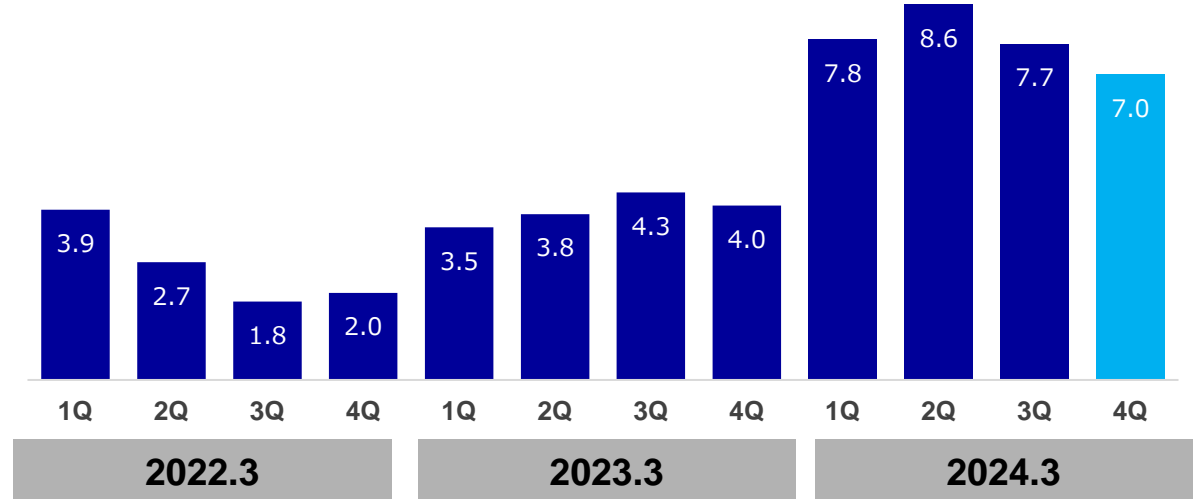
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(100 million yen)



<Quarterly Operating Income>

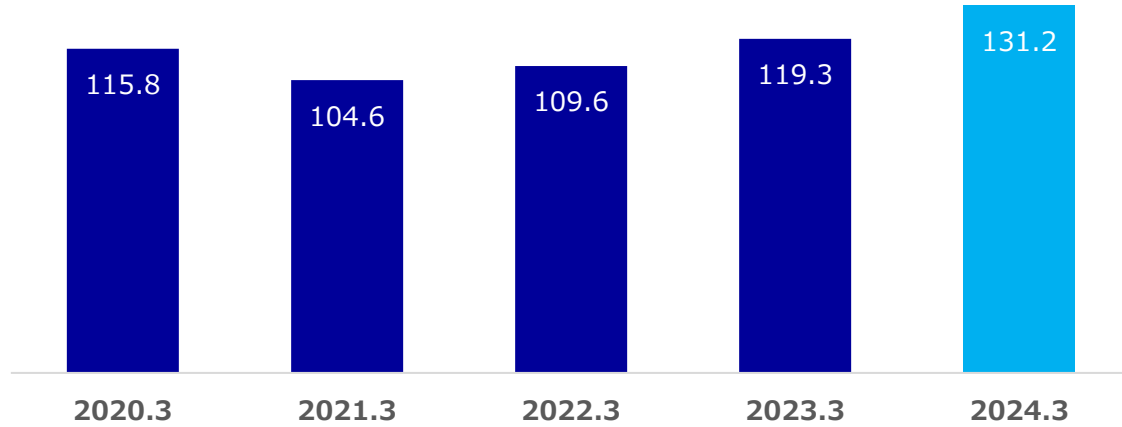
(100 million yen)



Energy Saving Solution

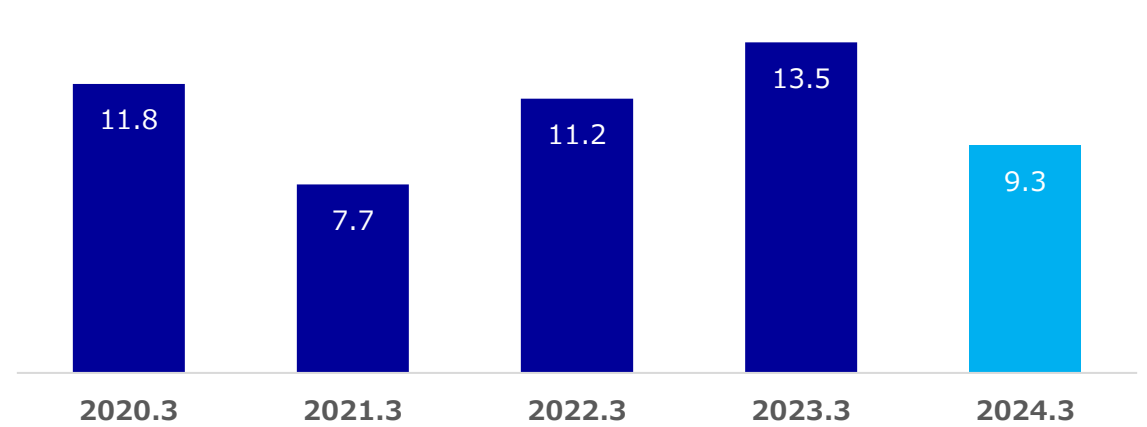
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(100 million yen)



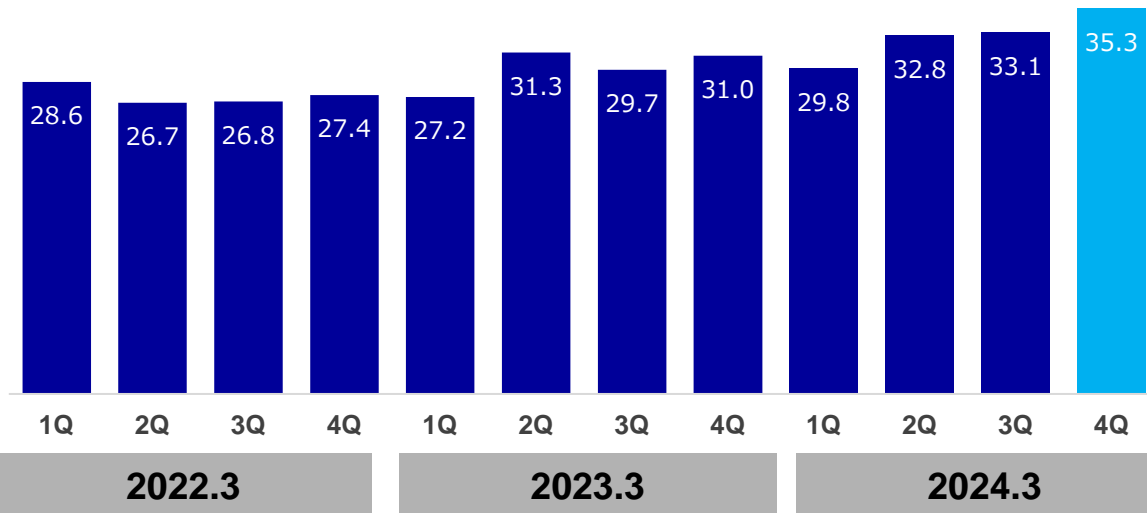
<Operating Income>

(100 million yen)



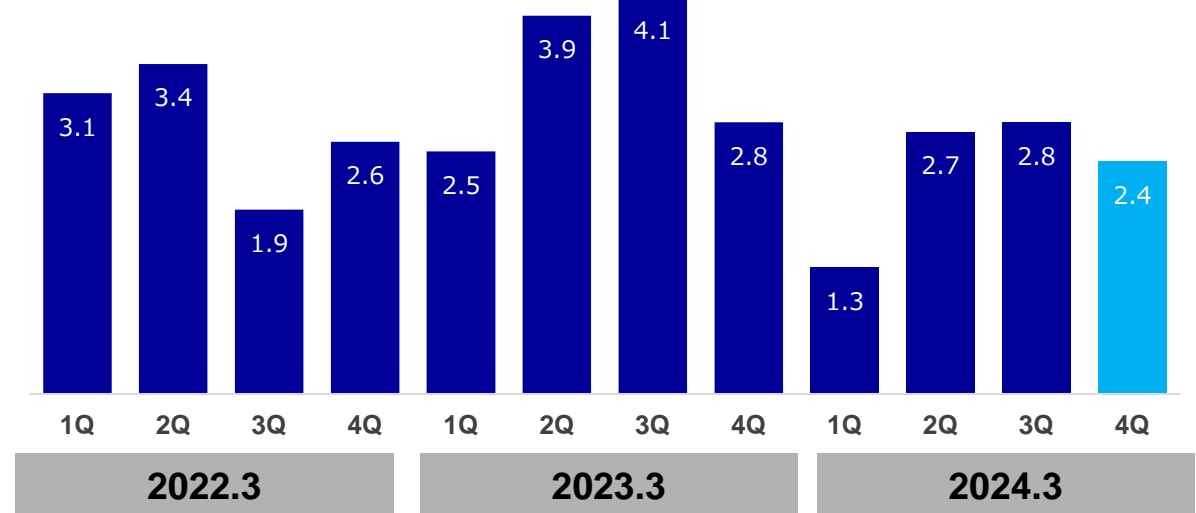
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(100 million yen)



<Quarterly Operating Income>

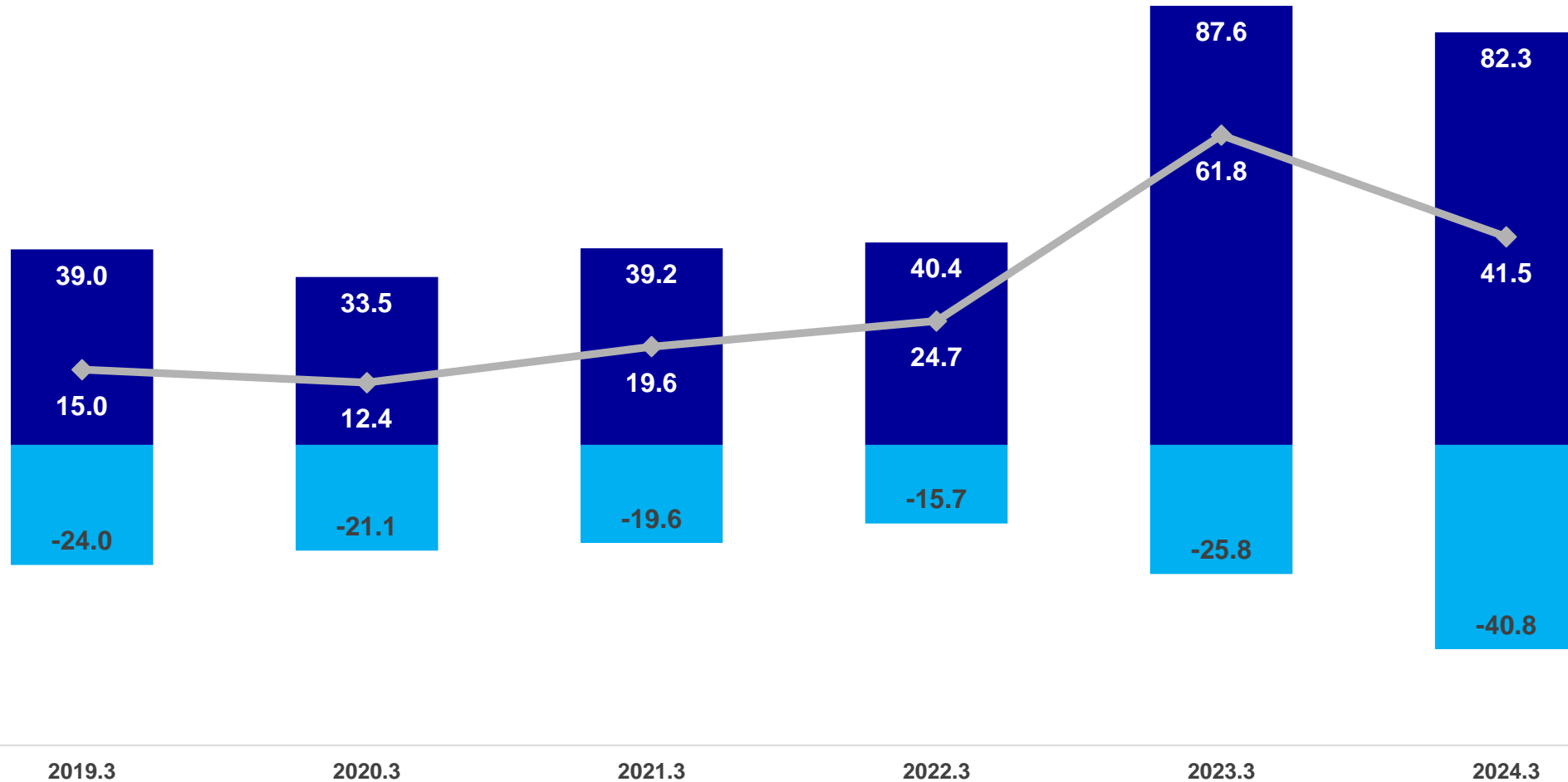
(100 million yen)



Cash Flow

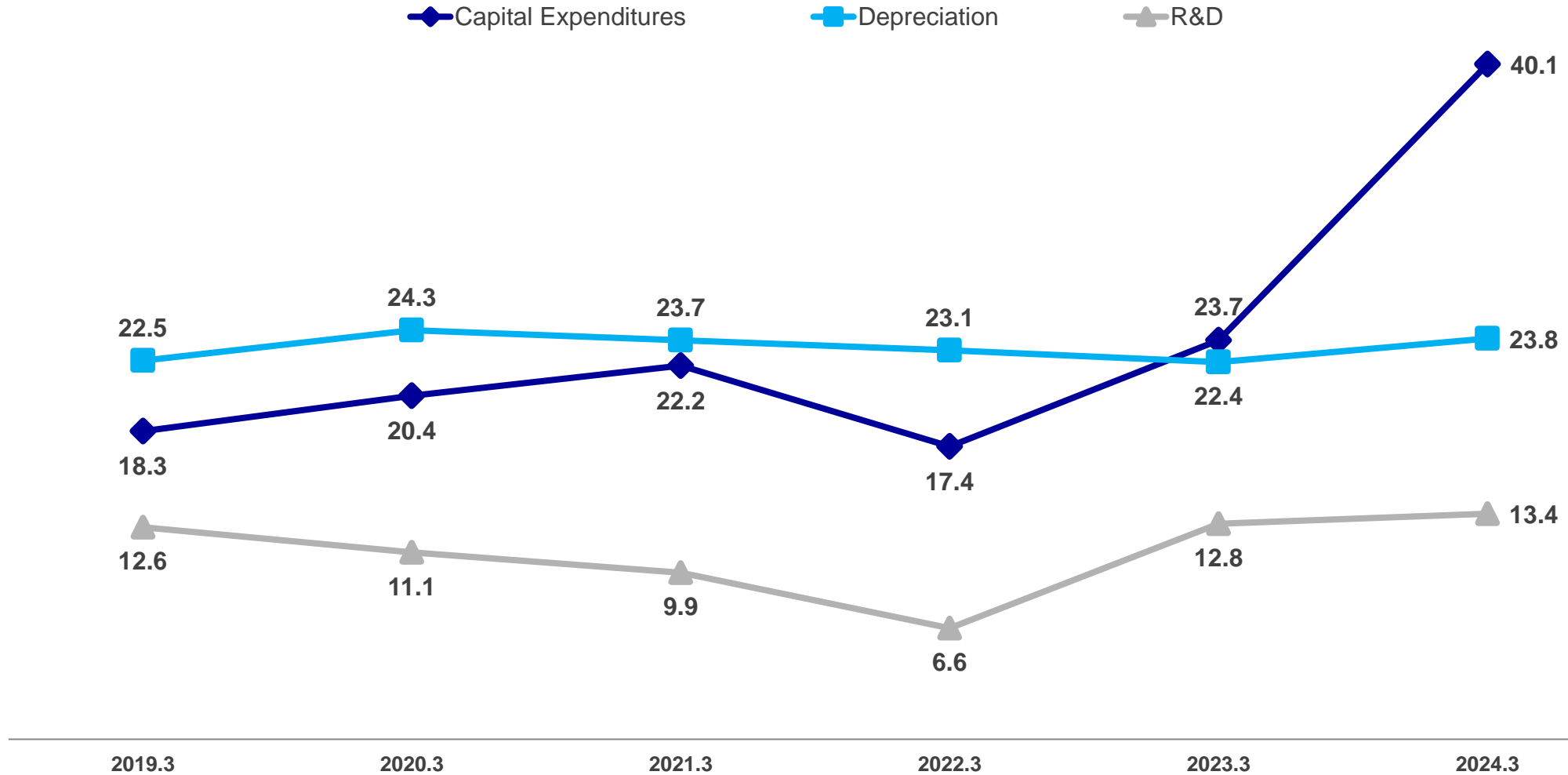
(100 million yen)

■ Cash flows from Operating Activities ■ Cash flows from investing activities —◆— Free Cash Flow



Capital Expenditures, Depreciation, R&D

(100 million yen)



Financial Results Overview

2024.3 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 -10.5%, Operating Income -47.3%, Profit attributable to owners of parent -25.5%)

■ Segment

<Semiconductor business>

- YoY sales decreased due to continued market adjustments in server and mobile applications.
- Strong sales for AI server in 4Q.

<Life Science business>

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

<Digital Communication business>

- In optical fiber lens, sales increased due to growth in high-end areas such as AI applications.
- 4Q sales temporarily decreased due to component shortage in the optical transceiver supply chain.

<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 (28.3% → 34.7%).

Financial Results Overview

➤ SG&A

(100 million yen)

2023.3	2024.3	Change
116.2	123.6	+7.4

- Labor cost: +2.8
- Traveling and transportation expenses: +1.5
- Research & development expense: +0.6

➤ Non-operating profit and loss

(100 million yen)

2023.3	2024.3	Change
-0.3	6.1	+6.4

- Interest income: 3.0 (Interest income for 2023.3: 0.9)
- FX gain: 3.1 (FX gain for 2023.3: 1.7)

➤ Extra-ordinary profit and loss

(100 million yen)

2023.3	2024.3	Change
-21.0	-2.4	+18.6

2024.3

- Insurance claim income: 2.2
- Bad debts expenses: 1.6
- Business restructuring expenses: 1.0

2024.3 Actions Implemented

Actions Related Business

- Dusseldorf Branch & Detroit Branch Opened
- New plant in Vietnam

Energy Saving Solution

Semiconductor

Actions Related Governance

- Corporate Philosophy Updated
- Continuation of Policy Toward Large-Scale Purchases of the Company's Shares (Planned)
- Revision of Board composition:
Internal Director +1, Outside Director (Female) +1

- **“Pursuit of novelty” is the lifeline of our management.**
- **“Pursuit of novelty” requires co-development and confidentiality with customers, and ongoing trust.**
- **Sudden changes in ownership can significantly impact trust with customers.**
- **Ensure sufficient time and information for consideration by “Policy Toward Large-Scale Purchases of the Company’s Shares”.**

Reference: History of Enplas Corporate Governance

	2010/3	2011/3	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2024/6 (plan)
Each committee *Nomination and Compensation Advisory Committee are optional.							Audit committee (Chairperson: Internal director)						Audit committee (Chairperson: Outside director)			
													Nomination and Compensation Advisory Committee(Chairperson: Outside director)			
													Sustainability Committee (Chairperson: Inside director)			
Directors	6	6	8	7	7	8	6	5	5	6	7	7	7	6	7	<u>9</u>
# of outside directors	0	0	0	0	0	2	3	2	2	3	3	3	4	3	3	<u>4</u>
Ratio of outside directors	0.0%	0.0%	0.0%	0.0%	0.0%	25.0%	50.0%	40.0%	40.0%	50.0%	42.9%	42.9%	57.1%	50.0%	42.9%	<u>44.4%</u>
Female directors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	<u>1</u>
Foreign directors	0	0	0	0	0	<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>	0	0	0	0	0	0
Separation of supervision and execution	Executive Officer System (2003-)						Company with audit committee									
Evaluation of effectiveness of the Board of Directors							Use an internally prepared questionnaire						Third-party interview	Use an internally prepared questionnaire	<u>Third-party interview</u>	
Stock-based compensation for directors							Adopt transfer-restricted stock compensation									
Basic Policy							Establishment of basic corporate governance policy									
	Introduce of Takeover Defense Measure			Continuation			Continuation			Continuation			Continuation		<u>Plan to Continue</u>	

Business Status	Time to invest in new businesses			Time to recoup investment						Time to invest in new businesses			Time to recoup investment		
ROE (%)	0.9	1.1	3.5	18.8	23.9	17.3	11.8	10.6	4.9	0.6	1.0	2.1	6.4	10.6	7.0
TSR 3 years (%)	<u>▲0.7</u>	2.5	32.2	35.7	75.8	33.5	<u>▲0.6</u>	<u>▲16.6</u>	<u>▲7.4</u>	<u>▲9.4</u>	<u>▲9.0</u>	6.5	<u>▲0.1</u>	33.4	22.0

Reference: Experience & skills related to effective supervision and governance

Enplas reexamined skill items that is required to director to realize corporate philosophy through continuous improvement of corporate value.

We needs director who own these skills and experiences. And reasons are described herein below.

Skill	Detail
Global management	<ul style="list-style-type: none"> Enplas seeks directors who understand the financial, operational and strategic issues facing the company, have expertise in governance, strategy and execution, and have experience in global corporate management and international business management.
Sustainability	<ul style="list-style-type: none"> We seeks directors who has knowledge, experience and skills in non-financial factors that support our sustainable growth, in order to recognize material issues (risks and opportunities) for the future, including climate change, and to develop and implement long-term plans.
Finance and accounting	<ul style="list-style-type: none"> Enplas regard expertise in finance as emphasized. Our audit committee is required to have multiple directors with accounting and financial expertise.
Legal/ Risk management/ Governance	<ul style="list-style-type: none"> Enplas have to comply with various regulations in each region as a global company. Therefore, we seek directors who owns experience in legal and risk management and expertise in governance.
Innovation/ Technology Development	<ul style="list-style-type: none"> Expertise and experience related to core technology with novelty is required to innovate constantly and explore market as pioneer by differentiate of technology. And not only technology side, but also experience in forming basement of organization that develop new technology is expected.
Production/ SCM	<ul style="list-style-type: none"> Enplas seeks directors who owns expertise in manufacturing including supply chain, such as production technology, manufacturing technology and raw material procurement in creating and mass-producing products previously thought impossible.
Marketing/ Business Development	<ul style="list-style-type: none"> Enplas seek directors with business develop experience who have not only achieved further growth in existing technological fields, but have also found new market earlier than competitors, led the creation of markets from newly developed technologies, and put them on track.
Human Resource Strategy/ Corporate Culture	<ul style="list-style-type: none"> Enplas seek directors with experience of recruiting, training, retaining, creating management talent and cultivating corporate culture, in order to establish and realize human resource strategies based on our corporate culture and business strategy of "Pursuit of novelty".

Reference: Skill Matrix of Board members

Attribute	Name	Position	Gender	Skill Matrix Items							
				Global management	Sustainability	Finance and accounting	Legal/ Risk management/ Governance	Innovation/ Technology Development	Production / SCM	Marketing/ Business Development	Human Resource Strategy/ Corporate Culture
Internal director	Daisuke Yokota	President	Male	●				●	●	●	●
Internal director	Mikihiro Sugibuchi	Member of the Board Executive Officer	Male	●				●		●	
Internal director	Shoji Miyasaka	Member of the Board Executive Officer	Male		●		●		●		●
Internal director	Shigeya Fujita	Member of the Board Executive Officer	Male		●	●	●				●
Outside director	Takae Akatsuka	Member of the Board	Female	●		●					
Outside director	Toshimasa Iue	Member of the Board (Audit Committee)	Male	●		●	●			●	
Outside director	Masao Hisada	Member of the Board (Audit Committee)	Male	●	●	●	●				
Outside director	Minoru Amoh	Member of the Board (Audit Committee)	Male	●				●	●	●	
Internal director	Shigeo Kutsuzawa	Member of the Board (Audit Committee)	Male					●		●	●
Executive Officer	Hideyuki Komiya	Executive Officer	Male	●	●				●		
Executive Officer	Keiji Sakai	Executive Officer	Male					●		●	
Executive Officer	Akira Shina	Executive Officer	Male	●						●	
Executive Officer	Tai Fukizawa	Executive Officer	Male					●	●		
Executive Officer	Shinpei Morioka	Executive Officer	Male					●		●	
Executive Officer	Tomoaki Soshi	Executive Officer	Male	●				●		●	
Executive Officer	Takeshi Murano	Executive Officer	Male							●	

2025.3 Financial Forecast

Assumptions for 2025.3 Financial Forecast

Consolidated financial forecast

- Planned FX rate (US\$): 145.00 yen (FX rate for the 2024.3: 144.40 yen)
- Increase SGA due to aggressive investment in human resources, R&D costs.
(2024.3: 12.3 billion yen → 2025.3: 12.8 billion yen)

Semiconductor business

- Demand of semiconductor is expected to recover gradually and sales in the 1st Half of 2025.3 is expected to continue at the level of the 4Q of 2024.3.
- From the 2nd half of 2025.3, demand is expected to recover, particularly for servers, on which we are focusing.

Life Science business

- Although production adjustments by some customers remain, YoY sales is expected to increase due to mass production of new product is set to launch.

Digital Communication business

- Sales of optical fiber lens is expected to continue to be strong
- Sales of LED diffusion lens is expected to remain sluggish in the TV market.

Energy Saving Solution business

- YoY sales is expected to increase due to steady automotive production.

2025.3 Financial Forecast

(100 million yen)

	2024.3	2025.3	
	Results	1 st Half	Full-year
Net Sales	378.0	195.0	410.0
COGS Ratio	55.0%	53.6%	53.5%
Operating Income	46.4	27.0	62.0
Ordinary Income	52.6	28.0	65.0
Profit attributable to owners of parent	34.4	19.0	45.0
Net Income Per Share	390.14_{yen}	215.21_{yen}	509.71_{yen}
Dividends Per Share	60.00_{yen}	30.00_{yen}	60.00_{yen}

2025.3 Financial Forecast by Segment

(100 million yen)

	2024.3	2025.3	
	Results	1 st Half	Full-year
Semiconductor	166.7	88.0	190.0
Life Science	23.6	12.0	25.0
Digital Communication	56.3	29.0	59.0
Energy Saving Solution	131.2	66.0	136.0

2025.3 forecast for Capital Expenditures, Depreciation, R&D

	2024.3	(100 million yen)
	Results	2025.3
		Full-year
Capital expenditures	40.1	70.0
Long-Term/ Environmental Investment	2.8	38.0
Investment in Growth Area	23.0	17.0
Other Capital Expenditure	14.3	15.0
Depreciation	23.8	25.0
R&D	13.4	16.0

*Capital expenditures includes acquisition of tangible fixed assets and intangible fixed assets since 2024.3.



Business Strategy

Enplas Corporation

Shoji Miyasaka, Managing Executive Officer

Semiconductor



Medium-Term Strategy

Burn-In Socket

- Maintain high market share in servers
- Drive solution development that matches customers' development roadmaps
- invest in production capacity expansion for future growth
- Acquire business opportunity for Generative AI

Test-Socket

- Expand business in "System Level Test" field.
- Invest elemental technology development

Focusing application

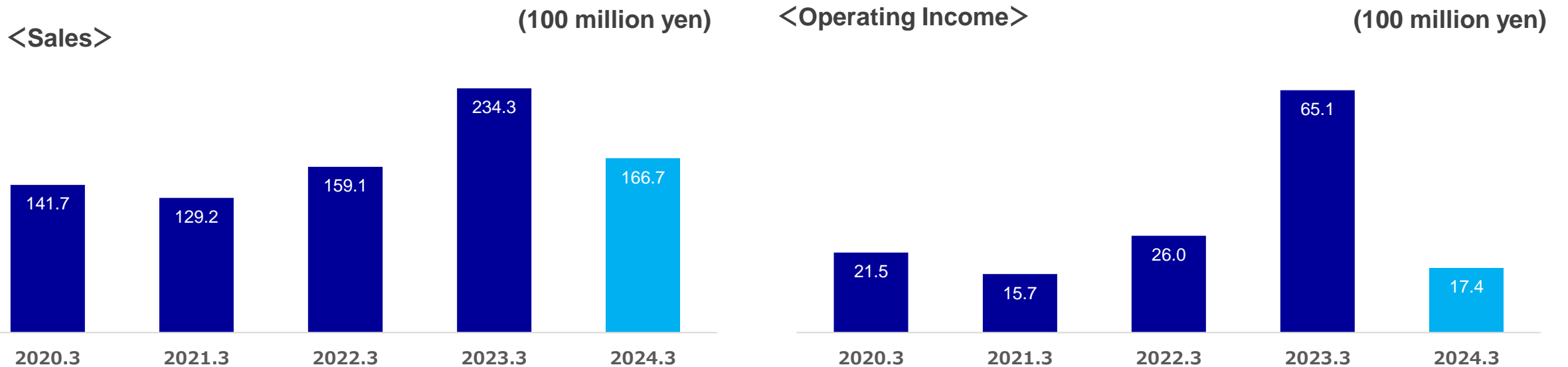
Burn-In Socket

- Server (include AI server)
- Mobile
- SoC for Automotive

Test Socket

- "System Level Test" for Server and Mobile

Reference: Global Information, Inc.
<https://www.gii.co.jp/report/dmin1304527-global-semiconductors-market.html>



Life Science



Reference: Market.US
<https://market.us/report/digital-pcr-market/>

Medium-Term Strategy

- Launch new products

Actions to become profitable

Improve profitability by reviewing cost structure drastically

- Reduce cost by integration of US entities
- Streamline production and development system

Focusing application

- Digital PCR*

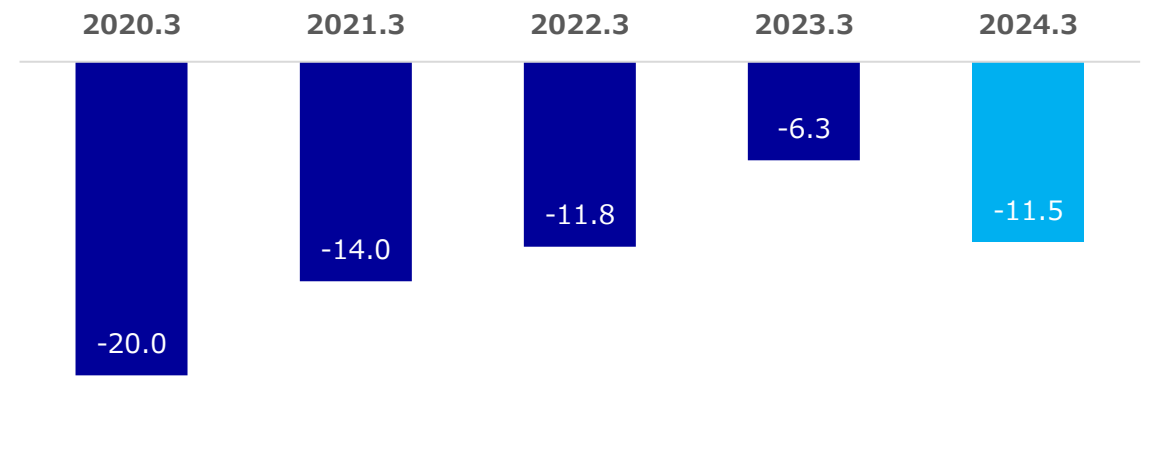
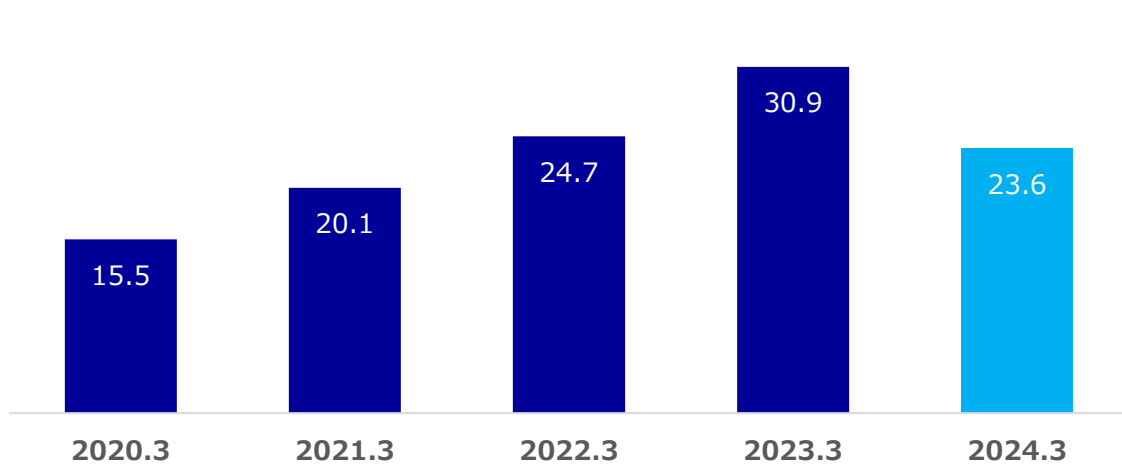
*Digital PCR: Next-Generation PCR technology that can digitally and absolutely quantify the number of targeted nucleic acids by dividing and amplifying them individually.

<Sales>

(100 million yen)

<Operational Income>

(100 million yen)



Digital Communication



Medium-Term Strategy

- Maintain a high market share of existing customer and acquire new customers in growing generative AI market.
- Prompt product development that matches laser development roadmap.

Focusing application

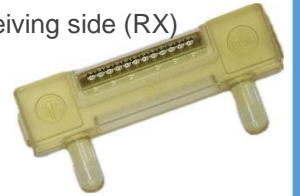
- High-end field for AI server

Develop 1.6Tbps lens



Development for multi mode

Development for receiving side (RX) for single-mode

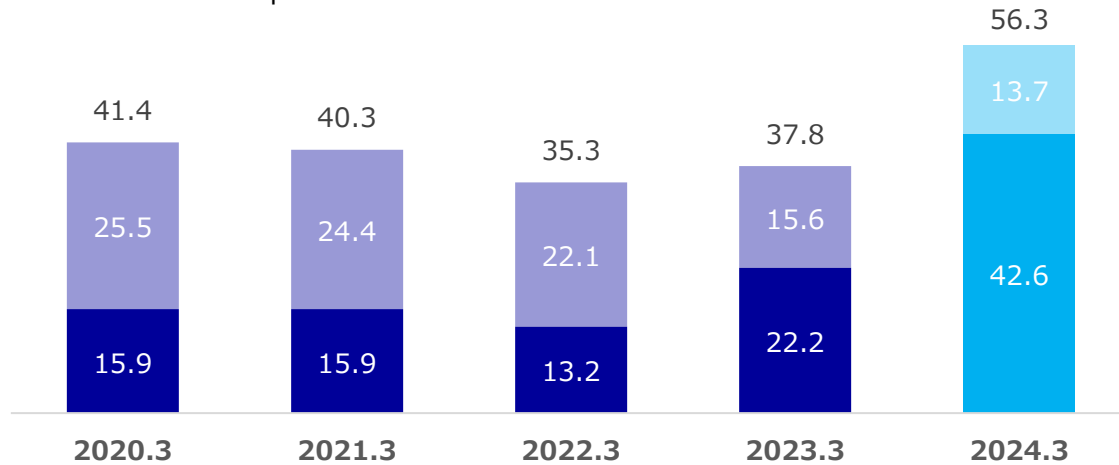


Reference : MarketsandMarkets
<https://www.marketsandmarkets.com/Market-Reports/optical-transceiver-market-161339599.html>

<Sales>

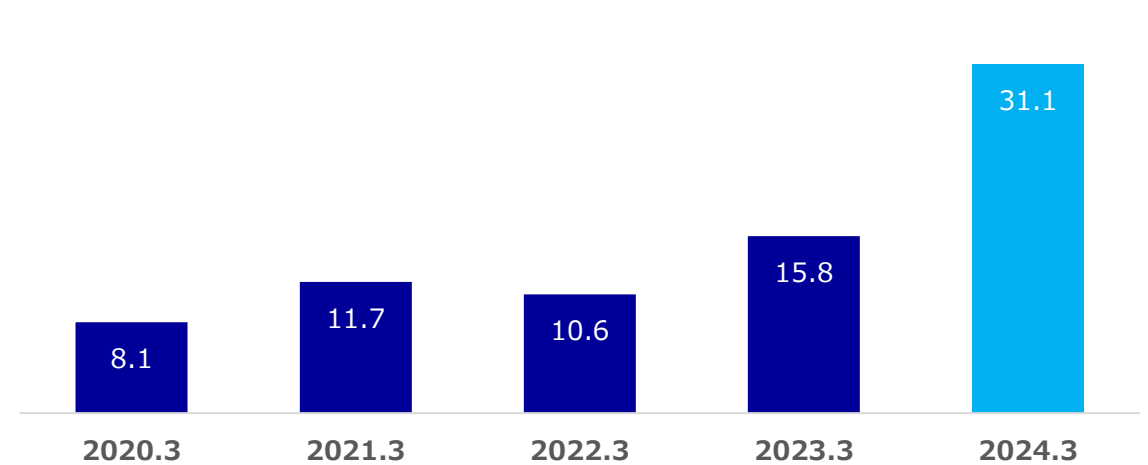
(100 million yen)

■ Optical fiber lens ■ LED diffusion lens



<Operational Income>

(100 million yen)



Energy Saving Solution



Reference: Contrive Datum Insights (CDI)
<https://www.contrivedatuminsights.com/product-report/automotive-market-248598/>

Medium-Term Strategy

Business growth in automotive electrification

- Boost solution business by extracting customer needs

Increase profitability of existing business

- Optimize producing location including factory reorganization
- Build pipelines that anticipates customers' production strategies

Focusing application

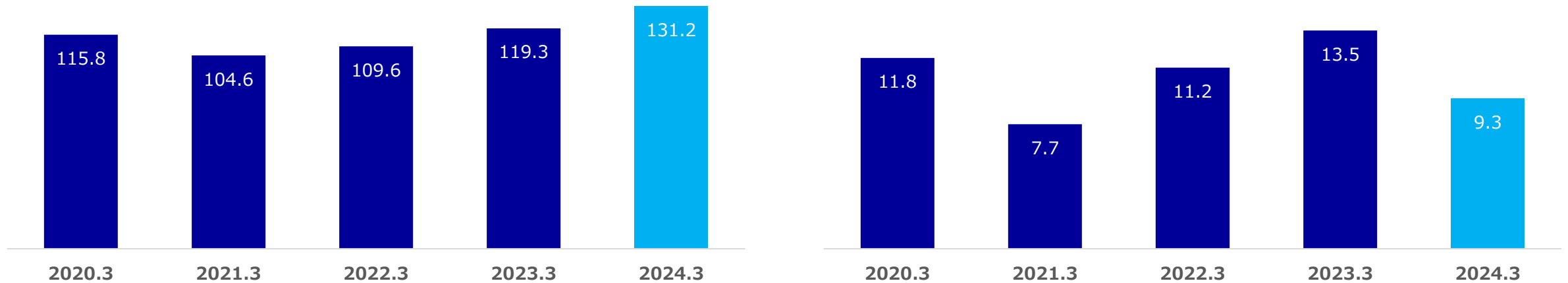
- Automotive electrification area
- Noiseless solution by noise control

<Sales>

(100 million yen)

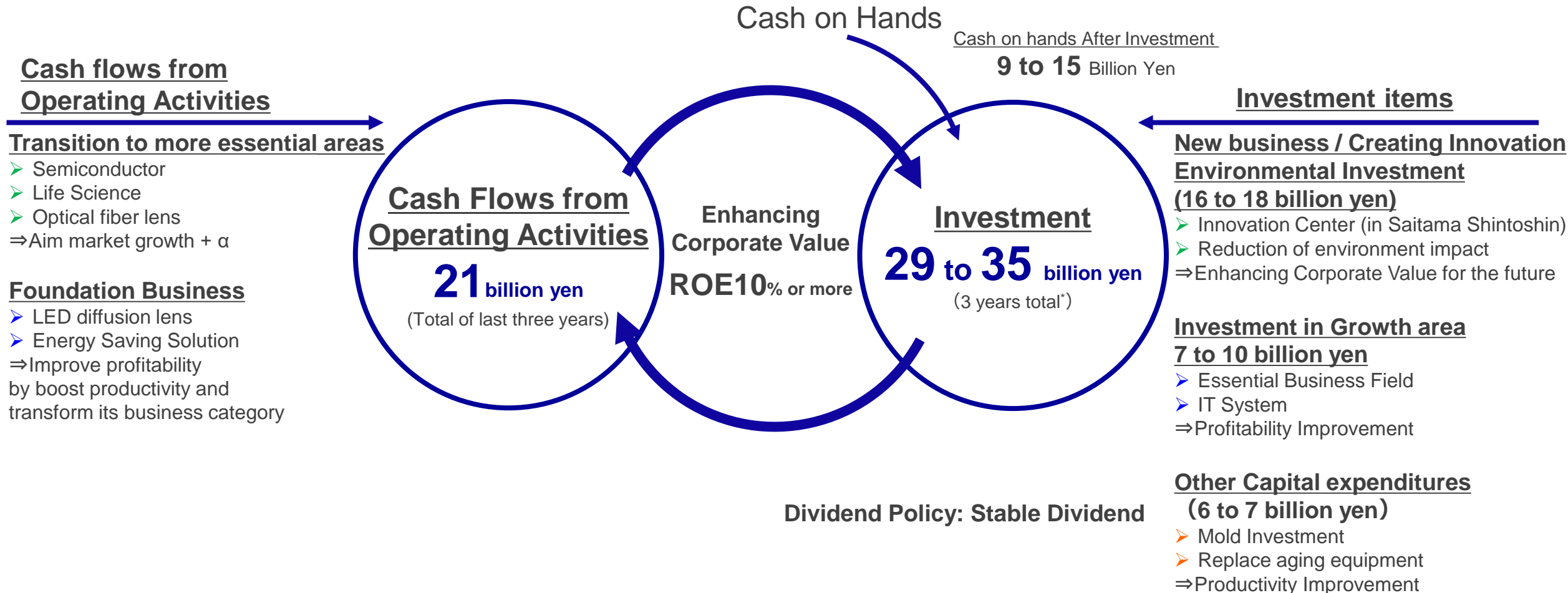
<Operational Income>

(100 million yen)



Cash Allocation

Prioritize investments in new business, creating innovation and growth areas



*3 years total : 2025.3 to 2027.3

Enplas Corporation

2025.3 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.

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