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# 2025.3 Second-Quarter Results

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October 31, 2024

**Enplas Corporation**

(TSE: 6961)

## **Financial Results**

- **2025.3 Second-Quarter Results**
- **2025.3 Financial Forecast**

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

## **Progress on Action to Implement Management that is Conscious of Cost of Capital and Stock Price**

# Financial Results

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# 2025.3 Second-Quarter Financial Results

(Million yen)

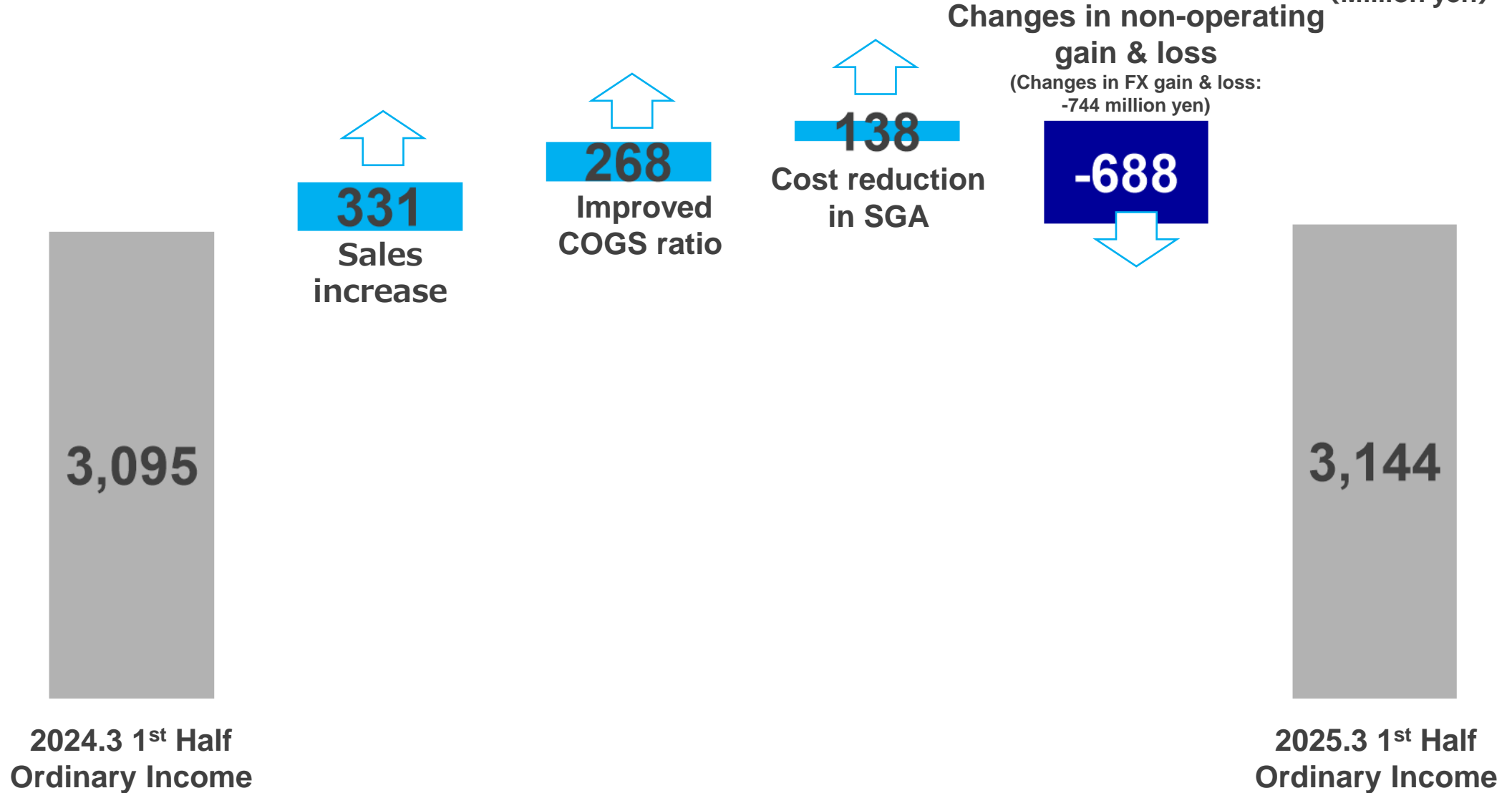
	2024.3	2025.3	Change	(Reference) 1st Half Plan
	1st Half Results	1st Half Results		
Sales	<b>19,200</b>	<b>19,700</b>	<b>+2.6%</b>	<b>20,000</b>
COGS Ratio	53.6%	51.7%	-1.9pt	52.9%
Operating Income	<b>2,616</b>	<b>3,354</b>	<b>+28.2%</b>	<b>3,100</b>
Operating margin	13.6%	17.0%	+3.4pt	15.5%
Ordinary Income	<b>3,095</b>	<b>3,144</b>	<b>+1.6%</b>	<b>3,300</b>
Profit attributable to owners of parent	<b>1,798</b>	<b>2,094</b>	<b>+16.5%</b>	<b>2,200</b>
Earnings Per Share	203.81 <sub>yen</sub>	237.19 <sub>yen</sub>	+33.38 <sub>yen</sub>	249.19 <sub>yen</sub>
Average Foreign Exchange rate (US\$)	141.31 <sub>yen</sub>	152.29 <sub>yen</sub>	+10.98 <sub>yen</sub>	(Planned rate) 145.00 <sub>yen</sub>

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

# 2025.3 Second-Quarter Ordinary Income Analysis

<2025.3 1<sup>st</sup> Half vs. 2024.3 1<sup>st</sup> Half >

(Million yen)



Enplas has changed the R&D expenses allocation to more appropriately reflect our business result of each segment.

## **Details of the Change**

- R&D expenses for new business, which were included in Life Science Segment, are now allocated to all business segments based on sales ratio.

## **Reasons for the Change**

- All R&D expenses of new business were recorded as Life Science segment, because the business field of Life Science was broadly defined until 2024.3.
- We shift Life Science business to more profitable business by focusing its business field since 2025.3.
- R&D expenses for new business are expected to increase in other segments and these are allocated to all segments based on sales ratio.

# 2025.3 Second-Quarter Results by Segment

(Million yen)

		2024.3 1 <sup>st</sup> Half Results		2025.3	Difference from after policy change
		Before policy change	After policy change	1 <sup>st</sup> Half Results	
<b>Semiconductor</b>	Sales	<b>8,688</b>	<b>8,688</b>	<b>8,256</b>	<b>-5.0%</b>
	COGS Ratio	52.4%	52.4%	50.4%	-2.0pt
	Operating Income	<b>1,250</b>	<b>1,083</b>	<b>1,022</b>	<b>-5.7%</b>
<b>Life Science</b>	Sales	<b>1,260</b>	<b>1,260</b>	<b>1,471</b>	<b>+16.7%</b>
	COGS Ratio	62.9%	62.9%	56.1%	-6.8pt
	Operating Income	<b>-681</b>	<b>-337</b>	<b>196</b>	-
<b>Digital Communication</b>	Sales	<b>2,972</b>	<b>2,972</b>	<b>2,978</b>	<b>+0.2%</b>
	COGS Ratio	22.6%	22.6%	20.8%	-1.8pt
	Operating Income	<b>1,643</b>	<b>1,586</b>	<b>1,703</b>	<b>+7.4%</b>
<b>Energy Saving Solution</b>	Sales	<b>6,279</b>	<b>6,279</b>	<b>6,995</b>	<b>+11.4%</b>
	COGS Ratio	68.0%	68.0%	65.4%	-2.6pt
	Operating Income	<b>405</b>	<b>284</b>	<b>432</b>	<b>+51.9%</b>

# Quarterly Results

(Million yen)

	2024.3			2025.3	
	2Q	3Q	4Q	1Q	2Q
<b>Sales</b>	<b>9,484</b>	<b>8,753</b>	<b>9,851</b>	<b>10,601</b>	<b>9,099</b>
<b>COGS Ratio</b>	<b>53.9%</b>	<b>54.8%</b>	<b>58.1%</b>	<b>50.9%</b>	<b>52.7%</b>
<b>Operating Income</b>	<b>1,204</b>	<b>938</b>	<b>1,090</b>	<b>2,153</b>	<b>1,200</b>
<b>Operating margin</b>	<b>12.7%</b>	<b>10.7%</b>	<b>11.1%</b>	<b>20.3%</b>	<b>13.2%</b>
<b>Ordinary Income</b>	<b>1,414</b>	<b>775</b>	<b>1,392</b>	<b>2,334</b>	<b>810</b>
<b>Profit attributable to owners of parent</b>	<b>1,062</b>	<b>485</b>	<b>1,159</b>	<b>1,518</b>	<b>576</b>
<b>Earnings Per Share</b>	<b>120.39yen</b>	<b>54.98yen</b>	<b>131.35yen</b>	<b>172.00yen</b>	<b>65.23yen</b>



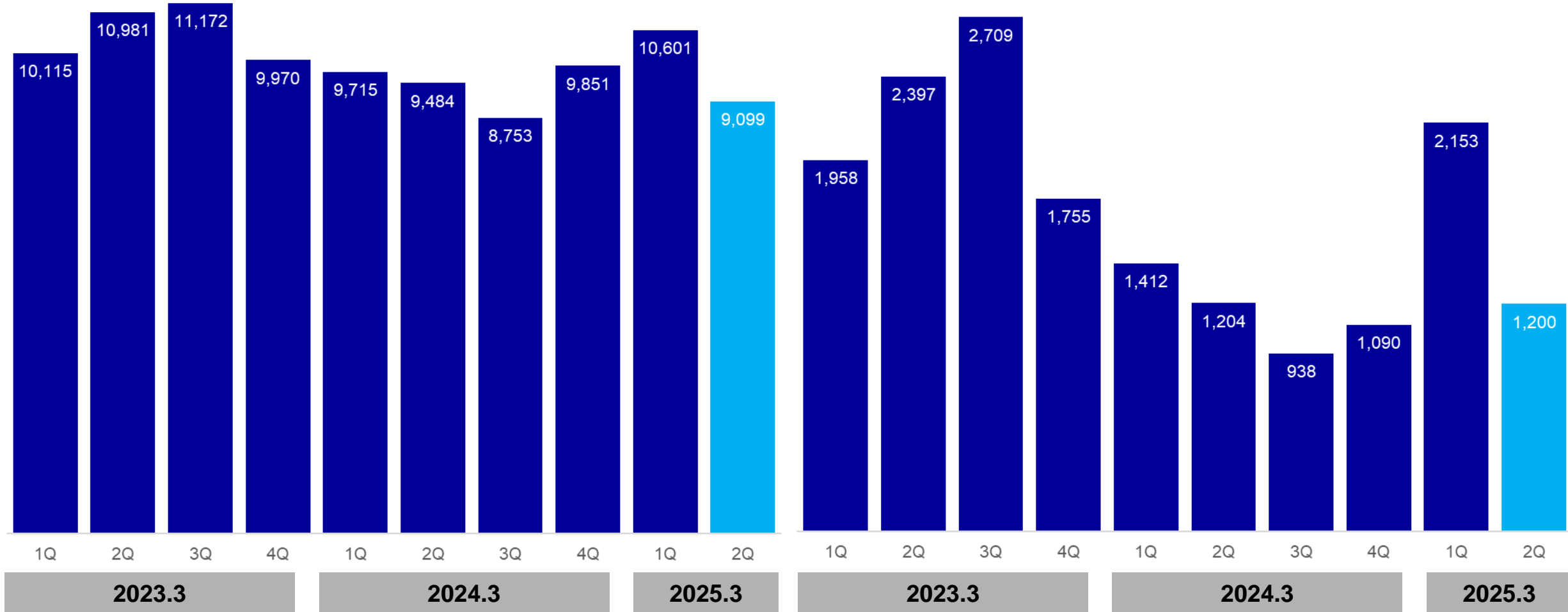
# Quarterly Results

<Sales>

(Million yen)

<Operating Income>

(Million yen)



# Reference: Quarterly Results by Segment

(Million yen)

		2024.3*			2025.3	
		2Q	3Q	4Q	1Q	2Q
<b>Semiconductor</b>	Sales	<b>4,013</b>	<b>3,422</b>	<b>4,566</b>	<b>4,570</b>	<b>3,686</b>
	COGS Ratio	54.8%	56.5%	59.3%	49.8%	51.2%
	Operating Income	<b>320</b>	<b>40</b>	<b>336</b>	<b>719</b>	<b>302</b>
<b>Life Science</b>	Sales	<b>652</b>	<b>593</b>	<b>514</b>	<b>766</b>	<b>704</b>
	COGS Ratio	62.0%	55.4%	58.1%	57.4%	54.7%
	Operating Income	<b>-155</b>	<b>-90</b>	<b>-125</b>	<b>115</b>	<b>80</b>
<b>Digital Communication</b>	Sales	<b>1,529</b>	<b>1,424</b>	<b>1,239</b>	<b>1,705</b>	<b>1,272</b>
	COGS Ratio	21.8%	22.7%	23.4%	19.9%	22.1%
	Operating Income	<b>830</b>	<b>754</b>	<b>682</b>	<b>1,065</b>	<b>637</b>
<b>Energy Saving Solution</b>	Sales	<b>3,289</b>	<b>3,313</b>	<b>3,530</b>	<b>3,558</b>	<b>3,436</b>
	COGS Ratio	66.1%	66.6%	68.6%	65.7%	65.2%
	Operating Income	<b>208</b>	<b>233</b>	<b>196</b>	<b>253</b>	<b>179</b>

\*Operating Income of 2024.3 was calculated by revised R&D cost allocation policy.

# Financial Results Overview

## 2025.3 Second-Quarter Financial Results

### ■ Summary

- Although Semiconductor business remained weak, 1<sup>st</sup> Half sales and profit increased due to steady performance in other segments. (Sales +2.6%, Operating Income +28.2%, Profit attributable to owners of parent +16.5%)

### ■ Segment

#### <Semiconductor business>

- Sales decreased due to delay of demand recovery for general purpose server applications and customers' inventory adjustments for automotive applications.
- Promotion of test socket R&D for future growth.

#### <Life Science business>

- Sales increased due to higher orders from existing customer and launch of new mass-produced products.
- Customers' production adjustments are expected to be prolonged.

#### <Digital Communication business>

- Optical communication business has maintained high market share in AI applications.
- QoQ sales decreased due to inventory adjustment and other factors in response to customers' transition to next-generation products.

#### <Energy Saving Solution business>

- Sales increased due to expansion of low-noise and high-efficiency gear solution business for automotive electrification.

# Financial Results Overview

## ➤ SG&A

(Million yen)

2024.3 1 <sup>st</sup> Half	2025.3 1 <sup>st</sup> Half	Change
6,298	6,159	-139

- Labor cost: -151
- Traveling and transportation expenses: -61
- Research & development expense: +34

## ➤ Non-operating profit and loss

(Million yen)

2024.3 1 <sup>st</sup> Half	2025.3 1 <sup>st</sup> Half	Change
479	-210	-689

- FX loss: 396(FX gain for 2025.3 1Q: 78, FX gain for 2024.3 1st Half: 348)

## ➤ Extra-ordinary profit and loss

(Million yen)

2024.3 1 <sup>st</sup> Half	2025.3 1 <sup>st</sup> Half	Change
-333	-171	+162

2025.3 1<sup>st</sup> Half

- Business restructuring expenses: 232

# 2025.3 Financial Forecast

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## 2025.3 Financial Forecast

(Million yen)

	2025.3	2025.3
	1 <sup>st</sup> Half Results	Full-year
Net Sales	<b>19,700</b>	<b>41,500</b>
COGS Ratio	<b>51.7%</b>	<b>53.2%</b>
Operating Income	<b>3,354</b>	<b>6,600</b>
Operating margin	<b>17.0%</b>	<b>15.9%</b>
Ordinary Income	<b>3,144</b>	<b>7,000</b>
Profit attributable to owners of parent	<b>2,094</b>	<b>4,800</b>
Earnings Per Share	<b>237.19<sub>yen</sub></b>	<b>543.69<sub>yen</sub></b>
Dividends Per Share	<b>30.00<sub>yen</sub></b>	<b>60.00<sub>yen</sub></b>

\*Unchanged from the financial forecast as of July 31, 2024.

\*Planned FX rate (US\$): 145.00 yen

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# 2025.3 Sales Forecast by Segment

(Million yen)

	2025.3	2025.3
	1 <sup>st</sup> Half Results	Full-year
<b>Semiconductor</b>	<b>8,256</b>	<b>18,500</b>
<b>Life Science</b>	<b>1,471</b>	<b>2,800</b>
<b>Digital Communication</b>	<b>2,978</b>	<b>6,000</b>
<b>Energy Saving Solution</b>	<b>6,995</b>	<b>14,200</b>

\*Unchanged from the financial forecast as of July 31, 2024.

## Reference: 2025.3 Forecast for Capital Expenditures, Depreciation, R&amp;D

	(Million yen)		
	2024.3	2025.3	2025.3
	Full-year Results	1 <sup>st</sup> Half Results	Full-year
<b>Capital expenditures</b>	<b>4,014</b>	<b>4,969</b>	<b>7,000</b>
Long-Term/ Environmental Investment	283	3,867	3,800
Investment in Growth Area	2,300	378	1,700
Other Capital Expenditure	1,431	724	1,500
<b>Depreciation</b>	<b>2,385</b>	<b>1,208</b>	<b>2,500</b>
<b>R&amp;D</b>	<b>1,343</b>	<b>712</b>	<b>1,600</b>

\*Unchanged from the financial forecast as of April 30, 2024.



### 【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

# Improve value-added Strategy

- **Expand businesses in growth areas such as AI and eco-friendly vehicles**
- **Replace the portfolio with high value-added products**
- **Improve profitability through optimizing the location of production**
- **Improve value-added and increase resilience to FX rate fluctuations by shifting production in-house**

# Business Trend and Strategy for Each Segment

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# Semiconductor

## Market conditions

- The market for general-purpose servers and automotive applications is sluggish
- The market for AI servers is booming

## Business Overview

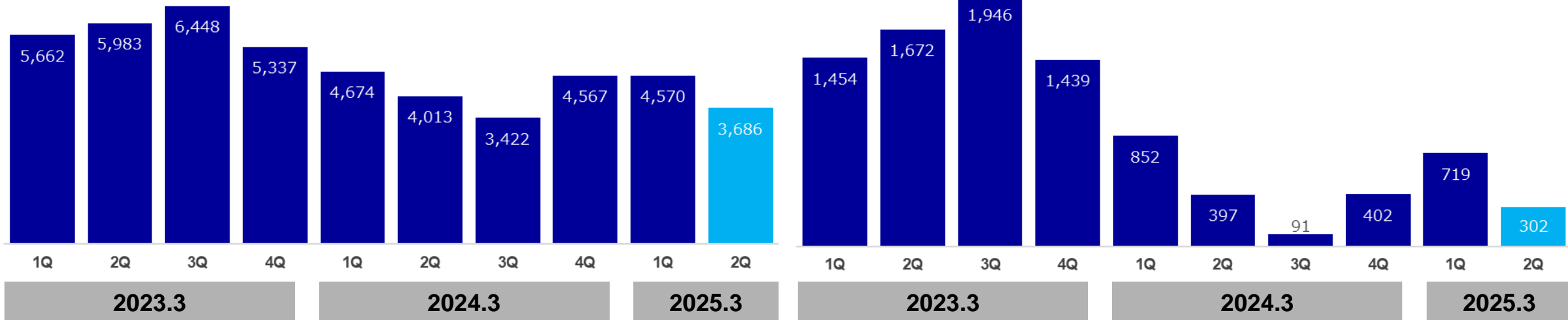
- Expand business in high value-added areas
- Strengthen production capacity and improve profitability in preparation for future growth

<Sales>

(Million yen)

<Operating Income>

(Million yen)



\*Results of 2023.3 and 2024.3 do not reflect policy change.

## Market conditions

- Disruption of the US supply chain due to hurricane damage
- Inventory adjustment continues due to weak demand in genetic testing market

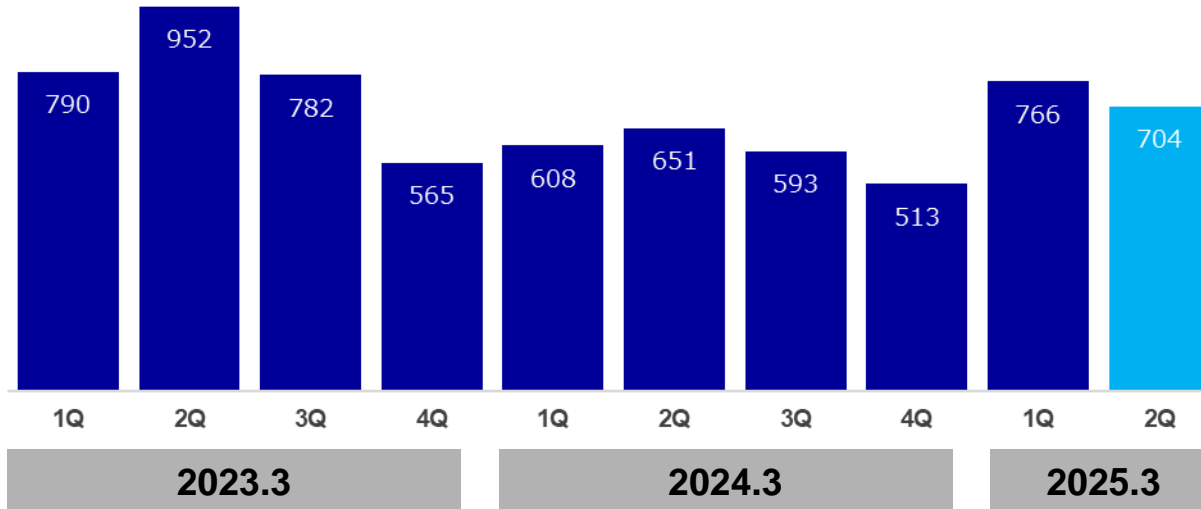
## Business Overview

- Strengthen competitiveness in the digital PCR\* market
- Turn the business profitable

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

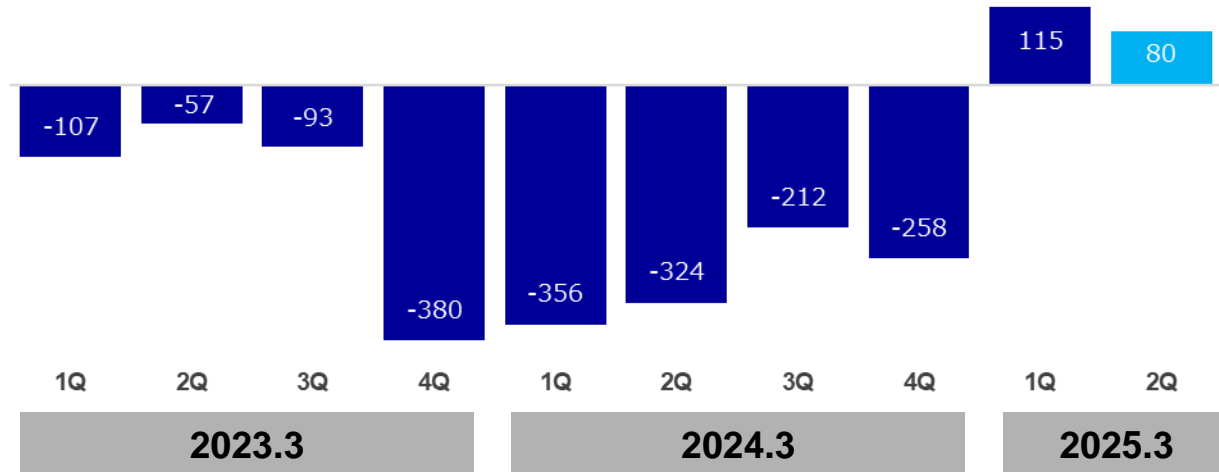
### <Sales>

(Million yen)



### <Operating Income>

(Million yen)



\*Results of 2023.3 and 2024.3 do not reflect policy change.

# Digital Communication

## Market conditions

- Inventory adjustment for 800G products due to the switch to 1.6T

## Business Overview

- 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

### Develop 1.6Tbps lens



Development for multi mode



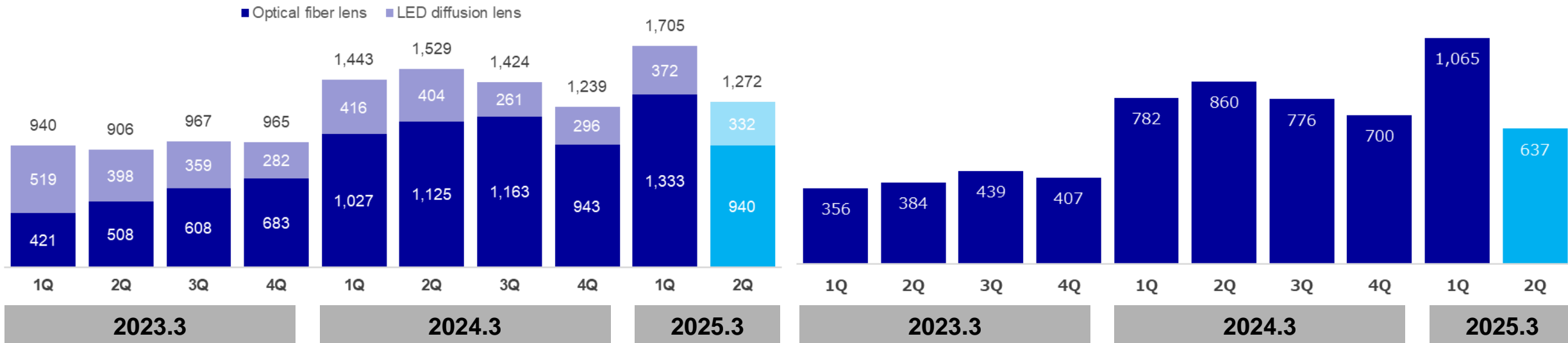
Development for receiving side (RX) for single-mode

### <Sales>

(Million yen)

### <Operating Income>

(Million yen)



\*Results of 2023.3 and 2024.3 do not reflect policy change.

# Energy Saving Solution

## Market conditions

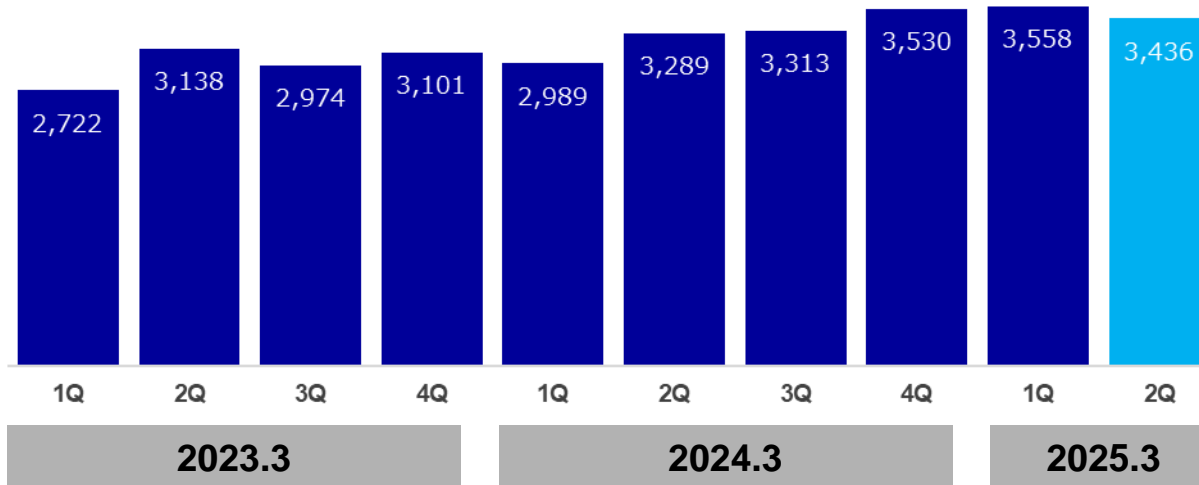
- Weak demand for automotive production globally

## Business Overview

- Respond to growing demand for eco-friendly vehicles
- Improve profitability through production reforms in the manufacturing areas

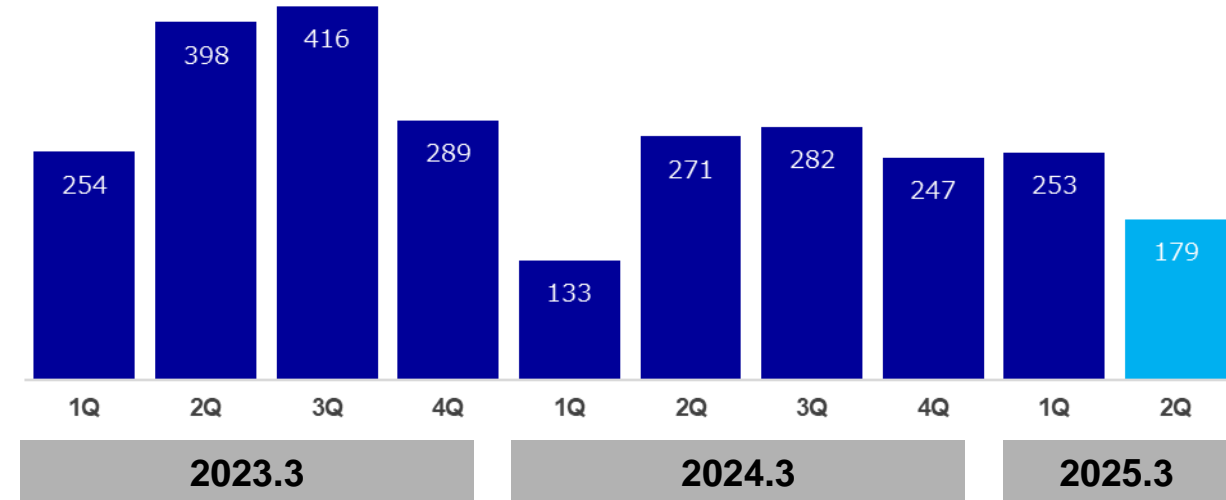
### <Sales>

(Million yen)



### <Operating Income>

(Million yen)



\*Results of 2023.3 and 2024.3 do not reflect policy change.

## **Progress on Action to Implement Management that is Conscious of Cost of Capital and Stock Price**

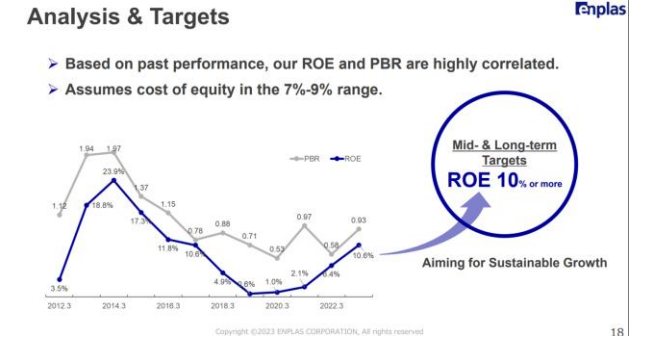
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# Progress on Action to Implement Management that is Conscious of Cost of Capital and Stock Price

## Analysis & Targets

- Mid- & Long-term Targets ROE 10%



Disclosed:2023/7/28

## Our Approach to Enhancing Corporate Value

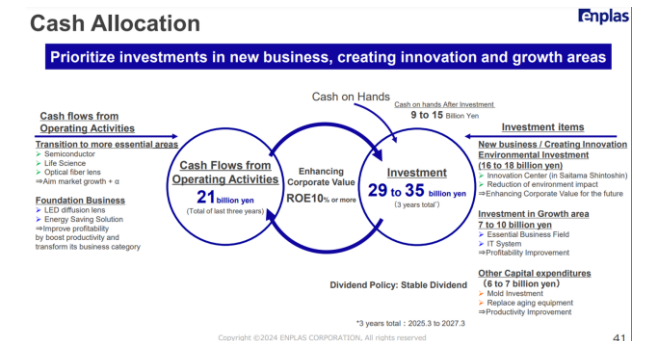
- Report on the Progress of Specific Initiatives (Page 26)



Disclosed:2023/7/28, Updated:2024/4/30

## Cash Allocation

- Report on the Progress of Investment from 2025.3 to 2027.3 (Page 27)



Disclosed:2023/7/28, Updated:2024/4/30

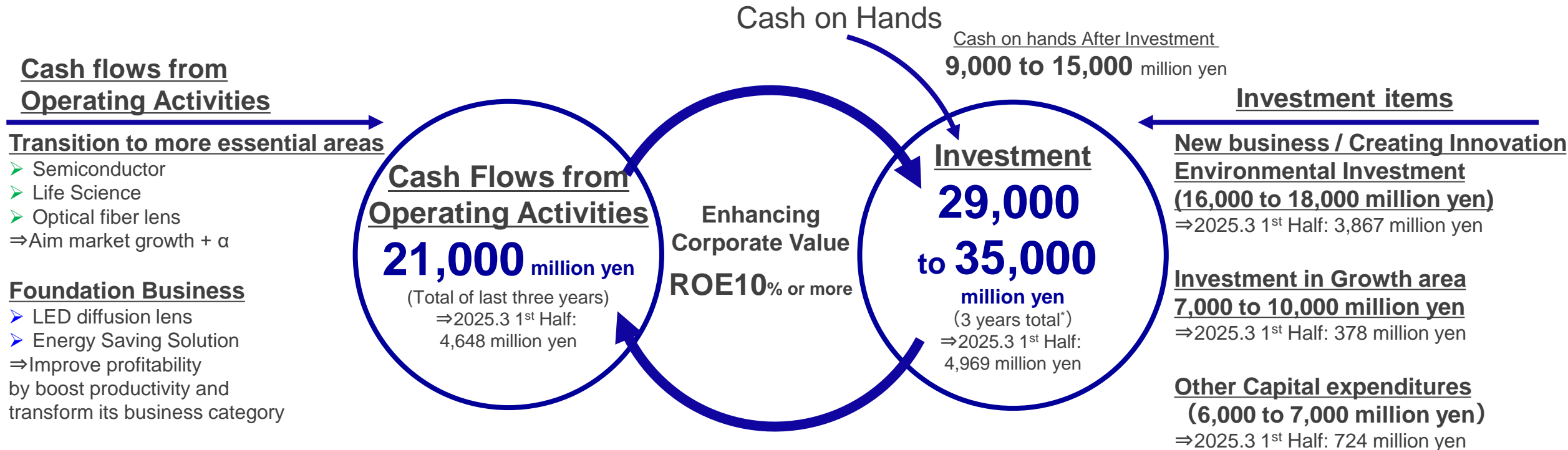
# Progress: Our Approach to Enhancing Corporate Value



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

# Progress: Cash Allocation

**Prioritize investments in new business, creating innovation and growth areas**



\*3 years total : 2025.3 to 2027.3

**Dividend Policy: Stable Dividend (interim dividend per share: 30 yen)**

⇒ Based on the progress of the above investments, we plan to review our shareholder return policy, including dividend policy and share buybacks.

# Reference: 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. 15,000 Million Yen



Conceptual Drawing

# Enplas Corporation

## 2025.3 Second-Quarter Results

<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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