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| FX rates<br>(vs Yen) | FY22 Actual |           | FY23 Assumed |                     |           |
|----------------------|-------------|-----------|--------------|---------------------|-----------|
|                      | 1H          | Full year | 1H<br>Actual | 2H<br>10/26 revised | Full year |
| USD                  | 133.5 yen   | 135.1 yen | 141.3 yen    | 145.0 yen           | 143.0 yen |
| EUR                  | 138.8 yen   | 141.3 yen | 153.5 yen    | 155.0 yen           | 154.2 yen |
| RMB                  | 19.8 yen    | 19.7 yen  | 19.8 yen     | 20.0 yen            | 19.9 yen  |

## Market outlook for FY2023 and initiatives

### Initial Outlook

- Accelerating global demand for capital investment, especially in growth areas such as EVs and semiconductors
- Geographical risks between the U.S. and China increase, but regional demand emerges due to reshoring
- FY23: Expect a full-fledged recovery in demand from the second half of the year onward

### Market conditions in FY23

1H: No recovery in demand in China, growing concerns of recession in Europe and the U.S.

→ Decreased appetite 1H for capital investment in key client industries

2H: Despite some signs of a bottoming out of market conditions, demand in China has yet to fully recover

→ New capital investment appears to be pushed back 3 to 6 months

### Our approach

- In a challenging environment, we must prepare for the next phase of high growth by accelerating innovation in regional Business MODELS

## FY2023 1H earnings overview

Sales fell just short due to a slowdown in demand caused by concerns over delayed economic recovery in China and economic downturn in Europe and the U.S.

Reduced demand prompted the scaling down of operational activities, resulting in an inventory valuation loss, which, in turn, led to a decline in profitability

Million yen

| Category         | FY22 1H<br>Actual | FY23 1H                 |                     |                   |        |
|------------------|-------------------|-------------------------|---------------------|-------------------|--------|
|                  |                   | 7/28<br>Announced<br>FC | Actual              | Percentage change |        |
|                  |                   | YoY                     | vs. Announced<br>FC |                   |        |
| Net sales        | 188,158           | 181,000                 | 180,094             | -4.3%             | -0.5%  |
| Operating income | 26,898            | 20,000                  | 18,515              | -31.2%            | -7.4%  |
| Margin           | 14.3%             | 11.0%                   | 10.3%               | -4.0pt            | -0.8pt |
| Ordinary income  | 27,527            | 20,800                  | 20,007              | -27.3%            | -3.8%  |
| Net income       | 20,240            | 14,000                  | 14,185              | -29.9%            | +1.3%  |

## Sales and operating income by business segment

Despite foreign exchange effects, sales in all businesses declined due to slowing demand, and overseas FA failed to achieve a full-fledged recovery

In addition to decreased quantity, reduced operation, and valuation loss, profit decreased due to increased costs related to assertive measures

| Category                | Net sales      |                |                             | Operating income |        |                |        |                             |
|-------------------------|----------------|----------------|-----------------------------|------------------|--------|----------------|--------|-----------------------------|
|                         | FY22 1H Actual | FY23 1H Actual | YoY change<br>Yen basis (*) | FY22 1H Actual   |        | FY23 1H Actual |        | YoY change<br>Yen basis (*) |
|                         |                |                |                             | Margin           | Margin | Margin         | Margin |                             |
| Total                   | 188,158        | 180,094        | -4.3%<br>(-6.5%)            | 26,898           | 14.3%  | 18,515         | 10.3%  | -31.2%<br>(-36.5%)          |
| FA business             | 61,415         | 57,895         | -5.7%<br>(-8.0%)            | 12,241           | 19.9%  | 7,317          | 12.6%  | -40.2%<br>(-46.0%)          |
| Die components business | 39,900         | 39,329         | -1.4%<br>(-4.8%)            | 4,732            | 11.9%  | 4,301          | 10.9%  | -9.1%<br>(-14.7%)           |
| VONA business           | 86,842         | 82,868         | -4.6%<br>(-6.2%)            | 9,924            | 11.4%  | 6,896          | 8.3%   | -30.5%<br>(-35.2%)          |

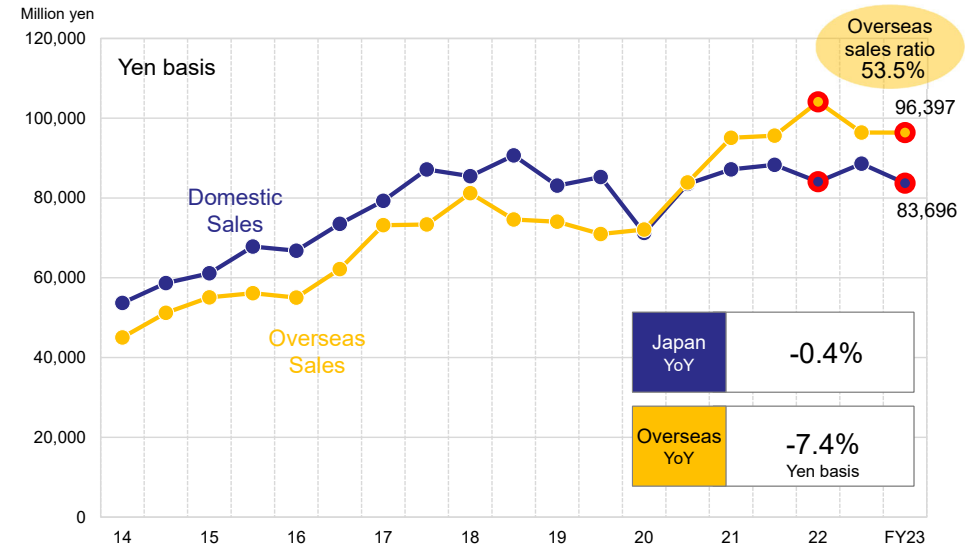
\*Local currency basis

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## FY2023 1H Japan & overseas sales

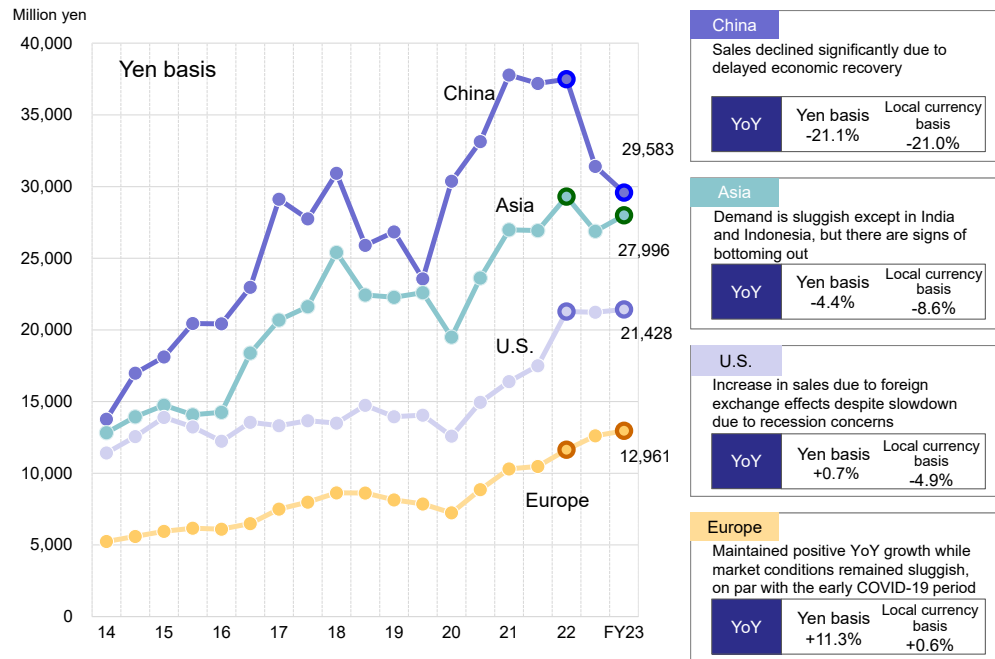
Japan: Almost the same level as the previous year due to lack of full-fledged recovery in demand from the automotive industry

Overseas: Sales declined YoY due to slowdown in demand from China and other Asian countries, but remained at the same level as in the previous 2H period



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## FY2023 1H sales by region

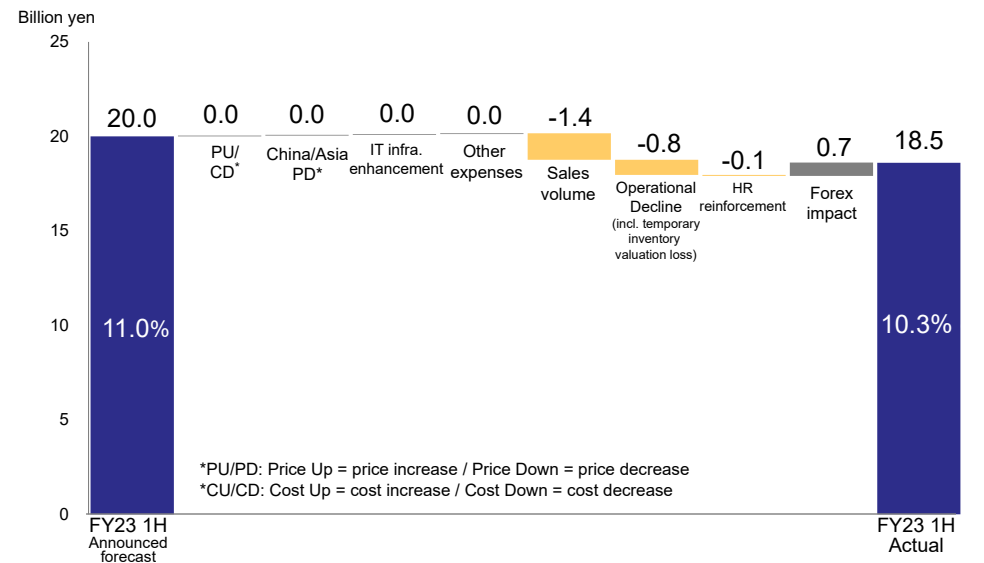


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## FY2023 1H operating income analysis (vs. Announced FC)

All expenditures from the implementation of assertive measures are in line with the plan

Impact of lower sales volume, reduced operations, and increased personnel expenses could not be offset by foreign exchange effects



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## FY2023 full-year forecast

No revisions will be made to the full-year figures announced on July 28 this fiscal year

- Despite the uncertainties in the business environment, we expect to achieve the previously announced forecast, considering foreign exchange rate fluctuations
- Implemented assertive measures to strengthen the business foundation while carefully managing earnings

Million yen

| Category         | FY22    | FY23           |            |                      |
|------------------|---------|----------------|------------|----------------------|
|                  | Actual  | 10/26 Forecast | YoY change |                      |
|                  |         |                | Yen basis  | Local currency basis |
| Net sales        | 373,151 | 377,000        | +1.0%      | -1.3%                |
| Operating income | 46,615  | 42,800         | -8.2%      | -14.5%               |
| Margin           | 12.5%   | 11.4%          | -1.1pt     | -1.7pt               |
| Ordinary income  | 47,838  | 43,600         | -8.9%      | -                    |
| Net income       | 34,282  | 30,500         | -11.0%     | -                    |

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## FY2023 sales forecast by business segment

There is a sense of bottoming out in Asia, with a gradual recovery in Japan, the U.S. and Europe towards the end of the period. However, China's recovery will take longer

There was a modest currency-driven increase in sales, but overall growth is limited

Million yen

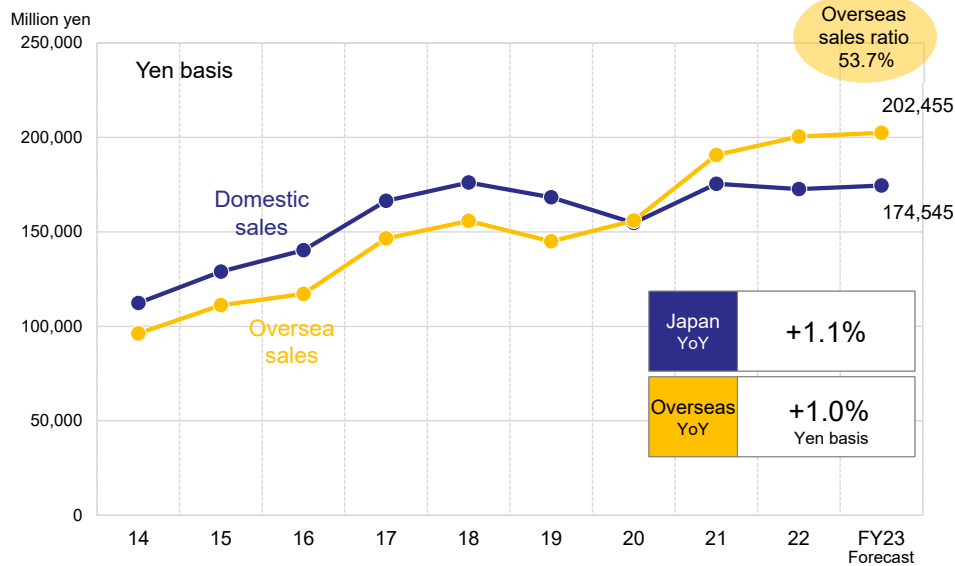
| Category               | FY22    | FY23           |            |                      |
|------------------------|---------|----------------|------------|----------------------|
|                        | Actual  | 10/26 Forecast | YoY change |                      |
|                        |         |                | Yen basis  | Local currency basis |
| Total                  | 373,151 | 377,000        | +1.0%      | -1.3%                |
| FA business            | 121,932 | 126,659        | +3.9%      | +1.4%                |
| Die component business | 79,125  | 79,140         | +0.0%      | -3.5%                |
| VONA business          | 172,093 | 171,201        | -0.5%      | -2.1%                |

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## FY2023 Japan & overseas sales forecast

Japan: The slight year-on-year increase in sales was due to a recovery in capital spending, which had been on hold

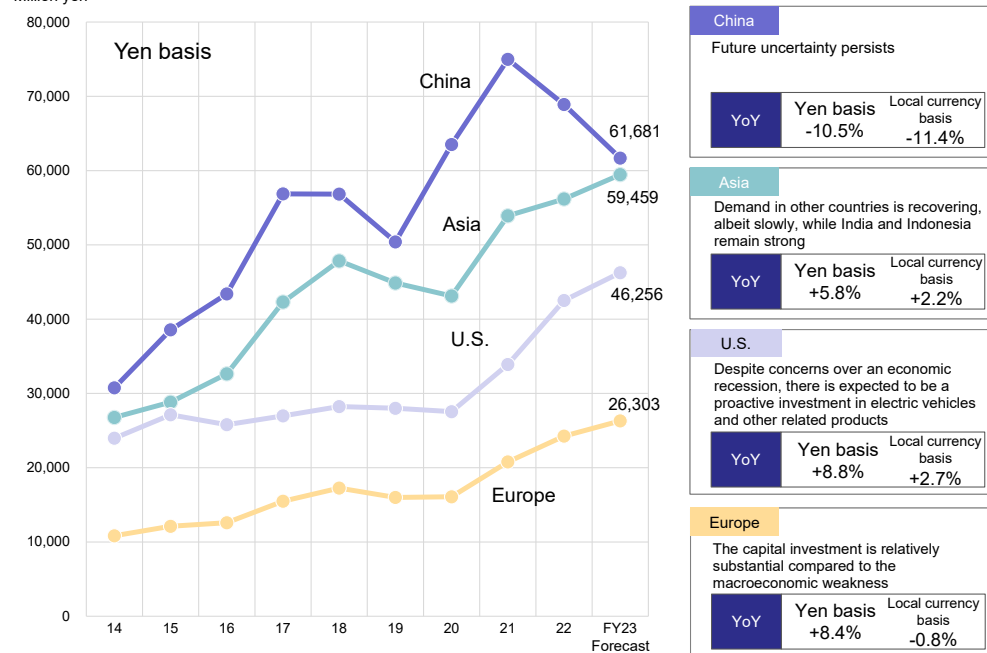
Overseas: Asia reversed course, with the U.S. and Europe remaining firm, but the impact of the Chinese slump was significant, resulting in a slight increase overall



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## FY2023 sales forecast by region

Million yen

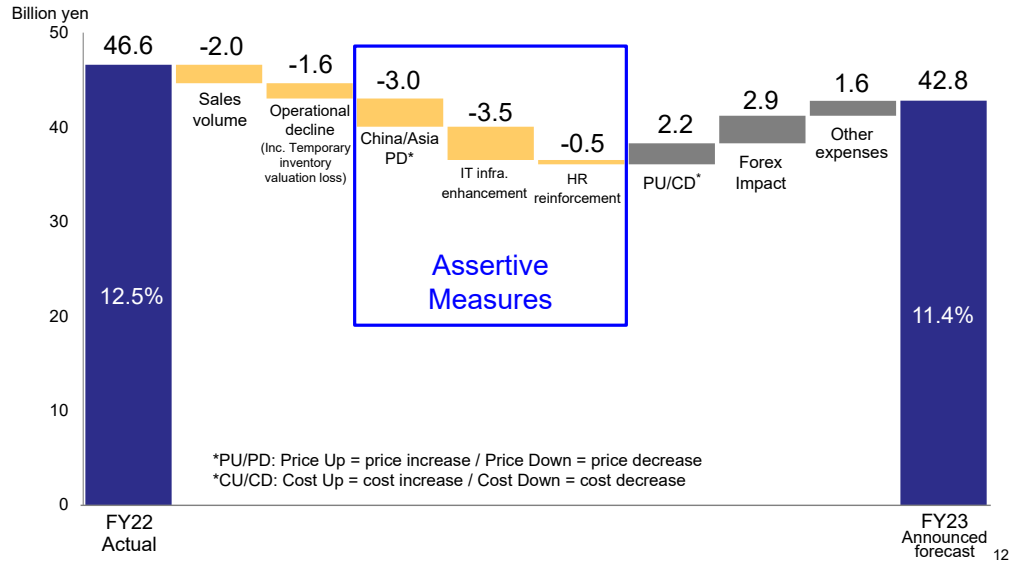


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## FY2023 operating income analysis (YoY)

Despite the impact of reduced profits due to challenging market conditions, we are implementing assertive measures for the next phase of growth

Profit margin is sustained at a certain level through price increase/ cost reduction adjustments, foreign exchange rate and revenue management by way of controlling expenses

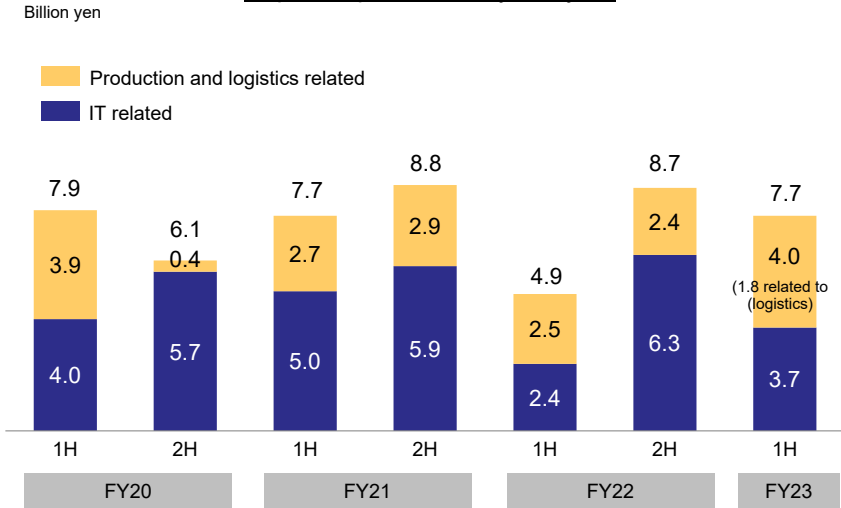


## Investment performance

The renewal of our IT core system is progressing as planned, which will ultimately enhance our competitiveness

The establishment of new logistics and production sites in China is also making steady progress, with no changes to the annual plan (Annual plan: 22 billion yen)

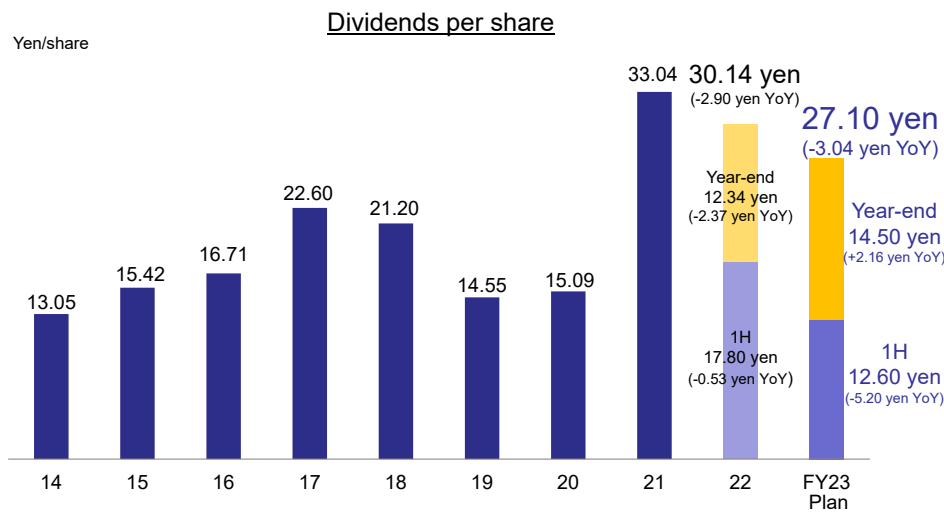
### Capital expenditures by half year



## Shareholder return

Dividend for 1H of FY23 was 12.60 yen, a decrease of 5.20 yen year-on-year

Full-year dividend is expected to be 27.10 yen, a decrease of 3.04 yen year-on-year



## Summary

The Company is preparing for the next period of high growth by continuing to innovate its MODELS despite the current slowdown in demand

