

# **FY2022 Second Quarter Financial Results Briefing**

**November 10, 2022**



**MEIKO ELECTRONICS CO., LTD.**

(Securities Identification Code: 6787)

This presentation contains forward-looking statements concerning Meiko Group's future plans, strategies and performance. However, Meiko does not publish this presentation as a disclosure document based on the Financial Instruments and Exchange Act of Japan.

These forward-looking statements are not historical facts, rather they represent assumptions and beliefs based on comprehensive data currently available.

Furthermore, the Printed Circuit Board business is subject to a number of risks and uncertainties that relate to raw material price, conditions of customers' market, technological trends, change of foreign exchange, change of tax rules and regulations, disasters, international conflicts and other factors. Meiko therefore wishes to caution that actual results may differ materially from our expectations.

**1**

**FY2022 Key Financials**

**2**

**Outlook for the current term**

- **Net sales, ordinary income and net income reached record highs in the first half due to the effect of yen depreciation.**
- **Operating income decreased YoY due to sluggish orders.**
  - ◆ **Automotive was affected by China's zero-corona policy and semiconductor shortages.**
  - ◆ **Smartphones were affected by the Chinese and European economies.**

# FY2022 1st Half Results

( 100 million yen )

	FY2021	FY2022	Year-on-Year	
	Results	Results	Diff.	%
Net Sales	<b>695</b>	<b>817</b>	<b>122</b>	<b>17.6%</b>
Operating Income	<b>55</b> 8.0%	<b>46</b> 5.7%	<b>-9</b>	<b>-16.4%</b>
Ordinary Income	<b>53</b> 7.7%	<b>87</b> 10.7%	<b>34</b>	<b>63.4%</b>
Net Income	<b>42</b> 6.0%	<b>64</b> 7.9%	<b>22</b>	<b>53.2%</b>
Average FX rate (JPY/USD)	110.12	135.31		

# FY2022 1st Half Revenue by Product Applications

( 100 million yen )

	FY21 1 <sup>st</sup> half results		FY22 1 <sup>st</sup> half results		Year-on-Year	
	Net Sales	Operating Income (%)	Net Sales	Operating Income (%)	Net Sales (%)	Operating Income (%)
Automotive	<b>348</b>	<b>29</b> 8.3%	<b>417</b>	<b>28</b> 6.7%	<b>69</b> 19.8%	<b>-1</b> -3.4%
Smartphones Tablets	<b>146</b>	<b>16</b> 11.0%	<b>142</b>	<b>7</b> 4.9%	<b>-4</b> -2.7%	<b>-9</b> -56.3%
Package	<b>0</b>	<b>0</b> -	<b>2</b>	<b>0</b> 0.0%	<b>2</b> -	<b>0</b> -
SSD IoT Module	<b>35</b>	<b>3</b> 8.6%	<b>48</b>	<b>7</b> 14.6%	<b>13</b> 37.1%	<b>4</b> 133.3%
AI Appliances Amusement Industrial Equipment	<b>113</b>	<b>8</b> 7.1%	<b>136</b>	<b>3</b> 2.2%	<b>23</b> 20.4%	<b>-5</b> -62.5%
EMS ODM	<b>53</b>	<b>-1</b> -1.9%	<b>72</b>	<b>1</b> 1.4%	<b>19</b> 35.8%	<b>2</b> -
<b>Total</b>	<b>695</b>	<b>55</b> 8.0%	<b>817</b>	<b>46</b> 5.7%	<b>122</b> 17.6%	<b>-9</b> -16.4%

**1**

**FY2022 Key Financials**

**2**

**Outlook for the current term**

# FY2022 2nd Half Business Environment

- Orders for both automotive and smartphones are recovering compared to the first half of the year.
- Meiko Embedded Products joins the scope of consolidation.
- Capital Investment Amount has been reduced from 22 billion yen to 20 billion yen
- ◆ Investment in packaged substrates progressed as planned.

# Full-Year Outlook FY2022- Consolidated

( 100 million yen )

	FY22 1 <sup>st</sup> half results	FY22 2 <sup>nd</sup> half forecast	FY22 2 <sup>nd</sup> half Meiko Embedded Products forecast	FY22 full-year revised forecast	FY22 full-year forecast as of Aug.5
<b>Net Sales</b>	<b>817</b>	<b>883</b>	<b>80</b>	<b>1,780</b>	<b>1,700</b>
<b>Operating Income</b>	<b>46</b> 5.7%	<b>67</b> 7.6%	<b>2</b> 2.5%	<b>115</b> 6.5%	<b>155</b> 9.1%
<b>Ordinary Income</b>	<b>87</b> 10.7%	<b>56</b> 6.3%	<b>2</b> 2.5%	<b>145</b> 8.1%	<b>145</b> 8.5%
<b>Net Income</b>	<b>64</b> 7.9%	<b>49</b> 5.5%	<b>2</b> 2.5%	<b>115</b> 6.5%	<b>122</b> 7.2%
Average FX rate (JPY/USD)	135.31	140	140	137.7	122

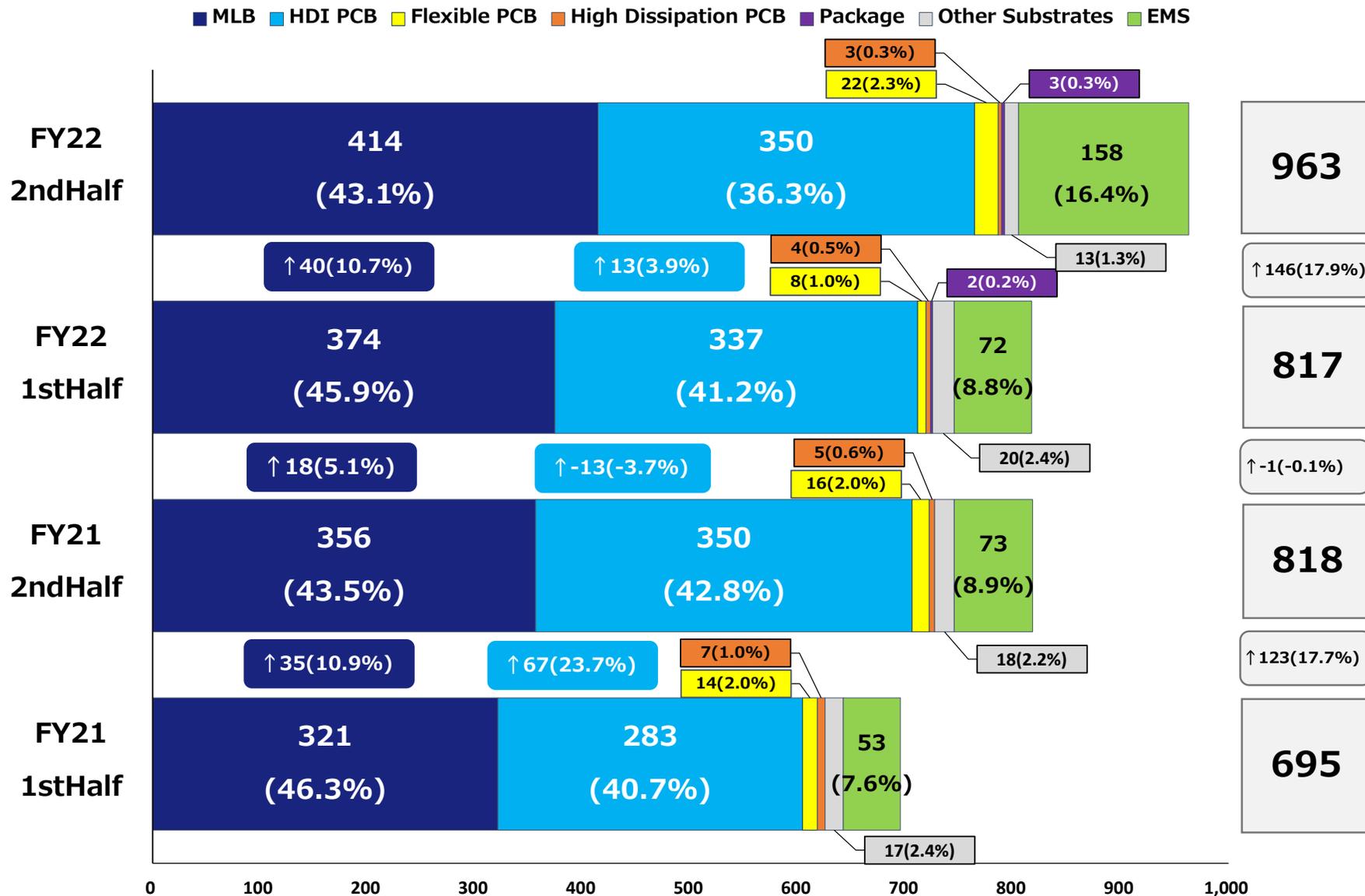
# Full-Year Outlook FY2021- Consolidated (Breakdown by Product Application)

( 100 million yen )

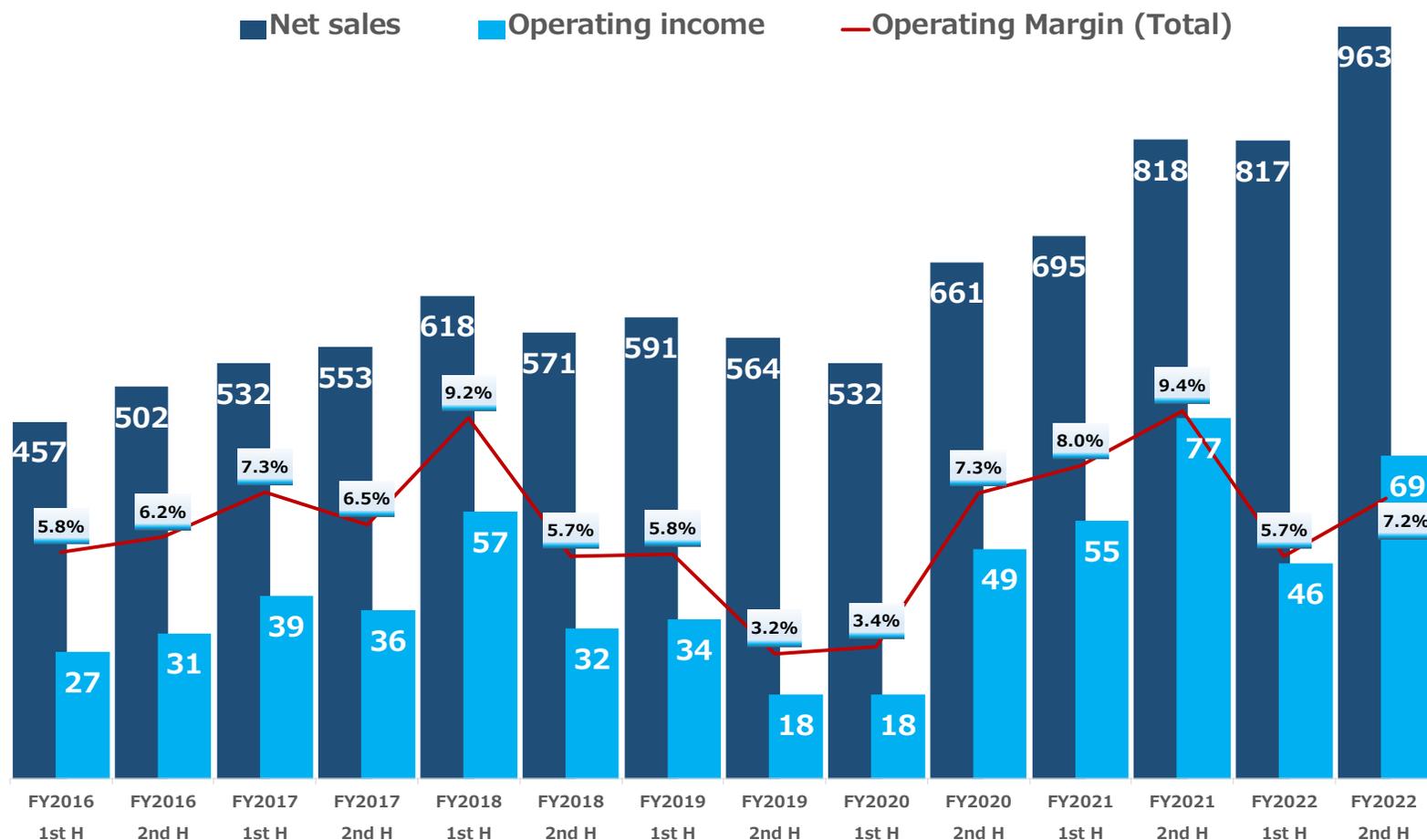
	FY22 1 <sup>st</sup> half results		FY22 2 <sup>nd</sup> half forecast		FY22 full-year revised forecast	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
		(%)		(%)		(%)
Automotive	<b>417</b>	<b>28</b> 6.7%	<b>463</b>	<b>35</b> 7.6%	<b>880</b>	<b>63</b> 7.2%
Smartphones Tablets	<b>142</b>	<b>7</b> 4.9%	<b>172</b>	<b>15</b> 8.7%	<b>314</b>	<b>22</b> 7.0%
Package	<b>2</b>	<b>0</b> 0.0%	<b>3</b>	<b>0</b> 0.0%	<b>5</b>	<b>0</b> 0.0%
SSD IoT Module	<b>48</b>	<b>7</b> 14.6%	<b>53</b>	<b>9</b> 17.0%	<b>101</b>	<b>16</b> 15.8%
AI Appliances Amusement Industrial Equipment Other Substrates	<b>136</b>	<b>3</b> 2.2%	<b>114</b>	<b>6</b> 5.3%	<b>250</b>	<b>9</b> 3.6%
EMS ODM	<b>72</b>	<b>1</b> 1.4%	<b>158</b>	<b>4</b> 2.5%	<b>230</b>	<b>5</b> 2.2%
<b>Total</b>	<b>817</b>	<b>46</b> 5.7%	<b>963</b>	<b>69</b> 7.2%	<b>1,780</b>	<b>115</b> 6.5%

# FY2022 1H Results / 2H Forecast by Specification

( 100 million yen )



# Half year trend of Net Sales, Operating Income and others ( 100 million yen )



<b>CAPEX</b>	31	96	150	120	107	144	200
<b>Depreciation</b>	55	58	63	69	74	80	94
<b>DE ratio</b>	2.0	1.4	1.7	2.0	1.9	1.13	1.10
<b>Capital adequacy ratio</b>	27.3%	30.0%	27.8%	25.1%	28.6%	34.7%	37.0%

# EMS/ODM Business Introduction

## Meiko Head Office



Ayase City, Kanagawa Prefecture

### FY23 Net sales forecast (100 million yen)

EMS	122
ODM	108
<b>Total</b>	<b>230</b>

### EMS Headquarters

### Visual System Dept.



Video equipment

### Industrial Automation System Dept.



FA equipment

domestic

### Meiko Embedded Products



Yonezawa City, Yamagata Prefecture

entrusted development

### Meiko Embedded Technology



Nanyo City, Yamagata Prefecture

EMS

Vietnam

### Meiko Vietnam Factory No.1



Hanoi City

EMS

### Meiko Automation

FA equipment

### Meiko Towada Vietnam



City of Huizon

EMS