

SUMIDA CORPORATION

Consolidated Performance Briefing

<FY2023 4Q & Full Year Ending December 31, 2023>

February 8, 2024



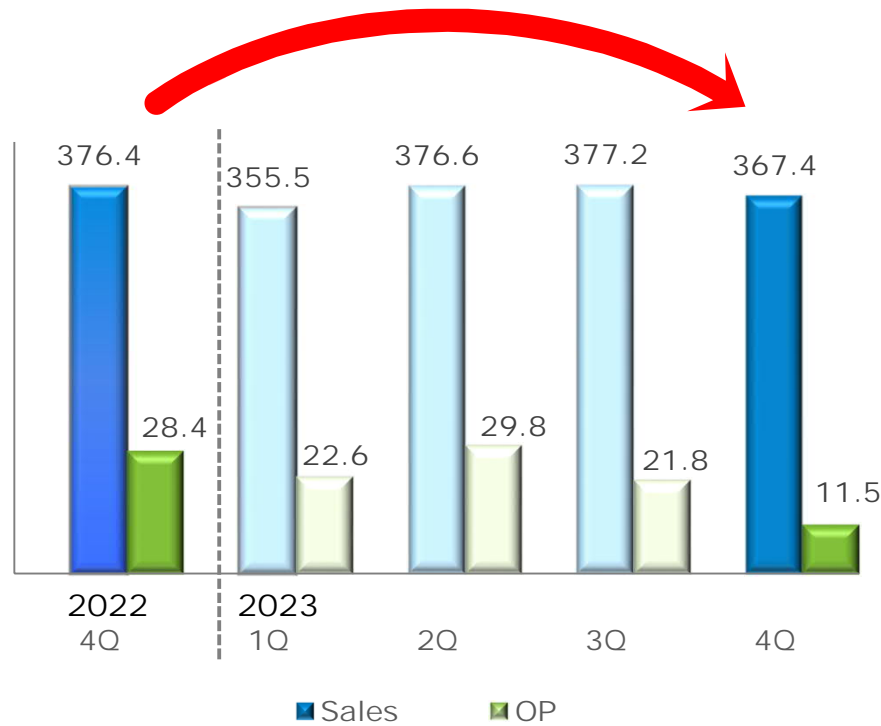
FY2023 4Q & Full-Year Performance Results

CEO Kanji Hori

Sales & Operating Profit



(100 million yen) -2.4%



- Affected by the global economic slowdown.
- Automotive and consumer electronics-related demand was sluggish, especially in Asia and North America.
- Operating profit also declined year-on-year. One of the main reasons is decreased factory utilization rate due to a drop in sales.

(yen)

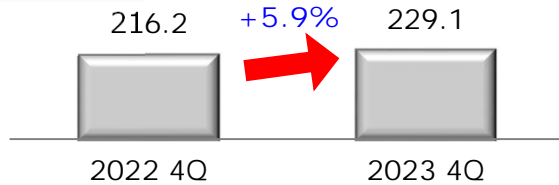
USD	143.4	132.8	135.3	143.7	149.1
Euro	143.5	142.0	146.8	157.0	159.6

Sales by Market and by Region

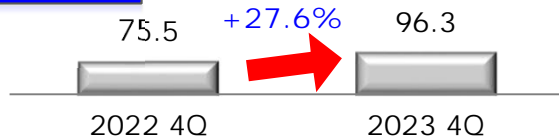


(100 million yen)

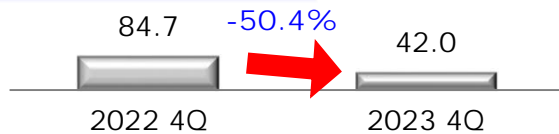
Automotive



Industrial

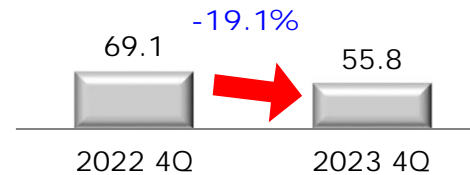


Consumer Electronics

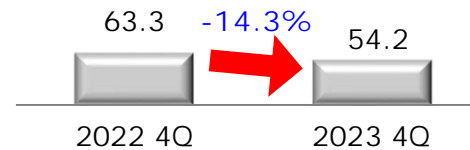


- Automotive-related business steadily grew in Europe
- In the Industrial market, quick charger/solar-related demand continued to expand
- Overall demand in the consumer electronics market declined

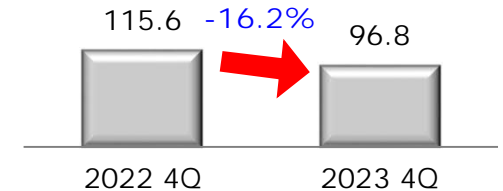
Asia (excluding China/Taiwan)



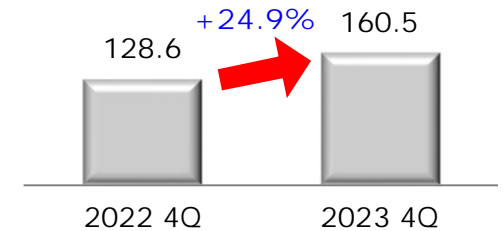
North America/Others



China/Taiwan



Europe

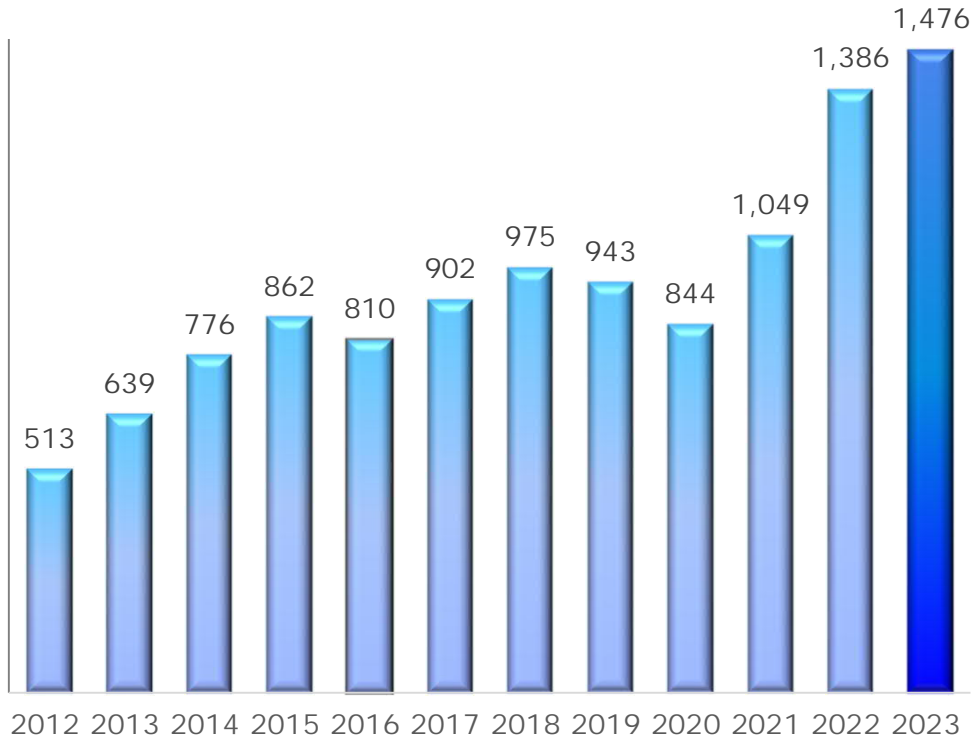


- Demand in the automotive and industrial market expanded in Europe
- In other regions, overall demand decreased. Consumer electronics-related demand decreased significantly.
- Continued acquisition of new projects in all regions

Sales trends



(100 million yen)



- Notebook PC- and smartphone-related demand in the consumer electronics market shrank. On the other hand, xEV and green energy-related businesses expanded.
- The highest-ever sales was achieved in FY2023, positively affected by foreign exchange rates.

Sales breakdown

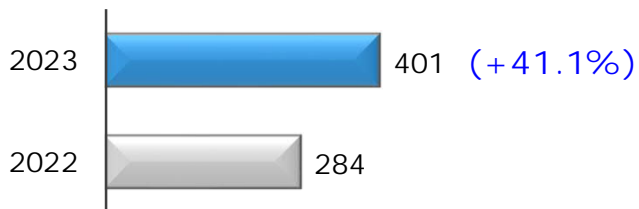


(100 million yen)

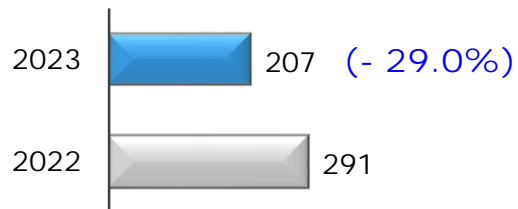
Automotive



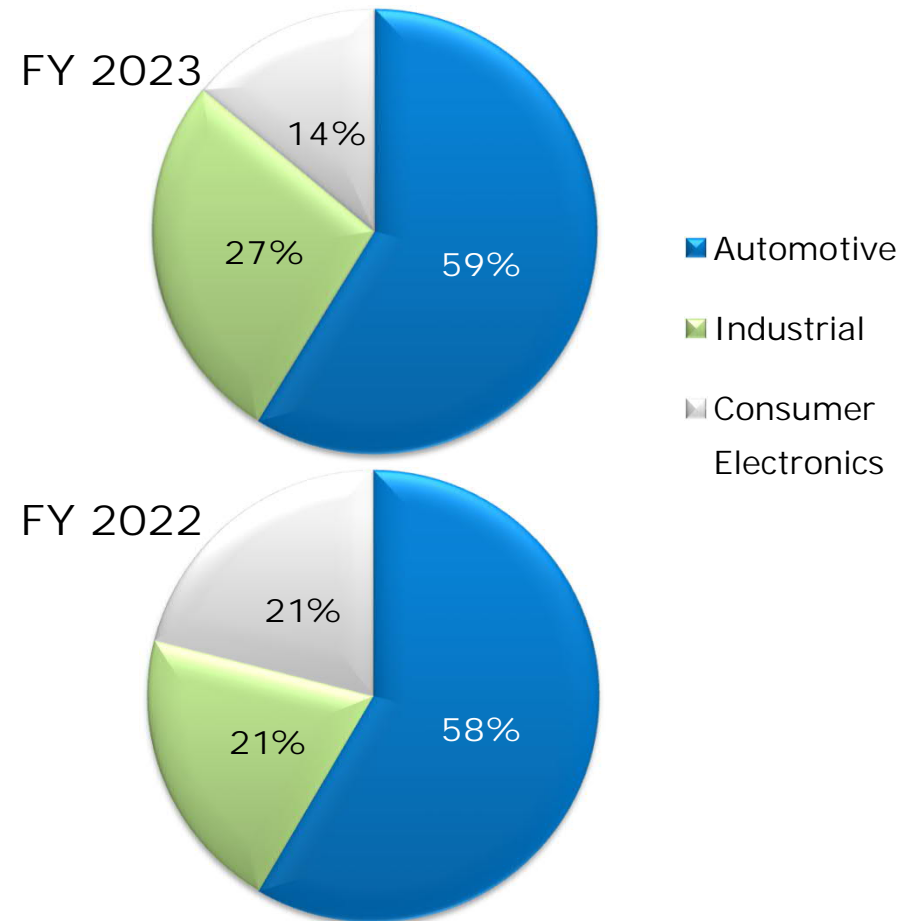
Industrial



Consumer Electronics



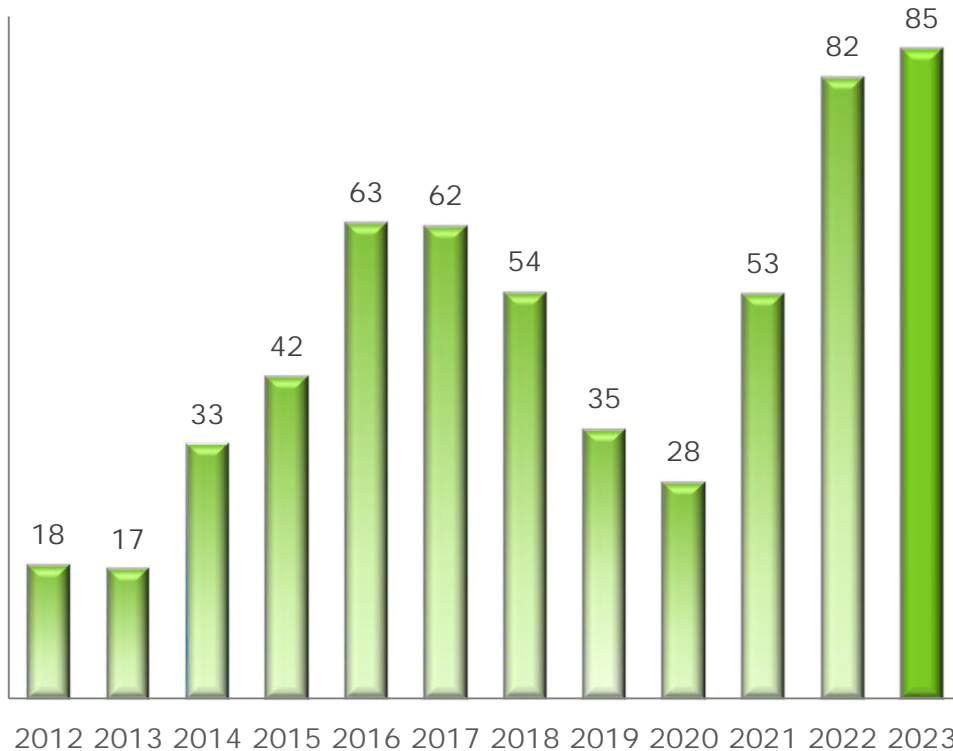
Sales ratio



Operating Profit Trend



(100 million yen)



Achieved record-high operating profit for two consecutive fiscal years

FY2023 Major Positive Factors

- Efficiency improvement
- Material purchase cost saving
- Exchange rate impact

Major Negative Factors

- Decreased factory utilization rate
- Increased labor costs

New project acquisition continues

FY2023 4Q & Full-Year Performance Results

CFO Yoshiyuki Honda

Consolidated P/L for FY2023 4Q



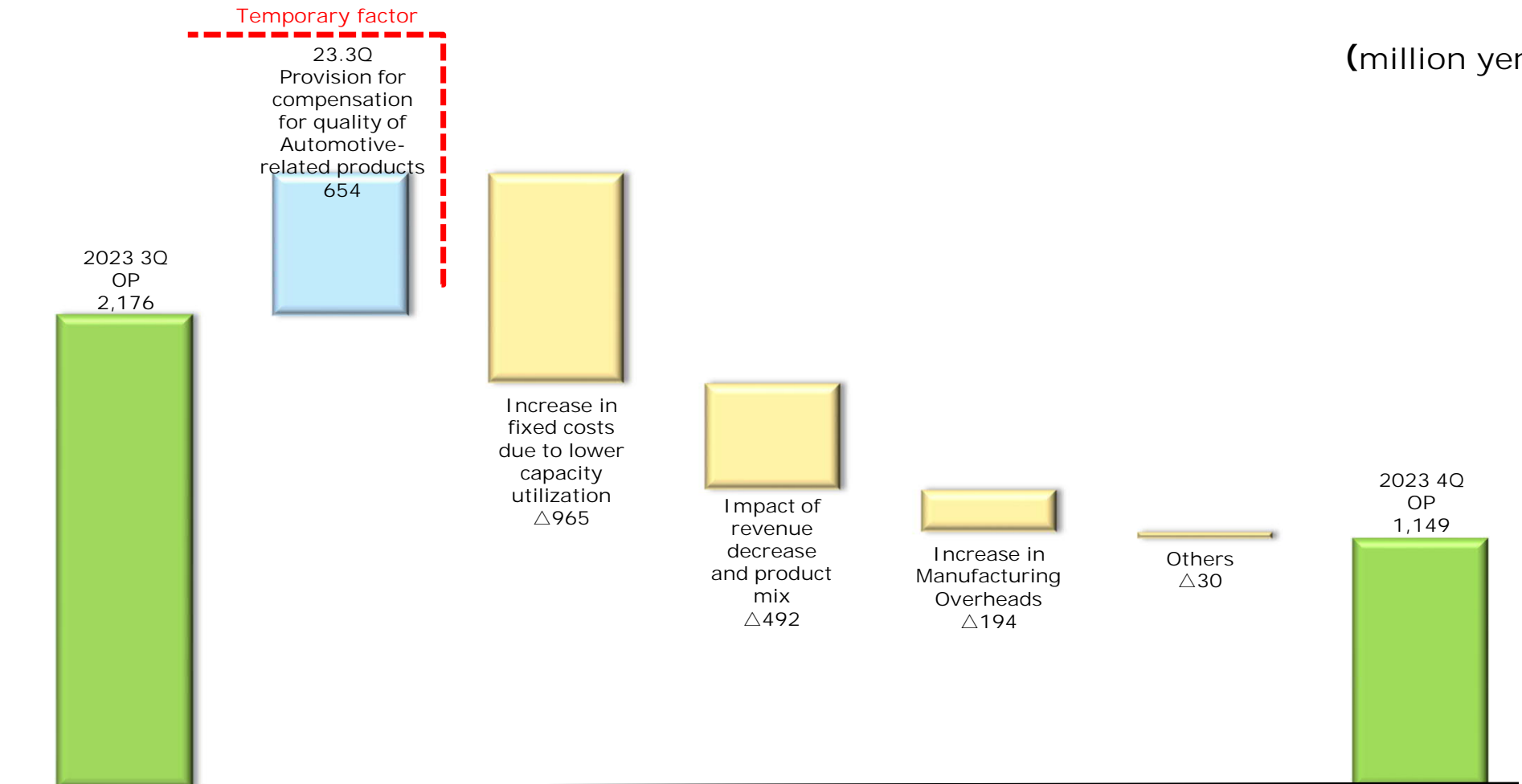
(million yen)

	22.4Q (A)	23.3Q (B)	23.4Q (C)	Change % (C)/(A)	Change % (C)/(B)
Sales	37,643	37,718	36,739	△2.4%	△2.6%
Gross Profit	5,654	5,965	4,155		
<i>GP %</i>	15.0%	15.8%	11.3%		
Operating Profit	2,840	2,176	1,149	△59.5%	△47.2%
<i>OP %</i>	7.5%	5.8%	3.1%		
Financial Income/Exp. (Net)	△537	△750	△762		
Profit before Taxes	2,303	1,426	386	△83.2%	△72.9%
Income Taxes	△178	△366	369		
Profit Attributable to Owners of Parent	2,066	1,083	702	△66.0%	△35.2%
EPS (yen)	76.01	33.21	21.54		

Operating Profit (OP) Bridge Analysis - 2023.4Q vs 2023.3Q -



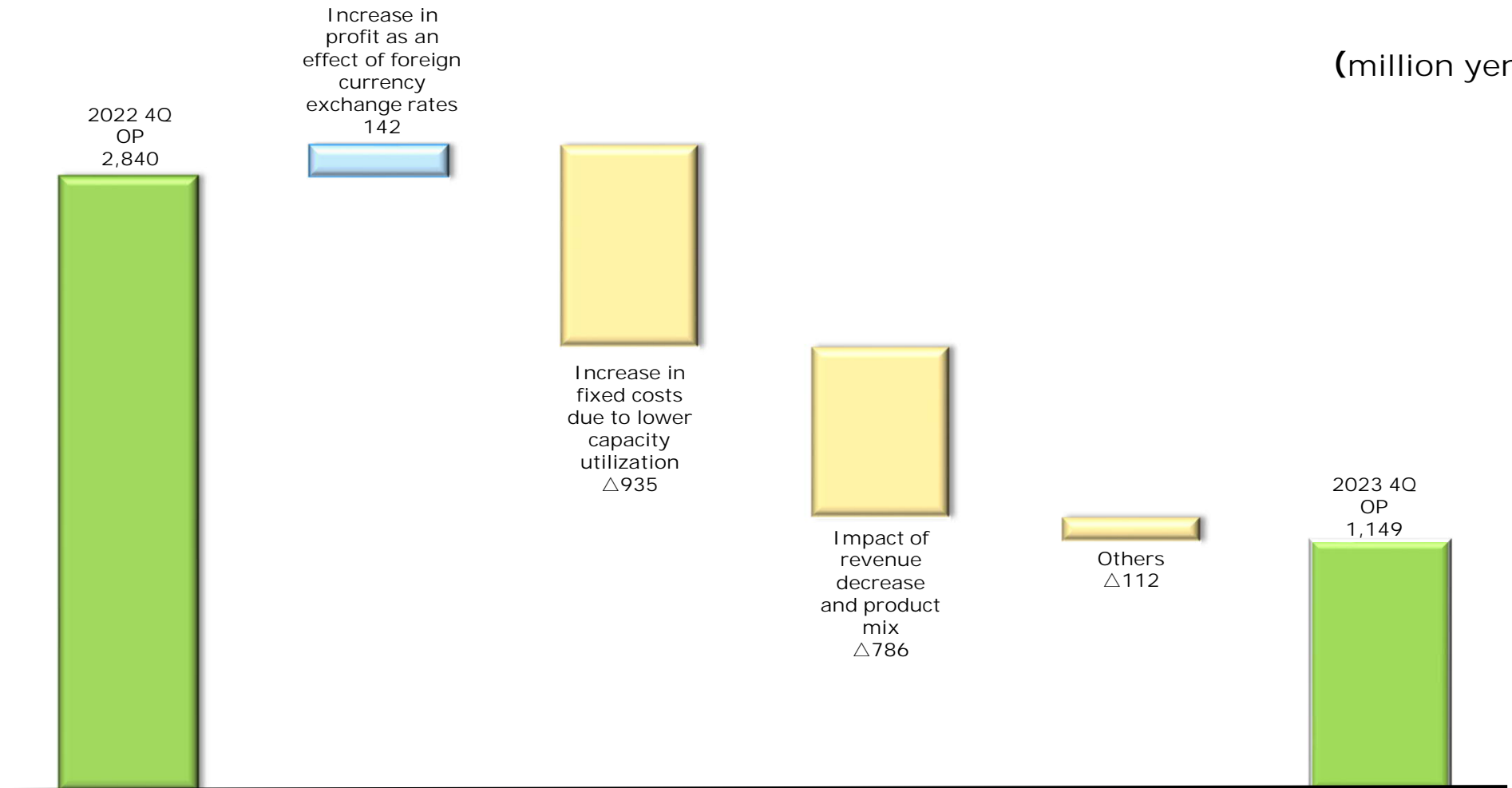
(million yen)



Operating Profit (OP) Bridge Analysis - 2023.4Q vs 2022.4Q -



(million yen)

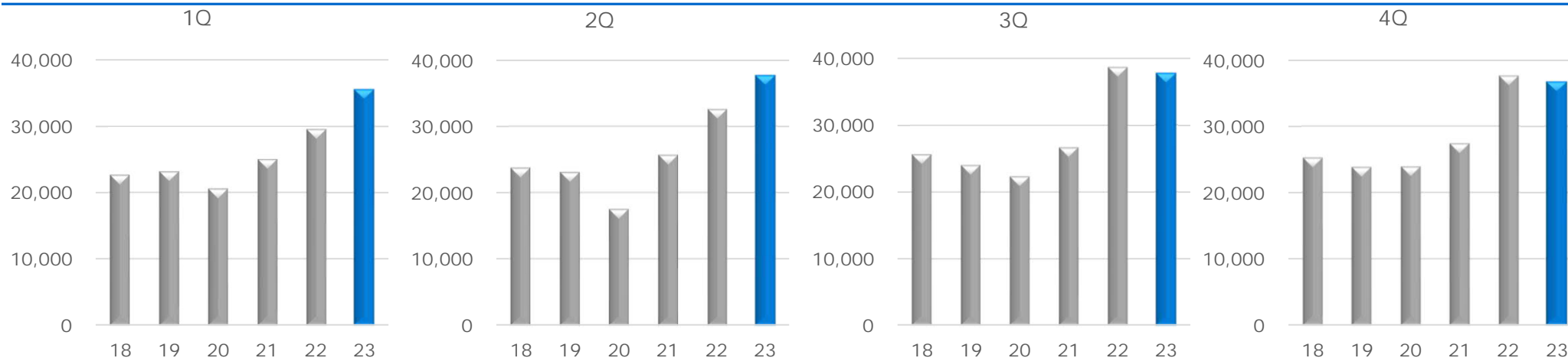


Quarterly Sales/Operating Profit

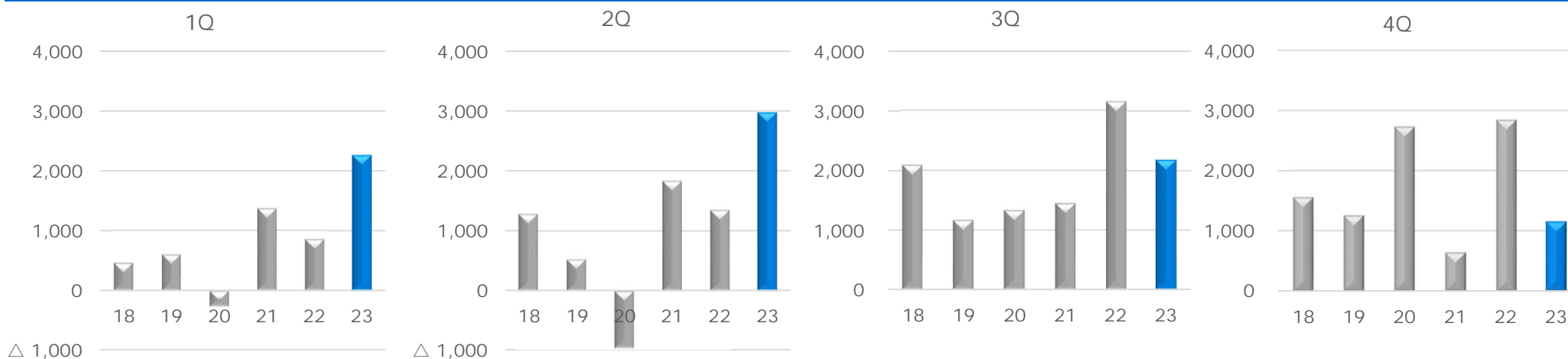


Sales

(million yen)



Operating Profit



Consolidated P/L for FY2023 Full Year



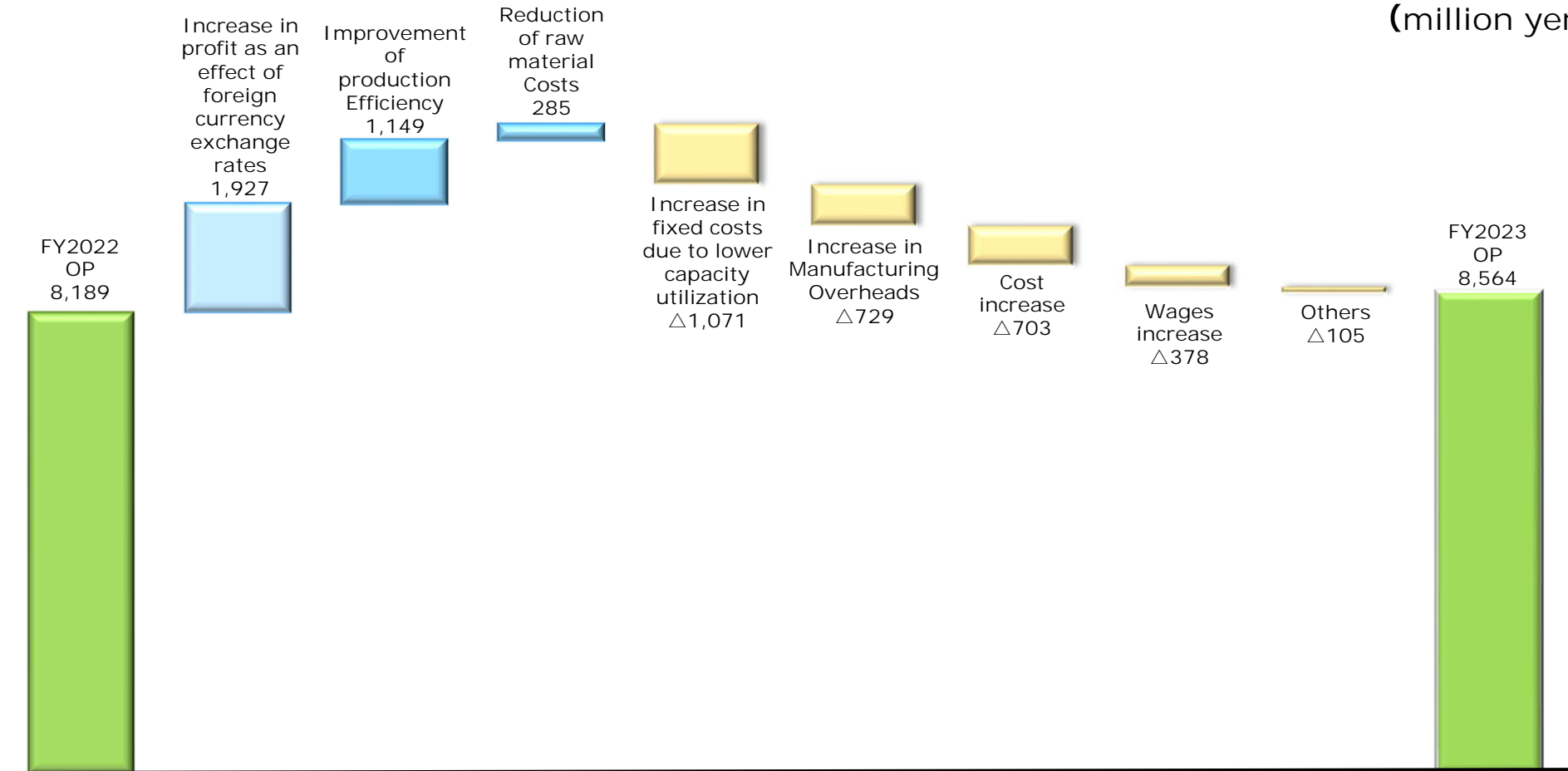
(million yen)

	2022 Full Year (A)	2023 Full Year (B)	Change (B)/(A)
Sales	138,600	147,672	6.5%
Gross Profit	19,302	21,110	
<i>GP %</i>	13.9%	14.3%	
Operating Profit	8,189	8,564	4.6%
<i>OP %</i>	5.9%	5.8%	
Financial Income/Exp. (Net)	△1,654	△2,708	
Profit before Taxes	6,534	5,856	△10.4%
Income Taxes	△1,366	△754	
Profit Attributable to Owners of Parent	5,099	5,064	△0.7%
EPS (yen)	187.54	167.46	

Operating Profit (OP) Bridge Analysis - FY2023 vs FY2022 -



(million yen)



Consolidated Statement of Financial Position



(million yen)

	2022 Dec 31	2023 Dec 31	Increase or Decrease
Current Assets	68,431	67,648	△782
Cash & Cash Equivalents	2,944	3,107	163
Trade & Other Receivables	30,069	28,324	△1,745
Inventories	30,143	29,209	△934
Others	5,272	7,006	1,733
Non-current Assets	66,415	75,137	8,722
Tangible Assets	46,416	52,084	5,667
Right of Use Assets	4,885	5,986	1,101
Goodwill	4,916	5,335	418
Intangible Assets	6,935	7,404	468
Deferred Tax Assets	2,345	2,996	650
Others	914	1,330	415
TOTAL ASSETS	134,846	142,786	7,939

	Dec 2022	Dec 2023
Current Ratio	1.13	1.22
Net DE Ratio	1.08	0.88
CCC (days)	106	91

	2022 Dec 31	2023 Dec 31	Increase or Decrease
Current Liabilities	60,327	55,550	△4,777
Trade & Other Payables	14,906	15,036	129
Interest-bearing Loans	23,607	23,490	△116
Current portion of long-term Interest-bearing Loans	12,697	7,856	△4,840
Lease Liabilities	1,040	1,087	47
Others	8,075	8,078	3
Non-current Liabilities	25,641	29,923	4,282
Interest-bearing Loans	17,330	20,030	2,699
Lease Liabilities	3,872	4,735	862
Others	4,438	5,158	720
TOTAL LIABILITIES	85,969	85,473	△495
TOTAL NET EQUITY	48,877	57,312	8,434
Equity Attributable to Equity Holders of Parent	46,829	55,056	8,227
Minority Interest	2,047	2,255	207
TOTAL LIABILITIES & EQUITY	134,846	142,786	7,939
Exchange Rate USD/JPY	131.7	141.5	
EUR/JPY	140.6	156.5	
CNY/JPY	18.9	19.9	

*Net DE Ratio: (Short-term Loans + Current Portion of Long-term Loans + Long-term Loans – Cash & Cash Equivalent) / Equity Attributable To Equity Holders of Parent

Consolidated Statement of Cash Flow



(million yen)

	2022 Full Year	2023 Full Year	Change
Cash Flow from Operating Activities	10,566	18,343	7,777
Profit before Taxes	6,534	5,856	△678
Depreciation and Amortization	8,120	9,361	1,241
Net Working Capital	△5,124	6,352	11,476
Others	1,035	△3,227	△4,262
Cash flow from Investing Activities	△8,174	△10,702	△2,528
Capital Investments	△8,204	△9,804	△1,600
Others	30	△897	△928
Cash flow from Financing Activities	△4,130	△7,782	△3,651
Net Interest-bearing Debts	△1,988	△5,977	△3,988
Redemption of Other Capital Instruments	—	△5,000	△5,000
Proceeds from Issuance of Common Shares	—	6,698	6,698
Dividends Paid	△680	△1,645	△965
Payment of Distributions to Owners of Other Capital Instruments	△227	△227	△0
Payment of Lease Liabilities	△1,233	△1,629	△396
Others	△0	△0	0
Cash & Cash Equivalent at End of Period	2,944	3,107	163

As we were able to generate sufficient free cash flow by 3rd quarter of 2023, we voluntarily repaid the perpetual subordinated loan in 4th quarter.

FY2024 Performance Forecast

CFO Designate Masaru Tarui

Consolidated P/L Forecast for FY2024



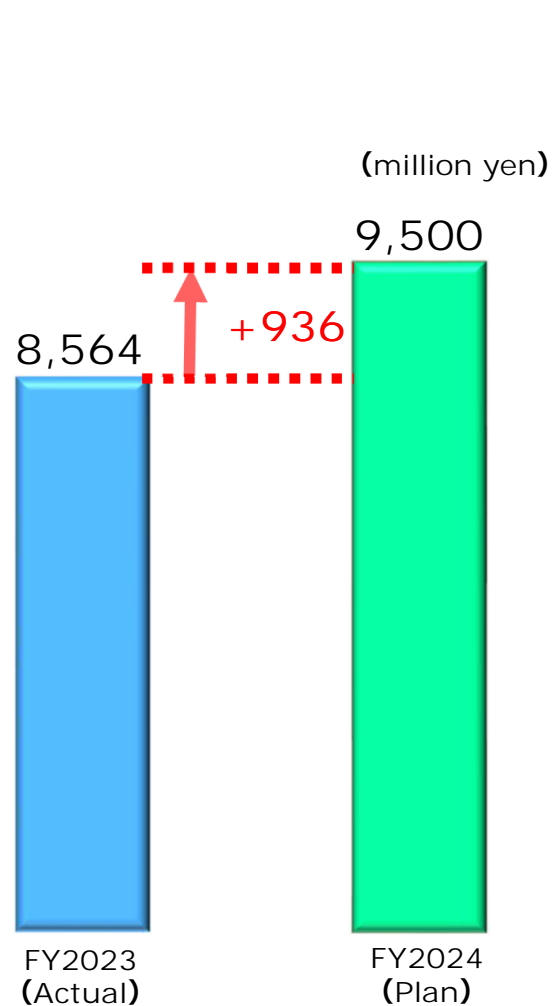
(million yen)

	FY2023 Actual	FY2024 Forecast	Change (%)
Sales	147,672	158,600	7.4%
Operating Profit	8,564	9,500	10.9%
OP %	5.8%	6.0%	
Profit before Taxes	5,856	7,300	24.6%
Profit Attributable to Owners of Parent	5,064	5,700	12.5%
EPS (yen)	167.46	174.69	

Exchange rate
(Actual rates & Assumptions)

USD/JPY	140.2	144.0
EUR/JPY	151.4	158.0
CNY/JPY	19.8	20.2

Operating Profit Bridge Analysis



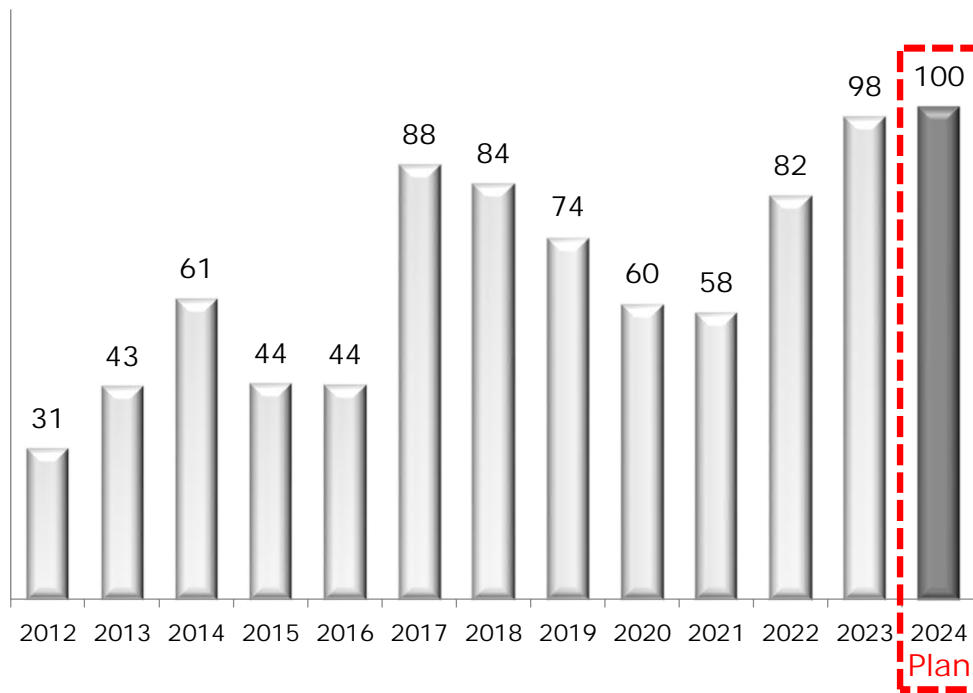
(million yen)

FY2024 Target		9,500
Positive Factors	Efficiency improvement	1,239
	Sales increase	977
	Material purchase saving	951
	Production volume increase	856
	Exchange rate impact	162
	Others	135
		<u>4,320</u>
Negative Factors	Welfare & Wage impact	△1,629
	R&D expense increase	△774
	Overhead cost increase	△626
	Expense increase	△355
	<u>△3,384</u>	
OP increase (2023 → 2024)		936

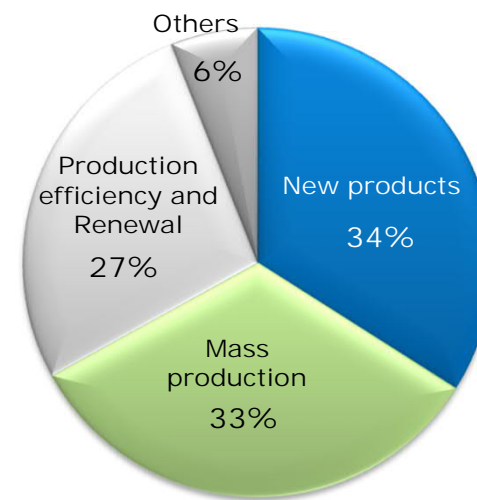
FY2024 CAPEX Plan



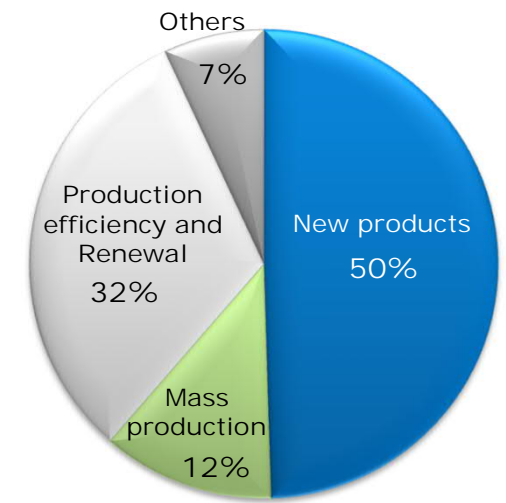
(100 million yen)



2023 Actual



2024 Plan



2023 CAPEX spending were mainly for new products and mass production.

Having received orders for new projects from customers, we plan to invest for new products in 2024 as well.

Dividend Forecast



(yen)

	June 30	December 31	TOTAL	Payout Ratio
FY2023	23.00	28.00*	51.00	30.5%
FY2024 (Forecast)	26.00	27.00	53.00	30.3%

* Dividend at the end of December 2023 is a forecast, which will be decided at the board's meeting to be held on February 22, 2024.

Disclaimer Regarding Forward Looking Statements



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