SUMIDA CORPORATION

Consolidated Performance Briefing
<FY2024 3Q ended September 30, 2024>



October 31, 2024

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[Note on translation]
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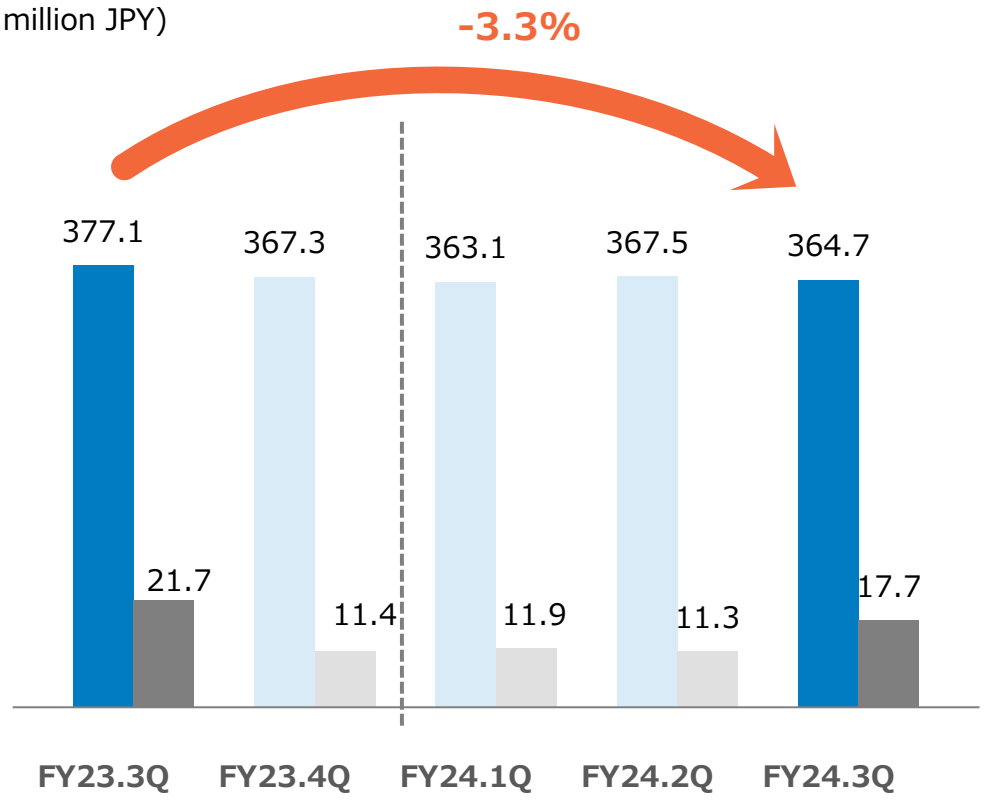
Financial Results

for the 3rd Quarter of FY2024

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Revenue & Operating Profit

(100 million JPY)



USD / JPY	143.68	149.11	146.70	154.80	152.61
EUR / JPY	157.04	159.57	159.92	167.02	166.14
CNY / JPY	19.88	20.54	20.44	21.33	21.12

* Closing Exchange Rate

- **Challenging conditions have persisted since the beginning of the year, with the tightening of EV subsidies, interest rates remaining high in the US and Europe, a slowing Chinese economy and other factors.**

- **Operating profit declined year on year but expanded compared with the previous quarter.**
  - ✓ **We have determined that revenue will not grow as much as initially forecast* and made a company-wide push to cut costs.**
  - ✓ **Operating profit expanded with revenue remaining almost flat in the most recent quarter. Cost reductions have started to show some results.**

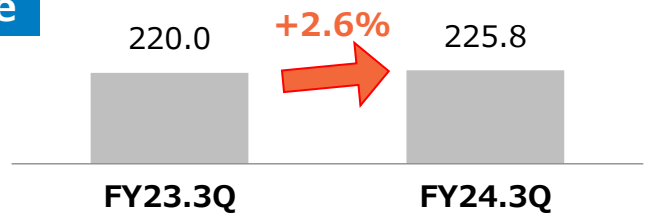
* Disclosed on February 7, 2024 Forecast.

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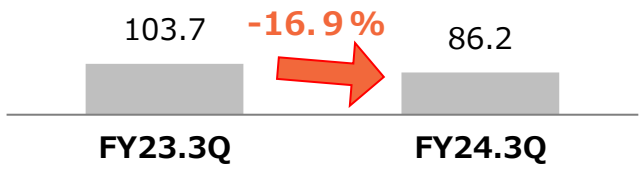
Revenue by Market & by Region

(100 million JPY)

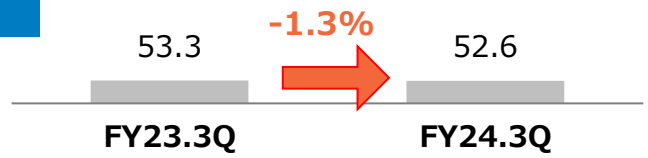
Automotive



Industrial



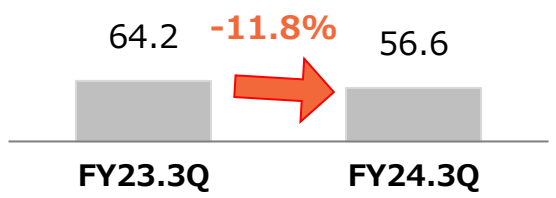
CE*



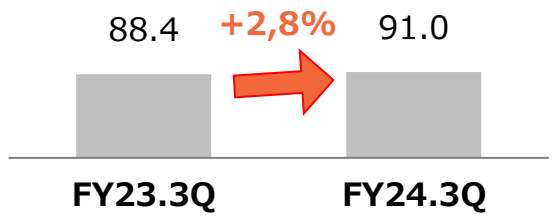
- **Automotive: xEV-related demand remained flat year on year, ICE*-related demand weakened as in the previous quarter.**
- **Industrial: Declines in charging infrastructure after a notable expansion last year and in solar energy-related demand, due to customers' reluctance to invest.**
- **CE*: Smartphone-, tablet- and PC-related demand were on recovery track.**

* ICE: Internal Combustion Engine
* CE: Consumer Electronics

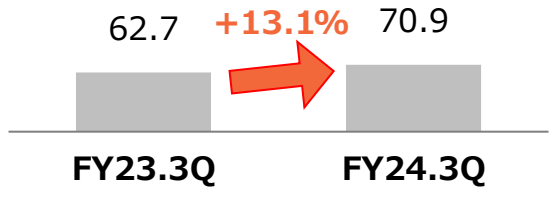
Asia (excl. China/Taiwan)



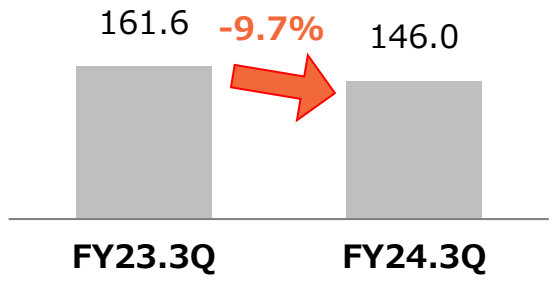
China/Taiwan



North America/Others



Europe



- **Asia (excl. China/Taiwan): Industrial-related demand declined due to the economic slowdown in China.**
- **China/Taiwan: Automotive-related business expanded.**
- **North America: Industrial-related demand in particular drove growth.**
- **Europe: Decline in EV quick charger-, solar energy, and energy storage demand in rebound from the previous year.**

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Green Energy-related Revenue

		FY23 3Q Actual (A)	4Q Actual	FY24 1Q Actual	2Q Actual (B)	3Q Actual (C)	YoY (C/A)	QoQ (C/B)
xEV – Automotive	M.JPY	5,061	5,271	4,857	5,059	5,478	+8.2%	+8.3%
xEV – Industrial (Quick charger for xEV, etc.)	M.JPY	1,877	2,272	2,621	2,876	2,811	+49.7%	+2.3%
Others (Solar energy, Energy Storage, etc.)	M.JPY	2,633	2,244	2,029	1,428	1,493	-43.3%	+4.6%
Green Energy-related Revenue	M.JPY	9,572	9,788	9,507	9,365	9,784	+2.2%	+4.5%
Green Energy-related Revenue Ratio	M.JPY	25%	27%	26%	25%	27%		

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Outlook for 4Q Onward

Short-term Outlook: Comparison Between 4Q and 3Q

- Market environment would be even more challenging, with a year-end drop in demand already factored.
- Gradual expansion of xEV-related business in the automotive market and Strong ICE-related demand.
- Demand recovery of the industrial market is projected to come later than next year.
- Gradual recovery in smartphone-, tablet- and PC-related demand will continue in the CE market.

Long-term Outlook: Factors significantly affecting profitability from 4Q onward

- Concerns over supply chain disruptions due to heightened geopolitical risks
- Trends in raw material, logistics and energy costs
- Investment appetite stimulated by calming of inflation and lowering of policy interest rates
- Trend in Chinese economy and industrial-related inventory adjustments

Action Plan

(Improving the breakeven point)

- Accelerate the control of indirect manufacturing costs
- Further promote automation
- Keep conducting short-time work in EU
- Other all possible company-wide efforts to control expenses

(Diversification of revenue sources)

- AI, Data Center, Defense

(Achieving growth)

- Establish a dedicated team to uncover projects
- Win new projects with improved proposal capabilities
- Launch mass production for the new projects

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Consolidated Statement of Profit or Loss

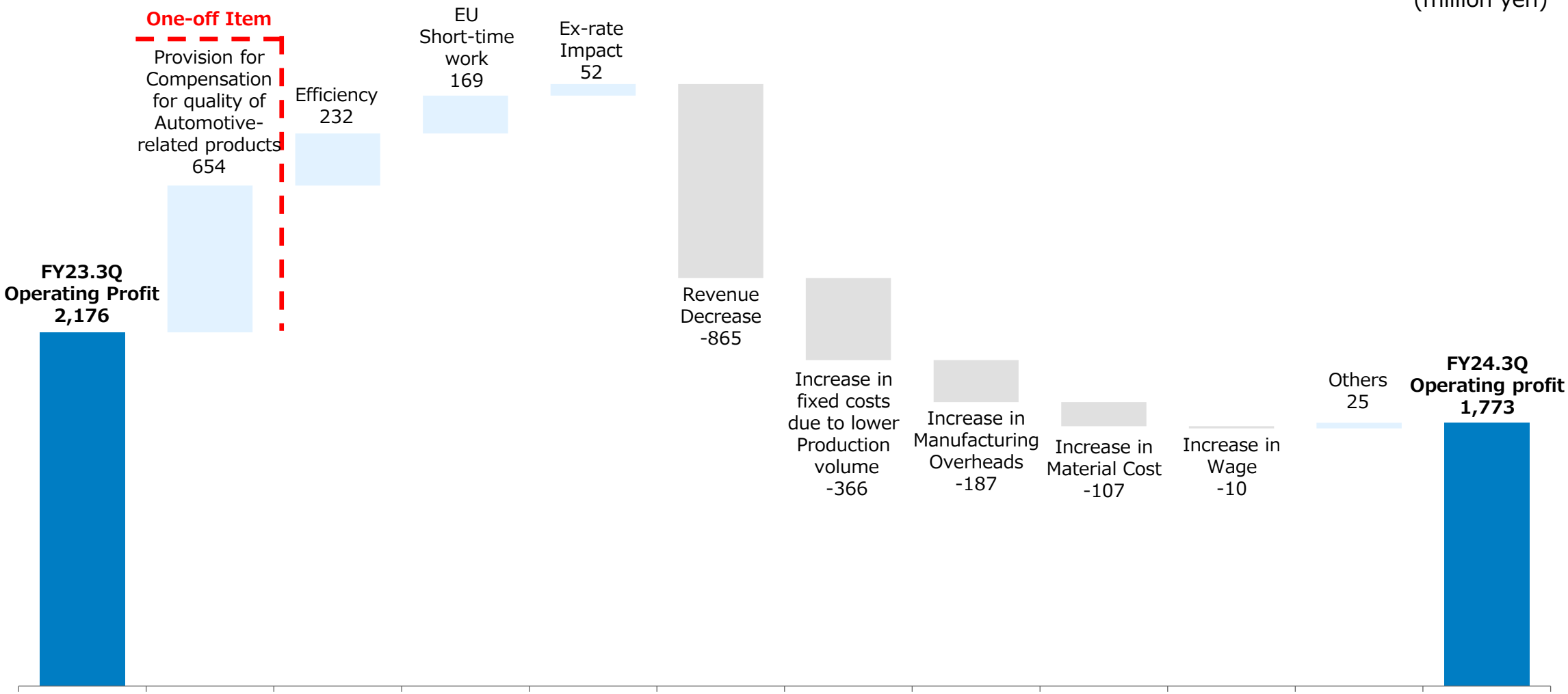
		FY23 3Q Actual (A)	FY24 2Q Actual (B)	3Q Actual (C)	YoY (C/A)	QoQ (C/B)	FY23 1Q-3Q Actual (D)	FY24 1Q-3Q Actual (E)	YoY (E/D)	FY24 Guidance*1 (F)	Progress (E/F)
Revenue	M.JPY	37,718	36,752	36,469	-3.3%	-0.8%	110,933	109,536	-1.3%	148,700	73.7%
Operating Profit	M.JPY	2,176	1,138	1,773	-18.5%	+55.8%	7,415	4,106	-44.6%	6,000	68.4%
Profit before income taxes	M.JPY	1,426	268	951	-33.3%	+254.5%	5,469	1,684	-69.2%	2,600	64.8%
Net profit*2	M.JPY	1,083	137	755	-30.3%	+448.6%	4,362	1,242	-71.5%	2,100	54.2%
Earnings per share (EPS)*3	JPY	33.21	4.19	22.88	-31.1%	+446.1%	148.16	37.82	-74.5%	63.86	59.2%
OP margin		5.8%	3.1%	4.9%	-0.9pt	+1.8pt	6.7%	3.7%	-2.9pt	4.0%	-
Net profit margin		2.9%	0.3%	1.9%	-0.9pt	+1.6pt	3.9%	1.0%	-2.9pt	1.4%	-
Exchange Rate USD / JPY	JPY	143.68	154.80	152.61	+6.2%	-1.4%	137.24	151.37	+10.3%	160.11	-
EUR / JPY	JPY	157.04	167.02	166.14	+5.8%	-0.5%	148.63	164.36	+10.6%	171.38	-
CNY / JPY	JPY	19.88	21.33	21.12	+6.2%	-1.0%	19.53	20.96	+7.3%	21.95	-
Copper Price*4	USD/ton	8,356	9,751	9,204	+10.1%	-5.6%	8,588	9,133	+6.3%	9,350	-

*1 Disclosed on July 31, 2024 Forecast.
*2 Profit Attributable to Owners of Parent
*3 Basic earnings per share
*4 LME prices (simple average of monthly averages for the target period) LME: London Metal Exchange

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Operating Profit Bridge Analysis – FY24.3Q vs FY23.3Q -

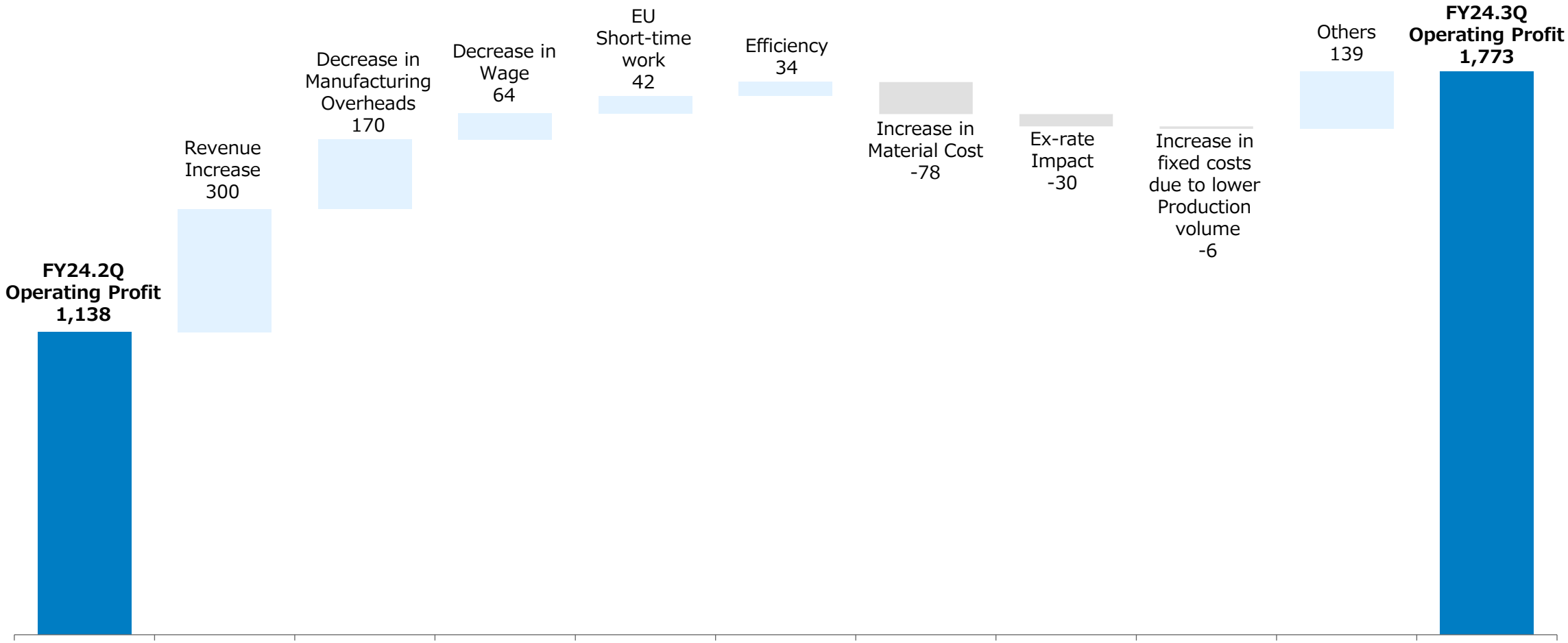
(million yen)



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Operating Profit Bridge Analysis - 2024.3Q vs 2024.2Q -

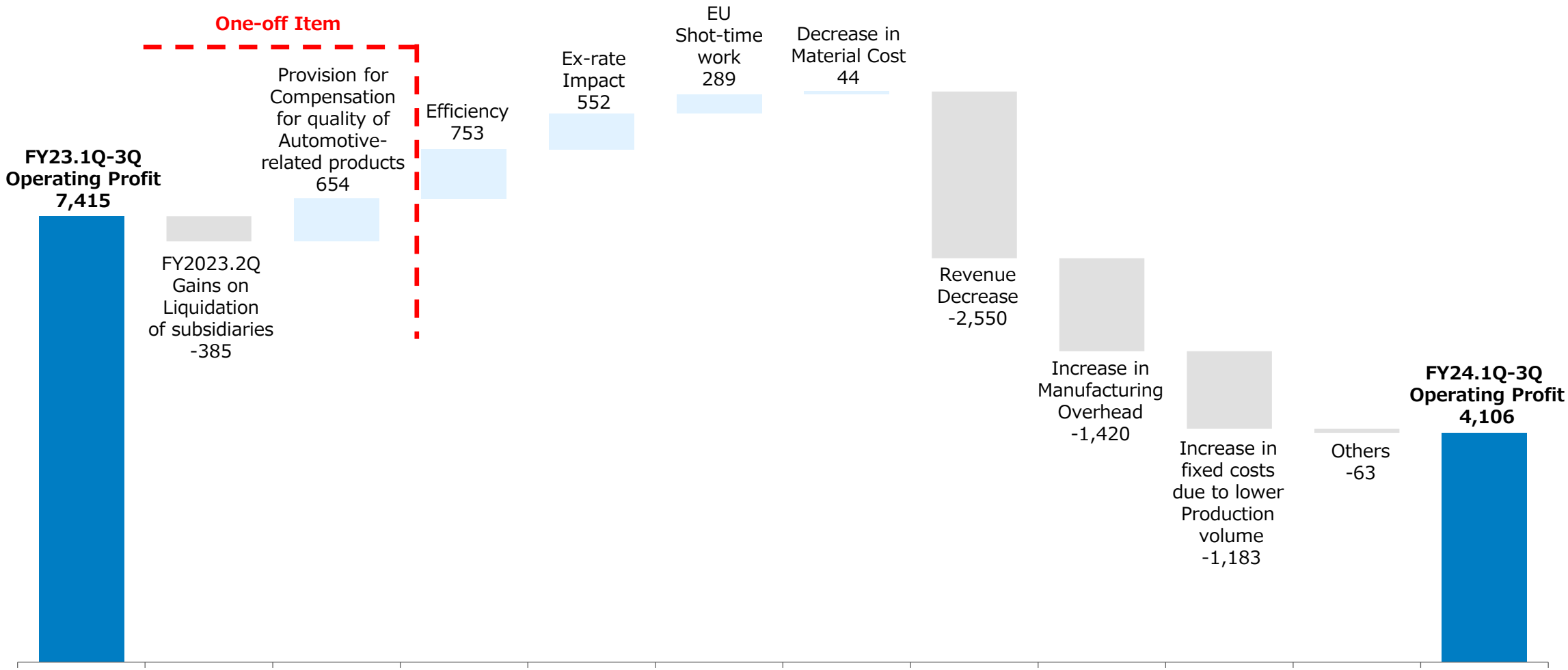
(million yen)



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Operating Profit Bridge Analysis - FY24.1Q~3Q vs FY23.1Q~3Q -

(million yen)

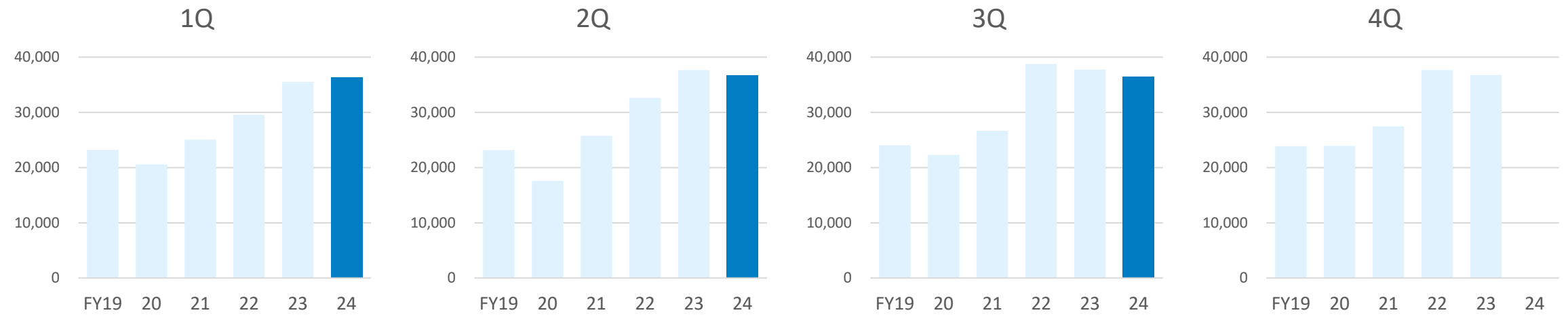


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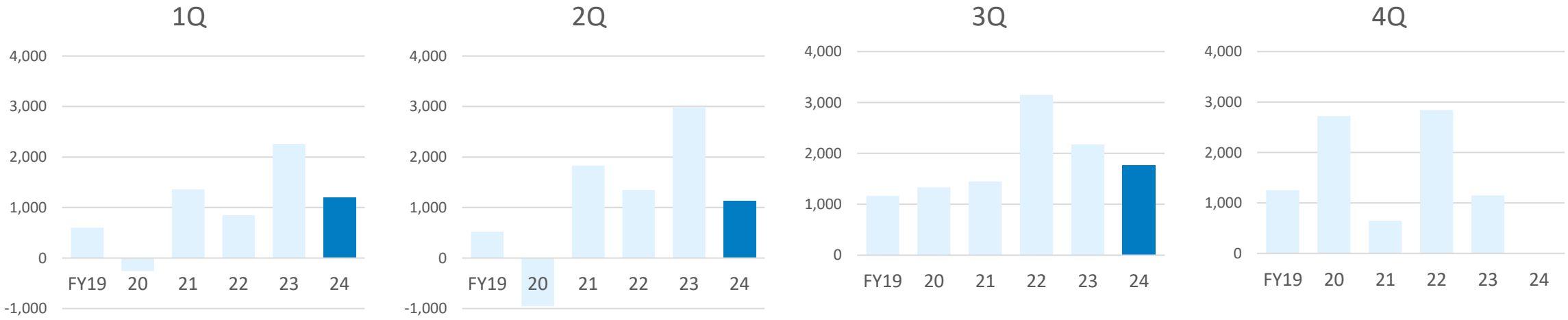
Quarterly Revenue/Operating Profit

Revenue

(million yen)



Operating Profit



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Consolidated Statements of Financial Position

		FY23 Dec.31	FY24 Sep.30	Change
Current Assets	M.JPY	67,648	68,227	579
Cash & Cash Equivalents	M.JPY	3,107	4,750	1,642
Trade & Other Receivables	M.JPY	28,324	28,185	-139
Inventories	M.JPY	29,209	28,073	-1,135
Others	M.JPY	7,006	7,218	211
Non-current Assets	M.JPY	75,137	75,107	-30
Tangible Assets	M.JPY	52,084	52,736	651
Goodwill	M.JPY	5,335	5,386	51
Intangible Assets	M.JPY	7,404	7,210	-194
Others	M.JPY	10,312	9,774	-538
TOTAL ASSETS	M.JPY	142,786	143,335	548

Current Liabilities	M.JPY	55,550	59,429	3,879
Trade and other payables	M.JPY	15,036	14,022	-1,013
Interest-bearing liabilities	M.JPY	23,490	31,093	7,603
Current portion of long-term debt	M.JPY	7,856	5,542	-2,313
Others	M.JPY	9,166	8,769	-397
Non-current Liabilities	M.JPY	29,923	25,976	-3,947
Long-term debt	M.JPY	20,030	16,076	-3,954
Others	M.JPY	9,893	9,900	6
TOTAL LIABILITIES	M.JPY	85,473	85,405	-68
TOTAL NET EQUITY	M.JPY	57,312	57,929	617
TOTAL LIABILITIES & EQUITY	M.JPY	142,786	143,335	548

Current Ratio		1.22	1.15
Net D/E Ratio [*1]		0.88	0.86
CCC	Days	91	89

Exchange Rate	USD / JPY [*2]	141.51	142.36
	EUR / JPY	156.54	159.05
	CNY / JPY	19.90	20.42

[*1] Net DE Ratio: (Interest-bearing liabilities + Current Portion of Long-term Loans + Long-term debt – Cash & Cash Equivalent)) /Equity Attributable To Equity Holders of Parent
[*2] Closing Exchange Rate

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Consolidated Statement of Cash Flows

		FY23.1Q-3Q	FY24.1Q-3Q	Change
Cash flows from operating activities	M.JPY	13,650	10,495	-3,154
Profit before Taxes	M.JPY	5,469	1,684	-3,784
Depreciation and Amortization	M.JPY	6,792	8,275	1,482
Net Working Capital	M.JPY	3,264	1,074	-2,190
Others	M.JPY	-1,876	-538	1,337
Cash flow from Investing Activities	M.JPY	-7,250	-6,627	622
Capital Investments	M.JPY	-6,599	-6,080	519
Others	M.JPY	-650	-547	103
Cash flow from Financing Activities	M.JPY	-3,286	-2,298	988
Net Interest-bearing Debts	M.JPY	-6,890	459	7,350
Proceeds from issuance of shares	M.JPY	6,698	0	-6,698
Dividends Paid	M.JPY	-1,646	-1,770	-124
Others	M.JPY	-1,448	-986	461
Effect of exchange rate change on cash and cash equivalents	M.JPY	380	71	-309
Cash and cash equivalents as of January 1	M.JPY	2,944	3,107	163
Cash and cash equivalents as of September 30	M.JPY	6,439	4,750	-1,689
Free Cash Flow	M.JPY	6,400	3,868	-2,531

		FY23 Dec.31	FY24 Sep.30	Change
DSO (Days Sales Outstanding)	Days	68	67	-1
DIO (Days Inventory Outstanding)	Days	84	79	-5
DPO (Days Payable Outstanding)	Days	61	57	-4
CCC	Days	91	89	-2

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Appendices

Reference

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Notice of Start of Operations at a New Plant of Sumida Electric (Thailand) Co., Ltd.

1. Overview of the New Plant

Name	Sumida Electric (Thailand) Co., Ltd.
Address	129/50, Moo 3, Wang Chula Sub-District, Wang Noi District, Phra Nakhon Si Ayutthaya Province 13170 Thailand
Site Area	2,621 m^2
Total Floor Area	Approx. 1,710 m^2
Date Operations Commenced	August 5, 2024
Main Production Items	Medical device-related products
Certifications Acquired	FDA (US Food and Drug Administration) ISO 13485 (Quality Management Systems for Medical Devices)

2. Purpose for Opening the New Plant

The Wang Noi Plant was developed and brought online due to an increase in order volume for medical device-related products and in preparation for the introduction of new medical device-related products from FY2025 onwards.

The Company projects that demand will increase roughly threefold from current levels by FY2028.

Wang Noi Plant
(exterior view)



Wang Noi Plant
(work area inside the plant)



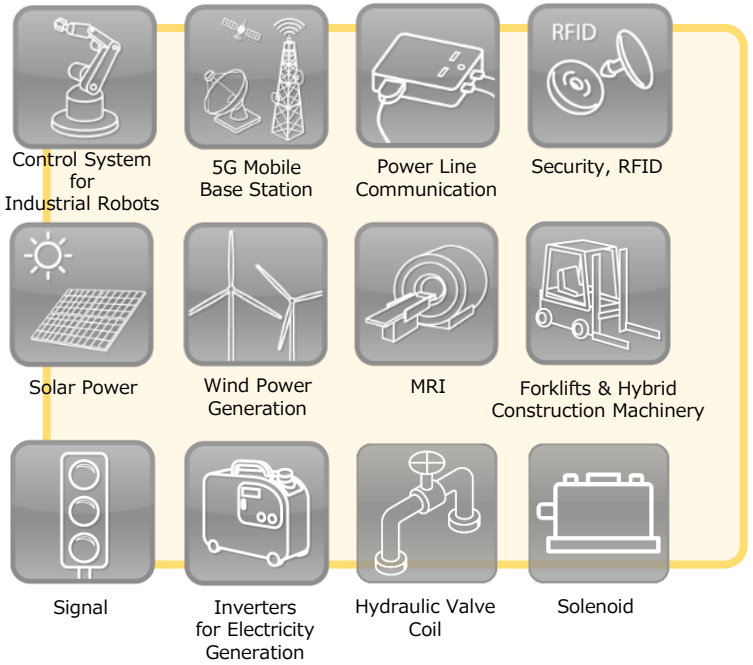
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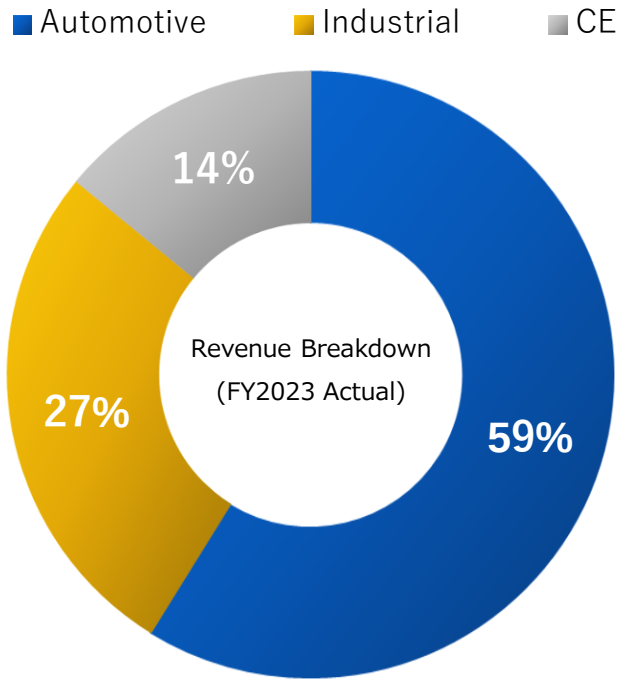
Business Portfolio

Consumer Electronics (CE)

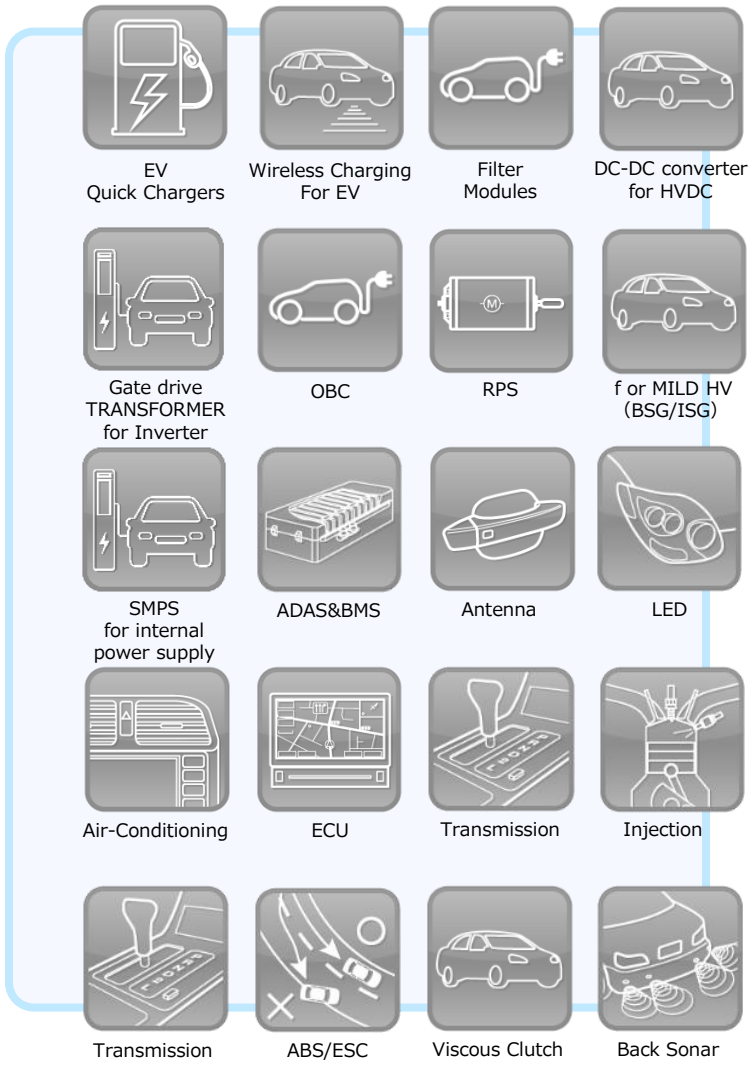


Industrial





Automotive



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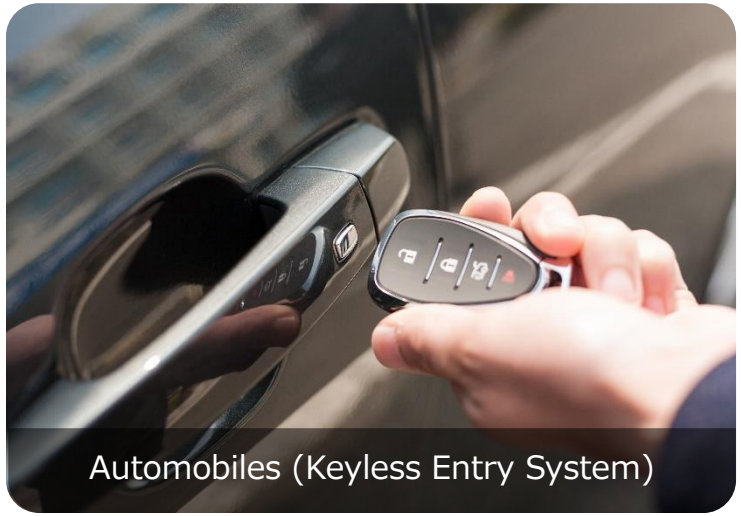
SUMIDA products around you


Mobile phone chargers



AED (automated external defibrillator)


Solar energy


Automobiles (Keyless Entry System)


Automobiles
(ABS: anti-lock braking system)


Automobiles (xEV powertrains)

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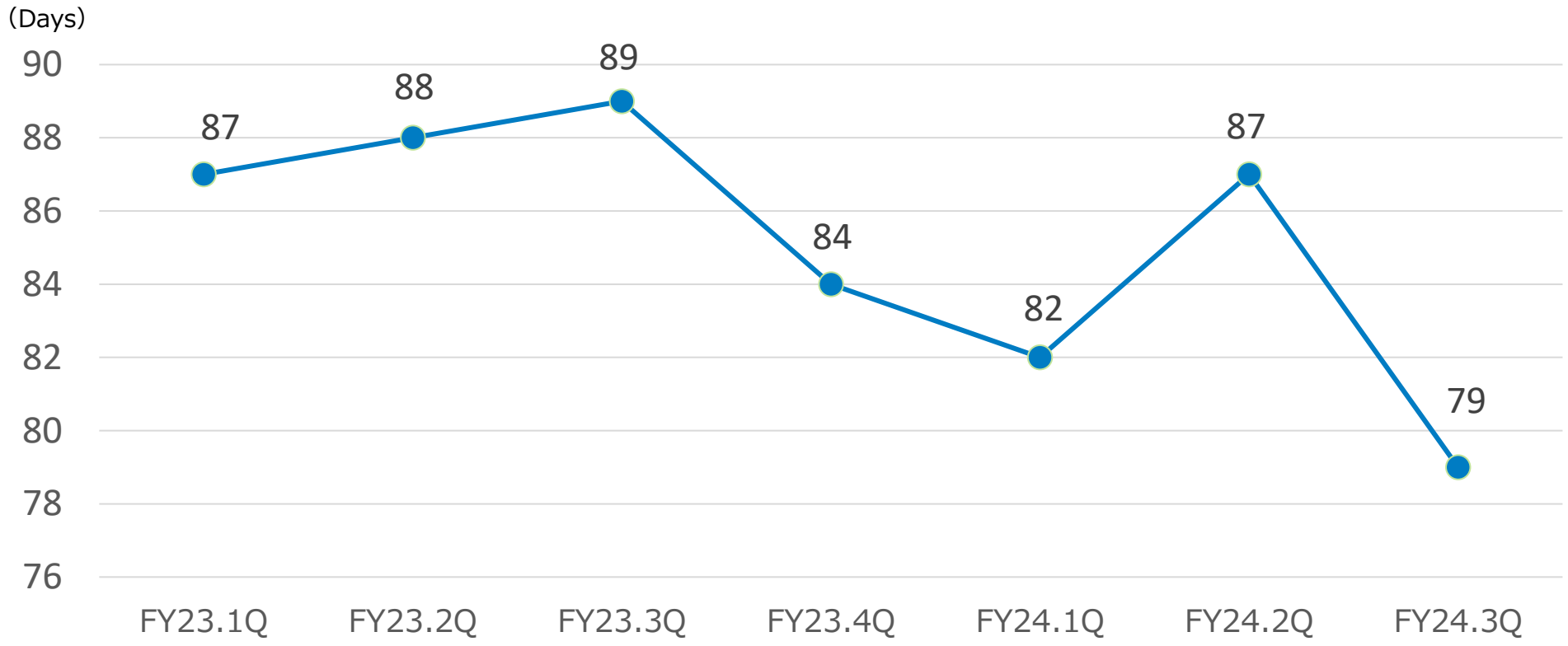
Revenue (Market Segment / Green Energy-related)

		Green Energy-related	FY23.12 Q3 Actual (A)	FY24.12 Q2 Actual (B)	Q3 Actual (C)	YoY (C/A)	QoQ (C/B)	FY23.12 Q1-Q3 Actual (D)	FY24.12 Q1-Q3 Actual (E)	YoY (E/D)
Revenue	M.JPY		37,718	36,752	36,469	-3.3%	-0.8%	110,933	109,536	-1.3%
Automotive	M.JPY		22,007	22,540	22,583	+2.6%	+0.2%	63,960	68,010	+6.3%
xEV – Automotive	M.JPY	●	5,061	5,059	5,478	+8.2%	+8.3%	14,811	15,395	+3.9%
Others	M.JPY		16,946	17,480	17,104	+0.9%	-2.1%	49,149	52,614	+7.1%
Industrial	M.JPY		10,374	8,857	8,625	-16.9%	-2.6%	30,482	26,843	-11.9%
xEV – Industrial (Quick charger for xEV, etc.)	M.JPY	●	1,877	2,876	2,811	+49.7%	-2.3%	5,767	8,309	+44.1%
Others (Solar energy, Energy Storage, etc.)	M.JPY	●	2,633	1,428	1,493	-43.3%	+4.6%	6,422	4,951	-22.9%
Others	M.JPY		5,863	4,551	4,320	-26.3%	-5.1%	18,292	13,581	-25.8%
Consumer Electronics	M.JPY		5,335	5,355	5,261	-1.4%	-1.8%	16,490	14,682	-11.0%

Green Energy-related Revenue	JPY	●	9,572	9,365	9,784	+2.2%	+4.5%	27,001	28,657	+6.1%
Green Energy-related Revenue Ratio			25.4%	25.5%	26.8%	+1.4pt	+1.3pt	24.3%	26.2%	+1.8pt

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Days Inventory Outstanding （DIO）



Closing Exchange Rate

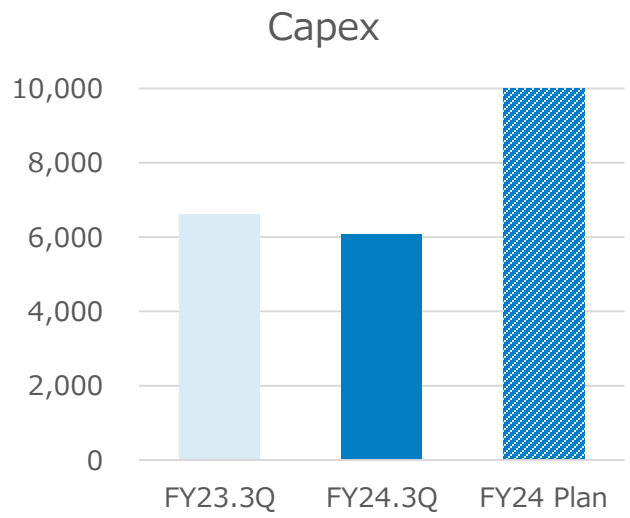
USD / JPY	133.13	144.85	148.77	141.51	151.43	160.93	142.36
EUR / JPY	144.90	157.23	157.97	156.54	163.36	172.14	159.05
CNY / JPY	19.37	19.94	20.40	19.90	20.86	22.03	20.42

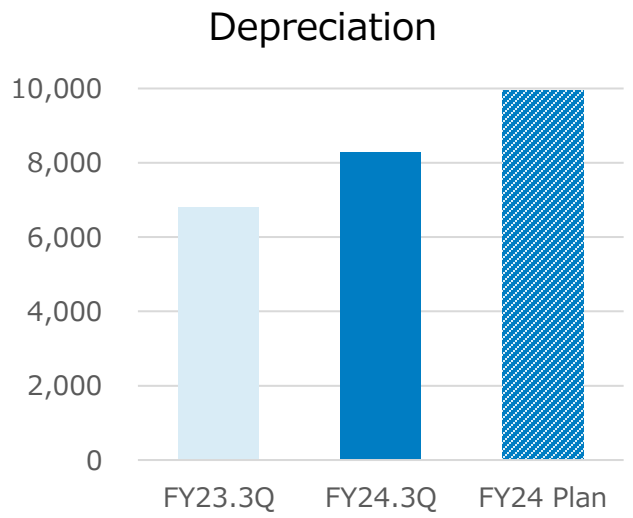
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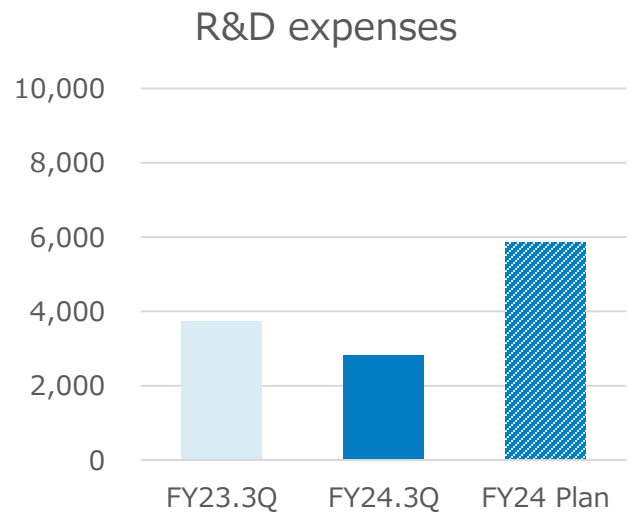
Capex, Depreciation, R&D Expenses

(million yen)

	FY23.3Q Accumulate	FY24.3Q Accumulate	FY24 Plan
Capex	6,599	6,080	10,000
Depreciation	6,792	8,275	9,944
R&D expenses	3,728	4,070	5,868







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Quarterly Revenue by Business Segment

		FY23 3Q Actual (A)	FY24 2Q Actual (B)	3Q Actual (C)	YoY (C/A)	QoQ (C/B)	FY23 1Q-3Q Actual (D)	FY24 1Q-3Q Actual (E)	YoY (E/D)
Asia Pacific business	M.JPY	22,440	22,880	22,654	+1.0%	-1.0%	66,845	66,799	-0.1%
Europe business	M.JPY	15,277	13,871	13,815	-9.6%	-0.4%	44,087	42,736	-3.1%
Total	M.JPY	37,718	36,752	36,469	-3.3%	-0.8%	110,933	109,536	-1.3%

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Exchange Rate Sensitivity

Currency	FY2024.3Q Exchange Rate*1	Fluctuation	Sensitivity for Operating profit*2	(Reference) FY2024 Forecast*3 Expected Exchange Rate
	JPY	-	M.JPY	JPY
USD	152.61	1 yen (weak)	55	160.11
EUR	166.14	1 yen (weak)	9	171.38
CNY*4	21.12	0.1 yen (weak)	-29	21.95

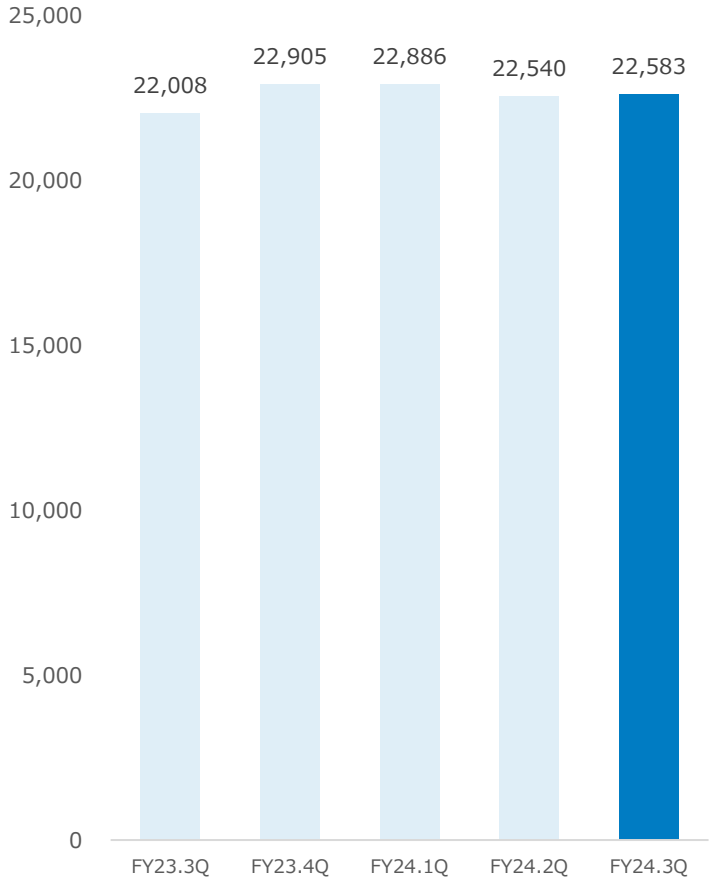
*1 Exchange Rate: Average rates for April-June 2024 for reference.
*2 Impact on FY2024.2Q period (Apr-Jun 2024).
*3 Disclosed on July 31, 2024 Forecast.
*4 The main production sites are in China. As CNY is the main currency associated with production, exchange rate sensitivity is displayed as a negative.

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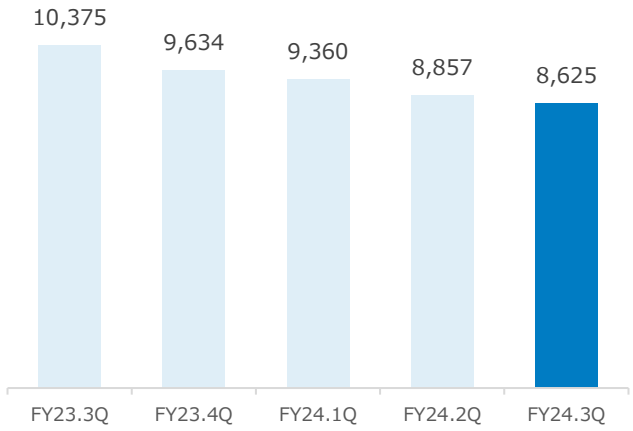
Quarterly Revenue by Market

(million yen)

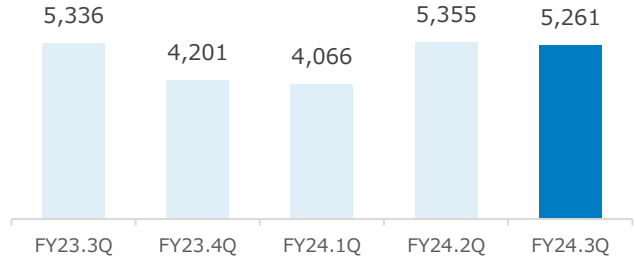
Automotive



Industrial



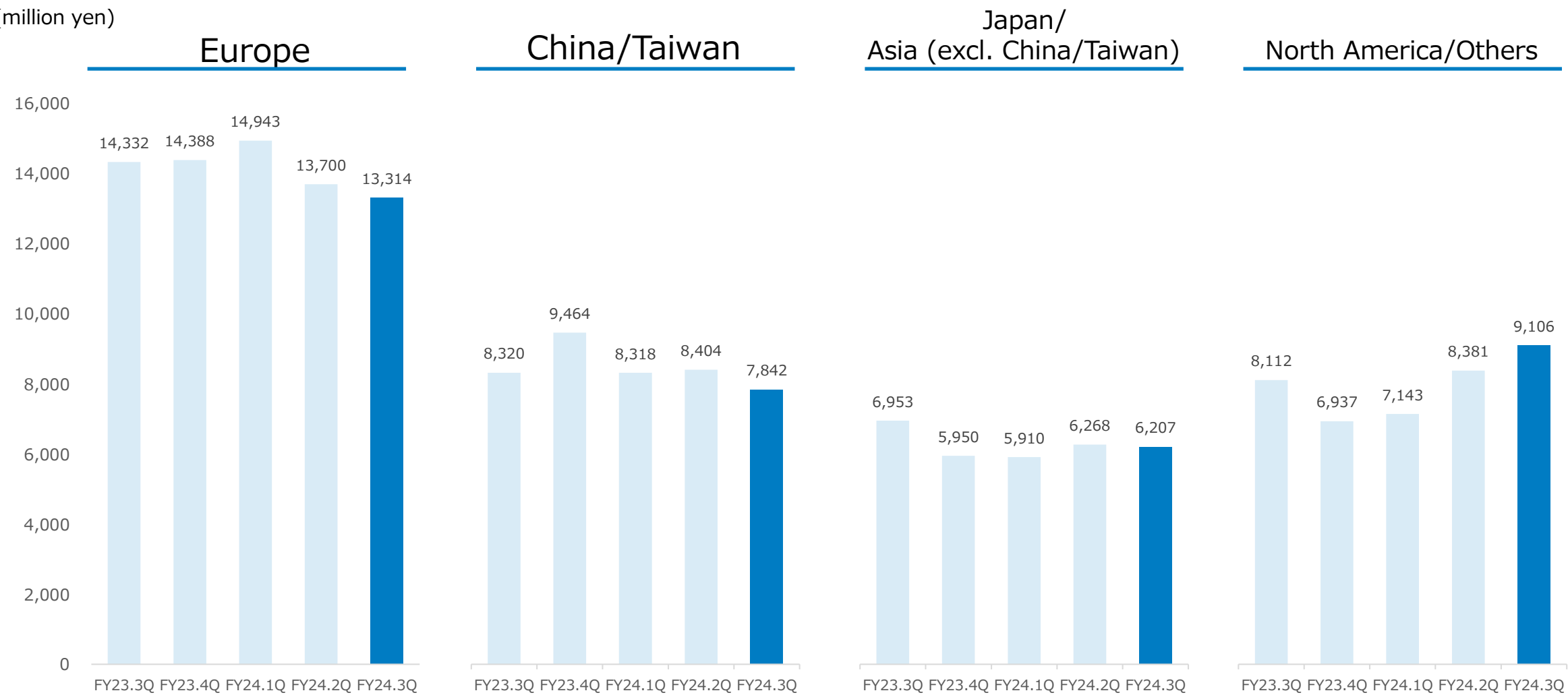
Consumer Electronics



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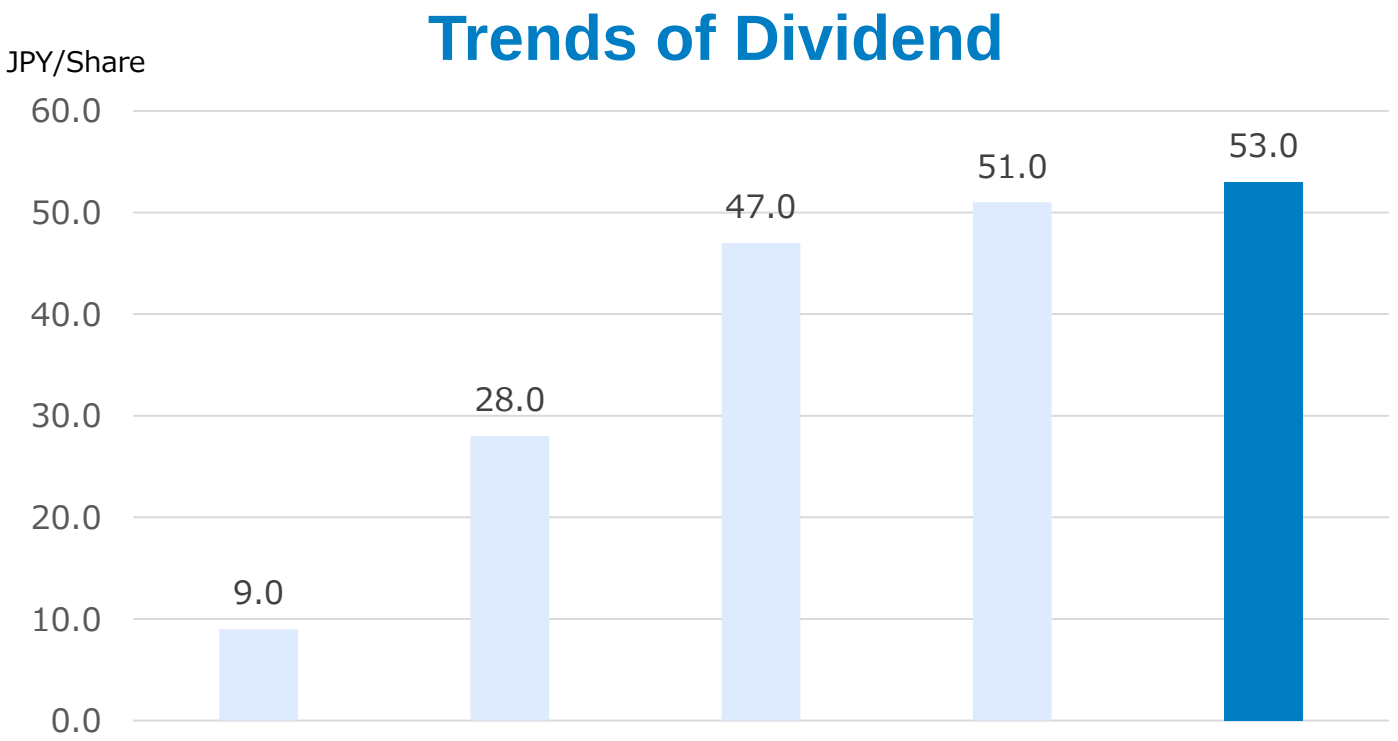
Quarterly Revenue by Destination

(million yen)



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Trends of Dividend



		FY2020	FY2021	FY2022	FY2023	FY2024
1Q	JPY/Share	-	3.0	-	-	-
Interim	JPY/Share	-	3.0	14.0	23.0	26.0
3Q	JPY/Share	-	11.0	-	-	-
Year-end	JPY/Share	9.0	11.0	33.0	28.0	(27.0)
Total	JPY/Share	9.0	28.0	47.0	51.0	(53.0)
EPS	JPY	30.50	96.68	187.54	167.46	(63.86)
Dividend payout ratio	%	29.5	29.0	25.1	30.5	(83.0)
Total Dividends Paid	M.JPY	244	761	1,278	1,664	(1,749)

* Figures in parentheses are estimates.

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Dividend Policy

Policy on Determination of Dividends of Surplus

The Company's basic policy for the return of profits to shareholders is to deliver dividends in consideration of a consolidated dividend payout ratio (30% or more) with top priority on the profit distribution through dividends. When it is inappropriate to deliver dividends in accordance with the basic policy based on actual consolidated business results, the Company will work to enhance shareholder returns up to the amount of distributable surplus after considering Dividend on Equity (DOE) and other measures.

The Company stipulates in the Articles of Incorporation that it may allocate dividends of surplus upon a resolution of the Board of Directors, and it is the Company's basic policy to pay dividends twice a year, once at the interim and once at the end of the fiscal year. In addition, the Company's policy is to pay its year-end dividend in a manner taking into consideration the actual consolidated business results at the end of the fiscal year while ensuring that the annual dividend aligns with the above dividend policy.

The Company will utilize internal reserve funds to strengthen its financial structure and maintain growth power for the future.

*From the Notice of the 69th Annual General Meeting of Shareholders

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Links

中期経営計画説明資料 2024-2026	Mid-Term Business Plan 2024-2026	JP	EN
個人投資家向け会社説明会資料	Briefing Session for Individual Investors	JP	EN
スミダESGレポート	SUMIDA ESG Report	JP	EN
ESG Data	ESG Data	JP	EN
TCFDに基づく情報開示	Climate-related Financial Disclosure based on TCFD	JP	EN
コーポレートガバナンス報告書	Corporate Governance Report	JP	EN
会社案内ビデオ（270秒）	Corporate Video (270 sec)	JP	EN

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Disclaimer Regarding Forward-Looking Statements

The statements contained in this document include forward-looking statements about the Company. These forward-looking statements are based on information currently available to the Company. Please note that actual results may differ from these forward-looking statements due to unforeseen events, changes in the business environment (including changes in global economic conditions, business structure, competitive conditions, technological trends, public regulations, social and labor environment, etc.) and other factors. We have no obligation to update any forward-looking statements, even if actual results may differ from those in such forward-looking statements. We shall not be liable for any loss or damage arising from or in connection with such forward-looking statements.

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In some cases, the original figures in this material, which are managed in millions of yen, are shown in hundreds of millions of yen, and the total amount, difference, etc. may be inaccurate. If you need detailed figures, please refer to the Financial Statements.

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