

FY2023 Financial Results Briefing

May 16, 2024



MEIKO ELECTRONICS CO., LTD.
(Securities Identification Code: 6787)

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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.

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1

FY2023 (result)

2

FY2024 (forecast)

3

**Financial Strategy and
Shareholder Returns**

4

Future Policies

FY2023 results

(100 million yen)

	FY2022 result	FY2023 result	Year-on-year	
			Diff.	%
Net sales	1,673	1,795	122	7.3%
Operating income	96 5.7%	117 6.5%	21	21.8%
Ordinary income	112 6.7%	143 8.0%	31	27.2%
Net income	88 5.3%	113 6.3%	25	27.8%
Average FX rate (JPY/USD)	136.0	145.3		

FY2023 result by Product Application

(100 million yen)

	FY2022 results		FY2023 results	
	Net Sales	Operating Income	Net Sales	Operating Income
		%		%
Automotive	845	60 7.1%	947	81 8.6%
Smartphone/ Tablet	271	11 4.1%	266	21 7.9%
Semiconductor Package	5	0 0.0%	7	-15 -214.3%
SSD/ IoT Module	100	10 10.0%	85	10 11.8%
satellite communication	0	0.0% 0.0%	0	0 0.0%
AI appliances/ Amusement/ Industrial Equipment/ Other Substrate	249	16 6.4%	187	11 5.9%
EMS/ODM	203	-1 -0.5%	303	9 3.0%
Total	1,673	96 5.7%	1,795	117 6.5%

1

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FY2023 results and FY2024 forecasts

(100 million yen)

	FY2022	FY2023	Year-on-year	FY2024	Year-on-year
	results	results	%	forecasts	%
Net sales	1,673	1,795	7.3%	1,950	8.7%
Operating income	96 5.7%	117 6.5%	21.8%	160 8.2%	37.2%
Ordinary income	112 6.7%	143 8.0%	27.2%	150 7.7%	5.1%
Net income	88 5.3%	113 6.3%	27.8%	125 6.4%	10.5%
Average FX rate (JPY/USD)	136.0	145.3		145	

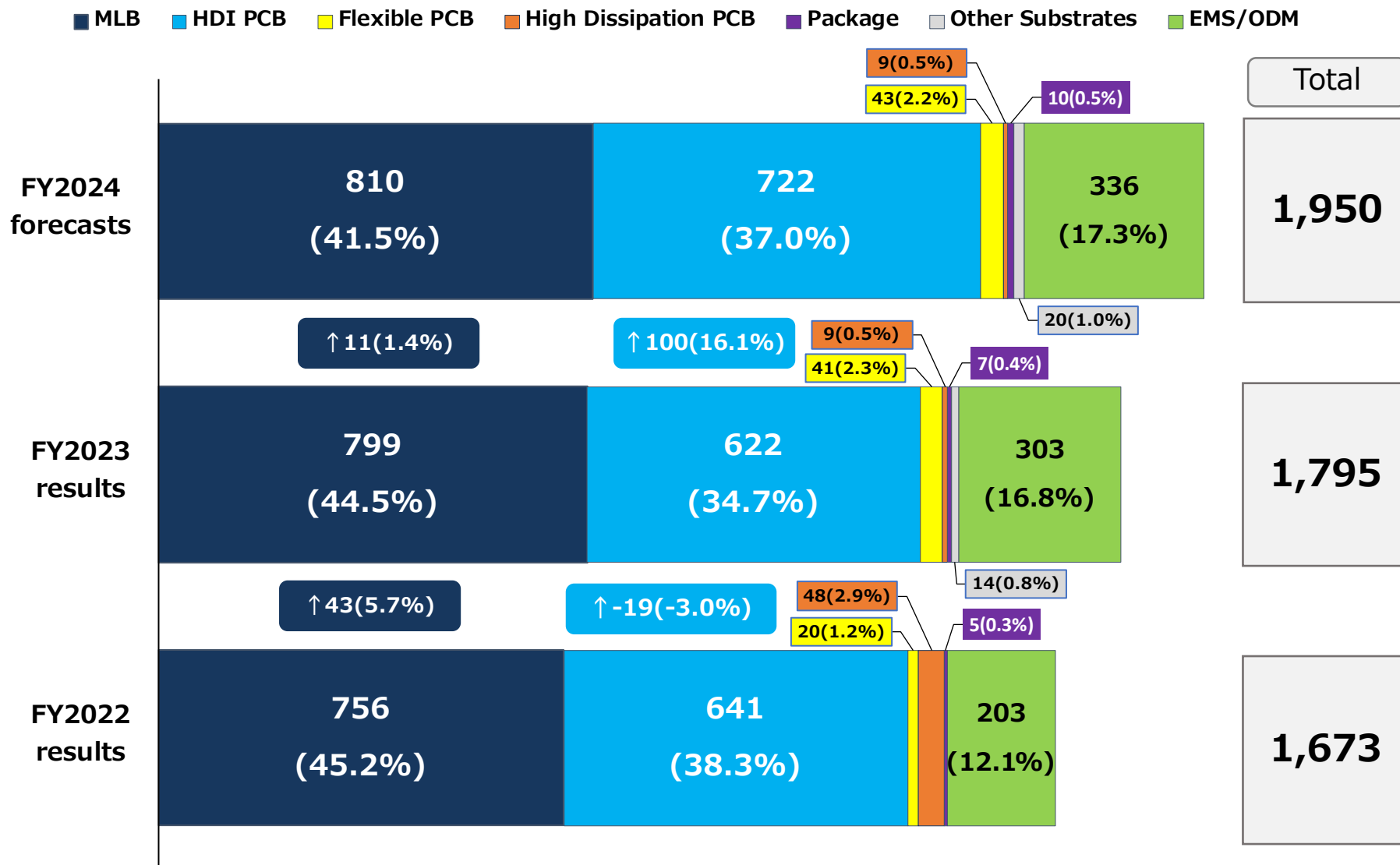
FY2024 forecasts by Product Application

(100 million yen)

	FY2023 results		FY2024 forecasts	
	Net Sales	Operating Income	Net Sales	Operating Income
		%		%
Automotive	947	81 8.6%	969	95 9.8%
Smartphone/ Tablet	266	21 7.9%	238	30 12.6%
Semiconductor Package	7	-15 -214.3%	10	-17 -170.0%
SSD/ IoT Module	85	10 11.8%	77	12 15.6%
satellite communication			80	8 10.0%
AI appliances/ Amusement/ Industrial Equipment/ Other Substrate	187	11 5.9%	240	21 8.8%
EMS/ODM	303	9 3.0%	336	11 3.3%
Total	1,795	117 6.5%	1,950	160 8.2%

Net Sales by Product Specification

(100 million yen)



1

FY2023 (result)

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FY2024 (forecast)

3

**Financial Strategy and
Shareholder Returns**

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Future Policies

Financial Strategy and Shareholder Returns (unit : 100 million yen)

1. We will continuously expand sales and profits through investments in facilities and R&D.
2. We will continue to strengthen our balanced financial position.
3. The consolidated dividend payout ratio is targeted at 15%.
4. We will strive to increase profits and raise shareholders' value and dividend amounts.

	FY2022 (result)	FY2023 (result)	FY2024 (forecast)
Net Sales	1,673	1,795	1,950
Operating Income	96	117	160
OP Margin	5.7%	6.5%	8.2%
Net Income	88	113	125
EBITDA	194	228	286
Net Assets	845	1,055	1,145
Interest-bearing Debt	753	793	796
Self-capitalization ratio	38.2%	42.7%	44.2%
D/E Ratio	0.90	0.75	0.70
ROE	10.5%	10.7%	10.9%
Dividend Payout Ratio	16.2%	15.9%	15.2%
EPS	338.94 yen	428.70 yen	475.10 yen
PER	x 8.5	x 12.3	-
Dividend (per share)	55 yen	68 yen	72 yen
market capitalization	749	1,390	-
FX Rate (yen/USD)	136.0 yen	145.3 yen	145 yen

Management that is Conscious of the Cost of Capital and the Stock Price

Current Situation

- ◆ **ROE** FY22 10.5%
→FY23 **10.7%**
- ◆ **PBR** FY22 x 0.97
→ FY23 **x 1.32**
- ◆ **PER**(株) FY22 x 8.5
→ FY23 **x 12.3**
- ◆ **Dividend per share**
FY22 55 yen
→FY23 **68 yen**
- ◆ **Market Capitalization**
FY22 74.9 bio. yen
→FY23 **1,390 bio. yen**

Policies

- ◆ **Accomplish Mid-term business plan**
- ◆ **Financial Targets**
Improve ROE
Improve Self-capitalization ratio
Improve D/E ratio
- ◆ **Invest in growth areas** to enhance corporate value

Initiatives

- ◆ Expansion of **Sales and Profit**
- ◆ **Manufacturing Improvement**
Yield improvement
Quality improvement
Productivity improvement
- ◆ **CAPEX strategy**
Concentrate investment in cutting-edge substrates

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FY2024 (forecast)

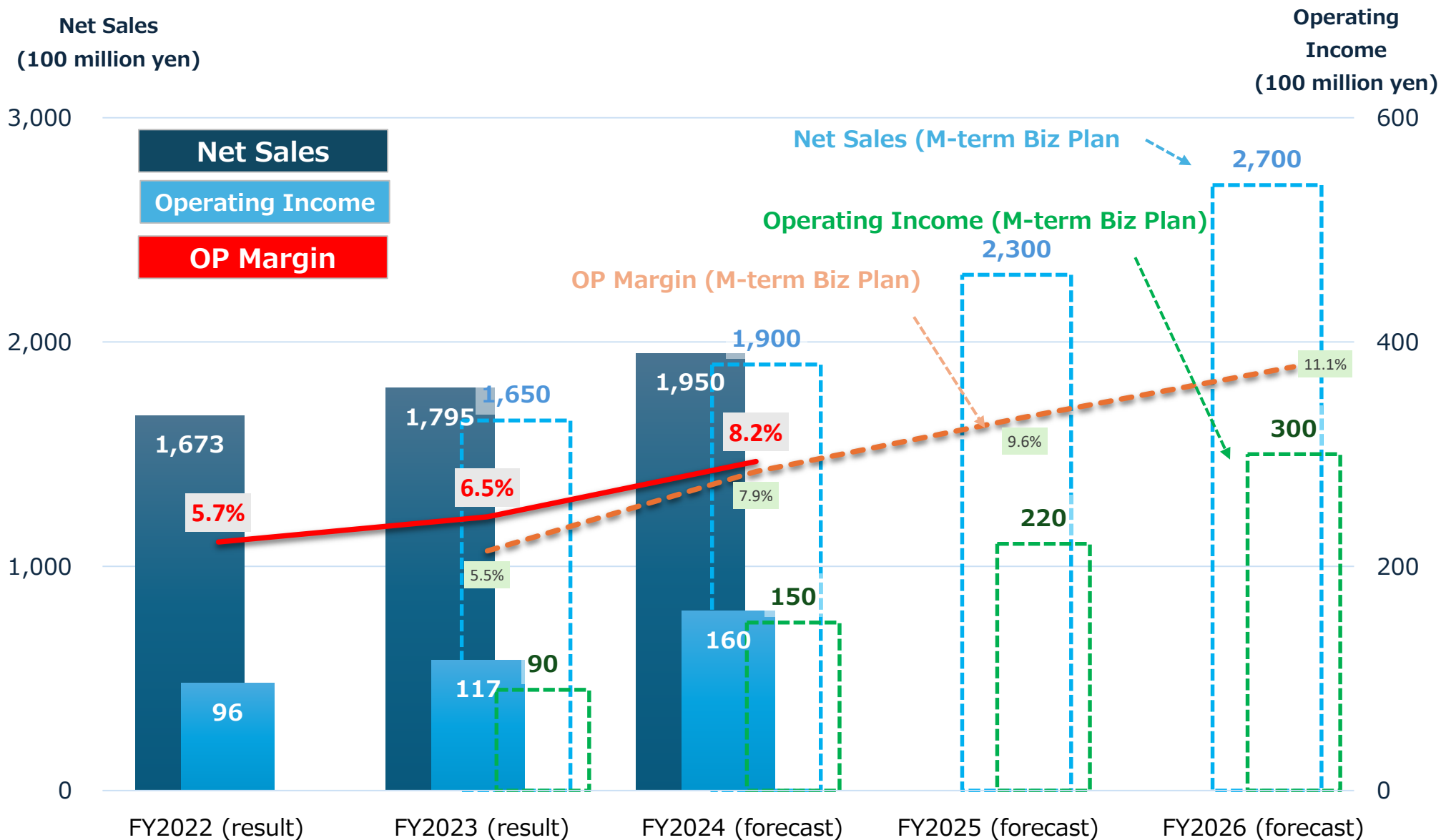
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**Financial Strategy and
Shareholder Returns**

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Future Policies

Outlook of Medium-term Business Plan



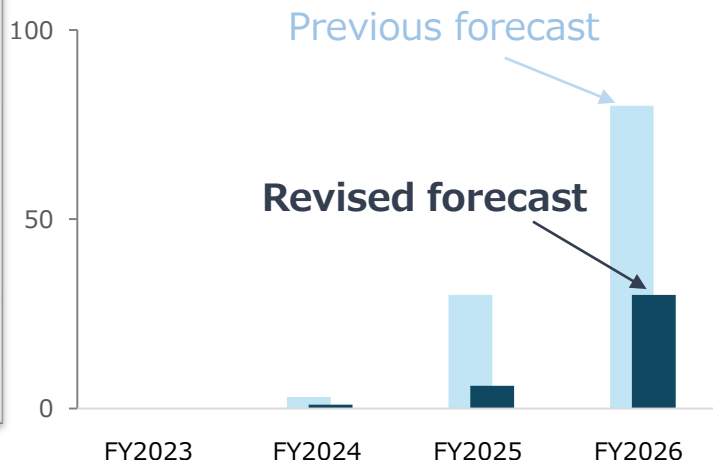
New Business (PKG Substrates)

Ishinomaki Factory No.2



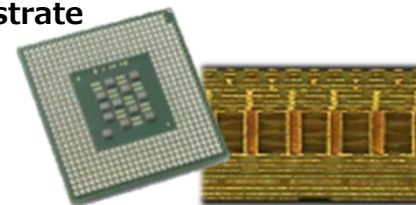
(100 million yen)

Net Sales



Product: FC-BGA Substrate

FC-BGA Substrate



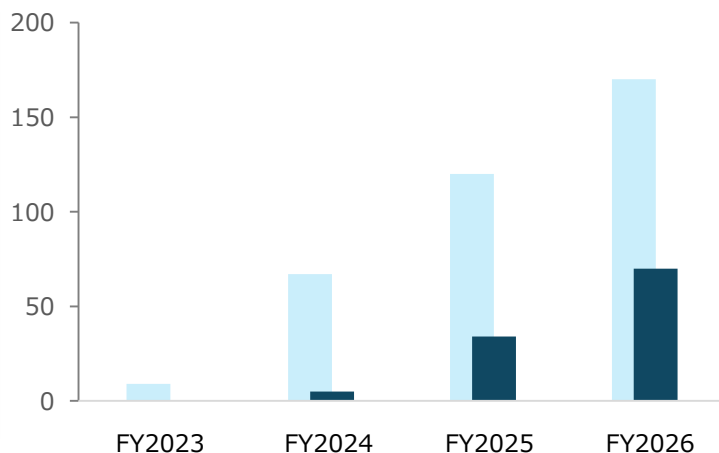
- ◆ Mass production ramp-up plan delayed due to market conditions.
- ◆ Development prototype projects remain steady.

Vietnam Plant No.3



(100 million yen)

Net Sales

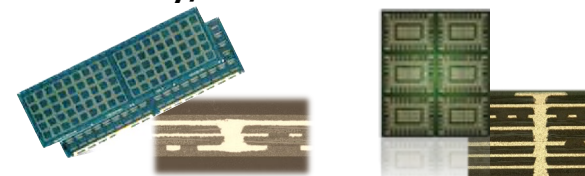


Product: Memory PKG Substrate

PKG Business

Memory/Sensor

RF Module



- ◆ Mass production ramp-up plan delayed due to market conditions.
- ◆ Acceleration of the certification process for new projects.

Vietnam Plant No.4

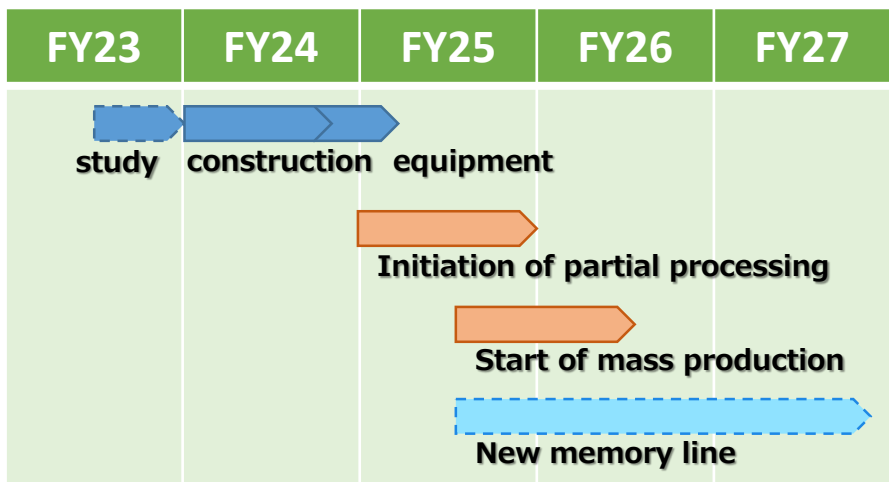
- ◆ A surge in customers expecting supply chains to ASEAN.
- ◆ The Vietnam Plant No.2 will reach full capacity in the current fiscal year, so a new factory is being built to provide space for future expansion.

Overview of Vietnam Plant No.4

Location	Thach That- Quoc Oai Industrial Zone, Hanoi City
Extended area	Approx. 60,000m ² (15,000m ² ×4F)
Capex	Approx. 25 billion yen
Business	<ul style="list-style-type: none"> • Capacity complement of Plant No.2 (PCB) • High multi-layer and high-density HDI PCB • Memory module substrates
Schedule	Will be in operation in phases from FY2025.



May 8; ground-breaking ceremony

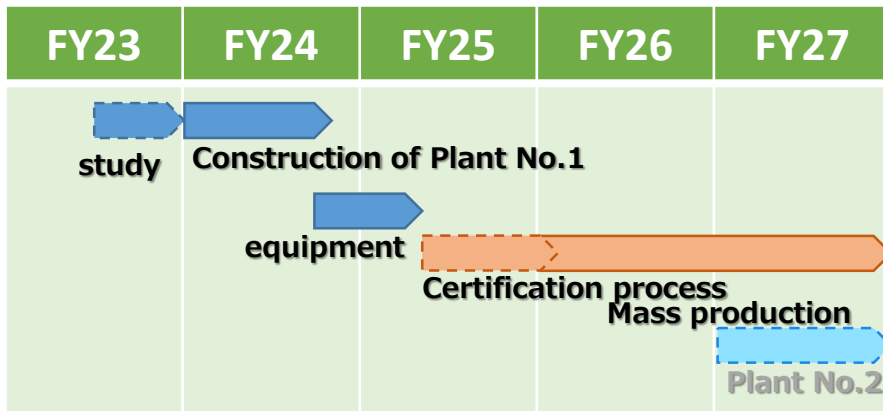


Hoa Binh Plant

- ◆ A surge in customers expecting supply chains to ASEAN.
- ◆ Will launch its business in Hoa Binh for further business expansion to utilize the superiority of electric power.

Overview of Hoa Binh Plant

Location	Bo Trai Song Da Industrial Zone, Hoa Binh City
Site area	Approx. 93,000m ²
Extended Area	Approx. 60,000m ² (Plant No.1) (※expandable)
Capex	Approx. 50 billion yen (Plant No.1)
Business	Medium-to-high multilayer and high-density build-up PCB (Plant No.1)
Schedule	Will be in operation from FY2026



April 13 ground-breaking ceremony

Sustainability Initiatives

Environmental Initiatives

Global Warming
Countermeasures

Implementation of response measures based on TCFD

- Reduce domestic CO2 emissions per unit of production by 50% in FY2030. (Comparison to FY2021)
- Carbon neutral in FY2050
- Promoting energy conservation (per unit of production; electricity▲2.5%/year, fuel▲2.0%/year)
- Installation of self-consumption solar power generation



Ishinomaki Factory
Commenced operation in March 2023
400kW 200t/year-CO2 reduction



※existing Fukushima Solar Park
3MW 1650t/year-CO2 reduction

Fukushima Factory
Commenced operation in Aug. 2023
540kW 270t/year-CO2 reduction



Tendo Factory
Commenced operation in Oct. 2023
170kW 60t/year-CO2 reduction
700kW expansion plan in FY2024

Waste Reduction

Zero emission promotion (80% recycling rate in 2030)
resourcing (Copper, palladium, gold)

Utilization of Water Resources

Promotion of Reuse - Reduce unit water consumption by 10% (2021→2030)

Social Initiatives

Strengthen human capital
measures in line with
management strategies

Strengthen recruitment and human resources development

- Securing human resources and strengthening education to respond to global customers and expand new business
- Strengthen education to promote IT

Employee Engagement

Diversity Promotion (Promotion of women's activity and foreign employees)
Promotion of employee health (Certified as an excellent health management corporation)

Contribution to local communities
and regional revitalization

Contribution to nature and environmental protection (Recycling Activities)
Contribution to Social Welfare
Contribution to regional revitalization (promotion of sports, contribution to local needs)