

FY2024 Q2

Financial Results Briefing

November 14, 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.

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1

FY2024 Q2 (result)

2

FY2024 Full year (forecast)

3

**Initiatives to enhance
corporate value**

4

New business initiatives

FY2024 Q2 Financial Result - Consolidated

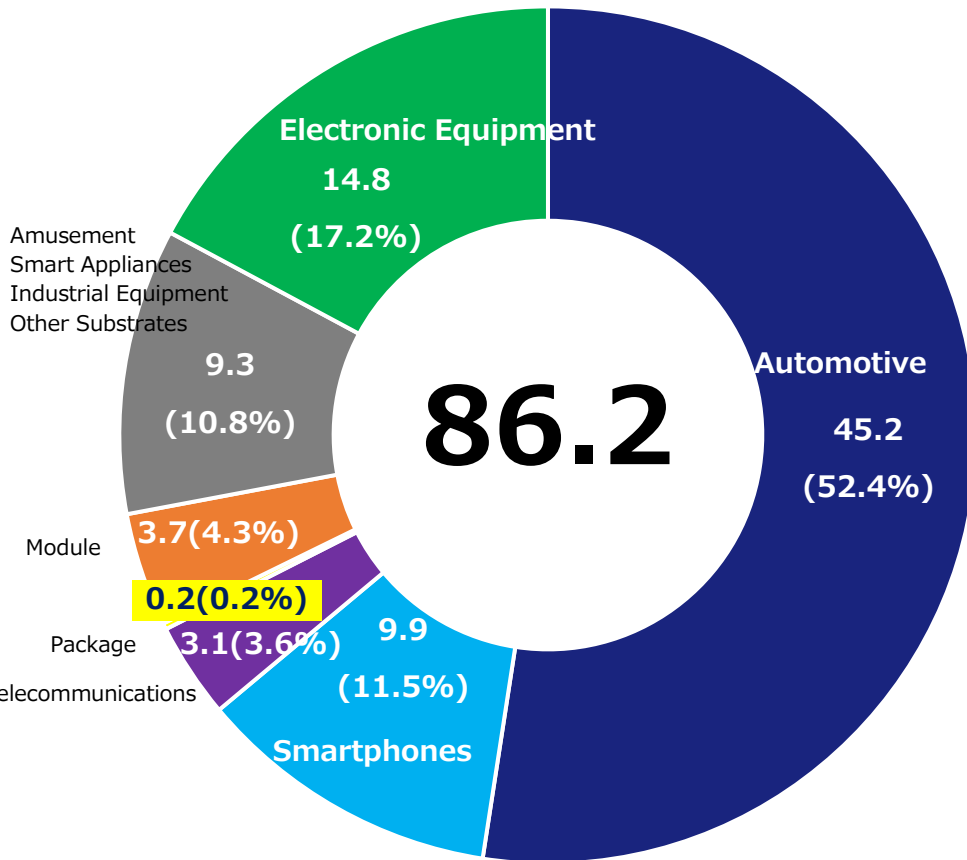
(billion yen)

	FY2023 Q2	FY2024 Q2	Year-on-year	
	result	result	Difference	%
Net sales	86.2	98.2	12.0	13.8%
Operating income	4.2 4.9%	9.3 9.5%	5.1	121.3%
Ordinary income	6.8 7.8%	8.0 8.2%	1.2	18.4%
Net income	5.2 6.0%	6.3 6.5%	1.1	21.3%
Average FX rate (JPY/USD)	142.61	152.46		
Dividend per share	27 yen	40 yen		

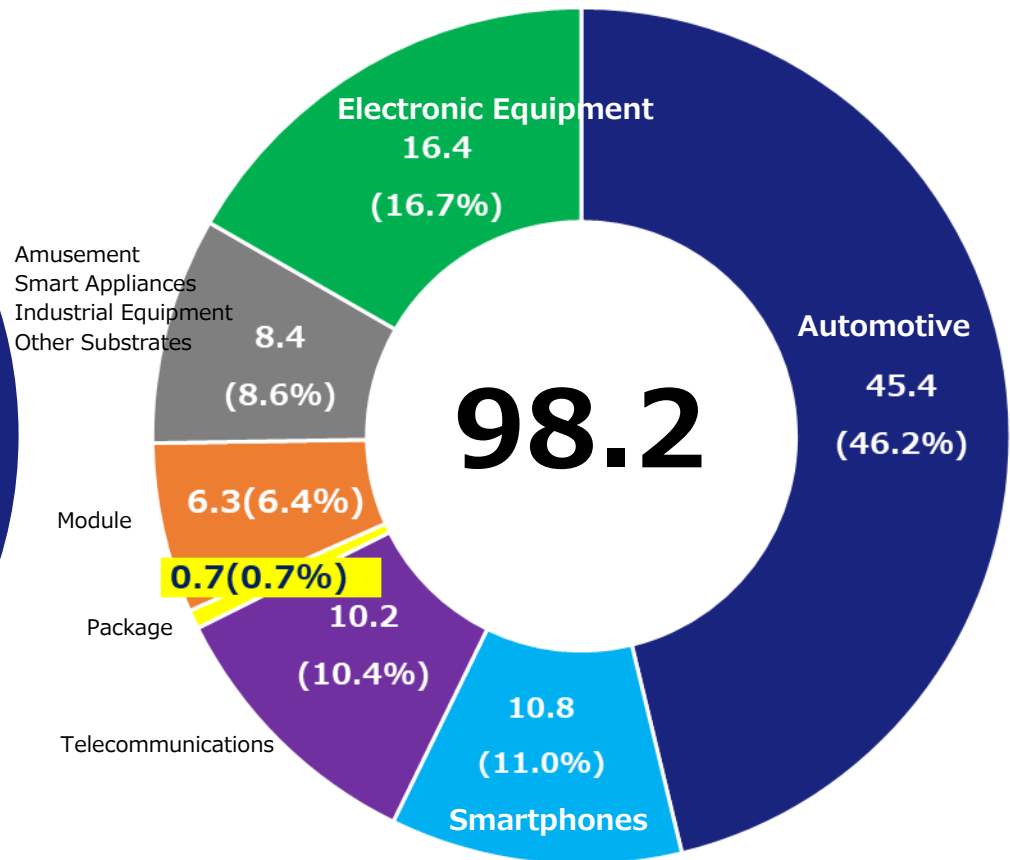
FY2024 Q2 - Net Sales by Product Application

(billion yen)

FY2023 Q2



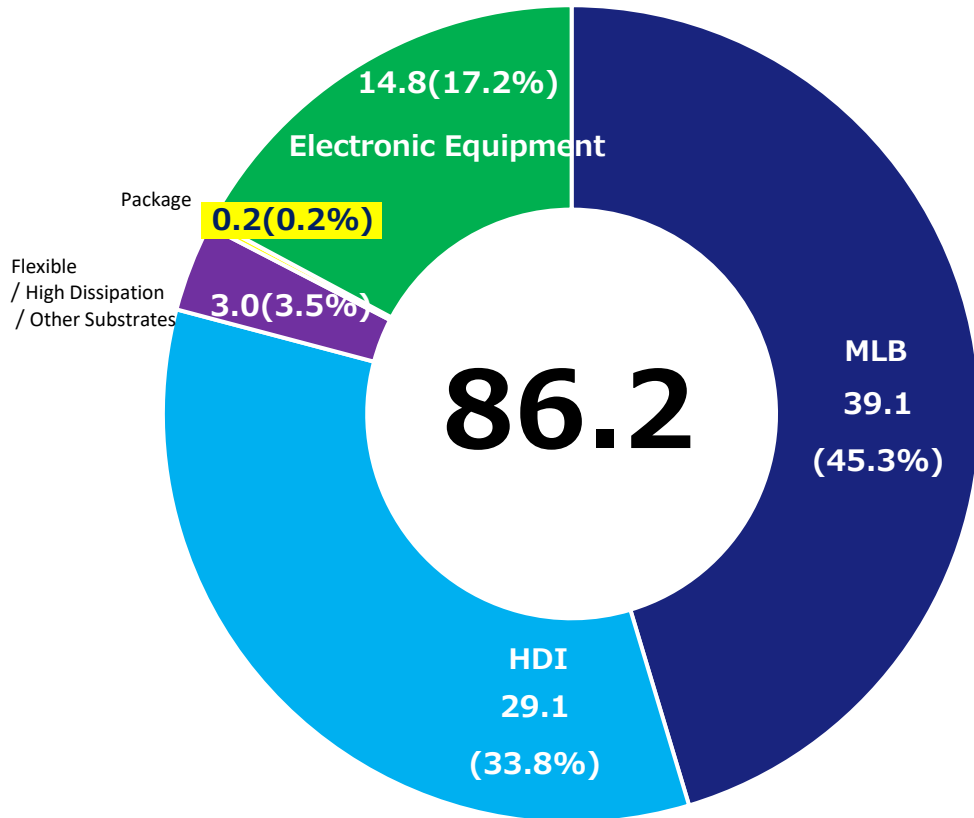
FY2024 Q2



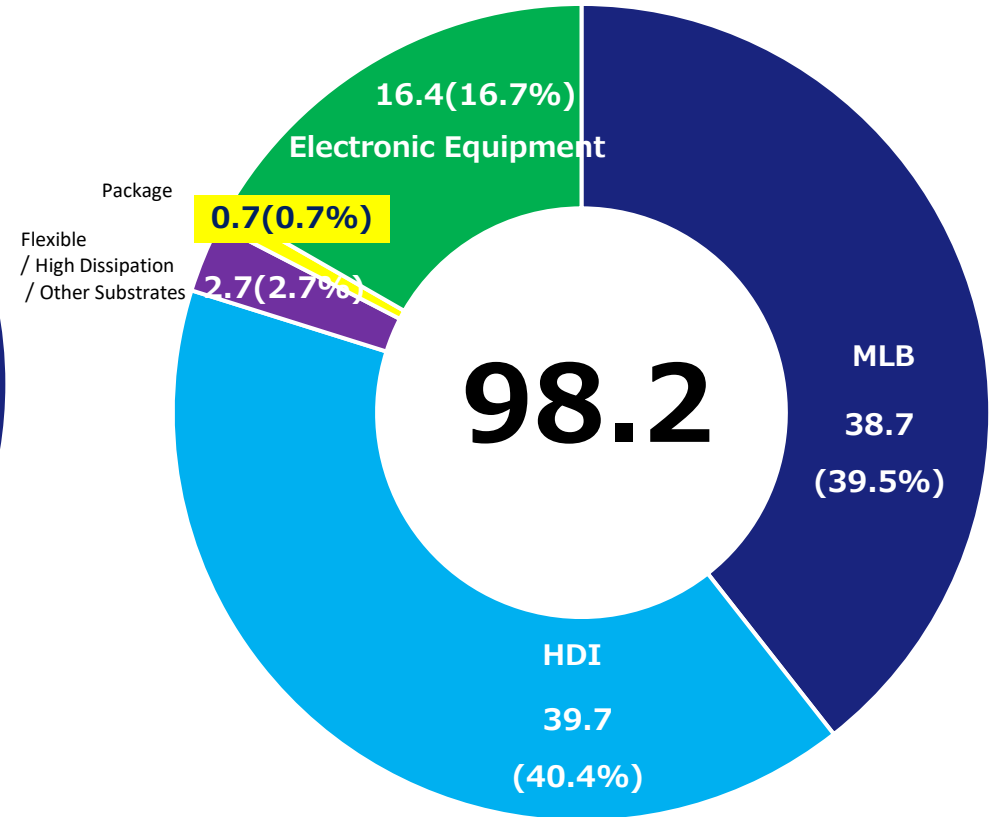
FY2024 Q2 - Net Sales by Product Specification

(billion yen)

FY2023 Q2



FY2024 Q2



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FY2024 Full year (forecast)

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New business initiatives

FY2024 2nd Half/Full Year-Forecast

(billion yen)

	FY2023	FY2024		Year-on-year	
	Full Year Result	2nd Half Forecast	Full Year Forecast	Difference	(%)
Net Sales	179.5	98.8	197.0	17.5	9.8%
Operating Income	11.7 6.5%	9.7 9.8%	19.0 9.6%	7.3	62.9%
Ordinary Income	14.3 8.0%	9.5 9.6%	17.5 8.9%	3.2	22.7%
Net Income	11.3 6.3%	8.7 8.8%	15.0 7.6%	3.7	32.6%
Average FX rate (JPY/USD)	145.3	145	148.73		
Dividend per share	68 yen	40 yen	80 yen		

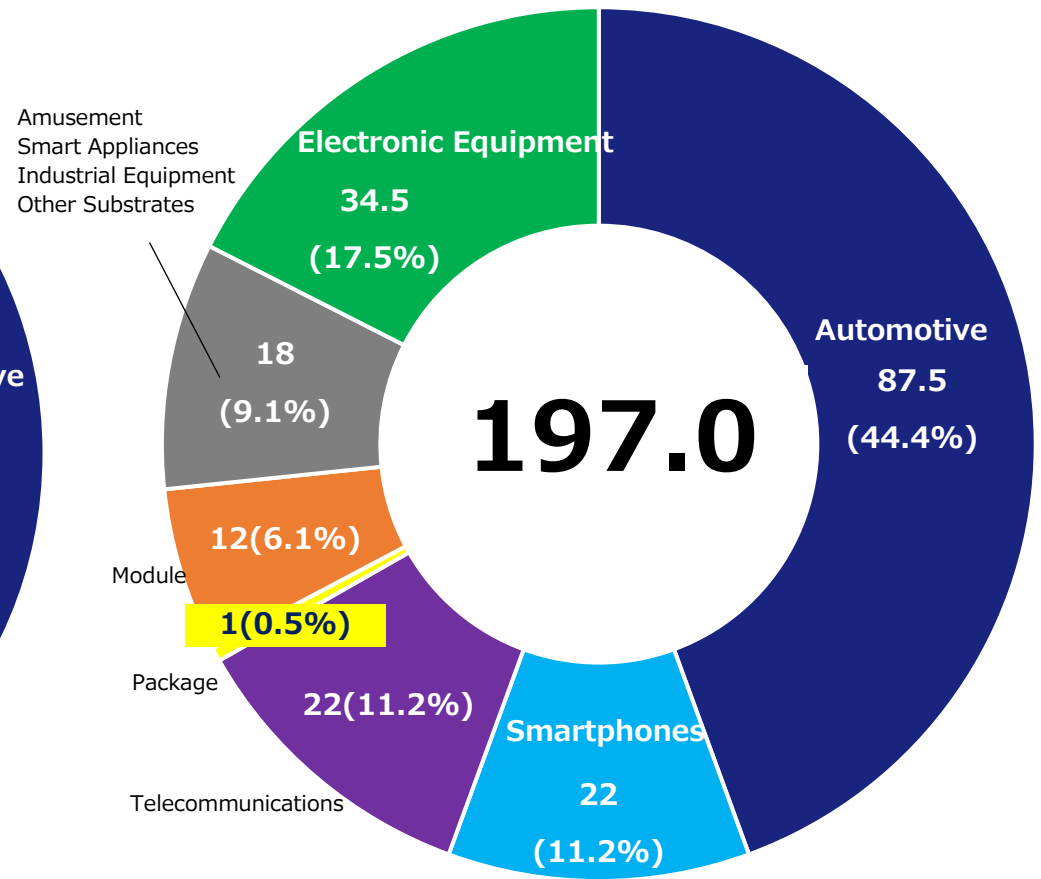
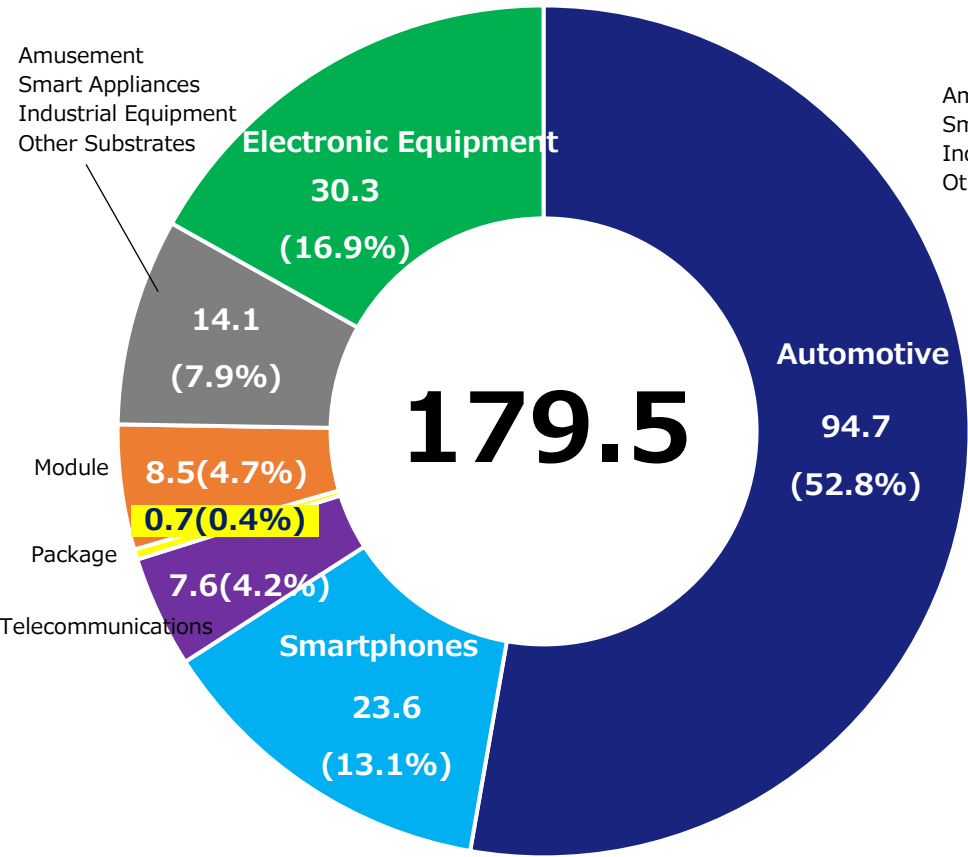
FY2024 target: Record high sales, income, and dividend per share

FY2024 Forecast - Net Sales by Product Application

(billion yen)

FY2023 Result

FY2024 Forecast



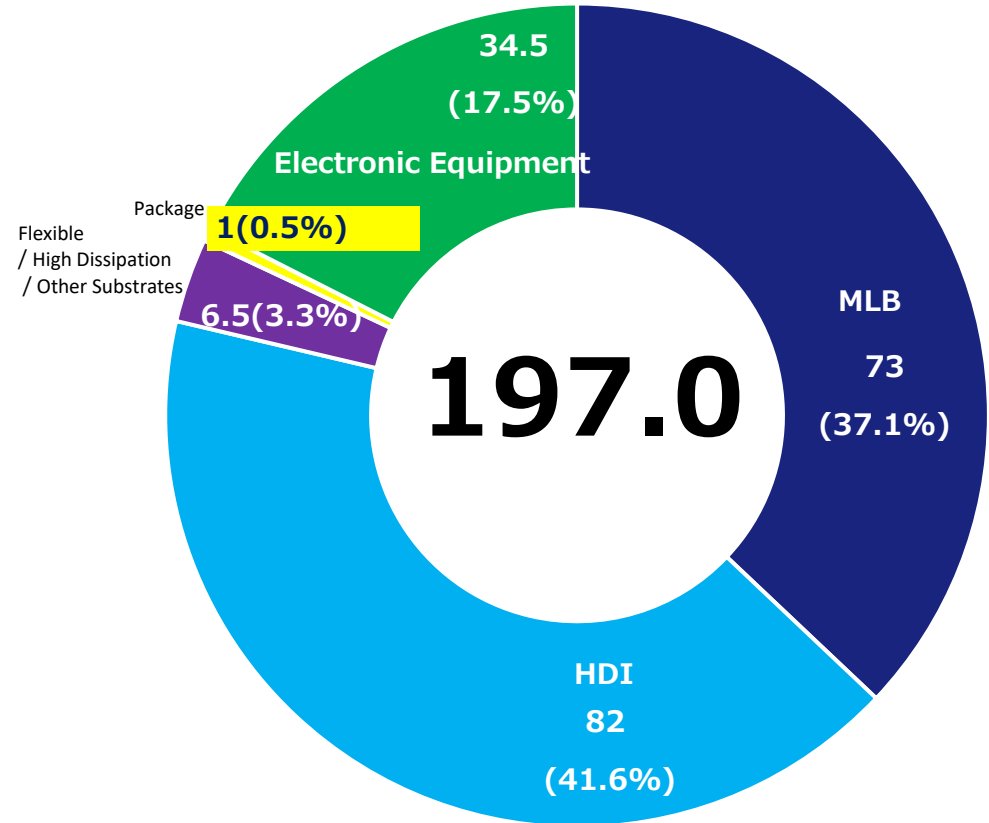
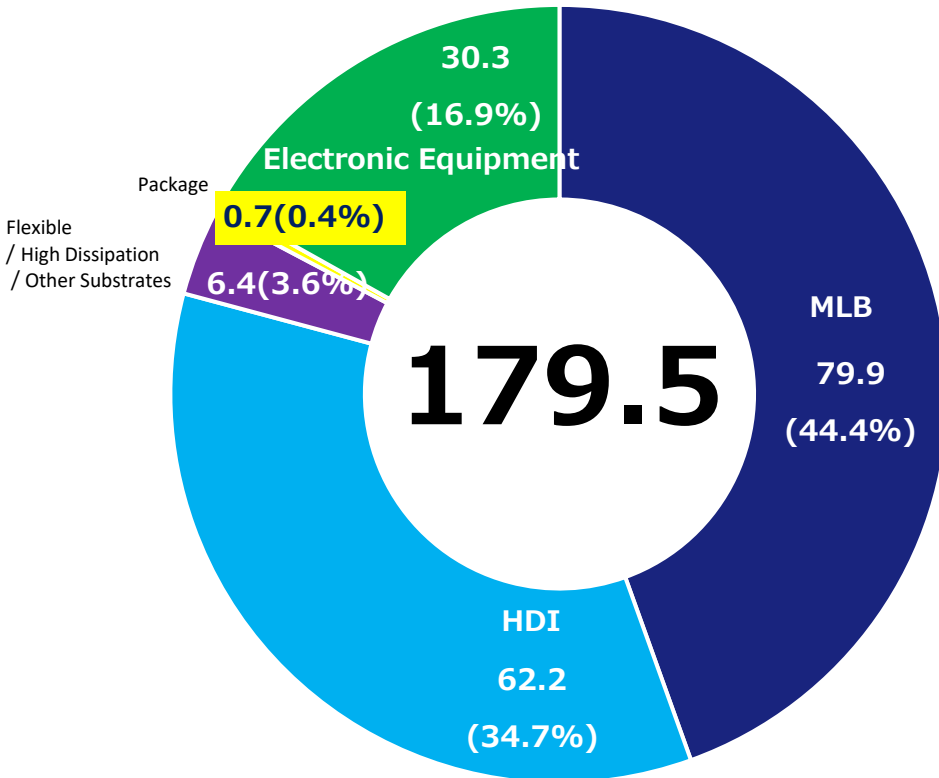
Automotive: Significant year-on-year decrease

FY2024 Forecast - Net Sales by Product Specification

(billion yen)

FY2023 Result

FY2024 Forecast



1. MLB: Substantial decline → HDI: Marked rise
2. Capex: A large portion of Capex 92.4 billion yen has been allocated to HDI in the last 5 years. It proved successful.
3. Going forward, invest in high-resolution, multi-layer, and high-speed substrates.

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FY2024 Q2 (result)

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FY2024 Full year (forecast)

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**Initiatives to enhance
corporate value**

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New business initiatives

Initiatives to Enhance Corporate Value

(billion yen)

1. We will continue to increase sales and profits through investments in facilities and R&D.
2. We will work towards strengthening our balanced financial positions.
3. We aim for a consolidated dividend payout ratio of 15%.
4. We will work to expand profits and enhance shareholder value and dividends.

	FY2020 (result)	FY2021 (result)	FY2022 (result)	FY2023 (result)	FY2024 (forecast)	FY2024/FY2020
Net sales	119.3	151.3	167.3	179.5	197.0	x 1.7
Operating income	6.7	13.3	9.6	11.7	19.0	x 2.8
Operating income margin	5.6%	8.8%	5.7%	6.5%	9.6%	x 1.7
Net income	4.6	11.5	8.8	11.3	15.0	x 3.3
Capex	10.7	14.4	17.4	19.9	30.0	x 2.8
R&D expenditure	1.4	3.0	4.5	5.3	5.5	x 3.9
EBITDA	14.1	21.3	19.7	22.8	31.8	x 2.3
Net Assets	40.6	58.7	84.5	105.4	113.0	x 2.8
Equity ratio	28.5%	34.7%	38.2%	42.7%	42.6%	x 1.5
ROE	11.4%	19.5%	10.5%	10.7%	13.4%	x 1.2
Stock price	2,687 yen	4,055 yen	2,922 yen	5,420 yen	8,290 yen*	x 3.1
Market capitalization	72.0	108.7	78.3	145.3	222.2*	x 3.1
PER	x 15.08	x 9.08	x 8.47	x 12.29	x 14.18*	x 0.9
PBR	x 1.73	x 1.78	x 0.97	x 1.32	x 2.20*	x 1.3
Dividend per share	20 yen	45 yen	55 yen	68 yen	80 yen	x 4
Dividend payout ratio	11.3%	10.1%	16.2%	15.9%	13.7%	

*as of Nov. 11, 2024

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FY2024 Full year (forecast)

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**Initiatives to enhance
corporate value**

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New business initiatives

New Business Initiatives - Package Substrates

(billion yen)

Manufacturing Sites

Ishinomaki Factory #2

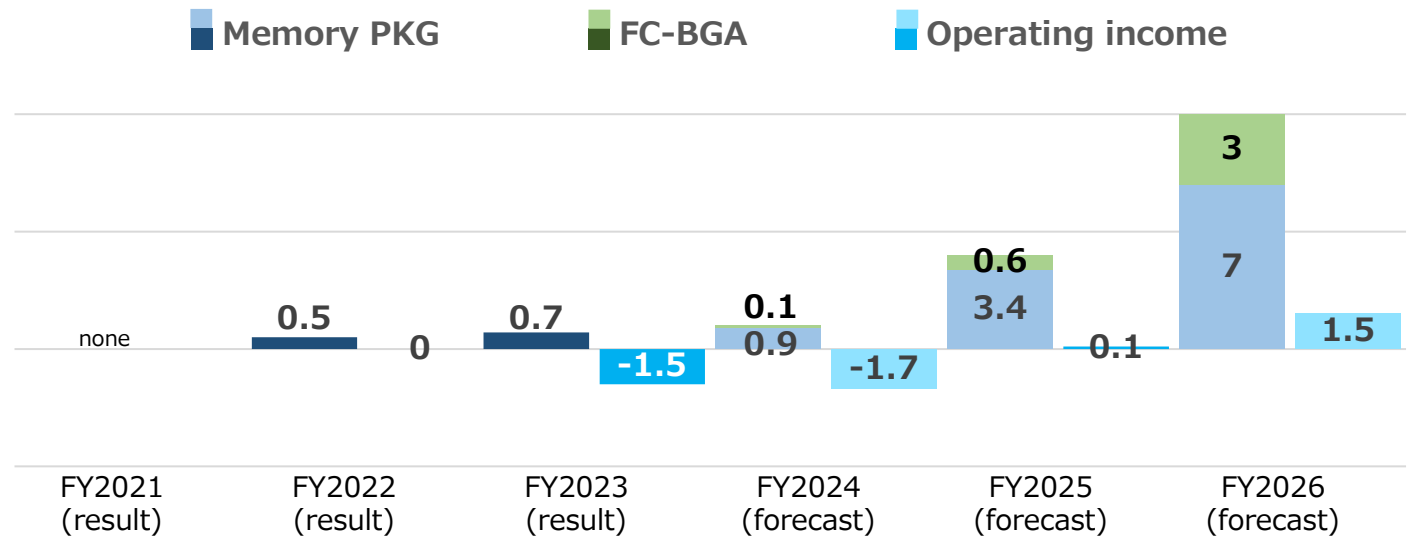


Ishinomaki, Miyagi Pref.

Vietnam Plant #3



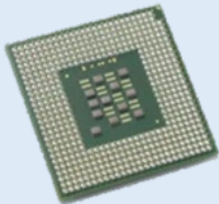
Hanoi, Vietnam



Mass production of memory packages starts up in the second half of FY2024.

Products

● FC-BGA Substrate

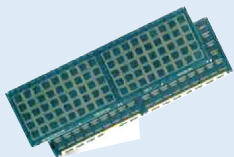


- Package substrates using the SAP technology
- Ultra-fine wire with L/S=12/12 μm or less
- Support for high-layer, large-size PKG



Applications
Logic semiconductors for consumer and automotive

● Memory Package Substrate



- Fine wiring with L/S=25/25um or less using MSAP
- Ultra-thin substrates of 0.1 mm or less

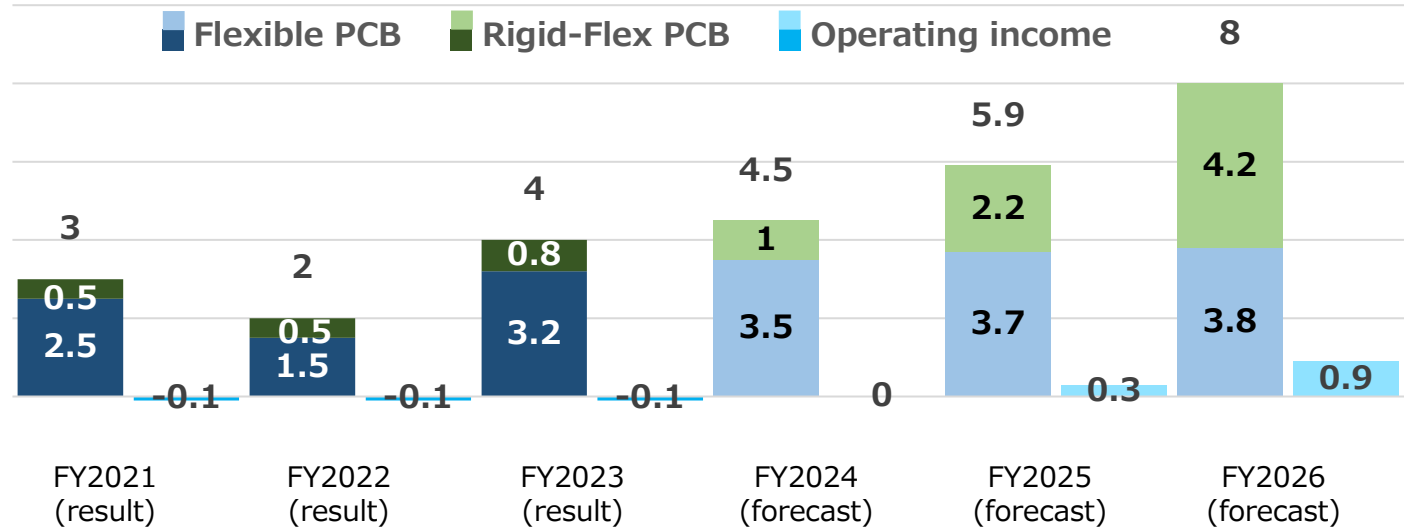


Applications
Memory packages

New Business Initiatives - Flexible PCB

(billion yen)

Manufacturing Sites



Expand the sales of highly profitable Rigid-Flex PCB

Products

Flexible PCB



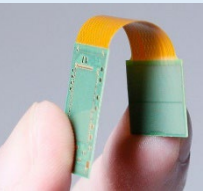
- Single sided
- Double sided
- Multi Layer



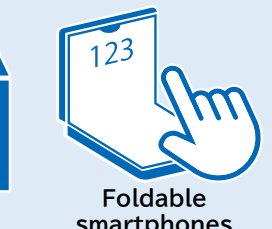
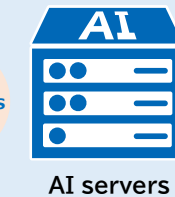
- Space saving through flexibility
- Thinner and lighter



Rigid-Flex PCB



- Connectorless
- Space saving
- High-speed transmission characteristics
- Mounting efficiency



New Business Initiatives – Electronic Equipment Business (billion yen)

Industrial/Imaging Equipment

Started business in 1978



Strengthen Mechatronics business

Established Meiko Automation in Sep. 2019

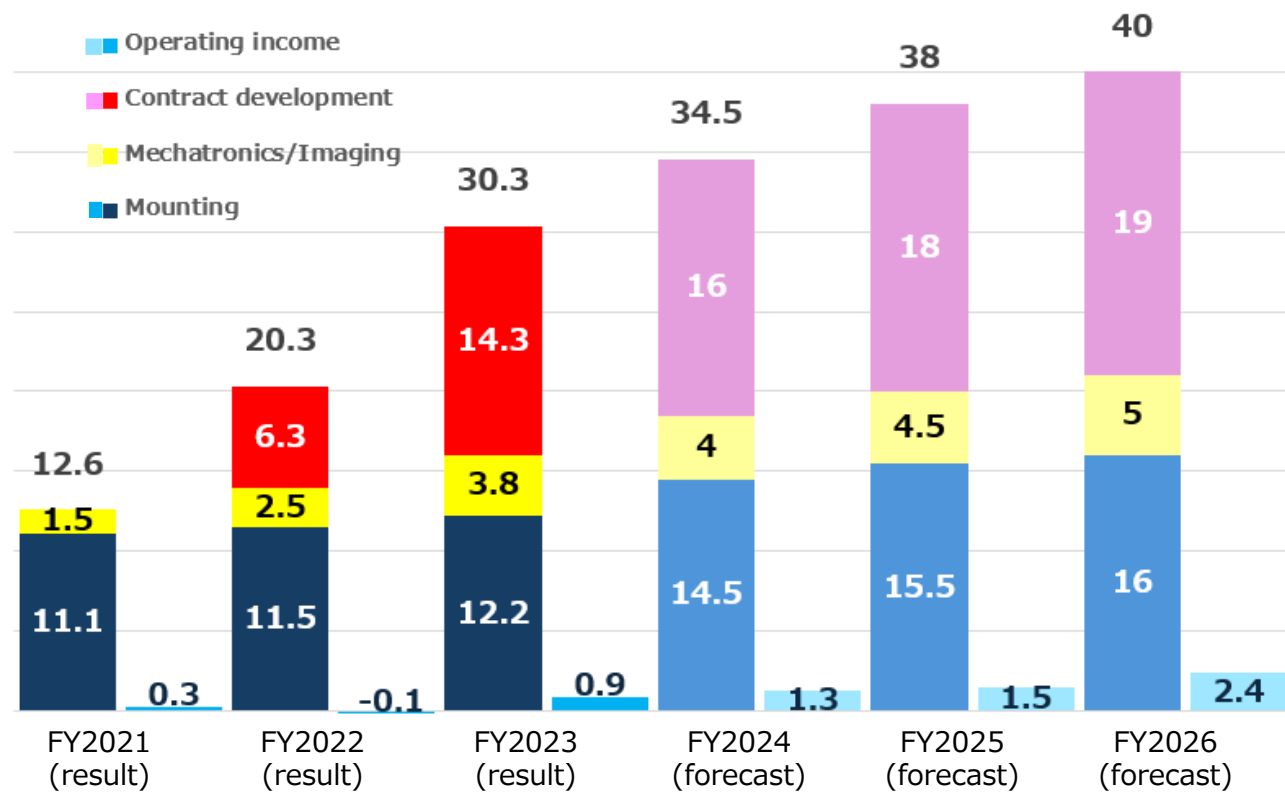
Expand business through M&A

Acquired Towada Vietnam in Oct. 2019



Strengthen development functions through M&A

Acquired NEC Embedded Products in Oct. 2022



Strategic Direction

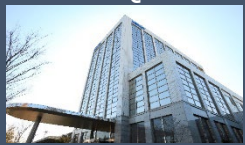
Expand business and increase revenues through one stop solution (collaboration between development and PCB business)

FY2022~FY2026 target: CAGR 33%

New Business Initiatives – Electronic Equipment Business

Development Sites

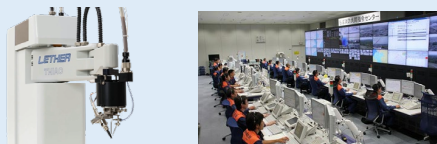
Meiko HQ



Ayase, Kanagawa Pref.

- **Product development**
 - Mechatronics
 - FA equipment
 - Imaging equipment

Employee 51
Development engineers 23



Meiko Electronic Development



Yonezawa, Yamagata Pref.

- **Product development**
 - Camera modules
 - Wireless modules
 - LCD control module

Employee 207
Development engineers 75



Meiko Automation



Hanoi, Vietnam

- **Product development**
 - Autonomous AGV
 - Automated equipment

Employee 120
Development engineers 95



Meiko Electronic Manufacturing



Nanyo, Yamagata Pref.

Clean room assembly

SMT lines 6 lines
Assembly area 2,000m²
Mounting count 100 million/month
Employee 140

Meiko Vietnam Plant #1



Hanoi, Vietnam

Automotive camera modules
150,000 units/month

SMT lines 14 lines
Assembly area 2,500m²
Mounting count 1.3 billion/month
Employee 250

Meiko Hai Duong Plant



Hai Duong, Vietnam

Module for appliances
Communication modules
1,500,000 units/month

SMT lines 11 lines
Assembly area 2,900m²
Mounting count 600 million/month
Employee 483

Manufacturing Sites

Appendix

Segments have been revised to align our sales strategies going forward.

New segment	Application	Previous segment
Automotive	Automotive (no change)	Automotive
Smartphones	Smartphones	Smartphone/Tablet
Telecommunications	Satellite communications	Satellite communication
	Telecommunications	AI appliances/Amusement/Industrial equipment/Others
	Computers and peripherals	AI appliances/Amusement/Industrial equipment/Others
	Tablet PC	Smartphones/Tablets
Semiconductor PKG/Modules	Semiconductor PKG/Module substrates	Semiconductor PKG
	Module PCB	SSD/IoT
Smart Appliance/Amusement/Industrial equipment/others	Change from AI appliances to Smart appliances	AI appliances/Amusement/Industrial equipment/Others

FY2024 Q1 sales by product application under the new segments (billion yen)

Automotive	23.0
Smartphones	5.5
Telecommunications	2.8
Semiconductor package	0.4
Module Substrates	3.4
AI appliances/Amusement/Industrial equipment/Others	3.8
Electronic equipment business	8.1
Total	47.0