

The background of the slide is a dark blue field filled with a complex, glowing pattern of particles and lines. The particles are arranged in a way that suggests a wave or a field of energy, with some areas being more densely packed and brighter than others. The overall effect is one of high-tech, futuristic, or scientific precision.

**World-Class Manufacturing**

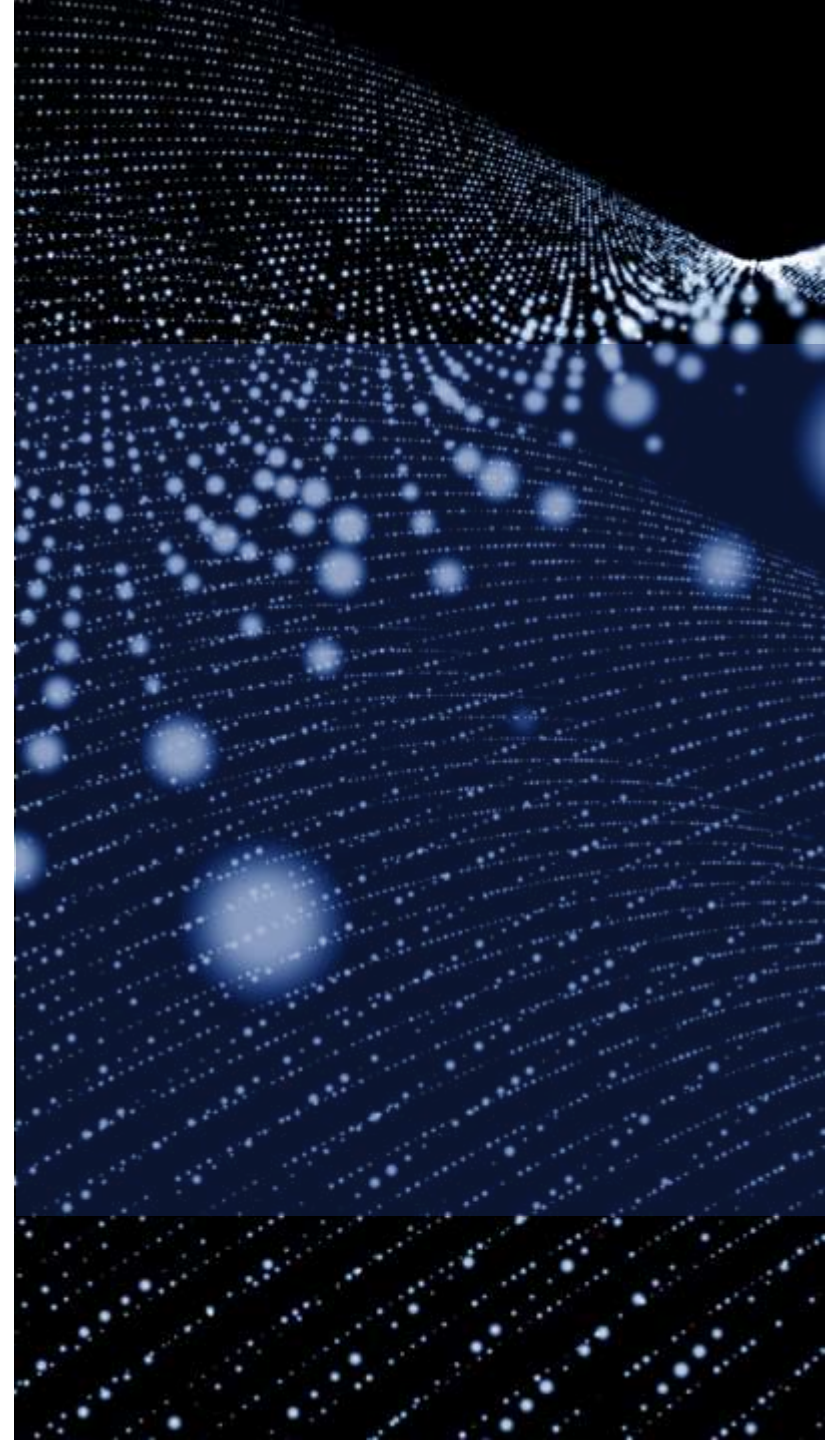
# **Financial Results Materials Third Quarter of FY12/2024**

Kohoku Kogyo is a leading manufacturer of lead terminals for aluminum electrolytic capacitors and parts for submarine optical communication.

**Kohoku Kogyo Co., Ltd.**  
November 8, 2024

# Index

- I. Financial Summary for the First  
Three Quarters of FY12/2024  
Financial Forecast for FY12/2024 ..... P. 2
- II. Situation by Segment in Third  
Quarter of FY12/2024 ..... P. 13
- III. Reference Information ..... P. 32





**I . Financial Summary for the First Three Quarters of FY12/2024**  
**Financial Forecast for FY12/2024**

# Highlights of the First Three Quarters of FY12/2024

- The recovery trend continued in Q3 following Q2, but the recovery remains weak. Q4 is expected to be a temporary adjustment phase.
- Regarding the Lead Terminals Business, the demand in the automotive market seems to be stagnant. Another period of adjustment is expected in Q4.
- Regarding the Optical Components and Devices Business, sales through the first three quarters exceeded the plan due to inventory adjustments being completed and investment resumption in the submarine cable market. A rebound decline is expected in Q4, but inquiries are strong toward 2025.

## ● Business Environment

- In the automotive electronics market has seen the spread of environmentally friendly vehicles and the advancement of functionalities as exemplified by ADAS. However, overall automobile production remains sluggish especially in Europe, and the aluminum electrolytic capacitor market is entering adjustments phase again. Some of the plans to increase production of hybrid capacitors have been postponed.
- The information and telecommunications equipment market has shifted from an adjustment phase to positive growth due to expanding IT demand from companies etc., but the recovery is still weak.
- Inquiries for products in the submarine cable market increased toward the second half of 2025 due to the announcement of new submarine cable projects and other factors.

## ● Performance (Q3 Cumulative)

- Sales increased 17.2% (1,782 million yen) year on year, exceeding the plan by 0.8% (101 million yen).
- Operating profit increased 38.3% (879 million yen) year on year, exceeding the plan by 5.5% (165 million yen).

# Income Statement (First Three Quarters) Summary

Both of the two main businesses have recovered significantly since bottoming out, with sales and operating profit increasing 17.2% and 38.3%, respectively year on year.

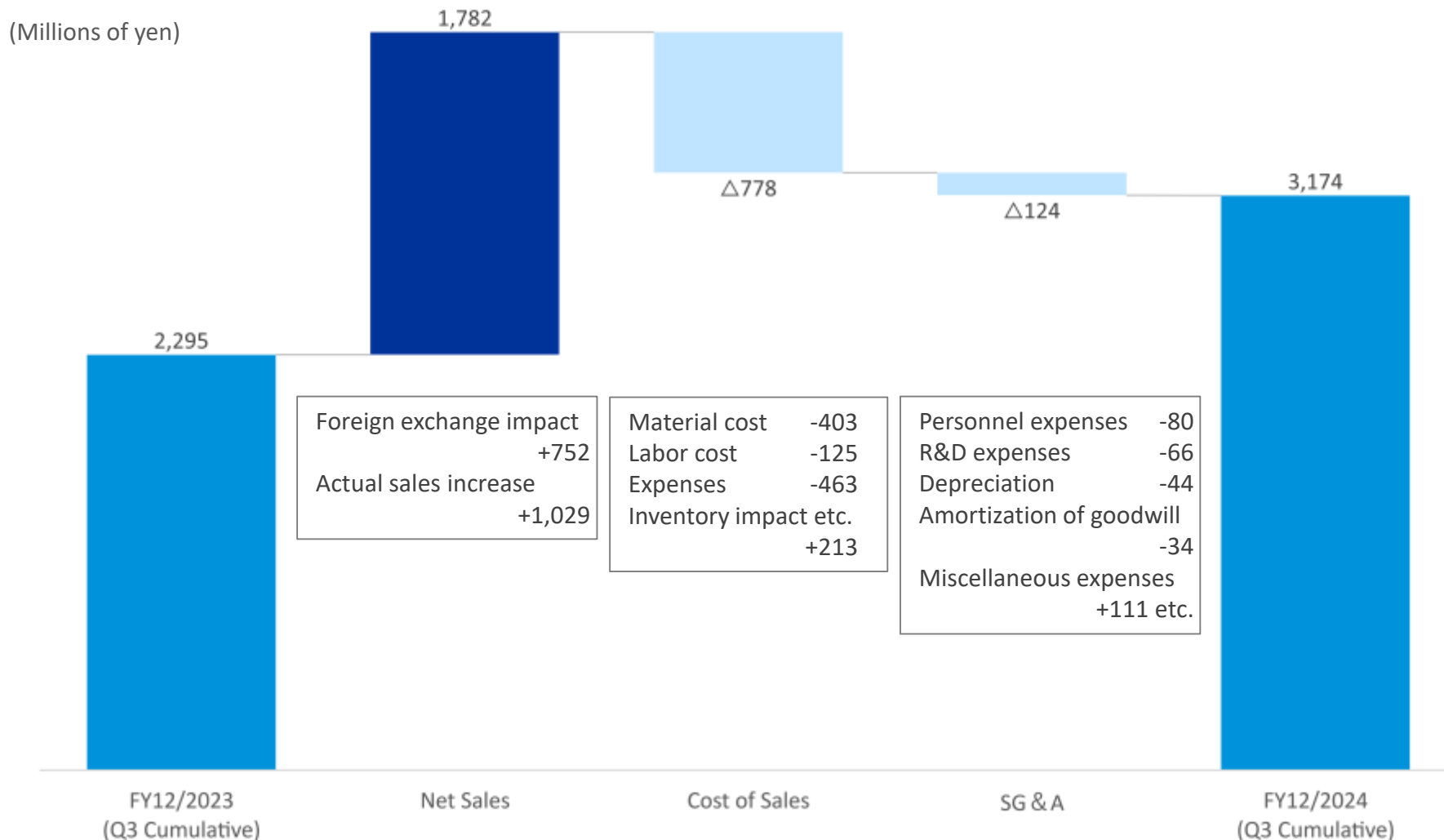
(Millions of yen)

	FY12/2023	FY12/2024			FY12/2024				
	Q3 cumulative (Jan–Sep)	Q3 cumulative (Jan–Sep)	YoY change		Q1 (Jan–Mar)	Q2 (Apr–Jun)	Q3 (Jul–Sep)	QoQ change	
Net sales	10,355	12,137	+1,782	+17.2%	3,413	4,294	4,430	+135	+3.2%
Lead Terminals Business	5,580	6,285	+704	+12.6%	1,929	2,157	2,198	+41	+1.9%
Optical Components and Devices Business	4,774	5,852	+1,078	+22.6%	1,484	2,136	2,231	+94	+4.4%
Operating profit	2,295	3,174	+879	+38.3%	635	1,152	1,385	+232	+20.2%
<i>Operating margin ratio</i>	22.2%	26.2%	+4.0pt	—	18.6%	26.8%	31.3%	+4.4pt	—
Lead Terminals Business	61	296	+234	+382.6%	-13	132	177	+44	+33.6%
Optical Components and Devices Business	2,233	2,878	+644	+28.8%	649	1,020	1,208	+188	+18.5%
Ordinary profit	2,973	3,326	+353	+11.9%	1,130	1,622	572	-1,050	-64.7%
Profit attributable to owners of parent	1,723	2,224	+500	+29.1%	724	1,066	433	-633	-59.4%
Exchange rate (average for the period)	138.24yen/\$	151.45yen/\$			148.62yen/\$	155.86yen/\$	149.69yen/\$		

- Sales and operating profit for Q3 exceeded the revised plan.
- Ordinary profit and quarterly net Income were lower than planned due to deterioration of non-operating income and expenses caused by the yen's appreciation.

# Factors of Increase/Decrease in Operating profit for the First Three Quarters (YoY basis)

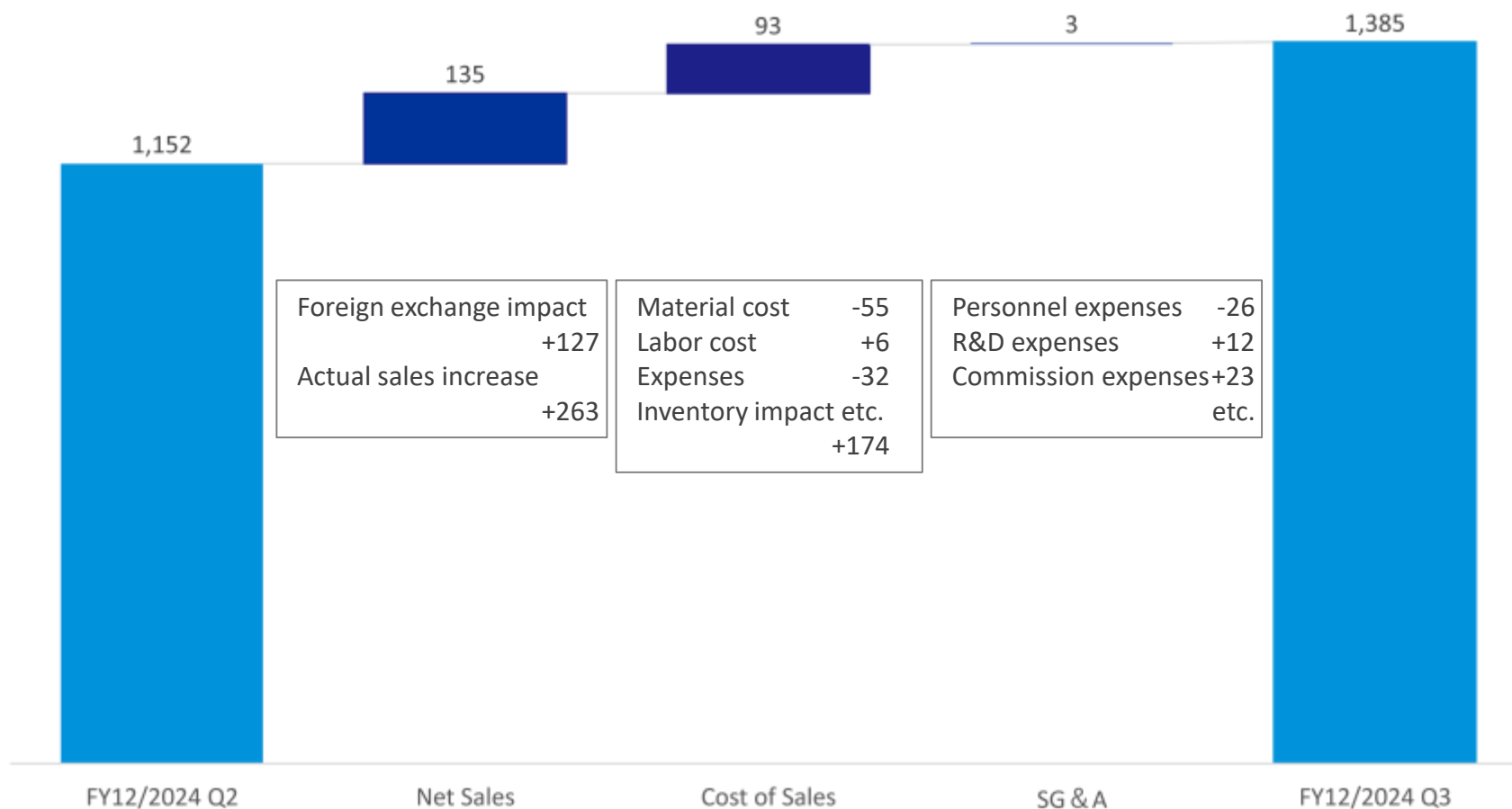
Significant increase in sales absorbed the increase in material costs and other costs, resulting in a large increase in profits of 38.3% year on year.



# Factors of Increase/Decrease in Operating profit for Q3(Jul-Sep) (QoQ basis)

In addition to increased sales, inventory buildup led to a 20.2% increase in profits quarter on quarter.

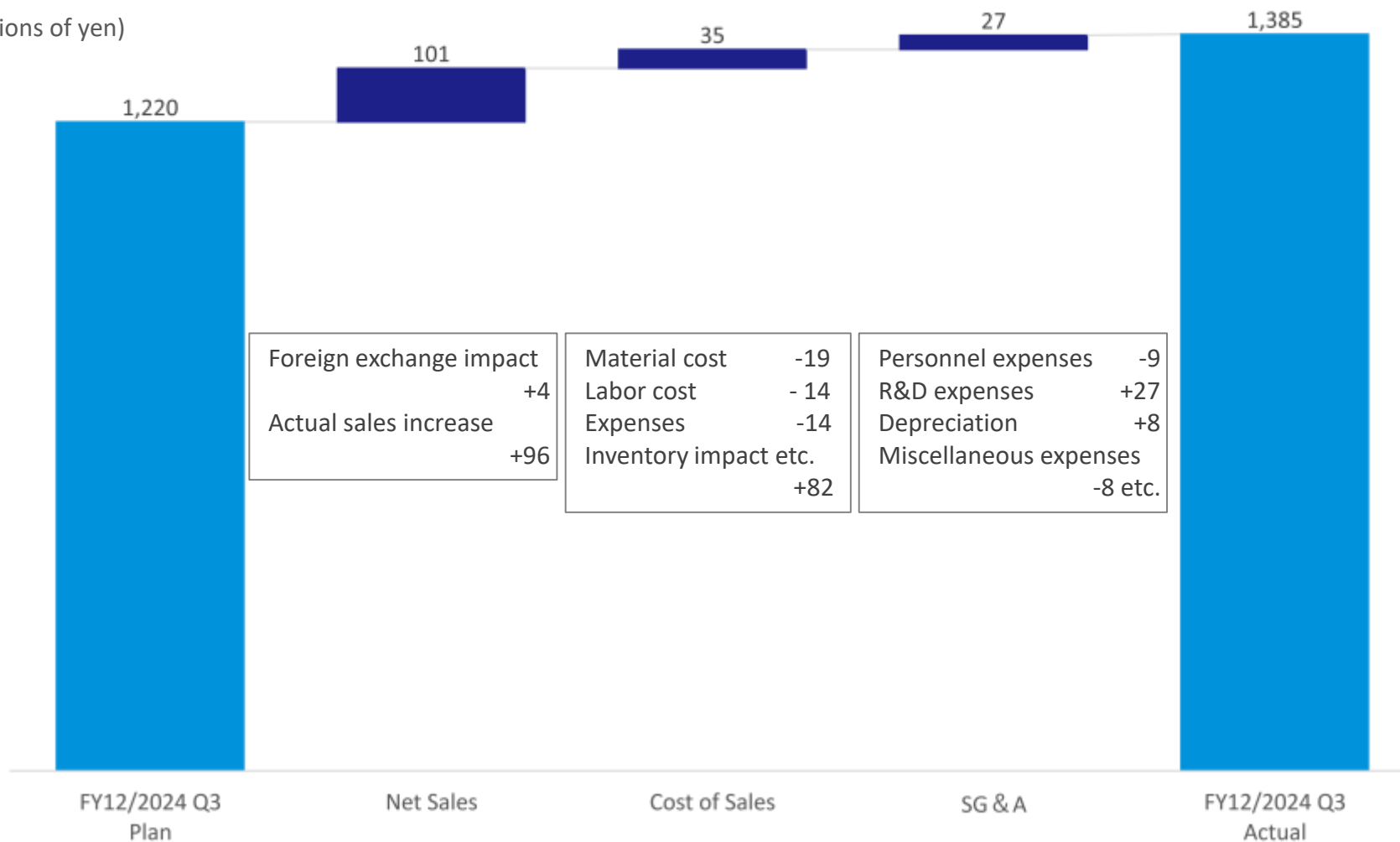
(Millions of yen)



# Factors of Increase/Decrease in Operating profit for Q3(Jul-Sep) (vs. Plan)

Operating profit for Q3 (July to September) increased 13.5% compared to the plan due to increased sales and cost reductions.

(Millions of yen)

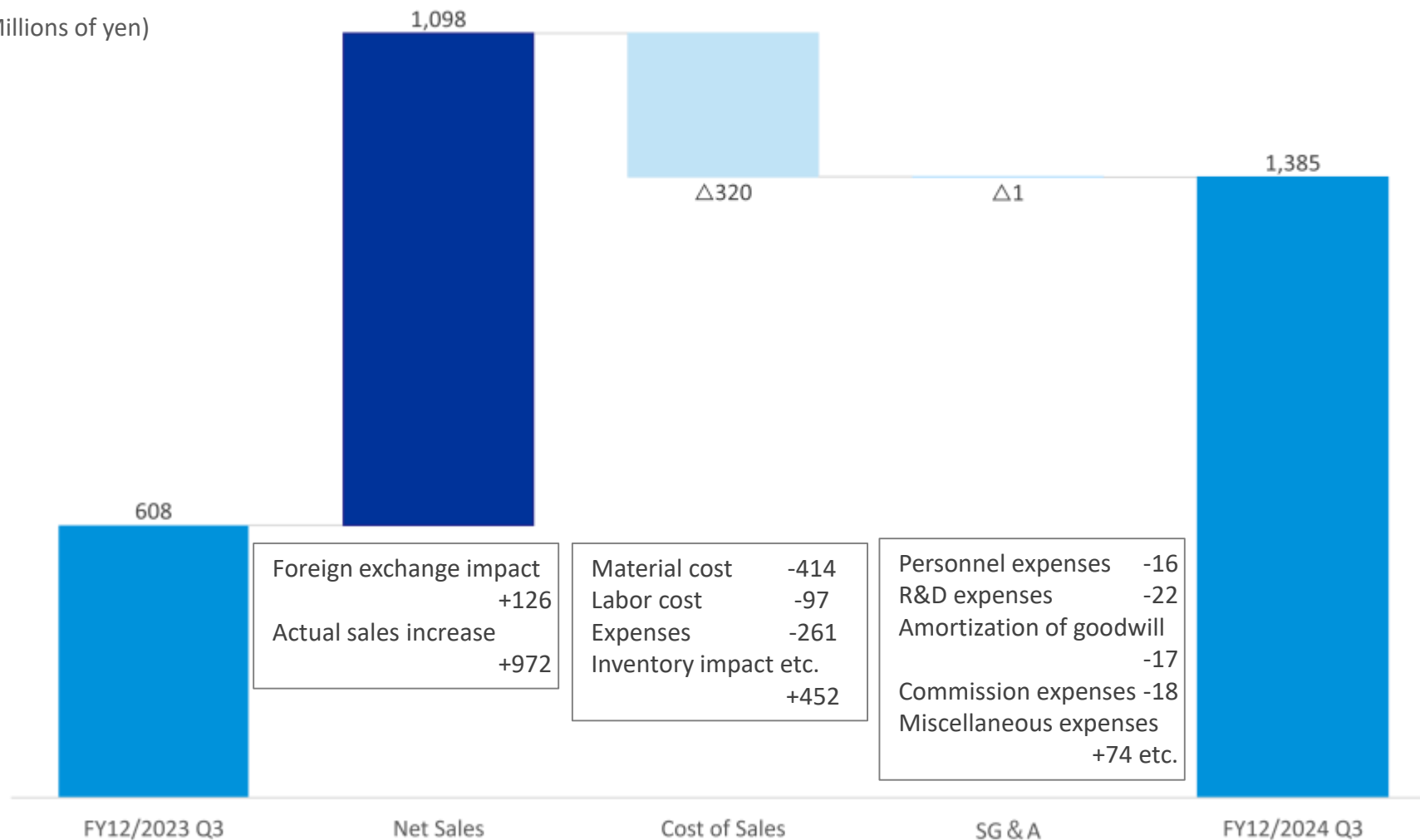




# Factors of Increase/Decrease in Operating profit for Q3(Jul-Sep) (YoY basis)

Sales increased 33.0% year on year, absorbing the increase in costs, mainly material costs. As a result, operating profit increased 127.6% year on year.

(Millions of yen)



# Summary of Balance Sheet(Q3)

(Millions of yen)

Balance Sheet	End of FY12/2023	End of Q3 FY12/2024	Increase /decrease	Major changes
Current assets	16,735	17,982	+1,247	Accounts receivable - trade +979 Raw materials and supplies +237 etc.
Non-current assets	8,237	8,872	+635	Machinery, equipment and vehicles +98 Goodwill +308 Intangible assets and others +156 etc.
Total assets	24,973	26,855	+1,882	
Current liabilities	2,522	2,758	+235	Accounts payable - trade +278 Income taxes payable +257 Current portion of long-term borrowings -246 Provision for bonuses +185 Short-term borrowings -196 etc.
Non-current liabilities	2,391	2,189	-201	Long-term borrowings -208 etc.
Total liabilities	4,913	4,948	+34	
Total net assets	20,059	21,907	+1,848	Retained earnings +1,684 Foreign currency translation adjustment +192 etc.
Total liabilities and net assets	24,973	26,855	+1,882	

# Financial Forecast for FY12/2024

No change from the forecast as of August 2024.

Sales for Q3 were higher than the plan, but are expected to decline in Q4 due to a rebound.

(Millions of yen)

<Exchange Rate Sensitivity> Net Sales 80 million yen/1 yen Operating profit 30 million yen/1 yen	FY12/2023	FY12/2024 (full-year)			
	Actual	Initial Forecast	Revised Forecast (Aug)	Revised Forecast vs. Previous Fiscal Year Results	
Net sales	13,472	14,536	16,376	+2,904	+21.6%
Lead Terminals Business	7,400	7,868	8,456	+1,055	+14.3%
Optical Components and Devices Business	6,071	6,667	7,920	+1,848	+30.4%
Operating profit	2,812	3,243	4,098	+1,286	+45.7%
<i>Operating margin ratio</i>	20.9%	22.3%	25.0%	+4.1pt	—
Lead Terminals Business	44	257	272	+228	+508.4%
Optical Components and Devices Business	2,767	2,986	3,825	+1,058	+38.2%
Ordinary profit	3,152	3,284	4,637	+1,484	+47.1%
Profit attributable to owners of parent	1,904	2,136	3,045	+1,141	+60.0%
Net income per share (yen)	*70.55	79.17	112.8		
Exchange rate (average for the period)	140.66yen/\$	140.00yen/\$	150.00yen/\$	*The exchange rate forecast (150 yen) is an assumed rate for the second half of the fiscal year.	

\*The Company conducted a 1:3 stock split on April 1, 2024. The figures for FY12/2023 have been calculated assuming that such stock split was carried out.

## Current Status and Future Outlook

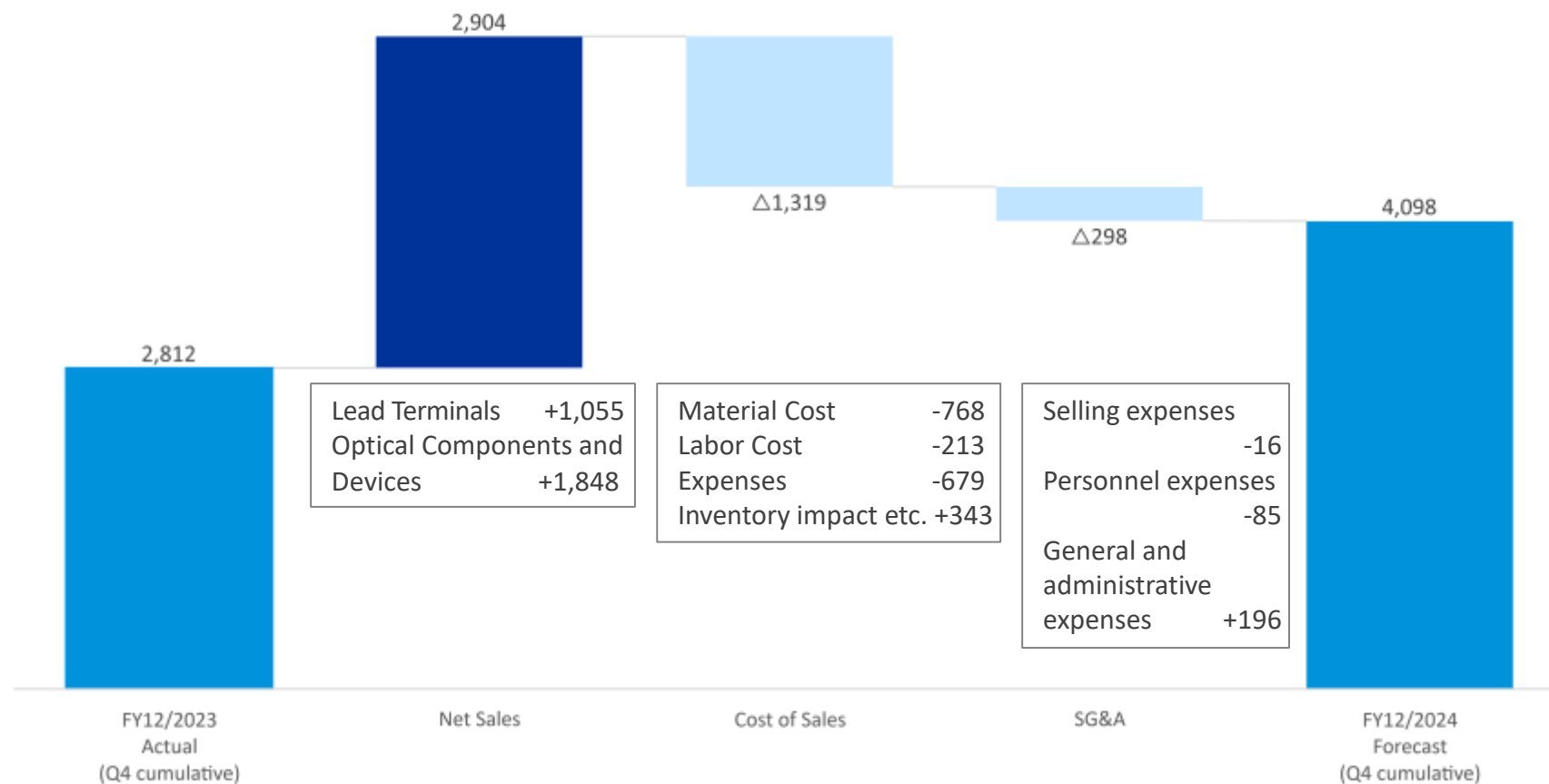
- Lead Terminals Business : Although sales for Q3 were slightly higher than planned, market conditions have been deteriorating since the summer. Operating profit improved compared to the plan due to reductions in selling, general and administrative expenses.
- Optical Components and Devices Business : Sales are expected to decline in Q4, following a rebound from the upturn in the first three quarters.

# Factors of Increase/Decrease in Operating profit (FY12/2024 Forecast)

No changes from the materials disclosed on August 8, 2024

Operating profit is expected to increase due to the recovery of profits in the Optical Components and Devices Business in the second half of 2024.

(Millions of yen)



# Capital Expenditures, Depreciation, and R&D Expenses (First Three Quarters)

Research and development expenses progressed almost in line with the initial plan.

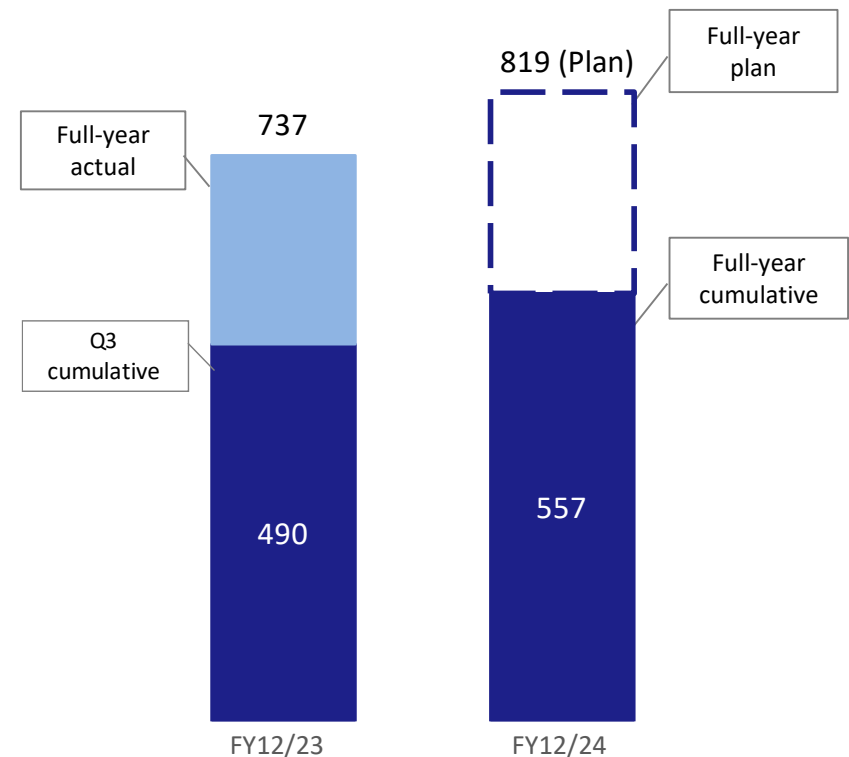
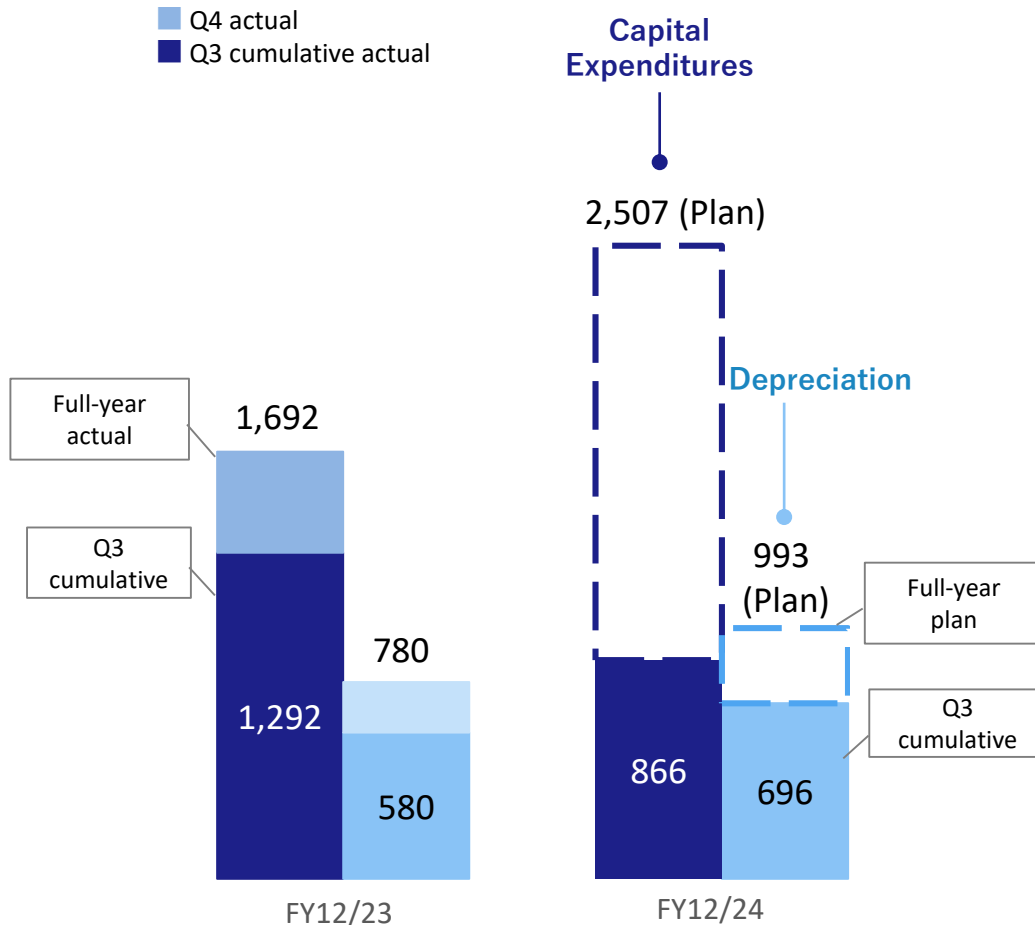
Capital expenditures in the Optical Components and Devices Business has been delayed. Land acquisition in front of Maibara Station (approximately 600 million yen) is scheduled in Q4.

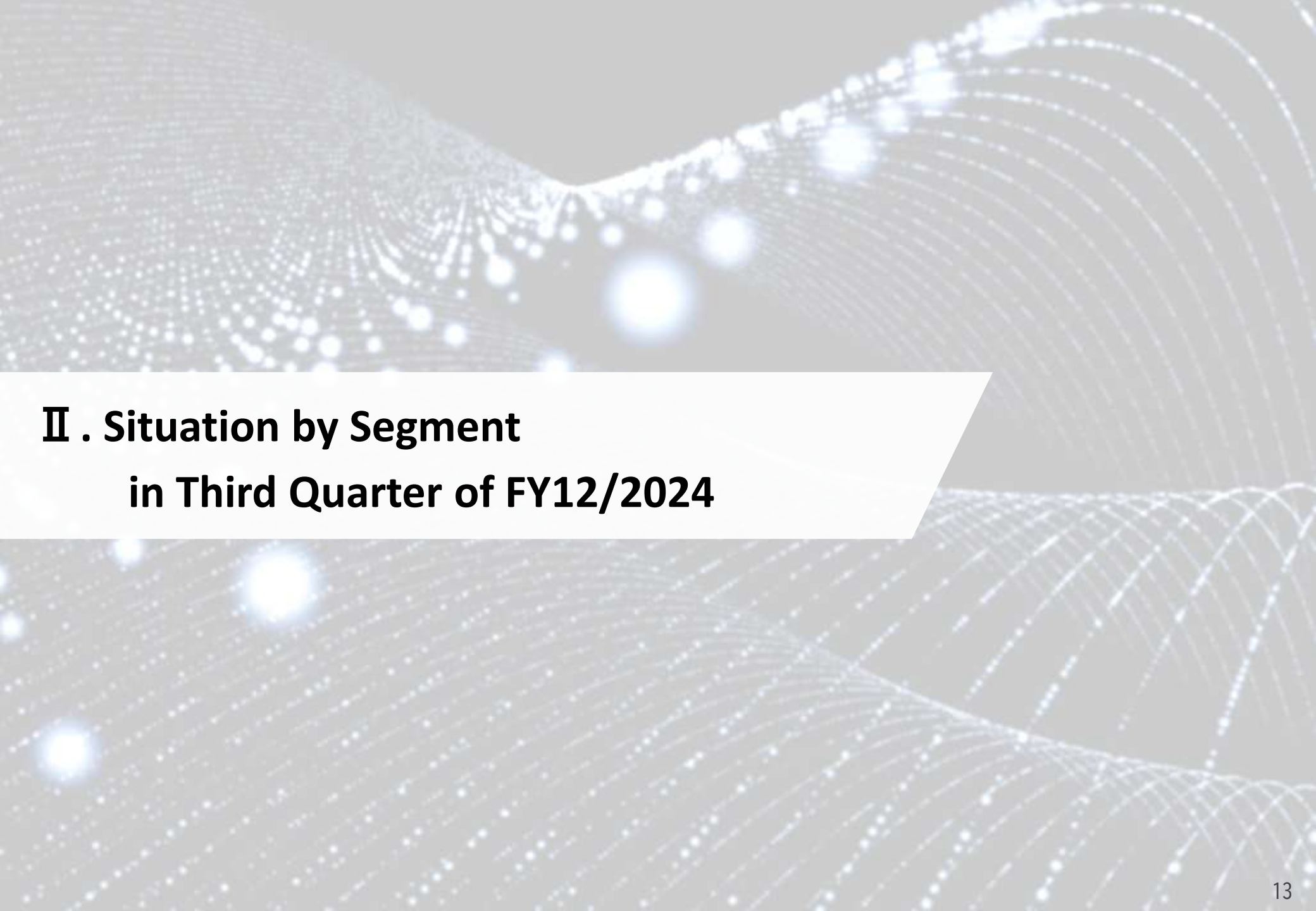
Capital expenditures and depreciation (Millions of yen)

R&D expenses (Millions of yen)

■ Q4 actual  
■ Q3 cumulative actual

■ Q4 actual  
■ Q3 cumulative actual





## **II . Situation by Segment in Third Quarter of FY12/2024**

# Results by Segment (First Three Quarters) - Lead Terminals

Operating margin ratio improved in Q3 (Jul-Sep) as a result of price adjustments for unprofitable products and measures to improve production efficiency.

(Millions of yen)

	FY12/2023	FY12/2024			FY12/2024				
	Q3 cumulative (Jan-Sep)	Q3 cumulative (Jan-Sep)	YoY change		Q1 (Jan-Mar)	Q2 (Apr-Jun)	Q3 (Jul-Sep)	QoQ change	
Net sales	5,580	6,285	+704	+12.6%	1,929	2,157	2,198	+41	+1.9%
Operating profit	61	296	+234	+382.6%	-13	132	177	+44	+33.6%
<i>Operating margin ratio</i>	1.1%	4.7%	+3.6pt	—	-0.7%	6.2%	8.1%	+1.9pt	—

## Overview of FY12/2024 (First Three Quarters)

- **Although sales growth remains slow, profits are showing a recovery trend, as a result of profit improvement efforts**
  - As for the market as a whole, the recovery after bottoming out remains weak. The automotive market is also in an adjustment phase, particularly in Europe and ASEAN.
  - The information and telecommunications equipment market remained strong, including demand for generative AI.
- **Situation of the Company and efforts to improve profitability**
  - The production mismatch that occurred in the first half of the period has been resolved. Thanks in part to inventory buildup, the operating margin ratio showed an improving trend.
  - The results of measures increasing the sales of new products and adjusting prices have become apparent.

# Comparison between Assumption at Beginning of the FY and Now

## – Lead Terminals

### 1. Our perception based on information from customers, market research firms, and other sources

	F12/2024 forecast (Initial comments)	2nd half forecast as of August 2024	Current Status and Future Outlook
(1) Overall aluminum electrolytic capacitor market (mainly Japanese customers)	<ul style="list-style-type: none"> <li>➤ Inventory adjustments are expected to be completed by spring, followed by a recovery.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Inventory adjustments will continue in the industrial machinery market as a whole, automotive market, and some parts of the ICT market, and recovery is expected to remain weak for the time being.</li> </ul>	<ul style="list-style-type: none"> <li>➤ The market is expected to enter an adjustment phase again after a gradual recovery up to Q3. A recovery trend is expected in 2025.</li> </ul>
(2) Trends by application	<ul style="list-style-type: none"> <li>➤ In the automobile market, inventory adjustments were almost complete as of the beginning of the fiscal year. A recovery is expected from spring onwards.</li> <li>➤ Sales of lead terminals for hybrid capacitors for automobiles are expected to triple year on year.</li> <li>➤ The market is expected to head towards recovery in the second half of the year, driven by the ICT market, generative AI market etc.</li> <li>➤ Other information and telecommunications equipment market and the consumer market are expected to recover from inventory adjustments, but demand is expected to remain sluggish.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Gradual recovery is expected, but a major recovery is unlikely due to some inventory adjustments and economic factors.</li> <li>➤ Both Japanese and overseas customers are increasing production, but there is variation depending on the customer.</li> <li>➤ The information and telecommunications equipment market is expected to remain strong against the backdrop of the spread of generative AI.</li> <li>➤ The Company expects the information and telecommunications equipment market to continue to recover, but a full recovery is unlikely due to macro factors.</li> </ul>	<ul style="list-style-type: none"> <li>➤ The market is in an adjustment phase as demand for the ASEAN and European automotive markets remains sluggish. A recovery is expected in 2025.</li> <li>➤ Plans by Japanese capacitor manufacturers to increase hybrid capacitor production are being delayed. Some overseas manufacturers continue to increase their production.</li> <li>➤ The market is strong due to the spread of generative AI and increased investment in data centers.</li> <li>➤ The situation is harsh for industrial equipment product for Europe and China.</li> </ul>



# Comparison between Assumption at Beginning of the FY and Now - Lead Terminals

## 2. Business Environment surrounding the Company

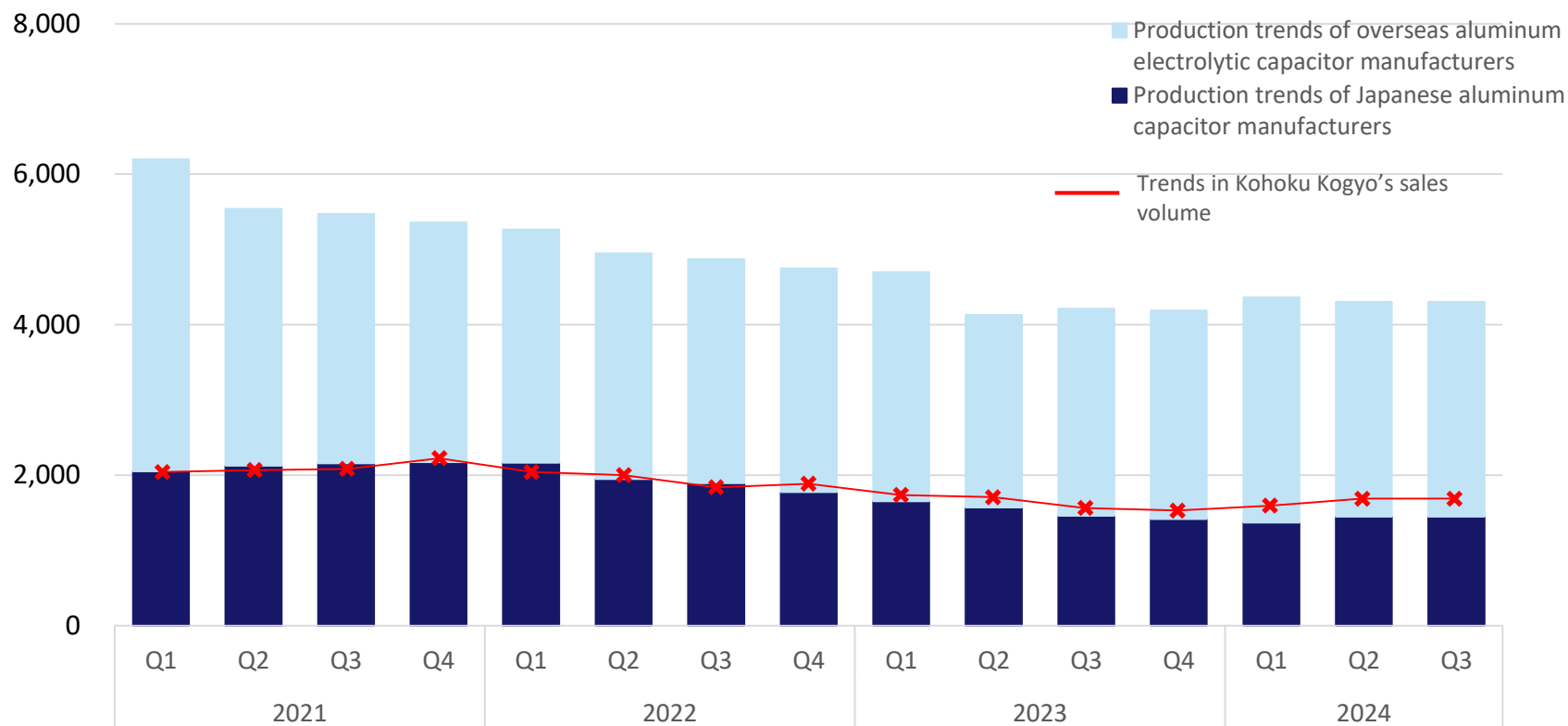
	F12/2024 forecast (Initial comments)	2nd half forecast as of August 2024	Current Status and Future Outlook															
(1) Growing field	<p>➤ Sales forecast of Lead Terminals for high - performance capacitors</p> <p>(Billions of yen)</p> <table border="1"> <caption>Sales Forecast (Billions of yen)</caption> <thead> <tr> <th>Year</th> <th>Solid Capacitors</th> <th>Hybrid type</th> <th>EDLC Capacitors</th> <th>liquid Capacitors</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>~3.5</td> <td>~2.5</td> <td>~1.5</td> <td>~1.5</td> </tr> <tr> <td>2024 (Forecast)</td> <td>~4.5</td> <td>~3.5</td> <td>~4.5</td> <td>~1.5</td> </tr> </tbody> </table>	Year	Solid Capacitors	Hybrid type	EDLC Capacitors	liquid Capacitors	2023	~3.5	~2.5	~1.5	~1.5	2024 (Forecast)	~4.5	~3.5	~4.5	~1.5	<p>➤ Demand for EDLC is increasing globally, led by in-vehicle and smart meter applications.</p> <p>➤ Supporting global production for Japanese customers, etc.</p>	<p>➤ Growth in sales of products for EDLCs is expected to slow partially due to the slowdown in the Chinese real estate market and other factors.</p> <p>➤ Overseas capacitor manufacturers are stepping up their efforts to develop products for the automotive market.</p>
Year	Solid Capacitors	Hybrid type	EDLC Capacitors	liquid Capacitors														
2023	~3.5	~2.5	~1.5	~1.5														
2024 (Forecast)	~4.5	~3.5	~4.5	~1.5														
(2) Production	<p>➤ Strengthen profitability and improve quality by improving production efficiency at the Suzhou, Dongguan and Malaysia bases.</p> <p>➤ Target of OEE 85%</p>	<p>➤ Consolidate small-lot production items from the head office factory to overseas factories for bulk production.</p> <p>➤ Strengthen production capacity at the Dongguan factory. Strengthen profit-making structure towards 2025.</p> <p>➤ With the evolution of production facilities, aim to achieve 85% of the target within this fiscal year.</p>	<p>➤ Overseas relocation and production reorganization are progressing.</p> <p>➤ Increase production at the Dongguan factory, making it Kohoku group's largest production scale factory.</p> <p>➤ Currently working to improve OEE by improving equipment with a focus on reducing defect rates.</p>															
(3) Technology	<p>➤ Target of OEE 85%</p> <p>➤ Start of shipments sample products using laser welding machine.</p>	<p>➤ Development and testing for laser welders for mass production.</p> <p>➤ Target sample shipments during FY2024.</p>	<p>➤ The development of laser welding technology is on schedule. Sample shipments are scheduled to begin in Q4.</p> <p>➤ Development is underway with the goal of starting to use the product in high-performance capacitors for EDLCs in 2025.</p>															

# Business Environment for FY12/2024 (Q3)

Market conditions remain tough.

## Global Market for Miniature Aluminum Electrolytic Capacitors and Trends in Kohoku Kogyo's Sales Volume

(Millions of units)



\*Since there are two lead terminals per capacitor, the number is converted into the number of capacitors.

\*The production volume of aluminum electrolytic capacitors is the actual result for the last month of each quarter, and the sales volume of lead terminals is the monthly average for the quarter. (Estimated by the Company)

# Outlook for Lead Terminals Business

There are no changes from the forecast announced in Q2.

In Q3, sales exceeded the plan and also profits improved more than expected. Sales are expected to decrease slightly in Q4 compared with Q3.

(Millions of yen)

	FY12/2023 Actual	FY12/2024 (plan)			
		Initial Forecast	Revised forecast (Aug)	Revised Forecast vs. Previous Fiscal Year Results	
Net sales	7,400	7,868	8,456	+1,055	+14.3%
Operating profit	44	257	272	+228	+508.4%
<i>Operating margin ratio</i>	<i>0.6%</i>	<i>3.3%</i>	<i>3.2%</i>	<i>+2.6pt</i>	—

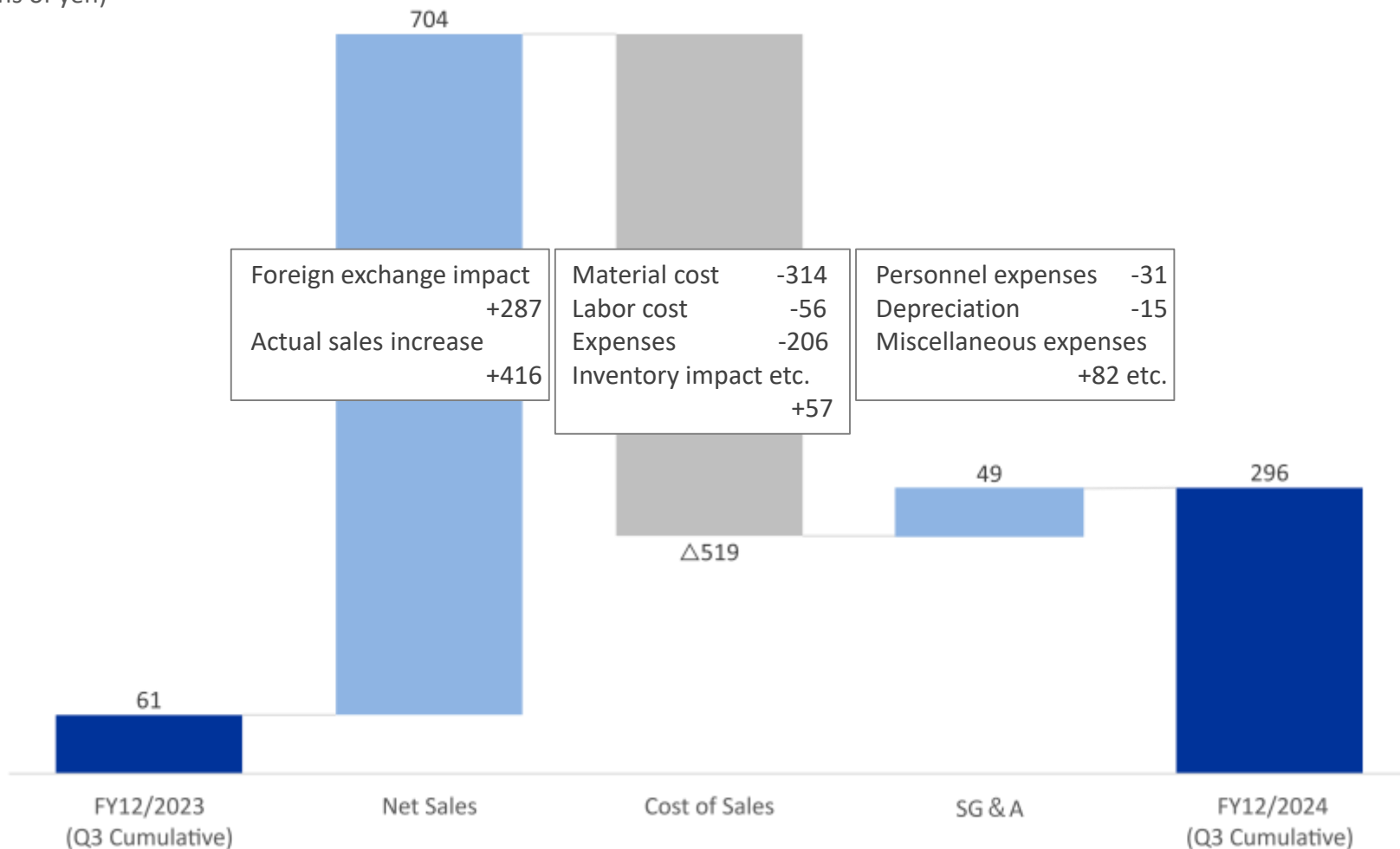
## Status for Q3 FY12/2024 and Current Forecast

- Although sales in Q3 were almost in line with the plan, European automotive manufacturers remain in an adjustment phase, and market recovery is expected to be delayed until 2025.
- Sales in Q4 are expected to be lower than Q3 due to sluggish automotive market.

# Factors of Increase/Decrease in Operating Profit by Segment for the First Three Quarters (YoY basis) - Lead Terminals

Although an impact of the increase in fixed costs in Q1 still remains, the impact is recovering from Q2 onwards, resulting in an increase in profits year on year.

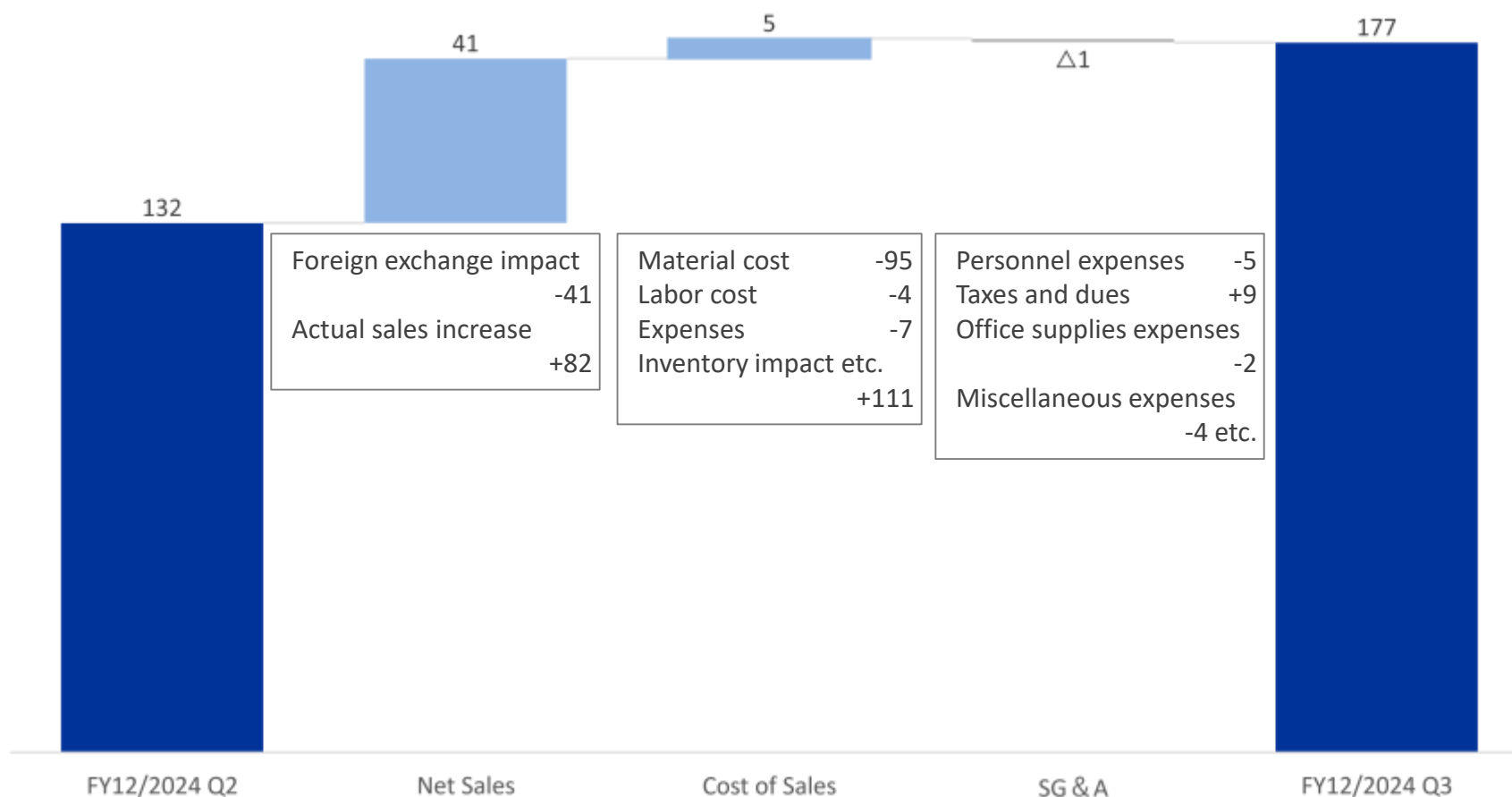
(Millions of yen)



# Factors of Increase/Decrease in Operating Profit by Segment for Q3(Jul-Sep) (QoQ basis) - Lead Terminals

In addition to the increase in sales, operating conditions at each factory improved, and inventory increased, resulting in a 33.6% increase in profits quarter on quarter.

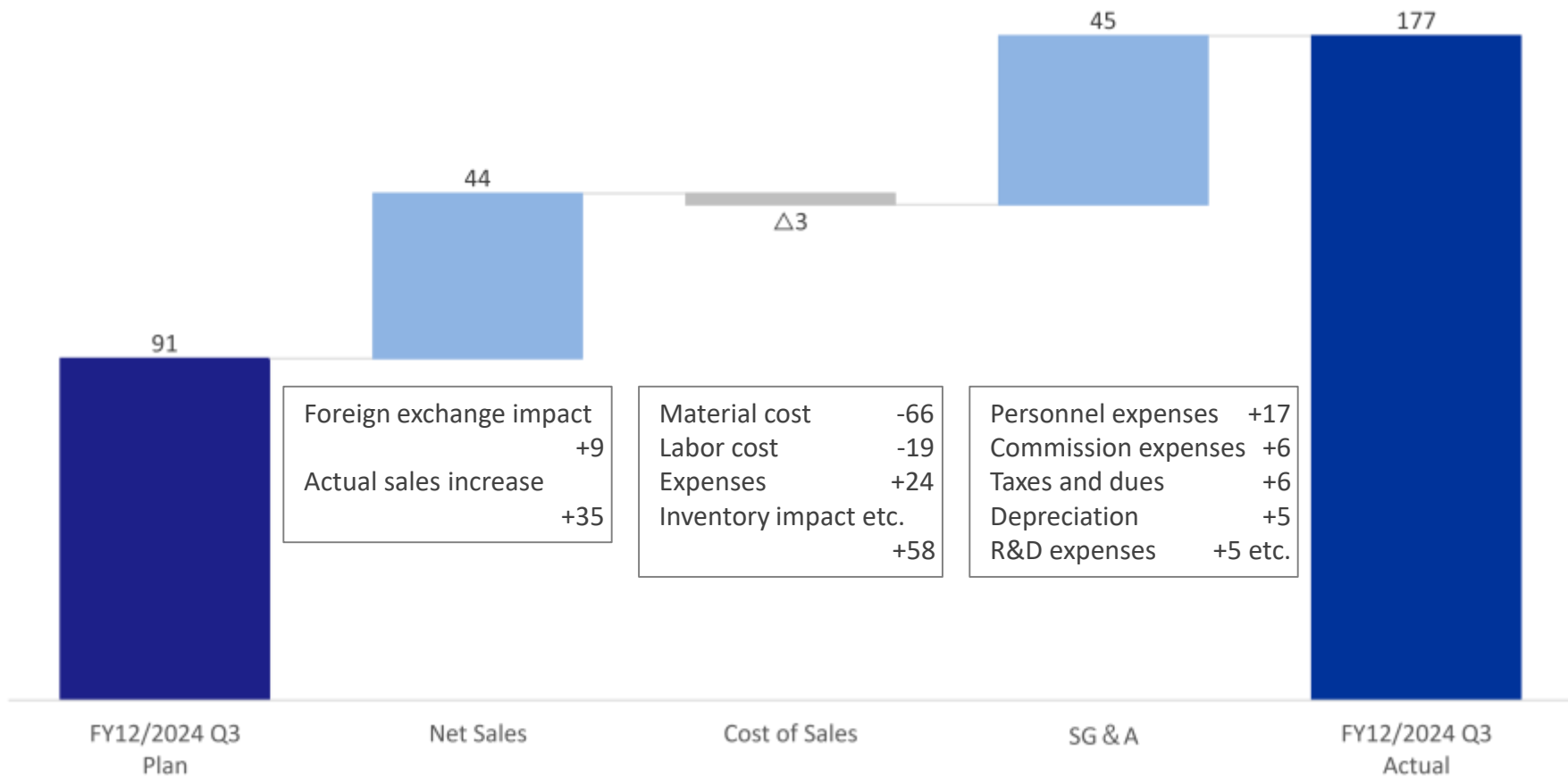
(Millions of yen)



# Factors of Increase/Decrease in Operating Profit by Segment for Q3(Jul-Sep) (vs. Plan) - Lead Terminals

Sales increased, and inventory increases and expense reductions absorbed increases in costs, mainly material costs. As a result, improvement in operating profit exceeded sales growth.

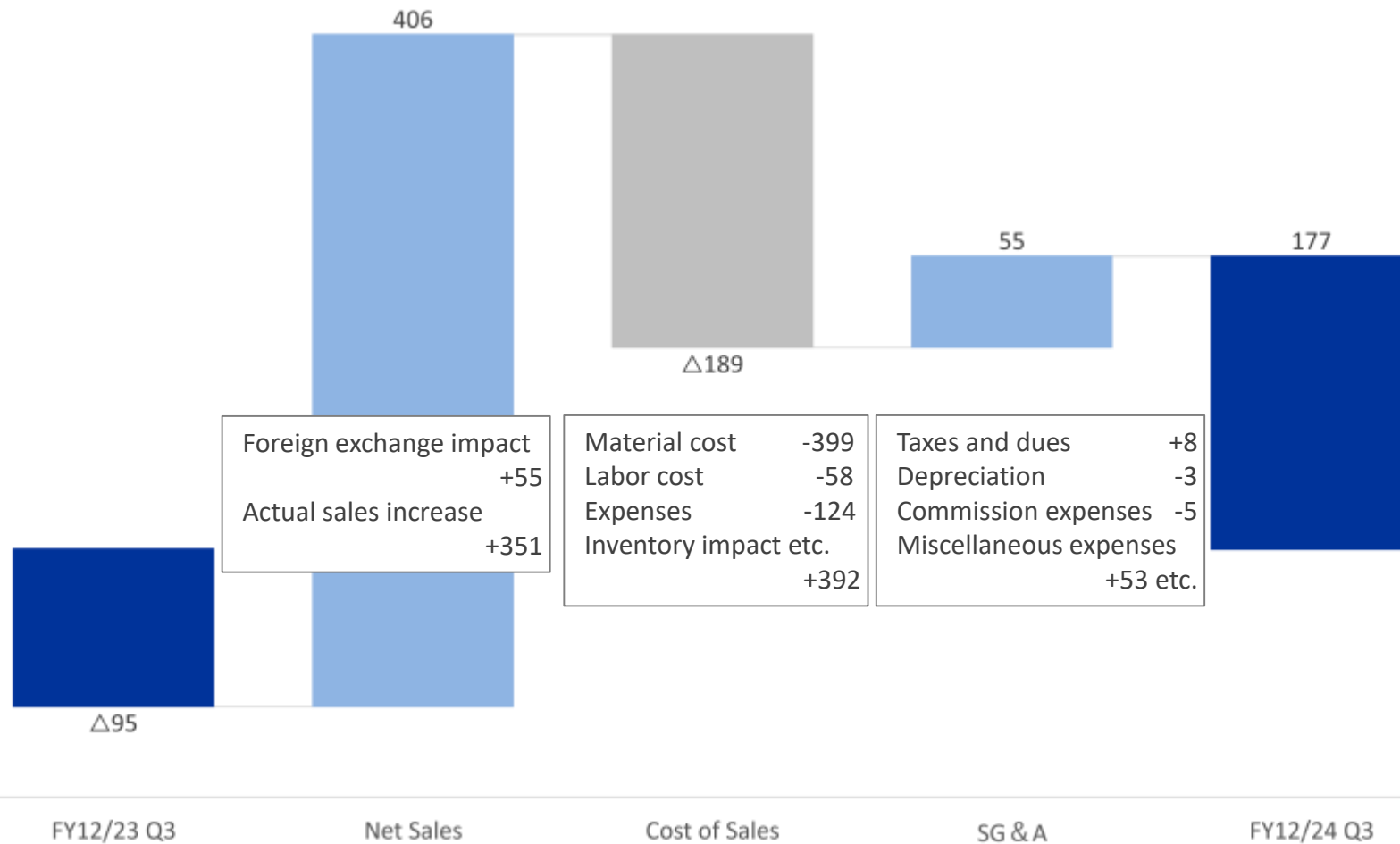
(Millions of yen)



# Factors of Increase/Decrease in Operating Profit by Segment for Q3(Jul-Sep) (YoY basis) - Lead Terminals

As the impact of last year's suspension of production at the Suzhou factory has eliminated, sales increased 22.7% year on year, turning to a profit.

(Millions of yen)



# Results by Segment (First Three Quarters)

## - Optical Components and Devices

Orders for optical isolators and optical filters recovered steadily, and sales increased.

(Millions of yen)

	FY12/2023	FY12/2024			FY12/2024					
	Q3 cumulative (Jan–Sep)	Q3 cumulative (Jan–Sep)	YoY change		Q1 (Jan–Mar)	Q2 (Apr–Jun)	Q3 cumulative (Jul–Sep)	QoQ change		
Net sales	4,774	5,852	+1,078	+22.6%	1,484	2,136	2,231	+94	+4.4%	
Operating profit	2,233	2,878	+644	+28.8%	649	1,020	1,208	+188	+18.5%	
<i>Operating margin ratio</i>	46.8%	49.2%	+2.4pt	—	43.7%	47.7%	54.2%	+6.5pt	—	

### Overview of FY12/2024 (First Three Quarters)

#### ● Industry and Market Trends

- Adjustments due to the postponement of the submarine cable projects, etc. have been completed. Sales continued to recover up to Q3.
- For optical device products, the outlook has improved as projects are announced against the backdrop of the global trend to strengthen communications infrastructure over the medium to long term.

#### ● Changes in the External Environment and their Handling

- Development of small-size, hybrid products, and products for multicore fiber is progressing to meet growing needs for increasing number of fibers in submarine cables.
- For multicore fiber products, developed fan-in/fan-out products with built-in optical isolator functionality.
- In the High-purity Silica Glass Business, sample inquiries from semiconductor manufacturing-related manufacturers increased.



# Market and Business Environment - Optical Components and Devices

## 1. Market environment and order trends

	F12/2024 forecast (Initial comments)	2nd half forecast as of August 2024	Current Status and Future Outlook
(1)Market trends	<ul style="list-style-type: none"> <li>➤ Optical isolators are expected to remain strong.</li> <li>➤ Optical filters are expected to recover from mid-year.</li> <li>➤ A recovery is expected in the second half due to long-term perspective submarine cable projects.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Sales of optical isolators and optical filters are expected to increase further.</li> <li>➤ Orders expected to increase toward 2025.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Sales of optical isolators and filters are expected to decrease slightly in Q4 as a rebound from Q3.</li> <li>➤ Requests for increased production are increasing towards the new fiscal year. Sales are expected to increase further from the second half of next year.</li> </ul>

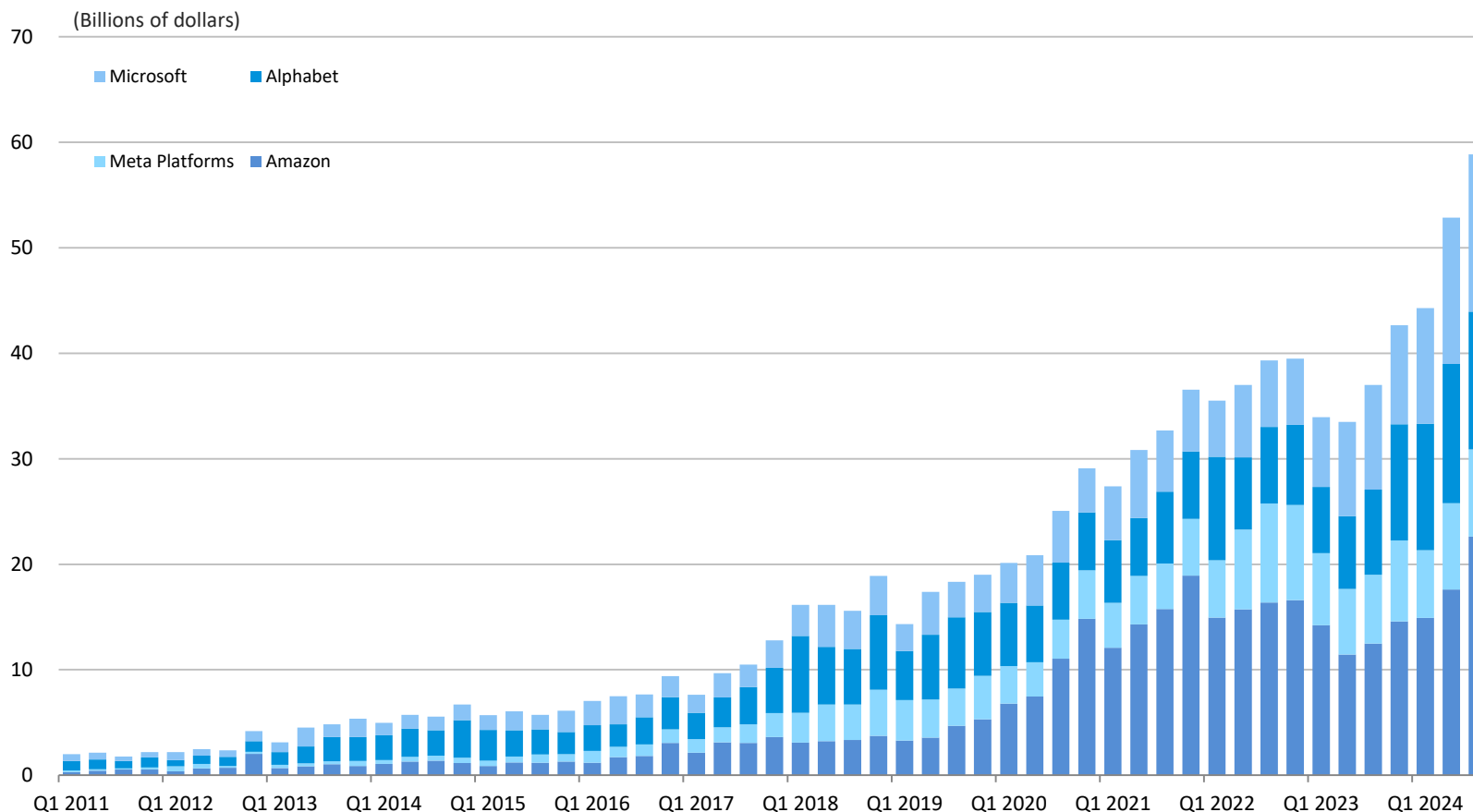
## 2. Our Business Environment

	F12/2024 forecast (Initial comments)	2nd half forecast as of August 2024	Current Status and Future Outlook
(1) Product development	<ul style="list-style-type: none"> <li>➤ New hybrid device products. Shipments of mass production samples in the second half of 2024. These are expected to contribute to sales in 2025.</li> <li>➤ Transition from conventional seed development to next-generation technology and platform development.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Start customer evaluation of hybrid devices.</li> <li>➤ Expand sales of highly reliable optical devices for satellite communications, etc., and respond to inquiries.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Sample shipment is scheduled for this year.</li> <li>➤ On schedule to increase sales in 2026.</li> <li>➤ Decided to invest in and form a business partnership with WARPSpace Inc. Exploring sales channels for optical devices for satellite communications.</li> </ul>
(2) Productivity, etc.	<ul style="list-style-type: none"> <li>➤ Expand semi-automated production equipment and production capacity in Sri Lanka.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Expand semi-automated production equipment and increase the number of items that can be produced in Sri Lanka.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Maintain the increased production capability for next fiscal year.</li> <li>➤ The installation of the semi-automatic production equipment is scheduled to be delayed until next year.</li> </ul>

# Business Environment of FY12/2024(Q3)

Capital expenditures by U.S. cloud providers continue to rise.

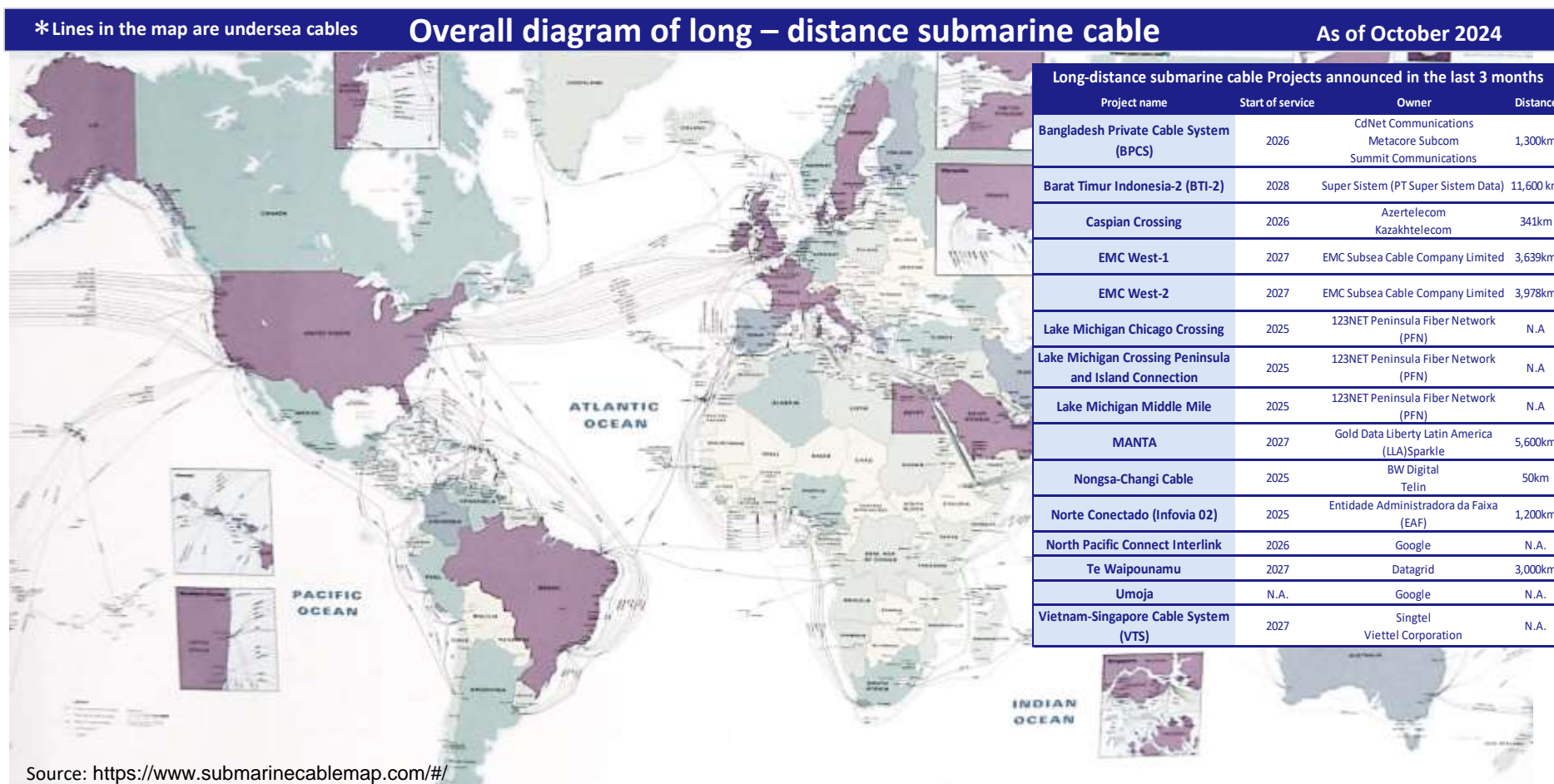
Capital Expenditures by U.S. cloud providers



(Source: Company data)

# Business Environment of FY12/2024(Q3)

New submarine cable networks will continue to be laid.



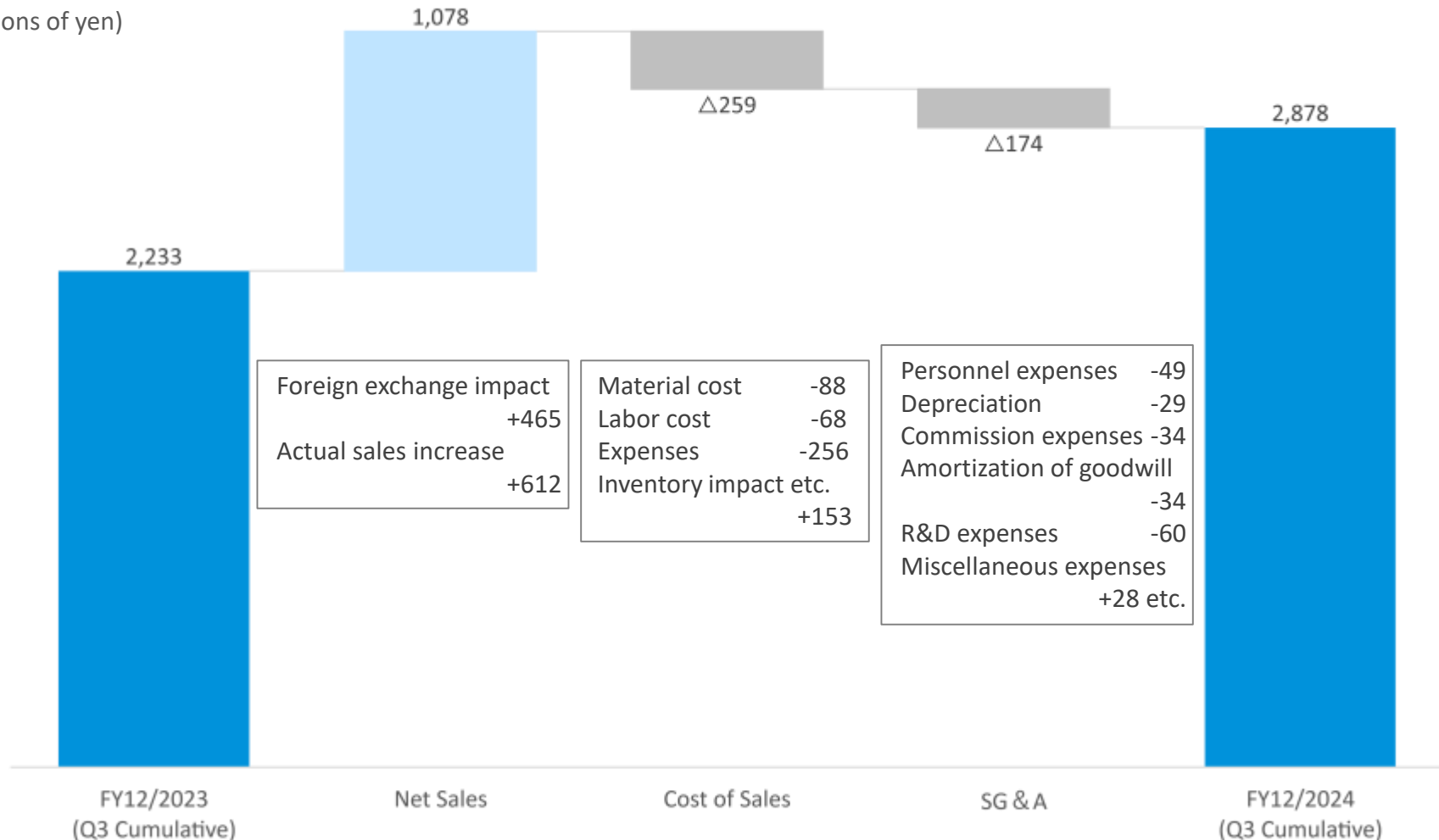
\* Source) TeleGeography 「Submarine Cable Map」

\* Project updates are extrapolated from announced data.

# Factors of Increase/Decrease in Operating Profit by Segment for the First Three Quarters (YoY basis) - Optical Components and Devices

Operating profit increased 28.8% year on year with the increase in sales.

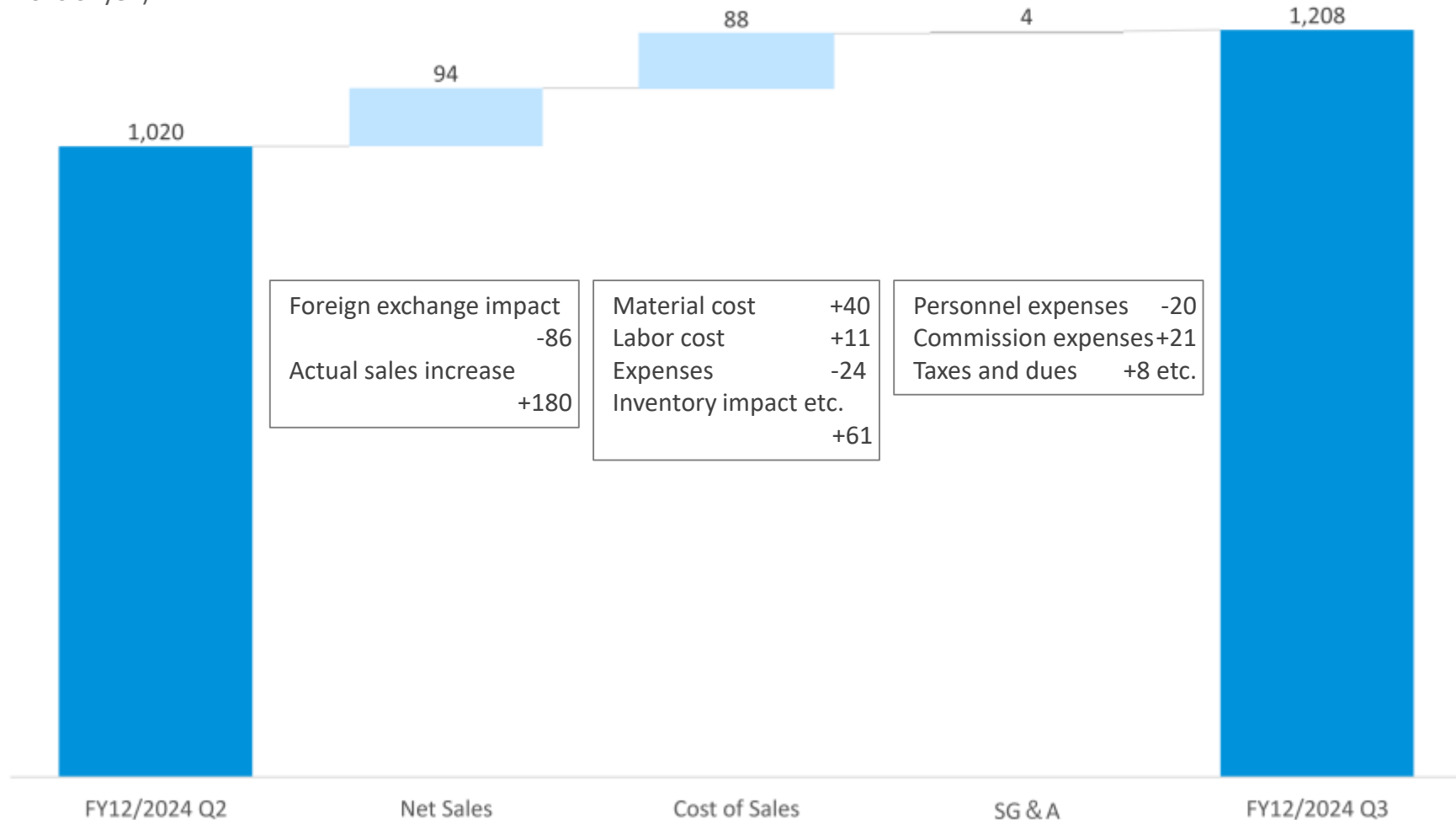
(Millions of yen)



# Factors of Increase/Decrease in Operating Profit by Segment for Q3(Jul-Sep) (QoQ basis)- Optical Components and Devices

Sales remained at a high level, and with increased inventory, operating profit increased by 18.4%.

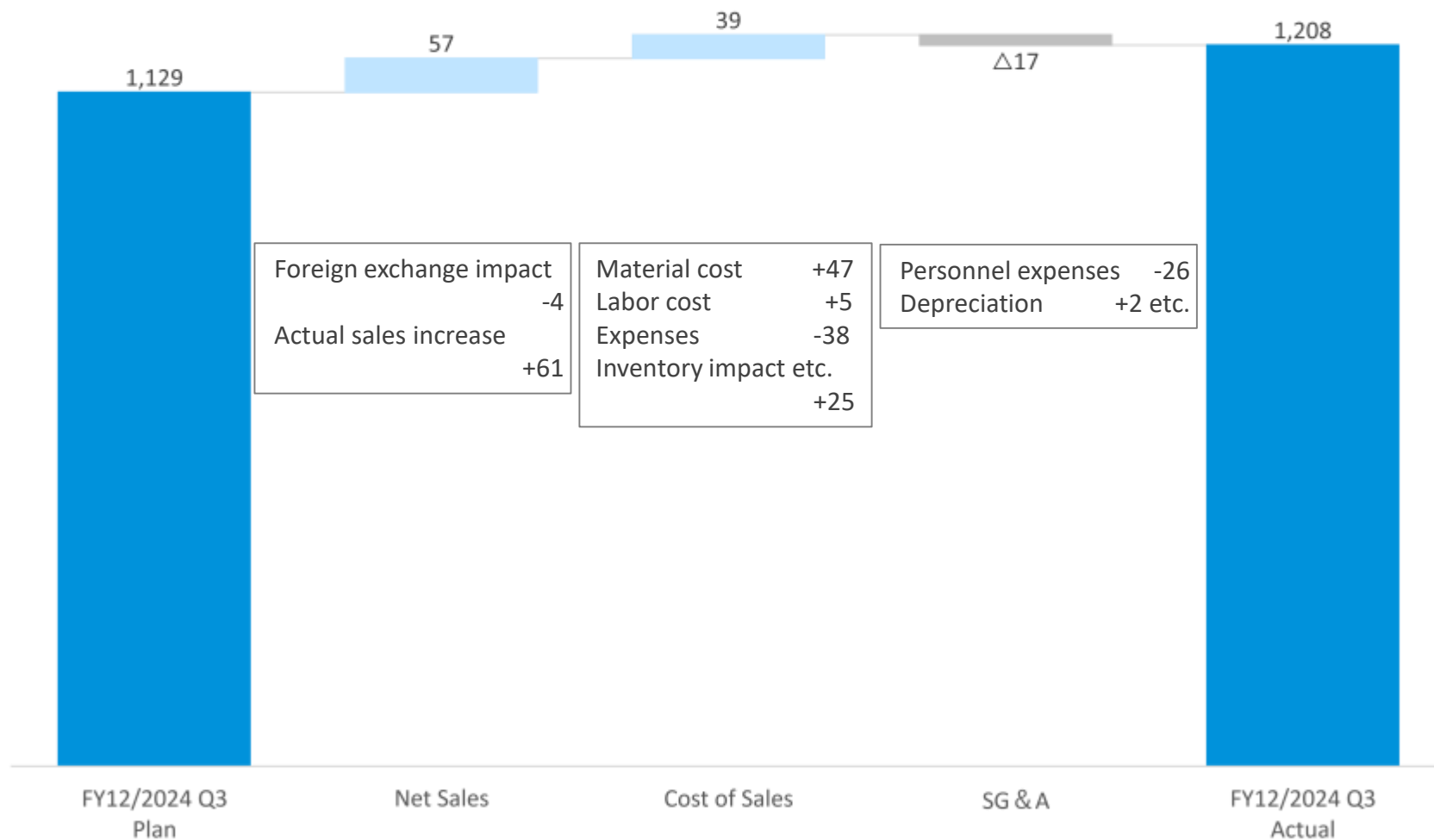
(Millions of yen)



# Factors of Increase/Decrease in Operating Profit by Segment for Q3(Jul-Sep) (vs. Plan) - Optical Components and Devices

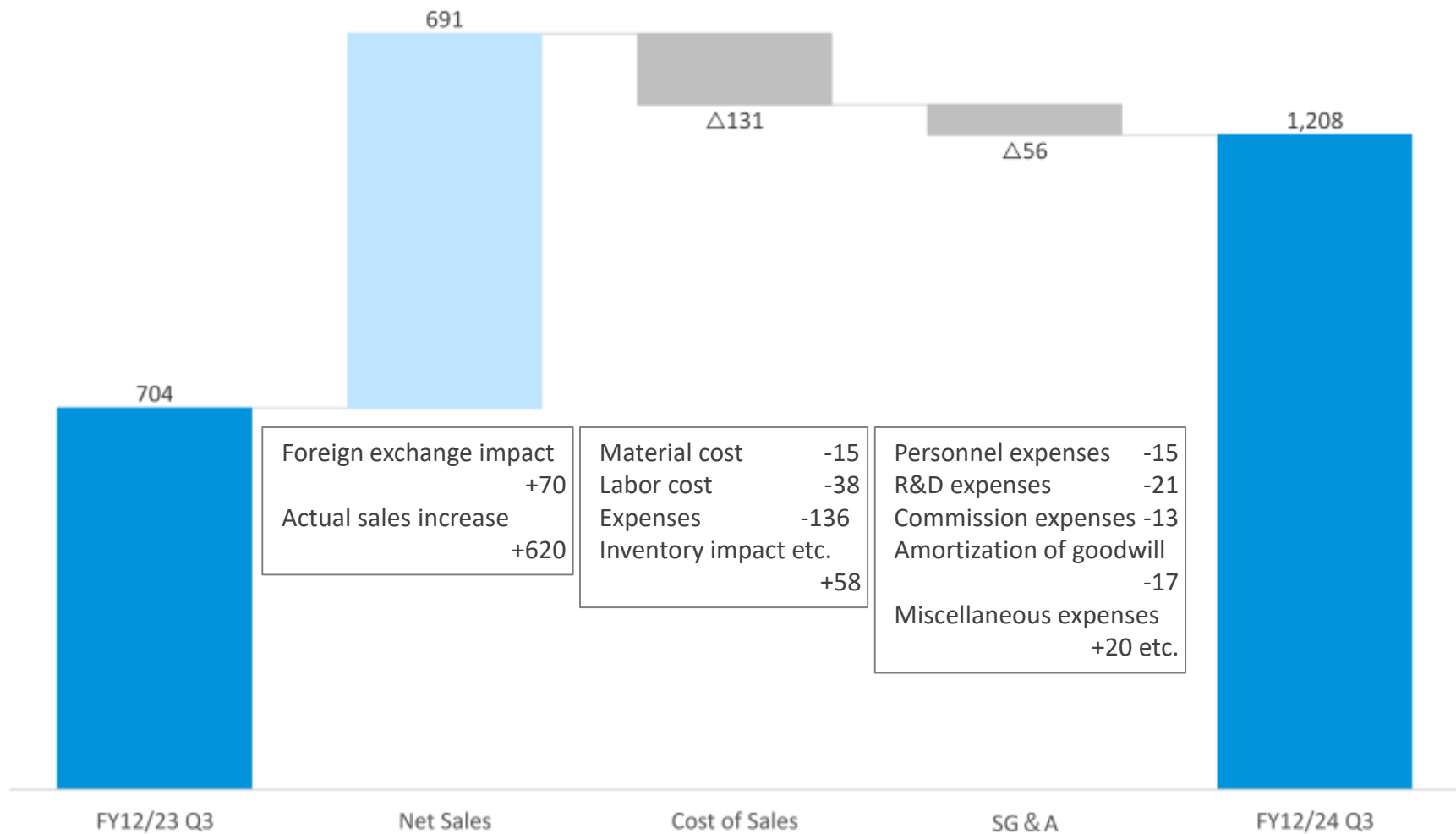
Both sales and operating profit slightly exceeded the plan.

(Millions of yen)



# Factors of Increase/Decrease in Operating Profit by Segment for Q3(Jul-Sep) (YoY basis) - Optical Components and Devices

Sales improved significantly by 44.9%, and operating profit increased 71.5% year on year.



# Outlook for Optical Components and Devices Business

There are no changes from the forecast announced in Q2.

In Q3, both of sales and profits exceeded the plan. Sales are expected to decrease slightly in Q4 compared with Q3.

(Millions of yen)

	FY12/2023 Actual	FY12/2024 (plan)			
		Initial Forecast	Revised forecast (Aug)	Revised Forecast vs. Previous Fiscal Year Results	
Net sales	6,071	6,667	7,920	+1,848	+30.4%
Operating profit	2,767	2,986	3,825	+1,058	+38.2%
<i>Operating margin ratio</i>	45.6%	44.8%	48.3%	+2.7pt	—

## Status for Q3 FY12/2024 and Current Forecast

- Sales for Q3 were higher than expected due to some customers placing orders ahead of schedule.
- Sales forecasts for optical isolators and optical filters for 2025 are firm.
- Sales for Q4 are expected to temporarily decline due to a rebound from front-loaded orders up until Q3 and delays in production plans for some cable projects.

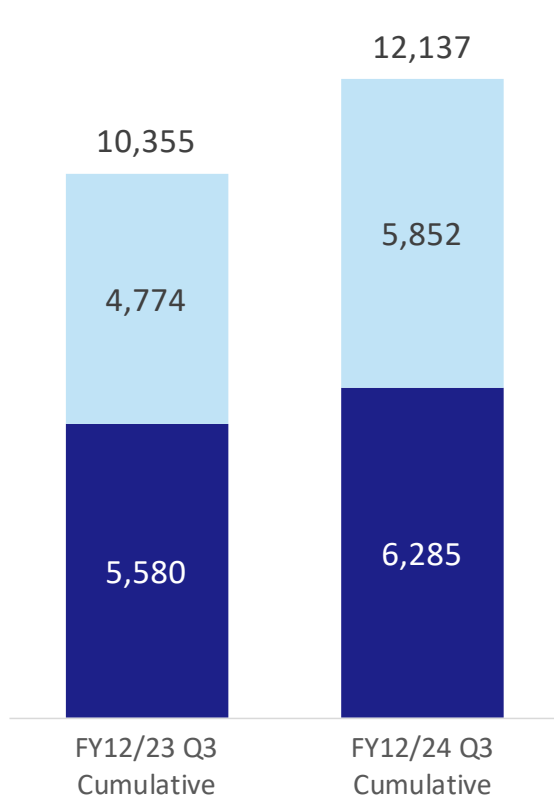


## **III. Reference Information**

# Results by Segment and Ratio of Domestic and Overseas Sales (First Three Quarters)

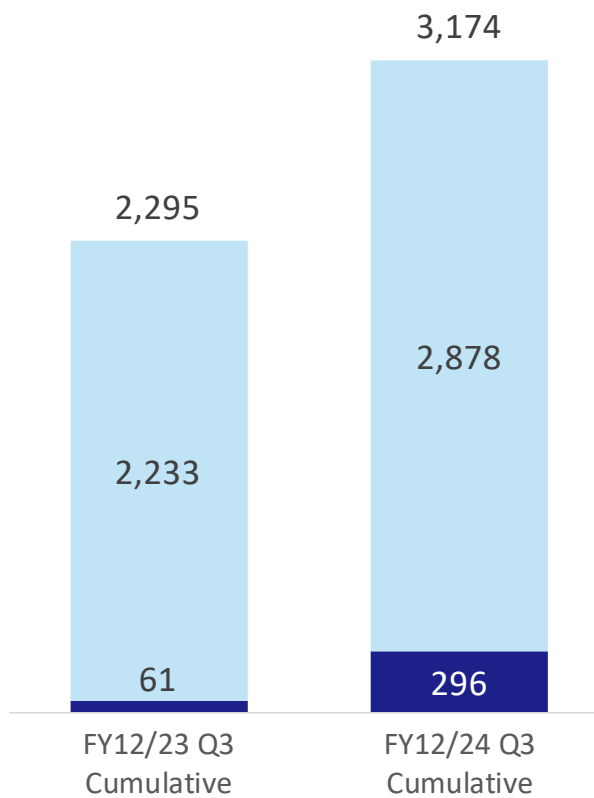
Net Sales (Millions of Yen)

Optical Components and Devices Business  
Lead Terminals Business



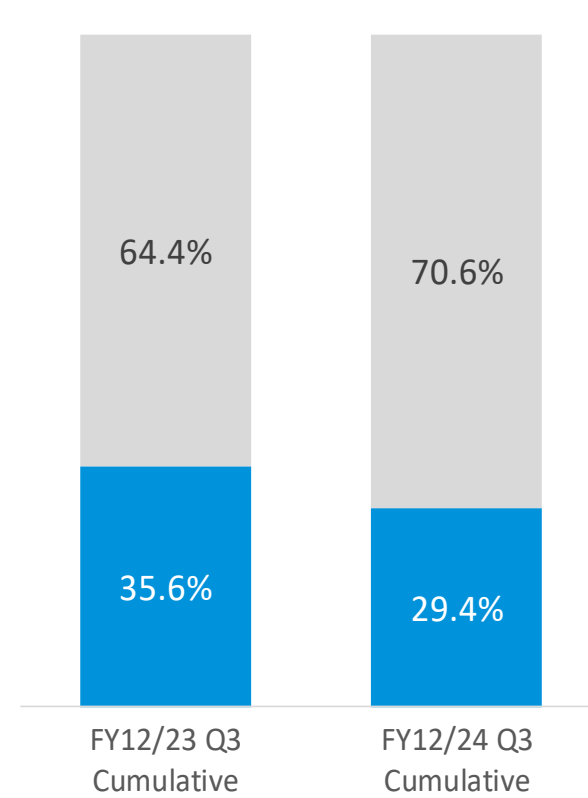
Operating profit (Millions of Yen)

Optical Components and Devices Business  
Lead Terminals Business



Domestic and overseas sales ratio(%)

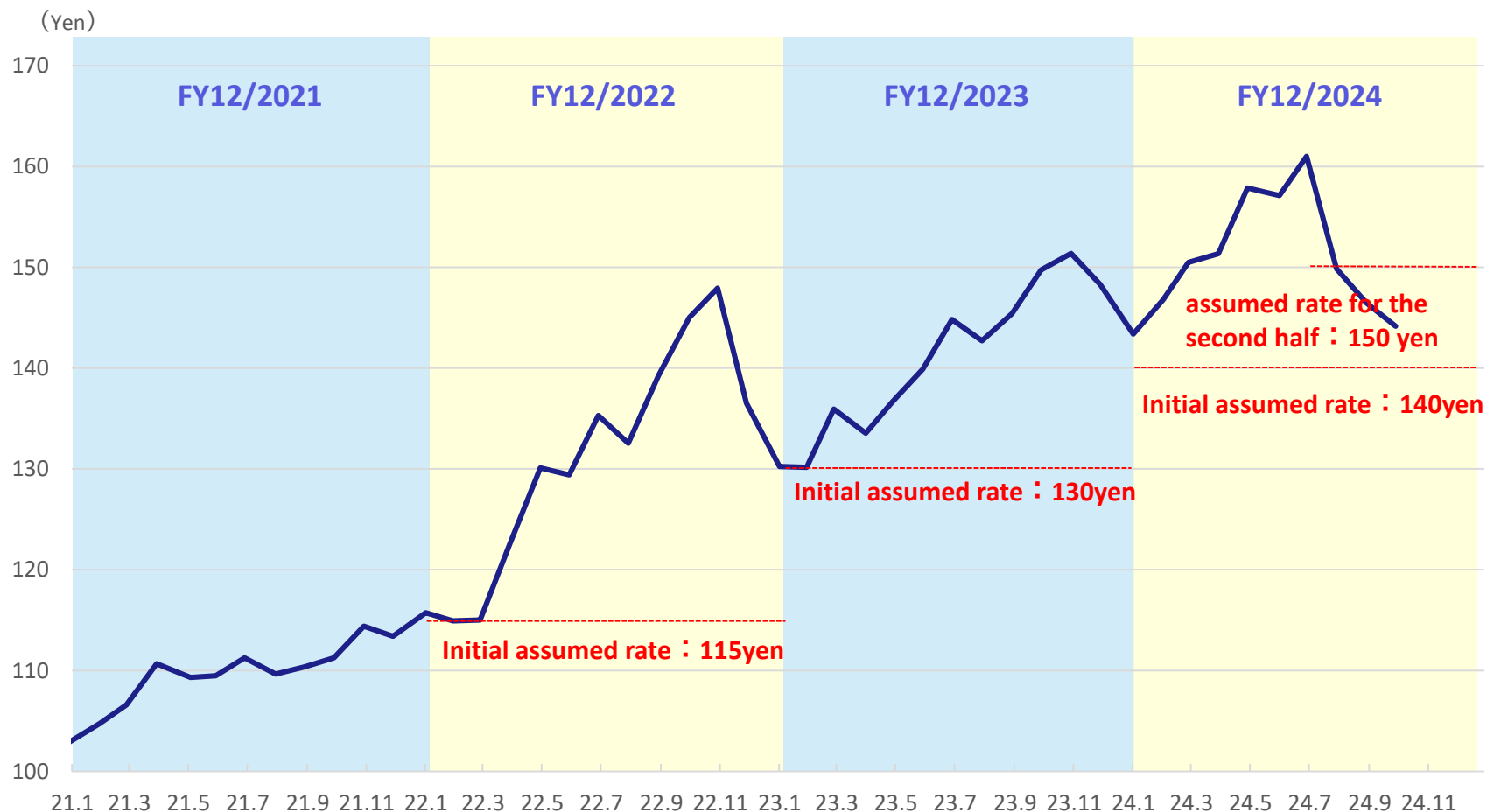
Domestic Sales  
Overseas Sales



# Business Environment for FY12/2024 (First Three Quarters)

The average rate for January to September was 151.45/USD. For July to September, the yen was slightly stronger than the expected rate (150 yen).

USD/JPY trend graph



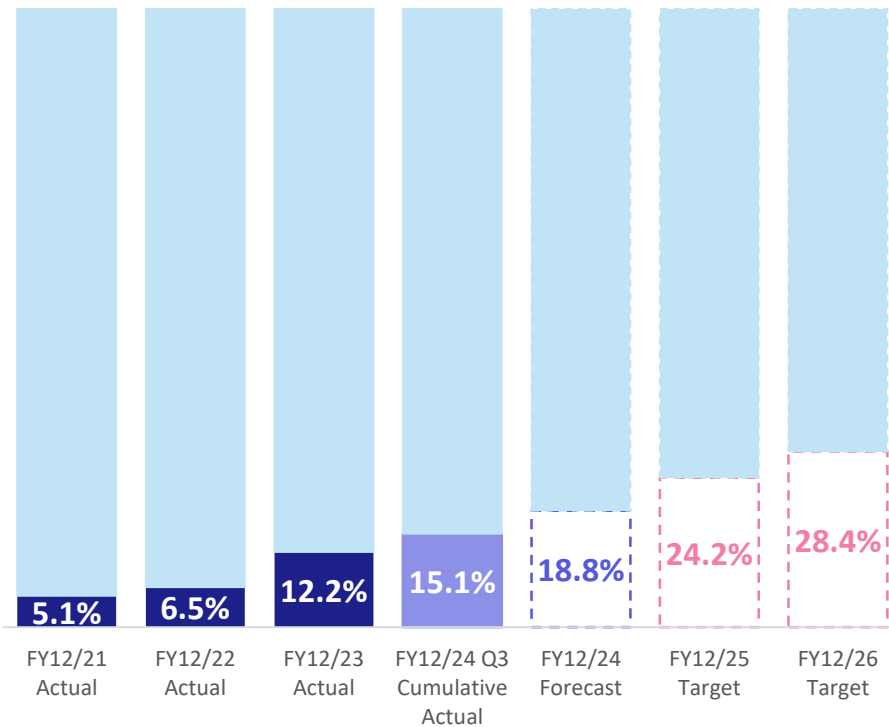
# Expansion of Business Scale Through Market Development

Improve the sales ratio of new products and strengthen sales to the automobile market.

## Sales Ratio of New Products

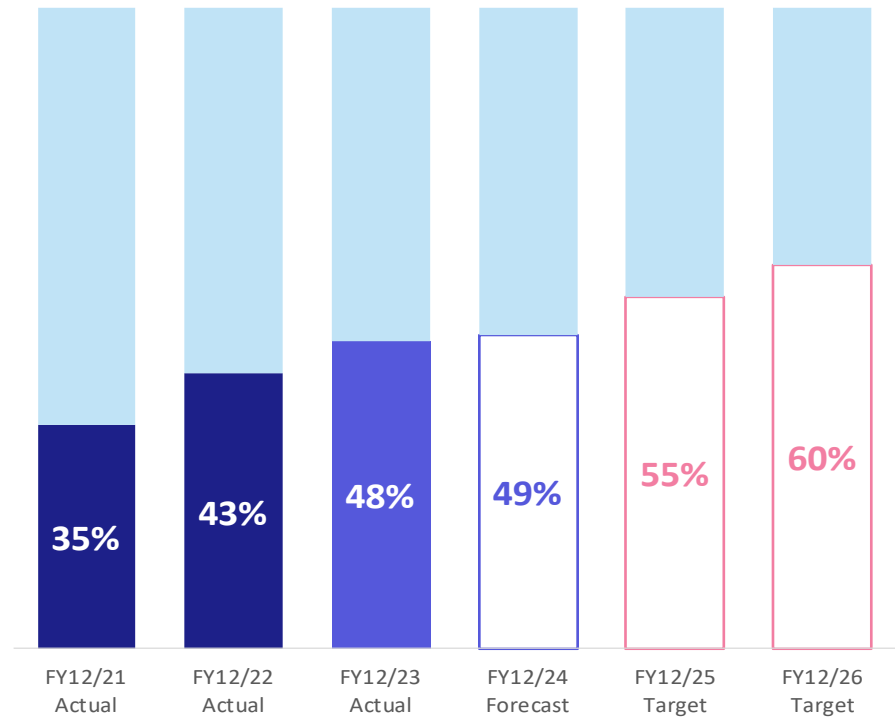


- Increase in new product sales ratio is sluggish.
- Significant sales growth for EDLC.



## Ratio of Sales to the Automotive Market (Estimated)

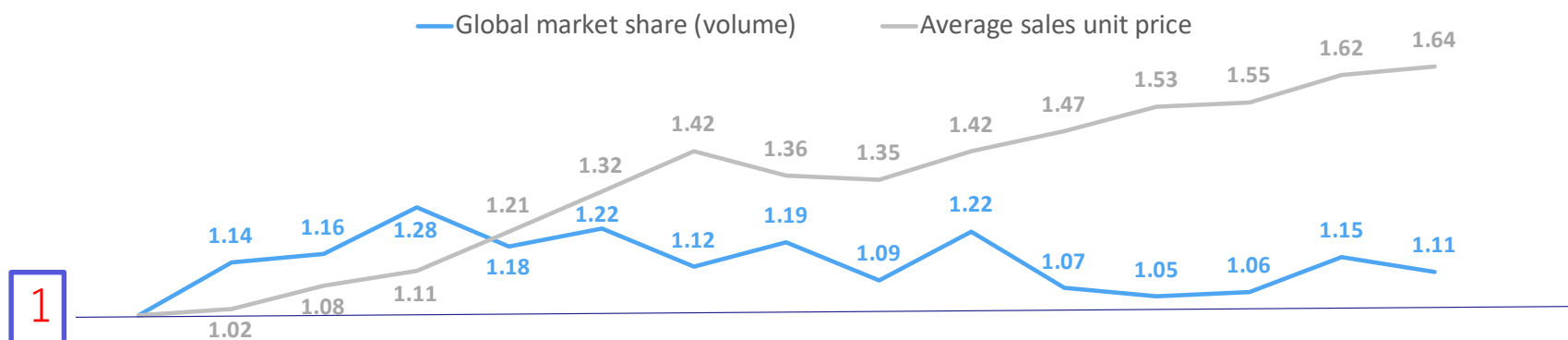
- Maintain global market share of 95% for the automotive market.
- Sales expansion in overseas automotive market.



# Trends in Unit Sales Price and Market Share

Average sales unit price increased, market share unchanged.

Trends in Average Sales Unit Price and Market Share (volume basis) (2021,Q1="1")



## Factors behind the increase in average sales unit price

- ① Price increase in yen terms due to the trend of yen depreciation
- ② Reflecting rising material costs in sales prices
- ③ Price adjustments for unprofitable products

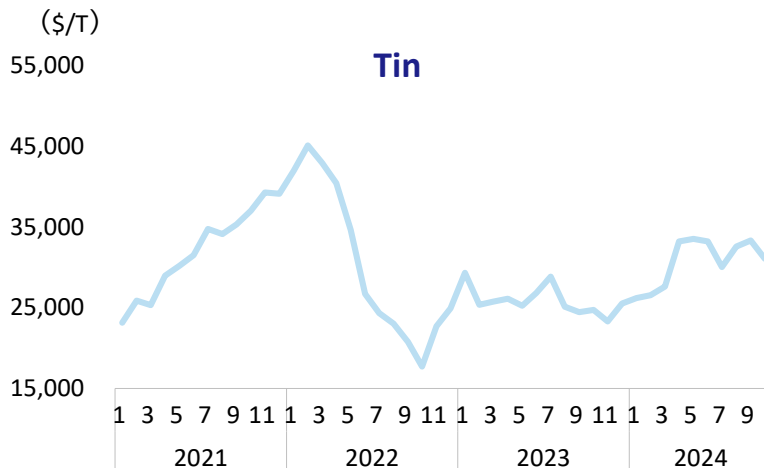
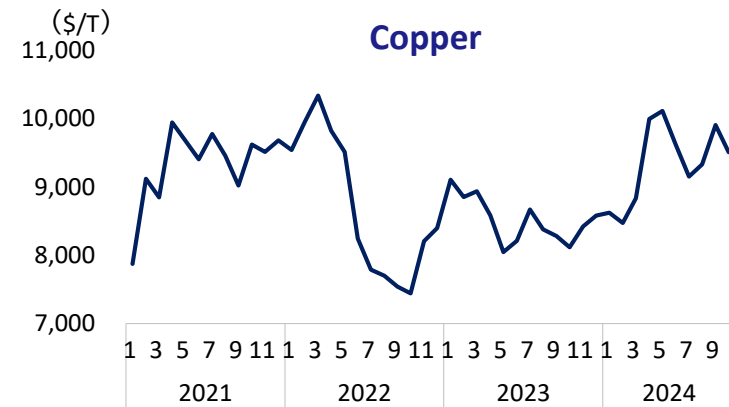
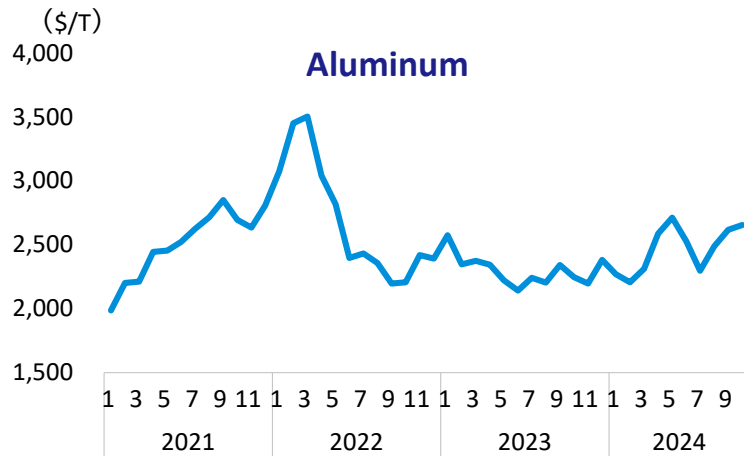
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
2021				2022				2023				2024		

Global market share is an estimate by the Company.

# External Environment – Non-ferrous Metals Market Trends

Market prices of non-ferrous metals reversed from the downward trend in 2022 and aluminum, copper and tin prices are fluctuated since then.

## Non-Ferrous Metals Market (LME)



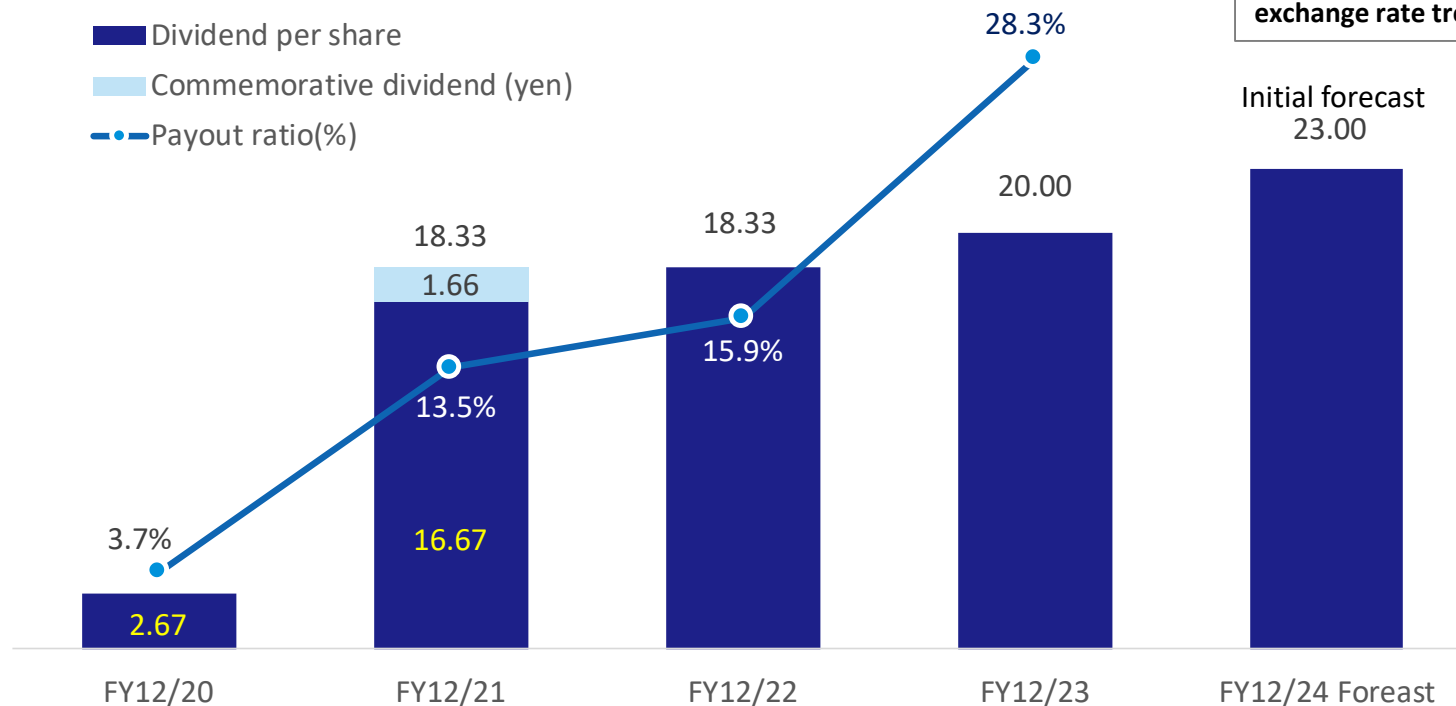
No changes from the materials disclosed on August 8, 2024

# Changes in Shareholder Returns

## < Shareholder Return Policy >

- In order to achieve sustainable growth, the Company will actively put money into capital expenditures, research and development, M&A, etc., and will also maintain a certain amount of internal reserves for the time being to strengthen the financial standing.
- For shareholder returns, the Company will strive to enhance shareholder returns aiming for “a consolidated dividend payout ratio of 30% and DOE 3% or more” in the medium to long term.

### Change in Dividend/Dividend Payout Ratio



Dividends for the fiscal year ending December 2024 will be considered going forward, taking into account exchange rate trends, etc.

\*Dividends for until the fiscal year ending December 2023 are converted to the amount after the stock split in April 2024.

**This document contains our current plans and performance forecasts. These future plans and forecast figures are plans and projections made by us based on available information. Actual results may differ from these plans and forecast figures due to various conditions and factors.**

---

**IR Team, Kohoku Kogyo Co., Ltd.**

**E-mail: [ir@kohokukogyo.co.jp](mailto:ir@kohokukogyo.co.jp)**

**Phone: +81-749-85-3211 FAX: +81-749-85-3217**