



Integrity & Sustainability

November 9, 2022

Sector : Semiconductor Trading Company

# Macnica Holdings (3132)

FY03/2023 First Half Result  
April 1st – September 30, 2022

## GIR Earnings View

**MACNICA**

Summary of Financial  
Result for the 1H  
for the year ending,  
March 31, 2023

- The company announced 1H FY03/23 results after the market close on October 31, 2022. The results were better than previously expected, and the company upwardly revised its full-year earnings and dividend forecasts.
  - 1H results: sales 492,562 million yen (+35.9% YoY), operating profit 26,801 million yen (+73.6% YoY), recurring profit 23,707 million yen (+54.5% YoY), net profit 16,821 million yen (+40.3% YoY). Foreign exchange loss of 2,098 million yen was recorded under non-operating expenses.
  - Percentage of achievement vs. prior forecast: 106.2% for sales, 121.8% for operating profit, 115.6% for recurring profit, and 120.2% for net profit. Percentage of progress toward full-year forecasts: 50.8% for sales, 52.6% for operating profit, 52.7% for recurring profit, and 53.4% for net profit.
  - Semiconductor business: Sales increased (+37.4% yoy), Profit increased (+109.3% yoy). Network business: Sales increased (+23.1% yoy), Profit decreased (-24.1% yoy). The impact of the weak yen had a positive and negative impact.
  - Full-year forecasts: sales of 970,000 million yen (+27.3% y/y; previous forecast of 930,000 million yen), operating profit of 51,000 million yen (+38.9% y/y; 44,000 million yen), recurring profit of 45,000 million yen (+26.8% y/y; 41,600 million yen), net profit of 31,500 million yen (+22.1% y/y; 28,000 million yen). Non-operating losses: -6,000 million yen (vs. prior forecast of -2,400 million yen)

- Both semiconductor and network businesses exceeded the prior forecast (sales). Yen depreciation had a positive impact on the semiconductor business and a negative impact on the network business (domestic, profit)
  - Percentage of achievement vs. prior forecast: Semiconductor business 106.4%, Network business 103.7%
  - Progress against full-year forecast: 51.0% for semiconductor business, 48.6% for network business

Key Points of Financial  
Results for the 1H

## GIR Earnings View (cont.)

- Semiconductor business (2Q sales: +37.3% yoy, +3.5% qoq): Industrial equipment (+49.6% yoy, +9.5% qoq) and automotive (+74.6% yoy, +18.9% qoq) led the growth. Sales declined sharply in telecom infrastructure (-8.5%, -35.5%) and memory (-17.3%, -28.6%); PLD (+29.1%, -2.1%) and ASIC (+17.0%, -6.3%) sales declined from the 1Q
- Network Business (+27.7%, +10.1%): Software (+76.0%, +21.5%). Significant growth in endpoint security-related products

### Key Points of Financial Results for the 1H (cont.)

## 3

Forecasts for the 2H for the year ending, March 31, 2023

- Semiconductor business (2H sales forecast: +21.1% yoy, -4.0% yoy)
  - Industrial equipment and automotive markets: Driven by manufacturing DX, increased semiconductor capex, EVs, etc.
  - China: IT investment slowdown due to regulatory restrictions has reduced demand for memory for telecommunication infrastructure and servers.
- Network business (+7.2% yoy, +5.8% yoy)
  - With the increasing use of cloud computing, software is expected to drive growth, especially in endpoint security and cloud services
  - Hardware assumes limited growth in the trend toward cloud computing

- Semiconductor business (1H sales: +121.5 billion yen yoy): Automotive +21.0 billion yen, Industrial equipment +39.5 billion yen, Other markets +6.0 billion yen, Forex (weak yen) +55.0 billion yen
  - In Ship & Debit transactions, a sharp depreciation of the yen against the U.S. dollar generated foreign exchange gains when the cash paid back in dollar was converted to yen equivalent term.
  - Semiconductor lead time is about 1 year. Order backlog exceeds approx. 1 year due to long-term contracts.
- Network Business (1H sales: +8.7 billion yen yoy): Security: +2.6 billion yen, BigData: +1.1 billion yen, Application: +0.7 billion yen, Global: +4.6 billion yen (growth mainly in India and Singapore; foreign exchange effects increased by approximately 2 billion yen), Others: -0.4 billion yen decrease
  - Cost of sales increased due to rapid yen depreciation for product procurement carried out in dollar, resulted in negative impact to gross profit margin (cost of sales increased by approximately 1.5 billion yen).

### Factor Analysis Influence of Foreign Exchange

## 4

## 5

Medium-Term  
Management Plan  
Outlook

- Medium-term targets for the fiscal year ending March 31, 2025 (sales of 970 billion yen, operating profit of 48 billion yen, and net profit of 30 billion yen) are expected to be achieved ahead of schedule in the fiscal year ending March 31, 2023.
- Sustainable growth by compensating for the impact of market fluctuations in the semiconductor business by focusing on the network business and services and solutions business.
- Security Business: Growth in Existing Markets and Steady Seeding of New Markets
- BigData Business: Developing the company's own services in collaboration with partners

- At the same time as the earnings announcement, the company announced its decision to repurchase and retire its own shares. Number of shares to be repurchased: 2,500,000 shares (upper limit, 4% of total shares issued excluding treasury stock); total acquisition cost: 6 billion yen (upper limit); acquisition period: November 1, 2022 to March 24, 2023; scheduled retirement date: March 31, 2023.
- Medium-Term Management Plan Shareholder Return Policy: ROE of 15% or more, consolidated dividend on equity ratio (DOE) of 4% or more. Stable and continuous dividend payment, total return ratio of 30-50%
- Dividend increase for the fiscal year ending March 31, 2023: interim dividend of 65 yen to be paid, year-end dividend of 65 yen to be paid, total of 130 yen (revised up from the previous forecast of 120 yen)

Shareholders return  
policy  
Others

## 6

## Consolidated Results

Share Price ¥2,978 (October 31, 2022)

Fiscal year	Sales (mn)	YoY (%)	Operating profit (mn)	YoY (%)	Recurring profit (mn)	YoY (%)	Net profit (mn)	YoY (%)	EPS (Yen)	PER (x)
Accounting standard	Japanese GAAP									
3/2019	524,235	4.0%	15,324	1.1%	13,101	-12.3%	8,883	-22.2%	142.0	21.0
3/2020	521,193	-0.6%	14,447	-5.7%	11,072	-15.5%	5,633	-36.6%	90.1	33.0
3/2021	553,962	6.3%	18,769	29.9%	16,399	48.1%	10,875	93.1%	175.4	17.0
3/2022	761,823	37.5%	36,707	95.6%	35,487	116.4%	25,798	137.2%	414.9	7.2
1H of 3/2023	492,562	35.9%	26,801	73.6%	23,707	54.5%	16,821	40.3%	270.1	-
2H of 3/2023 CE	477,438	19.5%	24,199	13.8%	21,293	5.7%	14,679	6.3%	235.7	-
3/2023 CE	970,000	27.3%	51,000	38.9%	45,000	26.8%	31,500	22.1%	505.9	5.9

Source: Prepared by Global IR, Inc. based on company data

CE=Company Estimate. Rounded under JPY mn. Rounded to one decimal place. Calculated by Global IR, Inc.



## FAQs related to financial results

### First Half Results Review

Q1: Factors behind the decrease in the SG&A ratio?

The main reason for this is that while the depreciation of the yen has led to a sharp increase in U.S. dollar-denominated semiconductor sales, the growth of yen-cost SG&A expenses (especially labor costs) is relatively low. The company is not curbing SG&A expenses, but rather the absolute amount of SG&A expenses is increasing due to the expansion of the workforce in response to the increase in actual demand. Due in part to an increase in overseas business trips as a result of the easing of travel restrictions for the Corona disaster, the company expects an increase in the second half of the year compared to the first half.

Q2: Network business increased revenue but decreased profit, and it is difficult to grasp whether the actual situation is good or bad due to the impact of foreign exchange rates?

Foreign exchange impact on the network business was negative about 1.5 billion yen (1H, operating profit, yoy). Higher costs (dollar-denominated purchases and domestic yen sales) due to yen depreciation are reflected in prices sequentially. Excluding foreign exchange effects, operating profit was positive by approximately 600 million yen (yoy). Unlike the semiconductor business, the network business has many spot transactions, and it was difficult to obtain foreign exchange contracts. Since it is easy to forecast sales in the subscriber business associated with the shift to cloud computing, the company intends to stabilize profitability by utilizing foreign exchange forward contracts.

In the previous mid-term plan, there was a "Network" category instead of "Application," but since the growth potential of network equipment has been declining due to the spread of cloud computing, cloud computing-related products were reorganized into the "Application" category and network equipment was included in the "Others" category. Overall 1H sales of the network business increased 23% yoy to 46.3 billion yen, with Security sales up 13% to 23.1 billion yen, BigData sales up 43% to 3.6 billion yen, Application sales up 29% to 3.2 billion yen, and Global sales up 49% to 14.1 billion yen, with growth in all focus categories.

Q3: What is the current sales/profit mix and optimal balance between the semiconductor and network businesses?

Due to the rapid increase in sales in the semiconductor business, both sales and profits are dominated by semiconductors at a ratio of 9:1 in the first half, although there was a time when the profit ratio was 5:5 until FY3/2021. The negative impact of the exchange rate (yen depreciation) on the network business is considered to be temporary. Since the network business is inherently highly profitable, the company intends to increase its profit contribution. In the long-term vision (operating profit target: 100 billion yen), the three pillars are the semiconductor business, the network business, and the services and solutions business.

Q4: Are the semiconductor and network businesses independent of each other, or are there any synergies?

The network business used to be an independent subsidiary and was not closely related to the semiconductor business in terms of revenue, but has now been absorbed as a business of the main unit. In recent years, the security field has become very important, and the need to protect factories and supply chains from cyber attacks in the form of CPS security has deepened the mutual relationship. In addition, the network business and the semiconductor business are working closely together in the development of the services and solutions business.



Q5: Sales in China are slightly stagnant. Is this due to U.S. restrictions on China?

The U.S. restrictions on China apply to cutting-edge semiconductors such as GPUs and CPUs, and the products handled by the company are not subject to the restrictions. Local Chinese companies' investment in data centers temporarily stagnated due to IT investment restrictions imposed by the Chinese authorities, and sales of memory for telecommunication infrastructure and servers declined.

Q6: Prolonged time span in procurement of commercial materials has been an obstacle to rate controlling factor, but are there any signs of improvement?

The switch to long-term contracts with customers has progressed and is gradually stabilizing. Lead times, which used to average more than one year, have settled down to about one year. However, analog and power systems are still tight.

Q7: The weak yen has caused some Japanese companies to return to the domestic market. How do you see the balance between domestic and overseas sales?

### **Business Strategy**

The ratio of overseas:domestic sales is 55:45, with 60% of overseas sales being local. In other words, one-third is overseas local and two-thirds is Japanese companies. Most of the overseas local companies are Chinese and ASEAN companies. Overseas local companies are shifting from specific data center companies to industrial equipment and in-vehicle equipment, which have a broad base (large number of companies). Even if the number of vehicles in the automotive market does not increase, demand for semiconductors is expected to continue to grow as the electrification of vehicles progresses. In the security business, where demand will continue to increase worldwide, the company has acquired Netpoleon in Singapore through M&A and is developing a base to expand overseas sales. In the security business, the demand trend in the ASEAN region is expected to emerge two to three years later than in Japan.

Q8: What are the focus points and market acquisition opportunities in the new services and solutions business?

In the service and solution model, the company is entering the market through VADs and by gaining intelligence, is converting services to its own. The focus points are 1) smart mobility and 2) smart factories. Coverage is expanding and the company is seeing a positive response. In smart factories, the company also provides CPS security consulting services. In the municipal sector, the company started with mobility and is now involved in policy proposals for smart cities, such as the Digital Countryside Initiative. The company will also expand horizontally to other municipalities.

### **Other**

Q9: Exchange rate assumptions and impact of exchange rate fluctuations (1 yen to the dollar)?

The company refrains from disclosing specific figures as to the sensitivity of foreign exchange rate fluctuation. As described in the earnings revision released on October 31st, 2022 regarding its full year forecast, mid-term dividend from retained earnings, and full year dividend forecast, the full year earnings estimate has been revised up taking into account the effect of weaker yen at the half year end compared to the beginning of the term.



Q10: Network business: Overseas, increase of approx. 2 billion yen (sales) due to foreign exchange effects, mainly in India and Singapore.

In Singapore, the company purchases in U.S. dollars, sells in Singapore dollars, converts to yen, and posts sales in consolidated accounts. Therefore, when the yen depreciates, it is a factor that increases yen sales.

Q11: What was the reason for the significant increase in operating cash flow of 45.5 billion yen (vs. -2.6 billion yen in the same period last year)?

The increase in accounts receivable and inventories was offset by an increase in accounts payable and income before income taxes of 24.9 billion yen. Due to differences in business practices between Japan and other countries, larger working capital has traditionally been required when the semiconductor trading business is strong, which has a negative impact on operating cash flow. Against this backdrop, cash flow from operating activities amounted to 45.5 billion yen, mainly due to the liquidity management of trade receivables and various other measures, including continued thorough inventory control.

Q12: Are there any revisions to the numerical targets in the mid-term business plan?

The company is currently reviewing and considering the macro environment and market trends.

Figure.1. 1H Results and Forecasts for 2H and Full Year

Unit: JPY mn, %

Comparison of old and new company forecasts	FY03/2022			FY03/2023			FY03/2023 CE (Previous)			FY03/2023 1H		FY03/2023 2H CE (New)	
	1H	2H	Full Year	1H	2H CE	Full Year	1H CE	2H CE	Full Year	Achieved	Progress	YoY	Compared to 1H
Net sales	362,343	399,480	761,823	492,562	477,438	970,000	464,000	466,000	930,000	106.2%	50.8%	19.5%	-3.1%
Semiconductor Business	324,768	353,834	678,602	446,305	428,520	419,413	417,000	836,413	836,413	106.4%	51.0%	21.1%	-4.0%
Network Business	37,575	45,646	83,220	46,256	48,919	44,587	49,000	93,587	93,587	103.7%	48.6%	7.2%	5.8%
Cost of sales	321,069	350,035	671,104	435,006	421,564	856,570	411,940	413,760	825,700	105.6%	50.8%	20.4%	-3.1%
Gross profit	41,274	49,444	90,718	57,556	55,874	113,430	52,060	52,240	104,300	110.6%	50.7%	13.0%	-2.9%
SG&A	25,837	28,173	54,010	30,754	31,676	62,430	30,060	30,240	60,300	102.3%	49.3%	12.4%	3.0%
Operating profit	15,437	21,270	36,707	26,801	24,199	51,000	22,000	22,000	44,000	121.8%	52.6%	13.8%	-9.7%
Recurring profit	15,343	20,144	35,487	23,707	21,293	45,000	20,500	21,100	41,600	115.6%	52.7%	5.7%	-10.2%
Net profit	11,988	13,810	25,798	16,821	14,679	31,500	14,000	14,000	28,000	120.2%	53.4%	6.3%	-12.7%
1H & Full Year CE	FY03/2022			FY03/2023			YoY						
	1H	2H	Full Year	1H	2H CE	Full year	1H	2H	Full Year				
Sales	362,343	399,480	761,823	492,562	477,438	970,000	35.9%	19.5%	27.3%				
Cost of sales	321,069	350,035	671,104	435,006	421,564	856,570	35.5%	20.4%	27.6%				
Gross profit	41,274	49,444	90,718	57,556	55,874	113,430	39.4%	13.0%	25.0%				
Gross profit margin	11.4%	12.4%	11.9%	11.7%	11.7%	11.7%							
SG&A	25,837	28,173	54,010	30,754	31,676	62,430	19.0%	12.4%	15.6%				
SG&A ratio to sales	7.1%	7.1%	7.1%	6.2%	6.6%	6.4%							
Operating profit	15,437	21,270	36,707	26,801	24,199	51,000	73.6%	13.8%	38.9%				
OP margin	4.3%	5.3%	4.8%	5.4%	5.1%	5.3%							
Recurring profit	15,343	20,144	35,487	23,707	21,293	45,000	54.5%	5.7%	26.8%				
RP margin	4.2%	5.0%	4.7%	4.8%	4.5%	4.6%							
Net profit	11,988	13,810	25,798	16,821	14,679	31,500	40.3%	6.3%	22.1%				
NP margin	3.3%	3.5%	3.4%	3.4%	3.1%	3.2%							

Source: Prepared by Global IR, Inc. based on company data

Note: CE=Company Estimate. Rounded under JPY mn. Rounded to one decimal place. Calculated by Global IR, Inc.





Figure. 2. Quarterly Results

Unit: JPY mn, %

Quarterly Financial Results (Cumulative)	FY03/2021				FY03/2022				FY03/2023	
	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q
Sales	125,147	257,163	396,737	553,962	178,064	362,343	557,145	761,823	241,320	492,562
YoY	2.6%	1.1%	3.0%	6.3%	42.3%	40.9%	40.4%	37.5%	35.5%	35.9%
Gross profit	14,680	14,680	29,473	46,012	64,835	20,258	41,274	65,095	90,718	27,359
YoY	2.0%	0.0%	4.5%	8.3%	38.0%	40.0%	41.5%	39.9%	35.1%	39.4%
Gross profit margin	11.7%	11.5%	11.6%	11.7%	11.4%	11.4%	11.7%	11.9%	11.3%	11.7%
SG&A	10,831	21,875	33,882	46,066	12,951	25,837	39,719	54,010	15,093	30,754
YoY	-5.4%	-3.9%	-0.2%	1.4%	19.6%	18.1%	17.2%	17.2%	16.5%	19.0%
SG&A ratio to sales	8.7%	8.5%	8.5%	8.3%	7.3%	7.1%	7.1%	7.1%	6.3%	6.2%
Operating profit	3,847	7,597	12,129	18,769	7,306	15,437	25,375	36,707	12,265	26,801
YoY	30.9%	13.0%	20.6%	29.9%	89.9%	103.2%	109.2%	95.6%	67.9%	73.6%
Operating profit margin	3.1%	3.0%	3.1%	3.4%	4.1%	4.3%	4.6%	4.8%	5.1%	5.4%
Recurring profit	3,665	7,518	11,868	16,399	7,514	15,343	24,561	35,487	11,280	23,707
YoY	75.9%	53.3%	52.0%	48.1%	105.0%	104.1%	107.0%	116.4%	50.1%	54.5%
Recurring profit margin	2.9%	2.9%	3.0%	3.0%	4.2%	4.2%	4.4%	4.7%	4.7%	4.8%
Net profit	2,492	2,492	5,137	8,138	10,875	6,255	11,988	17,822	25,798	7,857
YoY	104.1%	68.3%	75.2%	93.1%	151.0%	133.4%	119.0%	137.2%	25.6%	40.3%
Net profit margin	2.0%	2.0%	2.1%	2.0%	3.5%	3.3%	3.2%	3.4%	3.3%	3.4%

  

Quarterly Financial Results	FY03/2021				FY03/2022				FY03/2023	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Sales	125,147	132,016	139,574	157,225	178,064	184,279	194,802	204,678	241,320	251,242
YoY	2.6%	-0.4%	6.8%	15.6%	42.3%	39.6%	39.6%	30.2%	35.5%	36.3%
Gross profit	14,680	14,680	14,793	16,539	18,823	20,258	21,016	23,821	25,623	27,359
YoY	2.0%	-2.0%	13.8%	18.5%	38.0%	42.1%	44.0%	36.1%	35.1%	43.7%
Gross profit margin	11.7%	11.2%	11.8%	12.0%	11.4%	11.4%	12.2%	12.5%	11.3%	12.0%
SG&A	10,831	10,831	11,044	12,007	12,184	12,951	12,886	13,882	14,291	15,093
YoY	-5.4%	-2.3%	7.2%	6.0%	19.6%	16.7%	15.6%	17.3%	16.5%	21.5%
SG&A ratio to sales	8.7%	8.4%	8.6%	7.7%	7.3%	7.0%	7.1%	7.0%	6.3%	6.2%
Operating profit	3,847	3,847	3,750	4,532	6,640	7,306	8,131	9,938	11,332	12,265
YoY	30.9%	-0.9%	36.0%	51.2%	89.9%	116.8%	119.3%	70.7%	67.9%	78.8%
Operating profit margin	3.1%	2.8%	3.2%	4.2%	4.1%	4.4%	5.1%	5.5%	5.1%	5.8%
Recurring profit	3,665	3,665	3,853	4,350	4,531	7,514	7,829	9,218	10,926	11,280
YoY	75.9%	36.6%	49.9%	38.7%	105.0%	103.2%	111.9%	141.1%	50.1%	58.7%
Recurring profit margin	2.9%	2.9%	3.1%	2.9%	4.2%	4.2%	4.7%	5.3%	4.7%	4.9%
Net profit	2,492	2,492	2,645	3,001	2,737	6,255	5,733	5,834	7,976	7,857
YoY	104.1%	44.5%	88.5%	176.7%	151.0%	116.7%	94.4%	191.4%	25.6%	56.4%
Net profit margin	2.0%	2.0%	2.2%	1.7%	3.5%	3.1%	3.0%	3.9%	3.3%	3.6%

Source: Prepared by Global IR, Inc. based on company data

Note: Rounded under JPY mn. Rounded to one decimal place. Calculated by Global IR, Inc.



Figure 3: Quarterly Business Segment Trends

Unit: JPY mn, %

Business Segments (Cumulative quarterly period)	FY03/2021				FY03/2022				FY03/2023	
	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q	1-3Q	1-4Q	1Q	1-2Q
<b>Net sales</b>	125,147	257,163	396,737	553,962	178,064	362,343	557,145	761,823	241,320	492,562
YoY	2.6%	1.1%	3.0%	6.3%	42.3%	40.9%	40.4%	37.5%	35.5%	35.9%
ICs, electronic devices and others	108,547	223,285	345,602	481,125	159,465	324,768	498,120	678,602	219,303	446,305
YoY	1.3%	-1.0%	1.4%	4.6%	46.9%	45.4%	44.1%	41.0%	37.5%	37.4%
Network Business	16,600	33,878	51,135	72,837	18,599	37,575	59,025	83,221	22,017	46,256
YoY	12.3%	17.3%	15.7%	19.0%	12.0%	10.9%	15.4%	14.3%	18.4%	23.1%
<b>Operating profit</b>	3,847	7,597	12,129	18,769	7,306	15,437	25,375	36,707	12,265	26,801
YoY	30.9%	13.0%	20.6%	29.9%	89.9%	103.2%	109.2%	95.6%	67.9%	73.6%
ICs, electronic devices and others	1,738	3,179	5,933	9,658	5,328	11,381	18,644	27,499	10,766	23,818
YoY	35.7%	-0.7%	20.1%	38.1%	206.6%	258.0%	214.2%	184.7%	102.1%	109.3%
Network Business	2,060	4,302	6,023	8,879	1,915	3,930	6,605	9,082	1,498	2,982
YoY	27.2%	25.0%	21.7%	22.9%	-7.0%	-8.6%	9.7%	2.3%	-21.8%	-24.1%
Corporate and elimination	49	116	173	232	63	126	126	126	1	1
Business Segment (Quarter)	FY03/2021				FY03/2022				FY03/2023	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
<b>Net sales</b>	125,147	132,016	139,574	157,225	178,064	184,279	194,802	204,678	241,320	251,242
YoY	2.6%	-0.4%	6.8%	15.6%	42.3%	39.6%	39.6%	30.2%	35.5%	36.3%
ICs, electronic devices and others	108,547	114,738	122,317	135,523	159,465	165,303	173,352	180,482	219,303	227,002
YoY	1.3%	-3.1%	6.0%	13.9%	46.9%	44.1%	41.7%	33.2%	37.5%	37.3%
Network Business	16,600	16,600	17,278	17,257	21,702	18,599	18,976	21,450	24,196	22,017
YoY	12.3%	22.6%	12.8%	27.4%	12.0%	9.8%	24.3%	11.5%	18.4%	27.7%
<b>Operating profit</b>	3,847	3,750	4,532	6,640	7,306	8,131	9,938	11,332	12,265	14,536
YoY	30.9%	-0.9%	36.0%	51.2%	89.9%	116.8%	119.3%	70.7%	67.9%	78.8%
ICs, electronic devices and others	1,738	1,441	2,754	3,725	5,328	6,053	7,263	8,855	10,766	13,052
YoY	35.7%	-25.0%	58.6%	81.1%	206.6%	320.1%	163.7%	137.7%	102.1%	115.6%
Network Business	2,060	2,242	1,721	2,856	1,915	2,015	2,675	2,477	1,498	1,484
YoY	27.2%	23.0%	14.3%	25.5%	-7.0%	-10.1%	55.4%	-13.3%	-21.8%	-26.4%
Corporate and elimination	49				63	63	-	-	1	-

Source: Prepared by Global IR, Inc. based on company data

Note: Rounded under JPY mn. Rounded to one decimal place.





Figure 4: Quarterly Trends by Product and Application

Unit: JPY mn, %

By item	FY03/2021				FY03/2022				FY03/2023	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
<b>Sales</b>	<b>125,147</b>	<b>132,016</b>	<b>139,574</b>	<b>157,225</b>	<b>178,064</b>	<b>184,279</b>	<b>194,802</b>	<b>204,678</b>	<b>241,320</b>	<b>251,242</b>
ICs	98,931	106,883	110,016	122,521	145,693	154,033	160,002	166,394	201,720	206,122
PLD	13,657	11,485	13,155	14,809	17,318	17,244	19,280	18,677	22,738	22,264
ASIC	3,478	5,065	2,243	2,827	2,808	4,908	4,142	3,755	6,130	5,743
ASSP	16,061	18,080	17,540	19,495	22,642	22,605	20,714	23,113	30,703	32,943
Analog	24,920	29,883	32,032	34,591	43,710	43,478	46,355	46,896	60,248	68,191
Memory	20,711	19,630	20,385	24,498	25,106	30,214	30,323	31,562	35,015	25,000
Other standard IC	20,102	22,739	24,658	26,298	34,106	35,584	39,186	42,387	46,883	51,982
Electronic device	7,261	6,105	9,412	9,677	10,382	8,414	9,430	10,686	13,559	16,327
Other	2,354	1,750	2,888	3,324	3,389	2,857	3,918	3,401	4,023	4,554
Network Related Products	16,599	17,279	17,257	21,701	18,598	18,977	21,449	24,195	22,017	24,239
Hardware	4,250	4,797	5,242	5,817	4,285	4,438	4,560	4,585	4,847	4,025
Software	6,377	6,990	6,462	9,422	8,299	8,944	10,649	13,052	12,955	15,745
Service	5,970	5,492	5,552	6,461	6,013	5,595	6,239	6,558	4,214	4,469
<b>Gross profit</b>	<b>14,680</b>	<b>14,793</b>	<b>16,539</b>	<b>18,823</b>	<b>20,258</b>	<b>21,016</b>	<b>23,821</b>	<b>25,623</b>	<b>27,359</b>	<b>30,197</b>
ICs	8,832	8,748	10,247	11,268	13,676	14,544	16,307	17,861	19,924	22,506
Electronic device	986	862	1,193	1,121	1,417	1,057	1,133	1,222	1,692	1,994
Other	409	333	467	692	451	493	661	673	695	624
Network Related Products	4,449	4,852	4,630	5,741	4,712	4,922	5,718	5,867	5,046	5,073
<b>Sales by Application</b>	<b>FY03/2021</b>				<b>FY03/2022</b>				<b>FY03/2023</b>	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
ICs, electronic devices and others	108,550	114,730	122,320	135,520	159,460	165,300	173,360	180,480	219,300	227,002
Communication	24,960	25,970	23,550	23,700	28,890	32,950	32,260	31,350	45,770	32,010
Communication terminal	5,050	4,890	4,600	5,000	5,240	5,390	6,020	5,240	6,700	6,800
Communications infrastructure	19,910	21,080	18,950	18,700	23,650	27,560	26,240	26,110	39,070	25,210
OA and Peripheral Equipment	5,550	5,000	5,710	6,270	7,180	7,440	8,090	8,080	9,460	10,000
Computer	15,140	13,260	13,510	18,650	18,840	18,090	20,860	22,860	19,860	22,490
Consumer products	8,700	12,370	12,490	12,760	15,060	14,720	13,500	13,320	15,900	18,730
In-vehicle	15,030	18,690	22,690	23,900	23,580	23,870	25,280	27,710	35,040	41,680
Industrial equipment	39,170	39,440	44,370	50,240	65,910	68,230	73,370	77,160	93,270	102,092
Network Business	16,600	17,280	17,260	21,700	18,600	18,980	21,450	24,190	22,020	24,240
Total amount	125,150	132,010	139,580	157,220	178,060	184,280	194,810	204,670	241,320	251,242
<b>Composition by Item</b>	<b>FY03/2021</b>				<b>FY03/2022</b>				<b>FY03/2023</b>	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
<b>Sales</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
ICs	79.1%	81.0%	78.8%	77.9%	81.8%	83.6%	82.1%	81.3%	83.6%	82.0%
PLD	10.9%	8.7%	9.4%	9.4%	9.7%	9.4%	9.9%	9.1%	9.4%	8.9%
ASIC	2.8%	3.8%	1.6%	1.8%	1.6%	2.7%	2.1%	1.8%	2.5%	2.3%
ASSP	12.8%	13.7%	12.6%	12.4%	12.7%	12.3%	10.6%	11.3%	12.7%	13.1%
Analog	19.9%	22.6%	22.9%	22.0%	24.5%	23.6%	23.8%	22.9%	25.0%	27.1%
Memory	16.5%	14.9%	14.6%	15.6%	14.1%	16.4%	15.6%	15.4%	14.5%	10.0%
Other standard ICs	16.1%	17.2%	17.7%	16.7%	19.2%	19.3%	20.1%	20.7%	19.4%	20.7%
Electronic device	5.8%	4.6%	6.7%	6.2%	5.8%	4.6%	4.8%	5.2%	5.6%	6.5%
Other	1.9%	1.3%	2.1%	2.1%	1.9%	1.6%	2.0%	1.7%	1.7%	1.8%
Network Related Products	13.3%	13.1%	12.4%	13.8%	10.4%	10.3%	11.0%	11.8%	9.1%	9.6%
Hardware	3.4%	3.6%	3.8%	3.7%	2.4%	2.4%	2.3%	2.2%	2.0%	1.6%
Software	5.1%	5.3%	4.6%	6.0%	4.7%	4.9%	5.5%	6.4%	5.4%	6.3%
Service	4.8%	4.2%	4.0%	4.1%	3.4%	3.0%	3.2%	3.2%	1.7%	1.8%
<b>Gross profit</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
ICs	60.2%	59.1%	62.0%	59.9%	67.5%	69.2%	68.5%	69.7%	72.8%	74.5%
Electronic device	6.7%	5.8%	7.2%	6.0%	7.0%	5.0%	4.8%	4.8%	6.2%	6.6%
Other	2.8%	2.3%	2.8%	3.7%	2.2%	2.3%	2.8%	2.6%	2.5%	2.1%
Network Related Products	30.3%	32.8%	28.0%	30.5%	23.3%	23.4%	24.0%	22.9%	18.4%	16.8%
<b>Sales composition by application</b>	<b>FY03/2021</b>				<b>FY03/2022</b>				<b>FY03/2023</b>	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
ICs, electronic devices and others	86.7%	86.9%	87.6%	86.2%	89.6%	89.7%	89.0%	88.2%	90.9%	90.4%
Communication	19.9%	19.7%	16.9%	15.1%	16.2%	17.9%	16.6%	15.3%	19.0%	12.7%
Communication terminal	4.0%	3.7%	3.3%	3.2%	2.9%	2.9%	3.1%	2.6%	2.8%	2.7%
Communications infrastructure	15.9%	16.0%	13.6%	11.9%	13.3%	15.0%	13.5%	12.8%	16.2%	10.0%
OA and Peripheral Equipment	4.4%	3.8%	4.1%	4.0%	4.0%	4.0%	4.2%	3.9%	3.9%	4.0%
computer	12.1%	10.0%	9.7%	11.9%	10.6%	9.8%	10.7%	11.2%	8.2%	9.0%
Consumer Products	7.0%	9.4%	8.9%	8.1%	8.5%	8.0%	6.9%	6.5%	6.6%	7.5%
In-vehicle	12.0%	14.2%	16.3%	15.2%	13.2%	13.0%	13.0%	13.5%	14.5%	16.6%
Industrial Equipment	31.3%	29.9%	31.8%	32.0%	37.0%	37.0%	37.7%	37.7%	38.6%	40.6%
Network Business	13.3%	13.1%	12.4%	13.8%	10.4%	10.3%	11.0%	11.8%	9.1%	9.6%
Total amount	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Prepared by Global IR, Inc. based on company data

Note: Rounded under JPY mn. Rounded to one decimal place. Calculated by Global IR, Inc.



Figure 5 Business Segments

Unit: JPY mn, %

	FY3/2016	FY3/2017	FY3/2018	FY3/2019	FY3/2020	FY3/2021	FY3/2022	FY3/2023 CE	CAGR 3/16 – 3/22
Consolidated									
<b>Sales</b>	<b>405,315</b>	<b>398,503</b>	<b>504,085</b>	<b>524,235</b>	<b>521,193</b>	<b>553,962</b>	<b>761,823</b>	<b>970,000</b>	11.1%
YoY	-	-1.7%	26.5%	4.0%	-0.6%	6.3%	37.5%	27.3%	
Domestic	231,740	222,322	270,448	267,380	263,401	267,114	361,450		7.7%
Overseas	173,575	176,181	233,637	256,855	257,792	286,848	400,373		14.9%
ICs, electronic devices and others	378,069	365,602	465,120	470,338	459,971	481,125	678,601	874,825	10.2%
YoY	-	-3.3%	27.2%	1.1%	-2.2%	4.6%	41.0%	28.9%	
Composition ratio	93.3%	91.7%	92.3%	89.7%	88.3%	86.9%	89.1%	90.2%	
ICs	351,726	339,808	425,642	439,361	425,297	438,352	626,122		10.1%
YoY	-	-3.4%	25.3%	3.2%	-3.2%	3.1%	42.8%	-	
Composition ratio	86.8%	85.3%	84.4%	83.8%	81.6%	79.1%	82.2%	-	
Electronic device	22,811	20,073	29,832	24,887	25,506	32,456	38,913		9.3%
YoY	-	-12.0%	48.6%	-16.6%	2.5%	27.2%	19.9%	-	
Composition ratio	5.6%	5.0%	5.9%	4.7%	4.9%	5.9%	5.1%	-	
Other	3,532	5,721	9,646	6,090	9,168	10,316	13,566		25.1%
YoY	-	62.0%	68.6%	-36.9%	50.5%	12.5%	31.5%	-	
Composition ratio	0.9%	1.4%	1.9%	1.2%	1.8%	1.9%	1.8%	-	
Domestic				-			-		
Overseas (local)				155,000			248,000		
Network business	27,244	32,899	38,965	53,896	61,220	72,836	83,220	95,175	20.5%
YoY	-	20.8%	18.4%	38.3%	13.6%	19.0%	14.3%	14.4%	
Composition ratio	6.7%	8.3%	7.7%	10.3%	11.7%	13.1%	10.9%	9.8%	
Security				26,100			38,200		
Digital Solutions				3,100			6,100		
Global				12,000			21,800		
Other (network, etc.)				12,696			17,120		
Domestic				-			-		
Overseas (local)				12,000			21,800		
<b>Gross profit</b>	<b>44,287</b>	<b>46,269</b>	<b>56,094</b>	<b>61,061</b>	<b>59,891</b>	<b>64,835</b>	<b>90,718</b>	<b>113,430</b>	12.7%
YoY	-	4.5%	21.2%	8.9%	-1.9%	8.3%	39.9%	25.0%	
Gross profit margin	10.9%	11.6%	11.1%	11.6%	11.5%	11.7%	11.9%	11.7%	
ICs and electronic devices and others	35,869	34,808	44,338	46,533	43,125	45,160	69,497	-	11.7%
YoY	-	-3.0%	27.4%	5.0%	-7.3%	4.7%	53.9%	-	
Gross profit margin	9.5%	9.5%	9.5%	9.9%	9.4%	9.4%	10.2%	-	
Composition ratio	81.0%	75.2%	79.0%	76.2%	72.0%	69.7%	76.6%	-	
ICs	33,518	32,345	41,240	43,463	38,171	39,095	62,389		10.9%
YoY	-	-3.5%	27.5%	5.4%	-12.2%	2.4%	59.6%	-	
Gross profit margin	9.5%	9.5%	9.7%	9.9%	9.0%	8.9%	10.0%	-	
Composition ratio	75.7%	69.9%	73.5%	71.2%	63.7%	60.3%	68.8%	-	
Electronic device	1,821	1,681	2,103	2,148	3,461	4,163	4,830		17.7%
YoY	-	-7.7%	25.1%	2.1%	61.1%	20.3%	16.0%	-	
Gross profit margin	8.0%	8.4%	7.0%	8.6%	13.6%	12.8%	12.4%	-	
Composition ratio	4.1%	3.6%	3.7%	3.5%	5.8%	6.4%	5.3%	-	
Other	530	782	995	922	1,493	1,902	2,278		27.5%
YoY	-	47.5%	27.2%	-7.3%	61.9%	27.4%	19.8%	-	
Gross profit margin	15.0%	13.7%	10.3%	15.1%	16.3%	18.4%	16.8%	-	
Composition ratio	1.2%	1.7%	1.8%	1.5%	2.5%	2.9%	2.5%	-	
Network business	8,417	11,460	11,756	14,528	16,766	19,674	21,219		16.7%
YoY	-	36.2%	2.6%	23.6%	15.4%	17.3%	7.9%	-	
Gross profit margin	30.9%	34.8%	30.2%	27.0%	27.4%	27.0%	25.5%	-	
Composition ratio	19.0%	24.8%	21.0%	23.8%	28.0%	30.3%	23.4%	-	
<b>Operating profit</b>	<b>9,729</b>	<b>10,473</b>	<b>15,163</b>	<b>15,324</b>	<b>14,447</b>	<b>18,769</b>	<b>36,707</b>	<b>51,000</b>	24.8%
YoY	-	7.6%	44.8%	1.1%	-5.7%	29.9%	95.6%	38.9%	
Operating profit margin	2.4%	2.6%	3.0%	2.9%	2.8%	3.4%	4.8%	5.3%	
ICs and electronic devices and others	6,448	4,632	10,769	9,459	6,996	9,658	27,499	-	27.3%
YoY	-	-28.2%	132.5%	-12.2%	-26.0%	38.1%	184.7%	-	
Operating profit margin	1.7%	1.3%	2.3%	2.0%	1.5%	2.0%	4.1%	-	
Composition ratio	66.3%	44.2%	71.0%	61.7%	48.4%	51.5%	74.9%	-	
Network business	3,145	5,684	4,225	5,726	7,224	8,879	9,082		19.3%
YoY	-	80.7%	-25.7%	35.5%	26.2%	22.9%	2.3%	-	
Operating profit margin	11.5%	17.3%	10.8%	10.6%	11.8%	12.2%	10.9%	-	
Composition ratio	32.3%	54.3%	27.9%	37.4%	50.0%	47.3%	24.7%	-	
Corporate and elimination	136	157	169	139	227	232	126	-	

Source: Prepared by Global IR, Inc. based on company data

Note: CE=Company Estimate. Rounded under JPY mn. Rounded to one decimal place. Calculated by Global IR, Inc.



Figure 6. Medium-term Management Plan and Long-term Targets

Unit: JPY mn, %

	FY3/2021 Actual	FY3/2022 Actual	FY3/2023 CE	FY3/2023 Mid-term target	Changes FY3/2022 - FY3/2025	CAGR	FY3/2031 Long-term goal
Sales	553,962	761,823	970,000	970,000	208,177	8.4%	1,300,000
Semiconductor Business	481,125	678,601	874,825	835,000	156,399	7.2%	910,000
Sales Composition	86.9%	89.1%	90.2%	86.1%			70.0%
Network Business	72,836	83,220	95,175	119,000	35,780	12.7%	260,000
Sales Composition	13.1%	10.9%	9.8%	12.3%			20.0%
(Service and Solution Business)	1,000	4,000		16,000	12,000	58.7%	130,000
Sales composition	0.2%	0.5%		1.6%			10.0%
Domestic Sales	267,114	361,450		436,500			
Domestic sales ratio	48.2%	47.4%		45.0%			
Overseas sales	286,848	400,373		533,500			
Overseas sales ratio	51.8%	52.6%		55.0%			
Operating profit	18,769	36,707	51,000	48,000	11,293	9.4%	100,000
Operating profit margin	3.4%	4.8%	5.3%	4.9%			7.7%
Semiconductor Business	9,658	27,499		33,000	5,501	6.3%	39,000
Operating profit margin	2.0%	4.1%		4.0%			4.3%
Network Business	8,879	9,082		14,000	4,918	15.5%	31,000
Operating profit margin	12.2%	10.9%		11.8%			11.9%
(Service and Solution Business)	-1,100	-2,000		1,000	3,000	-	30,000
Operating profit margin	-	-		6.3%			23.1%
Corporate and elimination	232	126		0.0			0.0
Net profit attributable to owners of the parent	10,875	25,798	31,500	30,000	4,202	5.2%	
Net profit margin	2.0%	3.4%	3.2%	3.1%			
ROE	7.9%	15.2%		15.0%			15.0%
Working capital turnover	3.4	3.2		3.8			
DOE	2.3%	4.0%		4.0%			
(actual is dividend payout ratio)	28.5%	24.1%		30 - 50%			

Source: Prepared by Global IR, Inc. based on company data

Note: CE=Company Estimate. Rounded under JPY mn. Rounded to one decimal place. Calculated by Global IR, Inc.

Actual results and FY03/2023 forecast for Services and Solutions are included in the Semiconductor and Network businesses, but the target is a separate figure. Figures in light (FY03/2025 domestic and overseas sales forecast and long-term target breakdown) are GIR estimates based on interviews with the company.



## Financial Data (Consolidated, Full year)

Statements of Income							(JPY mn)
Accounting period	FY3/2017	FY03/2018	FY03/2019	FY03/2020	FY03/2021	FY03/2022	FY03/2023 CE
Accounting Standard	Japanese GAAP						
Net sales	398,503	504,085	524,235	521,193	553,962	761,823	970,000
YoY	-1.7%	26.5%	4.0%	-0.6%	6.3%	37.5%	27.3%
Gross profit	46,269	56,094	61,061	59,891	64,835	90,718	113,430
YoY	4.5%	21.2%	8.9%	-1.9%	8.3%	39.9%	25.0%
Gross profit margin	11.6%	11.1%	11.6%	11.5%	11.7%	11.9%	11.7%
Operating profit	10,473	15,163	15,324	14,447	18,769	36,707	51,000
YoY	7.6%	44.8%	1.1%	-5.7%	29.9%	95.6%	38.9%
Operating profit margin	2.6%	3.0%	2.9%	2.8%	3.4%	4.8%	5.3%
Recurring profit	9,635	14,937	13,101	11,072	16,399	35,487	45,000
YoY	-5.3%	55.0%	-12.3%	-15.5%	48.1%	116.4%	26.8%
Net profit	6,534	11,412	8,883	5,633	10,875	25,798	31,500
YoY	-10.3%	74.7%	-22.2%	-36.6%	93.1%	137.2%	22.1%
Net profit margin	1.6%	2.3%	1.7%	1.1%	2.0%	3.4%	3.2%

Per Share Data							(Yen)
Accounting period	FY3/2017	FY03/2018	FY03/2019	FY03/2020	FY03/2021	FY03/2022	FY03/2023 CE
Total number of shares issued and outstanding (thousand shares)	58,793	62,813	62,813	63,031	63,031	63,031	-
EPS	114.3	206.1	142.0	90.1	175.4	414.9	505.88
EPS Adjusted	114.0	-	-	-	-	-	-
BPS	1,879	2,010	2,116	2,142	2,290	2,735	-
DPS	35.0	50.0	50.0	50.0	50.0	100.0	130.0

Source: Prepared by Global IR, Inc. based on company securities reports

Note: CE=Company Estimate. Rounded under JPY mn. Rounded to one decimal place. Calculated by Global IR, Inc.



## Appendix

Figure 7. Financial Data (Consolidated, Full year, Japanese GAAP)

Unit: JPY mn, %

Profit and loss statement	FY02/2014 Fuji Elec	FY02/2015 Fuji Elec	FY03/2014 Macnica	FY02/2015 Macnica	FY03/2016	FY03/2017	FY03/2018	FY03/2019	FY03/2020	FY03/2021	FY03/2022	FY03/2023 CE
<b>Sales</b>	<b>47,387</b>	<b>57,331</b>	<b>255,967</b>	<b>284,673</b>	<b>405,315</b>	<b>398,503</b>	<b>504,085</b>	<b>524,235</b>	<b>521,193</b>	<b>553,962</b>	<b>761,823</b>	<b>970,000</b>
YoY	-	21.0%	346.5%	11.2%	42.4%	-1.7%	26.5%	4.0%	-0.6%	6.3%	37.5%	27.3%
<b>Gross profit</b>	<b>6,617</b>	<b>7,382</b>	<b>33,744</b>	<b>36,182</b>	<b>44,287</b>	<b>46,269</b>	<b>56,094</b>	<b>61,061</b>	<b>59,891</b>	<b>64,835</b>	<b>90,718</b>	<b>113,430</b>
YoY	-	11.6%	357.1%	7.2%	22.4%	4.5%	21.2%	8.9%	-1.9%	8.3%	39.9%	25.0%
Gross profit margin	14.0%	12.9%	13.2%	12.7%	10.9%	11.6%	11.1%	11.6%	11.5%	11.7%	11.9%	11.7%
<b>Operating profit</b>	<b>1,148</b>	<b>1,820</b>	<b>8,456</b>	<b>9,195</b>	<b>9,729</b>	<b>10,473</b>	<b>15,163</b>	<b>15,324</b>	<b>14,447</b>	<b>18,769</b>	<b>36,707</b>	<b>51,000</b>
YoY	-	58.6%	364.5%	8.7%	5.8%	7.6%	44.8%	1.1%	-5.7%	29.9%	95.6%	38.9%
Operating profit margin	2.4%	3.2%	3.3%	3.2%	2.4%	2.6%	3.0%	2.9%	2.8%	3.4%	4.8%	5.3%
<b>Recurring profit</b>	<b>2,028</b>	<b>2,539</b>	<b>10,603</b>	<b>7,200</b>	<b>10,176</b>	<b>9,635</b>	<b>14,937</b>	<b>13,101</b>	<b>11,072</b>	<b>16,399</b>	<b>35,487</b>	<b>45,000</b>
YoY	-	25.2%	317.6%	-32.1%	41.3%	-5.3%	55.0%	-12.3%	-15.5%	48.1%	116.4%	26.8%
Recurring profit margin	4.3%	4.4%	4.1%	2.5%	2.5%	2.4%	3.0%	2.5%	2.1%	3.0%	4.7%	4.6%
<b>Net profit</b>	<b>1,463</b>	<b>1,618</b>	<b>6,382</b>	<b>4,018</b>	<b>7,285</b>	<b>6,534</b>	<b>11,412</b>	<b>8,883</b>	<b>5,633</b>	<b>10,875</b>	<b>25,798</b>	<b>31,500</b>
YoY	-	10.5%	294.5%	-37.0%	81.3%	-10.3%	74.7%	-22.2%	-36.6%	93.1%	137.2%	22.1%
Net profit margin	3.1%	2.8%	2.5%	1.4%	1.8%	1.6%	2.3%	1.7%	1.1%	2.0%	3.4%	3.2%
<b>Per Share Data (Yen, adjusted for stock split)</b>												
# of shares issued and outstanding at FY-end	16,321	16,321	18,110	17,732	58,793	58,793	62,813	62,813	63,031	63,031	63,031	
Number of treasury stock (000)	2,311	2,310	378	-	306	3,982	318	248	1,348	930	815	
EPS	104.5	115.5	360.4	226.6	124.7	114.3	206.1	142.0	90.1	175.4	414.9	505.9
EPS (Diluted)	-	-	359.2	225.4	-	114.0	-	-	-	-	-	
DPS	50.0	50.0	60.0	60.0	40.0	35.0	50.0	50.0	50.0	50.0	100.0	130.0
BPS	1,664	1,737	4,160	4,549	1,811	1,879	2,010	2,116	2,142	2,290	2,735	
<b>Balance Sheet</b>												
Cash, deposits and marketable securities	9,363	8,809	18,637	13,473	20,847	15,552	28,789	14,217	14,715	25,443	25,174	
<b>Total current assets</b>	<b>33,348</b>	<b>37,089</b>	<b>125,696</b>	<b>142,697</b>	<b>186,895</b>	<b>200,543</b>	<b>251,399</b>	<b>276,885</b>	<b>236,384</b>	<b>243,400</b>	<b>335,032</b>	
Property, plant and equipment	68	64	7,558	6,497	6,530	6,626	6,807	7,530	7,501	7,449	7,951	
Total investments and other assets	2,984	1,708	4,599	4,594	6,296	6,391	6,113	12,328	17,029	15,314	10,454	
Intangible fixed assets	54	66	1,861	1,662	1,448	1,597	2,821	2,515	2,332	3,426	9,145	
<b>Total assets</b>	<b>36,454</b>	<b>38,926</b>	<b>139,715</b>	<b>155,451</b>	<b>201,171</b>	<b>215,158</b>	<b>267,142</b>	<b>299,259</b>	<b>263,247</b>	<b>269,590</b>	<b>362,584</b>	
Short-term interest-bearing debt	4,447	4,045	10,603	9,997	16,155	23,654	51,744	77,237	49,468	23,032	44,695	
<b>Total current liabilities</b>	<b>9,404</b>	<b>10,371</b>	<b>59,971</b>	<b>63,775</b>	<b>79,414</b>	<b>99,535</b>	<b>125,197</b>	<b>149,540</b>	<b>116,987</b>	<b>108,351</b>	<b>161,249</b>	
Long-term interest-bearing debt	2,605	2,980	377	4,743	7,068	3,892	6,518	7,448	4,493	9,015	14,463	
<b>Total long-term liabilities</b>	<b>3,697</b>	<b>4,172</b>	<b>4,488</b>	<b>9,229</b>	<b>14,136</b>	<b>10,854</b>	<b>13,731</b>	<b>14,319</b>	<b>10,707</b>	<b>15,229</b>	<b>21,570</b>	
<b>Total liabilities</b>	<b>13,101</b>	<b>14,543</b>	<b>64,459</b>	<b>73,004</b>	<b>93,551</b>	<b>110,389</b>	<b>138,928</b>	<b>163,860</b>	<b>127,695</b>	<b>123,580</b>	<b>182,819</b>	
Net worth	23,317	24,340	73,774	80,660	105,891	102,969	125,609	132,385	132,099	142,183	170,131	
<b>Total net assets</b>	<b>23,353</b>	<b>24,384</b>	<b>75,255</b>	<b>82,446</b>	<b>107,620</b>	<b>104,769</b>	<b>128,210</b>	<b>135,399</b>	<b>135,551</b>	<b>146,010</b>	<b>179,762</b>	
<b>Total liabilities and net assets</b>	<b>36,454</b>	<b>38,926</b>	<b>139,715</b>	<b>155,451</b>	<b>201,171</b>	<b>215,158</b>	<b>267,142</b>	<b>299,259</b>	<b>263,247</b>	<b>269,590</b>	<b>362,584</b>	
Interest-bearing debt (short-term and long-term)	7,052	7,025	10,980	14,740	23,223	27,546	58,262	84,685	53,961	32,047	59,158	
<b>Statements of Cash Flows</b>												
Cash flows from operating activities	-2,568	-2,123	3,987	-8,239	-1,208	3,169	-28,595	-30,173	45,770	38,076	-15,534	
Cash flows from investing activities	-548	2,397	-1,501	-261	-1,460	-1,083	-1,804	-7,251	-8,919	-2,181	-1,653	
Cash flows from financing activities	-619	-944	-1,421	2,049	2,942	-8,322	43,699	21,916	-35,797	-26,189	14,368	
<b>Financial index</b>												
Return on Assets (ROA)	5.8%	6.7%	8.3%	4.9%	5.1%	4.6%	6.2%	4.6%	3.9%	6.2%	11.2%	
Return on Equity (ROE)	6.4%	6.8%	9.1%	5.2%	6.9%	6.3%	10.0%	6.9%	4.3%	7.9%	16.5%	
Capital adequacy ratio	64.0%	62.5%	52.8%	51.9%	52.6%	47.9%	47.0%	44.2%	50.2%	52.7%	46.9%	
Total Assets Turnover	260.0%	152.1%	286.6%	192.9%	227.3%	191.4%	209.0%	185.1%	185.3%	207.9%	241.0%	
Net Income Ratio	3.1%	2.8%	2.5%	1.4%	1.8%	1.6%	2.3%	1.7%	1.1%	2.0%	3.4%	
Working capital turnover (x)	2.8	2.8	3.9	3.4	3.5	3.1	3.0	2.7	3.0	3.4	3.2	
<b>Employee Indicators</b>												
Number of employees (persons)	414		1,827		2,555	2,711	3,114	3,363	3,453	3,513	3,925	
Number of temporary employees (annual average, persons)			200		284	313	316	346	381	384	426	
Net sales per employee (JPY mn)						135	156	146	138	143	184	
Operating income per employee (JPYmn)						3.6	4.7	4.3	3.8	4.9	8.9	

Source: Prepared by Global IR, Inc. based on company data

Note: CE=Company Estimate. Rounded under JPY mn. Rounded to one decimal place. Calculated by Global IR, Inc.



Figure 8 Selling, general and administrative expenses											Unit: JPY mn, %	
	FY02/2014	FY02/2015	FY03/2014	FY02/2015	FY03/2016	FY03/2017	FY03/2018	FY03/2019	FY03/2020	FY03/2021	FY03/2022	FY03/2023
	Fuji Elec	Fuji Elec	Macnica	Macnica	Consolidated							CE
SG&A	5,469	5,562	25,288	26,986	34,558	35,796	40,931	45,737	45,444	46,066	54,010	62,430
Selling expenses					551	585	860	1,362	1,343	1,187	1,451	1,370
Personnel expenses					21,494	22,523	25,855	28,438	27,665	30,856	35,596	41,380
Depreciation and amortization					822	918	1,109	1,301	1,542	1,567	2,397	3,070
Development cost					34	157	279	407	403	281	333	320
Other					11,657	11,613	12,828	14,229	14,491	12,175	14,233	16,290

Source: Prepared by Global IR, Inc. based on company data

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