FY2024 Third Quarter

Financial Results Presentation

Feb 12th, 2025

Musashi Seimitsu Industry Co.,Ltd.

Securities Code： 7220

https:// www.musashi.co.jp/

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Overview of FY2024 Third Quarter Financial Results (Apr.-Dec.)

FY2024 Third Quarter Consolidated PL (Apr.-Dec.)

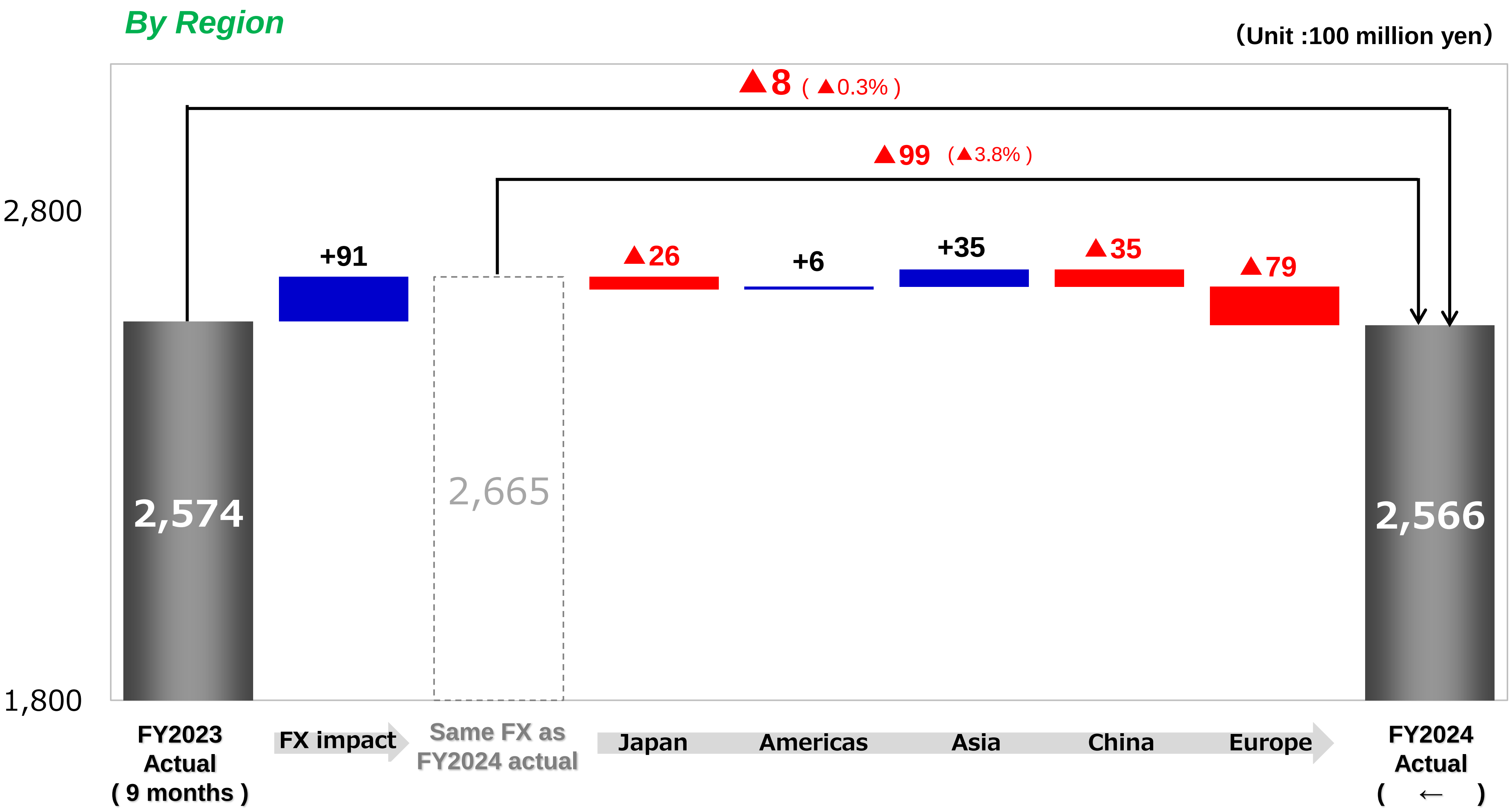
(Unit :100 million yen)

Third Quarter (Apr. –Dec.)	FY2023 (9 months)	FY2024 (←)	vs. Previous year Change	vs. Previous year Ratio
Net sales	2,574	2,566	▲8	▲0.3%
Operating profit (Operating profit ratio)	115 (4.5%)	120 (4.7%)	+5	+4.6%
Ordinary profit (Ordinary profit ratio)	107 (4.2%)	110 (4.3%)	+3	+2.4%
Net income (Net income ratio)	63 (2.5%)	51 (2.0%)	▲12	▲19.0%
EBITDA (EBITDA ratio)	263 (10.2%)	263 (10.3%)	+0	+0.0%

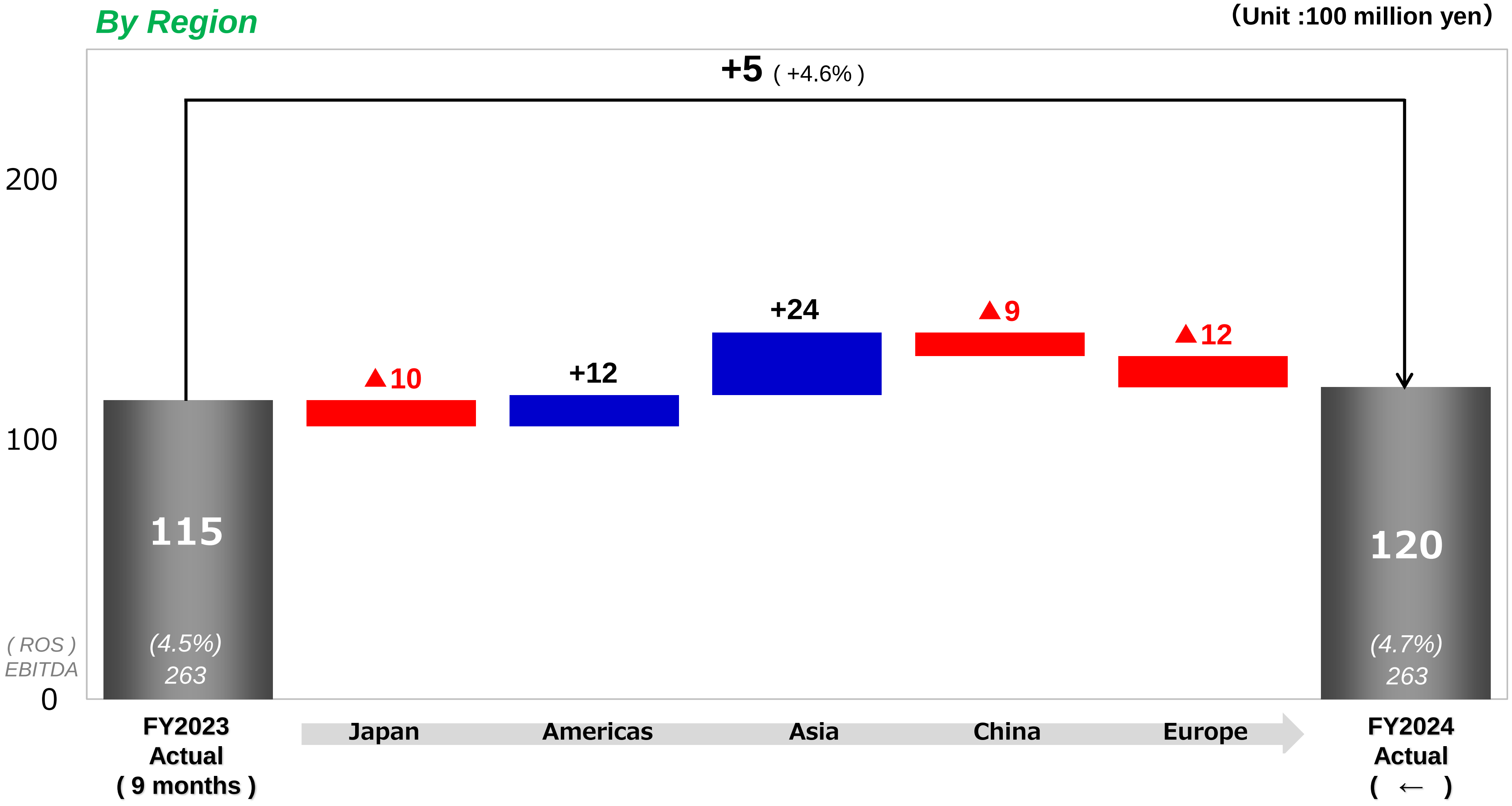
Exchange Rate (Ave.)

USD	143.78	153.03	+9.25	+6.4%
BRL	29.26	27.13	-2.13	-7.3%
EUR	156.24	165.09	+8.85	+5.7%
THB	4.10	4.37	+0.27	+6.6%
IDR	0.0095	0.0096	+0.0001	+1.1%
INR	1.75	1.83	+0.08	+4.6%
CNY	20.01	21.25	+1.24	+6.2%

FY2024 Third Quarter Sales increase/decrease (Apr.-Dec.) -by region-



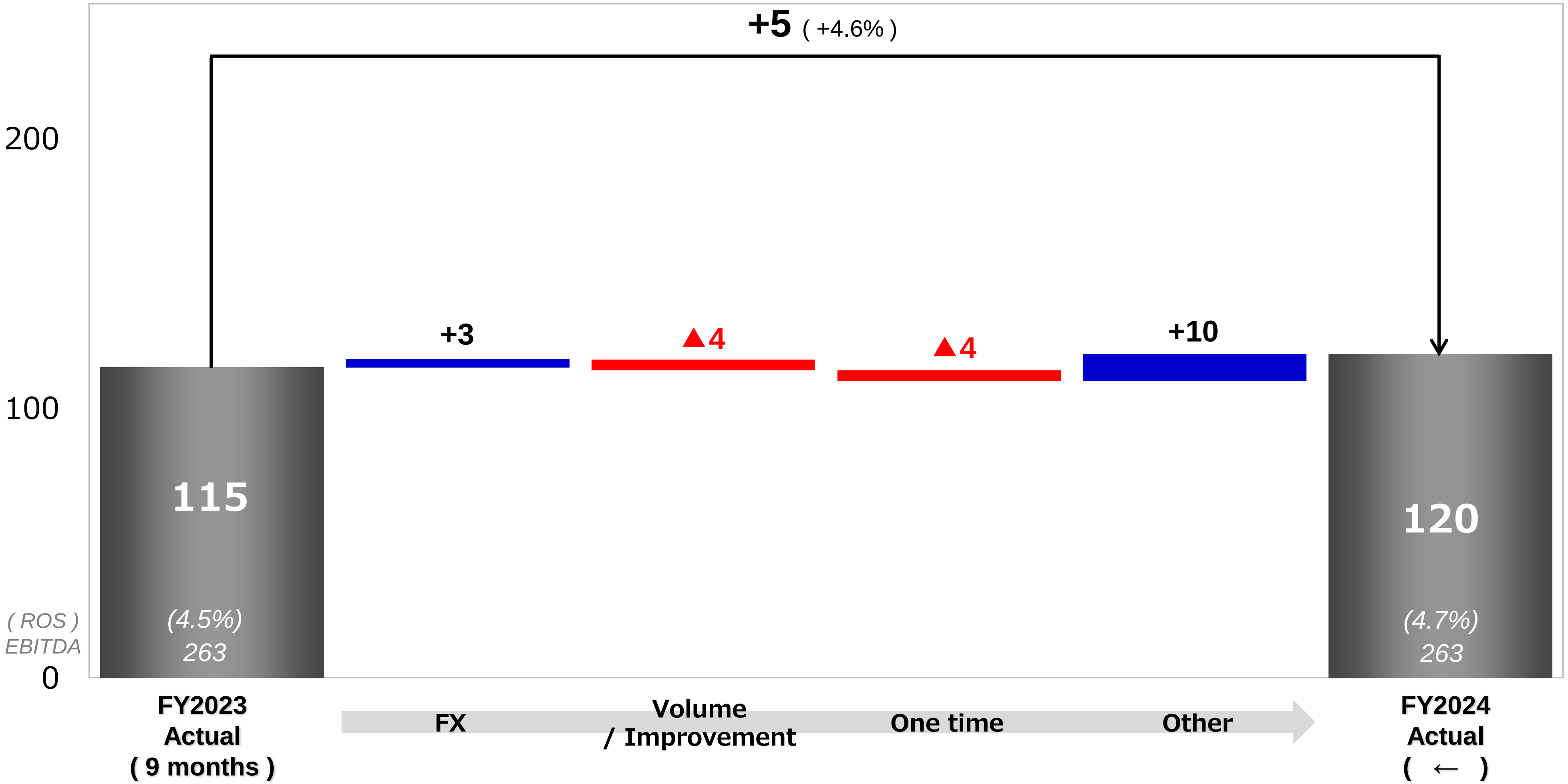
FY2024 Third Quarter O.P. (Apr.-Dec.) increase/decrease -by region-



FY2024 Third Quarter O.P. (Apr.-Dec.) increase/decrease -by factor-

By Factor

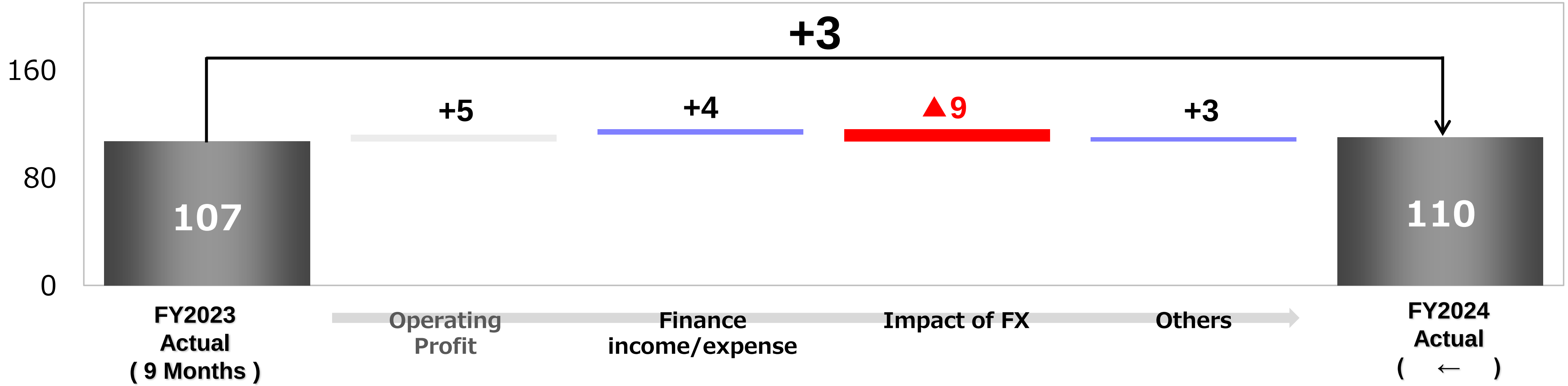
(Unit :100 million yen)



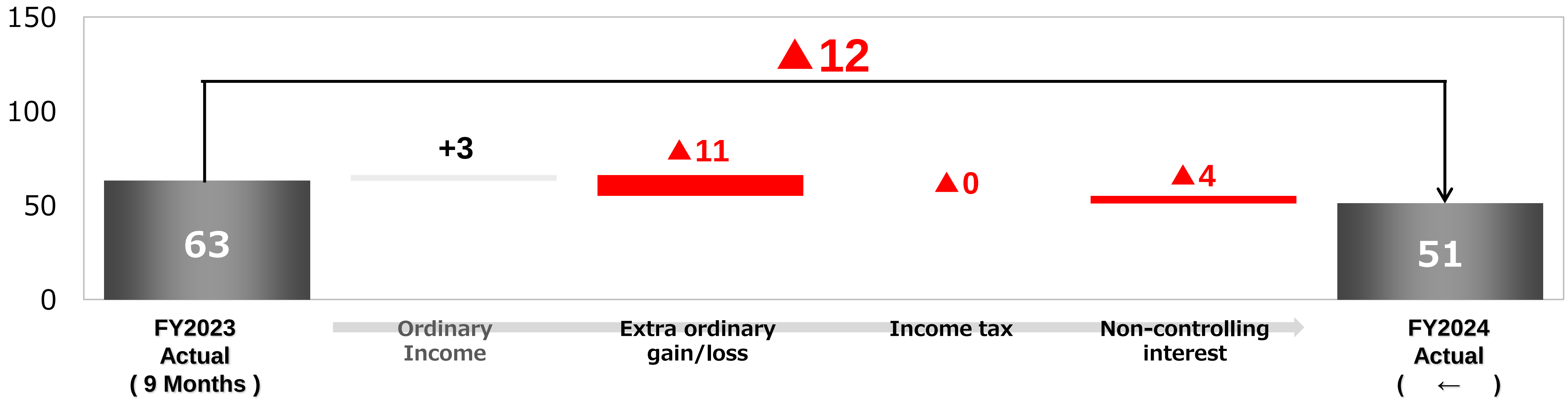
FY2024 Third Quarter Ordinary Profit・Net income increase/decrease -by factor-

Ordinary profit

(Unit :100 million yen)



Net income



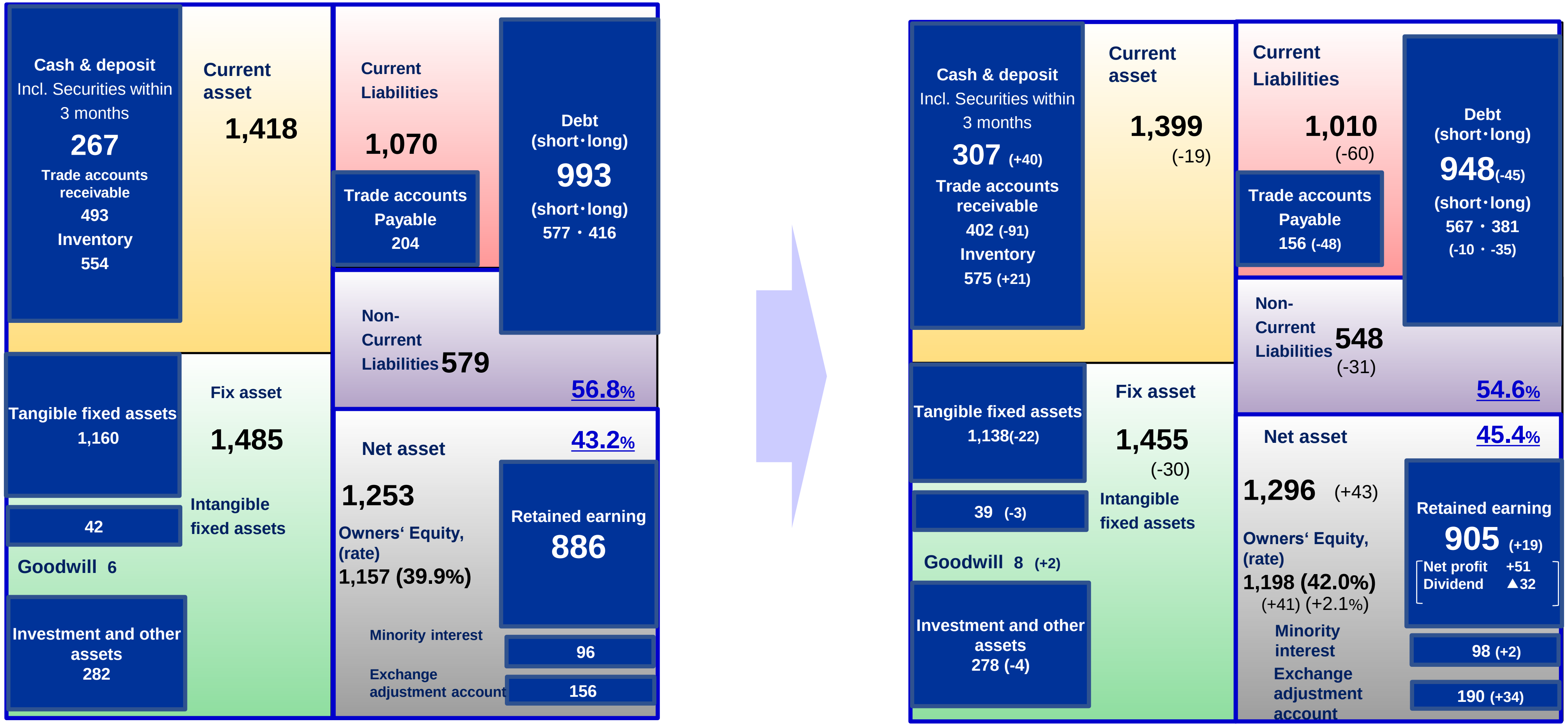
FY2024 Third Quarter Balance Sheet

（Unit :100 million yen）

Total asset
-48
(FX impact +34 included)

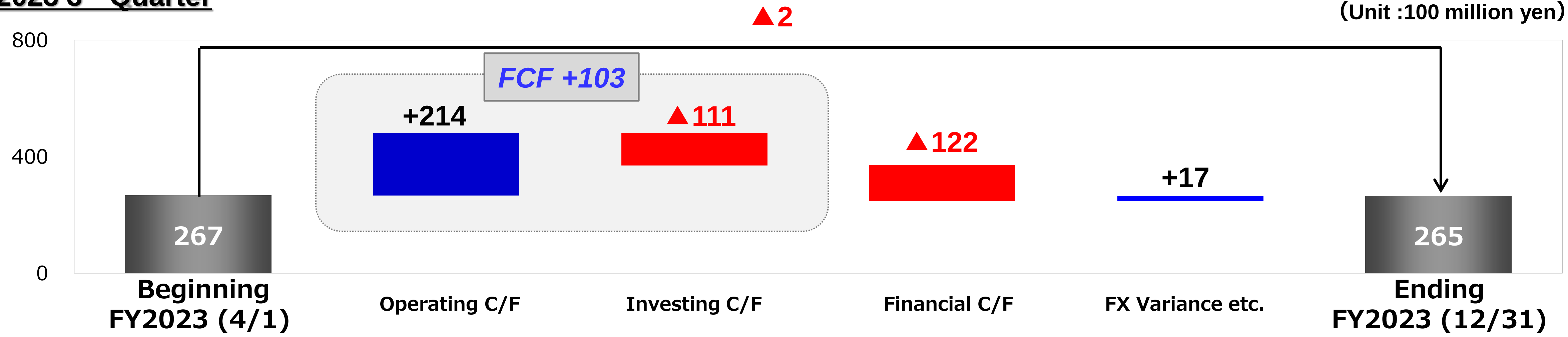
【 FY 2023 (3/31) 】
2,903

【 FY 2024 (12/31) 】
2,855

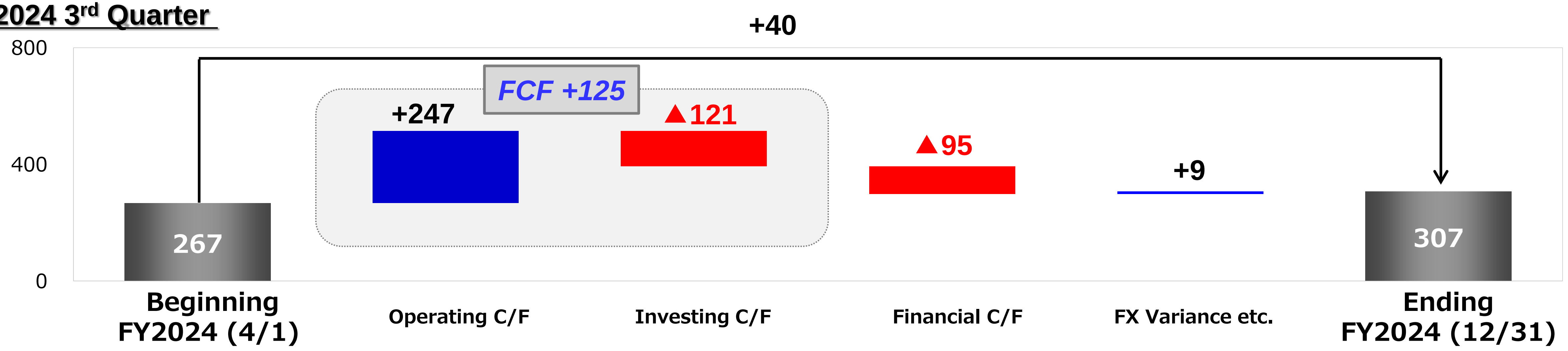


FY2024 Third Quarter Cash Flow (Apr.-Dec.)

FY2023 3rd Quarter

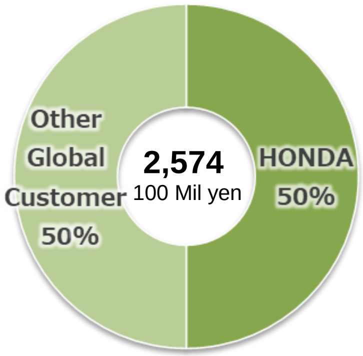
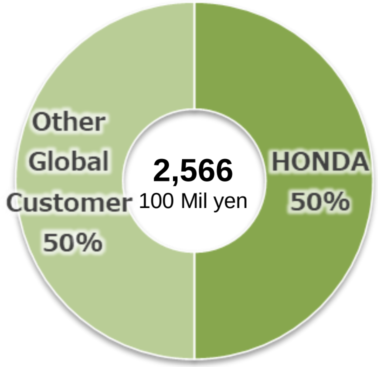
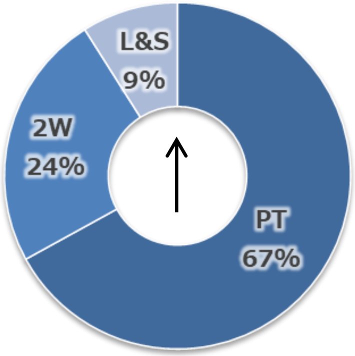
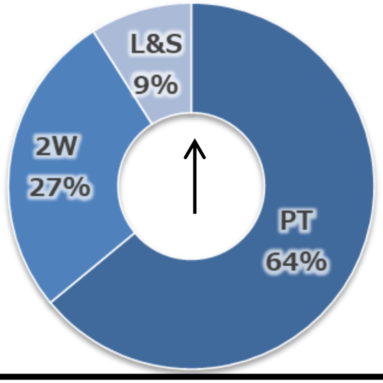
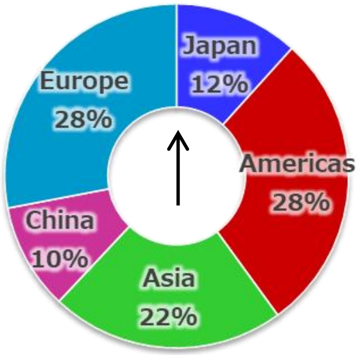
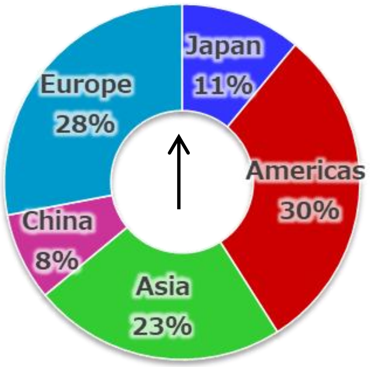


FY2024 3rd Quarter



FY2024 Third Quarter Change in Sales (YTD) -vs. previous year-

(Unit :100 million yen)

	FY2023		FY2024
Customers		▲8	
Business			
Segments			

By customers

	FY2023	Diff.	FY2024
Honda	1,275 (50%)	+7	1,282 (50%)
Global	1,299 (50%)	▲14	1,284 (50%)
	2,574 (100%)	▲8	2.566 (100%)

By business

	FY2023	Diff.	FY2024
PT	1,712 (67%)	▲76	1,636 (64%)
2W	623 (24%)	+64	687 (27%)
L&S	239 (9%)	+4	243 (9%)
	2,574 (100%)	▲8	2,566 (100%)

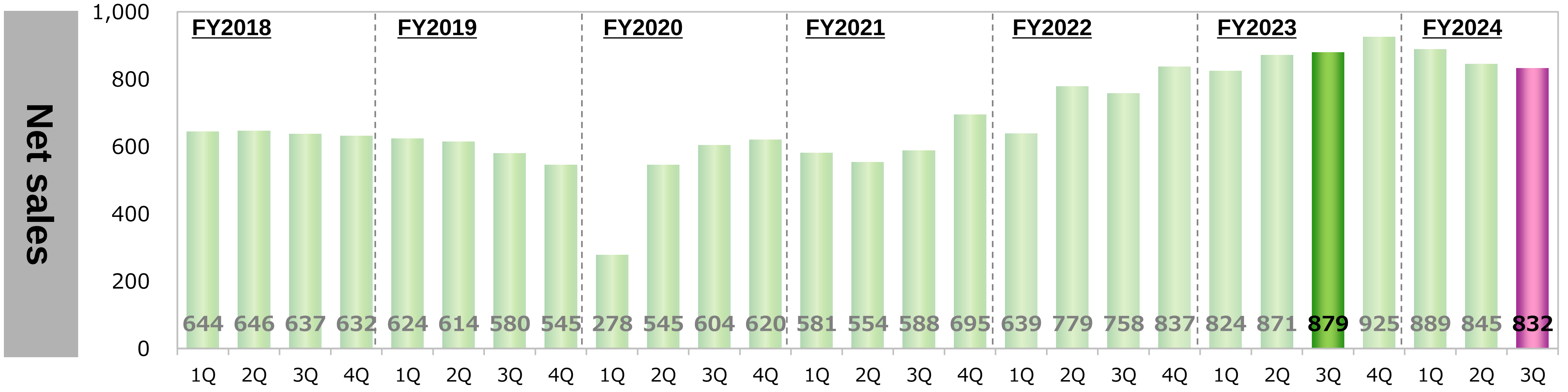
By region

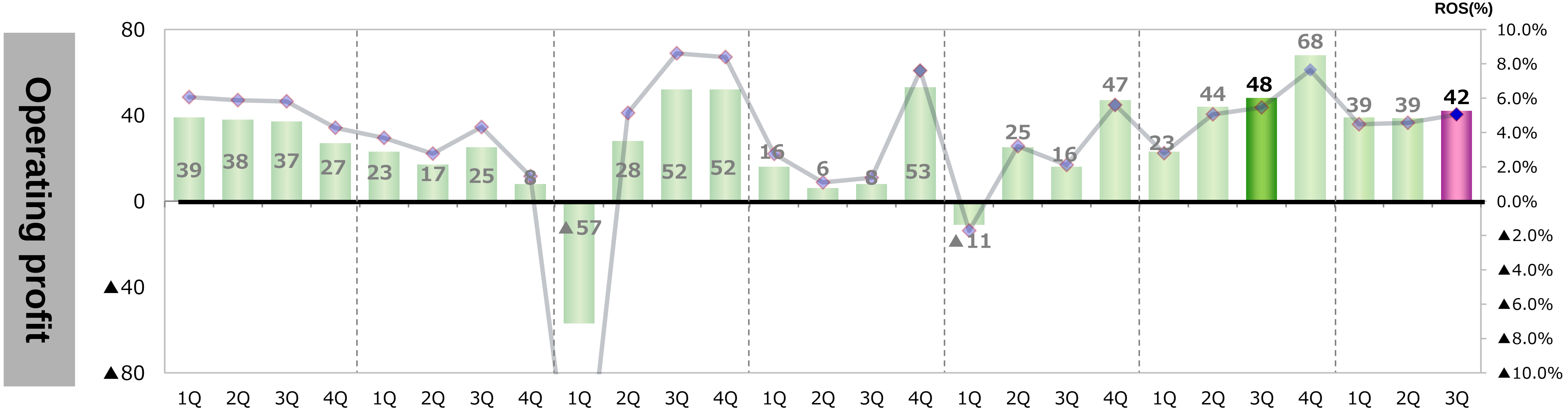
Sales

	FY2023	Diff.	FY2024
Japan	315 (12%)	▲26	289 (11%)
America	731 (28%)	+28	759 (30%)
Asia	554 (22%)	+55	609 (23%)
China	264 (10%)	▲21	243 (8%)
Europe	710 (28%)	▲44	666 (28%)
Total	2,574 (100%)	▲8	2,566 (100%)

FY2024 Quarterly Performance Trend -Sales・Operating profit-

(Unit :100 million yen)





FY2024 Third Quarter Management Index

（Unit :100 million yen）

Index	FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 3Q Actual
ROE 純利益 / 自己資本 Net Profit / Equity	11.3%	▲8.5%	9.4%	5.8%	2.4%	7.3%	* (4.4%)
ROA 純利益 / 総資産 Net Profit / Total asset	4.0%	▲3.1%	3.4%	2.2%	0.9%	2.8%	* (1.8%)
売上高純利益率 Net profit / Sales	3.9%	▲2.9%	3.6%	2.2%	0.8%	2.3%	2.0%
総資産回転率 Sales / Total asset	1.04	1.05	0.94	1.00	1.14	1.25	(0.89)
財務レバレッジ 総資産 / 自己資本 Leverage Net asset / Equity	2.82	2.77	2.77	2.62	2.60	2.56	2.44
ROIC 税引後営業利益 / 投下資本 OP after Tax / Invested Capital	5.5%	3.6%	3.0%	2.9%	1.6%	6.7%	* (4.0%)
ROS 営業利益 / 売上高 OP / Sales	5.5%	3.1%	3.7%	3.5%	2.5%	5.3%	4.7%
EBITDA 営業利益 + 減価償却費 OP + Depreciation	330	259	237	253	265	382	* (263)
自己資本比率 自己資本 / 総資産 Equity / Total asset	37.4%	34.5%	37.7%	38.7%	38.2%	39.9%	42.0%
借入金依存度 有利子負債 / 総資産 Debt / Total asset	36.3%	38.2%	34.3%	37.2%	36.8%	34.2%	33.2%
キャッシュ･コンバージョン･サイクル CCC 売上債権回転日数+棚卸資産回転日数-仕入債務回転日数 AR turnover days + Inventory turnover days - AP turnover days	73	71	92	95	88	81	83
株価純資産倍率 PBR 株価/1株当たり純資産額 Stock Price / Net assets per share	1.07	0.76	1.45	0.98	1.19	0.95	2.17

*Calculated using 9 month's profit

FY2024 Full year forecast

FY2024 Full Year Forecast

（Unit :100 million yen）

	FY2023 Actual	FY2024 Forecast (Last time)	FY2024 Forecast	vs. Previous year Change	vs. Previous year Ratio
Net sales	3,499	3,350	3,350	▲149	▲4.3%
Operating profit (Operating profit ratio)	183 (5.3%)	185 (5.5%)	185 (5.5%)	+2	+1.1%
Ordinary profit (Ordinary profit ratio)	155 (4.4%)	155 (4.6%)	155 (4.6%)	+0	+0.0%
Net income (Net income ratio)	79 (2.3%)	95 (2.8%)	95 (2.8%)	+16	+20.3%
EBITDA (EBITDA ratio)	382 (10.9%)	380 (11.3%)	380 (11.3%)	▲2	▲0.5%

Exchange Rate (Ave.)

		1-3Q	4Q	Ave.		
USD	145.31	153.03	145.00	151.02	+5.71	+3.9%
BRL	29.44	27.13	29.00	27.60	-1.84	-6.3%
EUR	157.72	165.09	155.00	162.57	+4.85	+3.1%
THB	4.12	4.37	4.00	4.28	+0.16	+3.8%
IDR	0.0095	0.0096	0.0090	0.0095	-0.0001	-0.5%
INR	1.77	1.83	1.70	1.80	+0.03	+1.6%
CNY	20.20	21.25	20.00	20.94	+0.74	+3.7%

FY2024 Full year Capex・Depreciation・Dividend Forecast

（Unit :100 million yen）

	FY2023 Actual	FY2024 Forecast		Change
Capex	167	Last time 200	200	+33
Depreciation Cost	199	195	195	-4
Normal	187	186	186	-1
PPA / Goodwill (MCT & MEU & Nidec ARM)	12	9	9	-3
EBITDA (Operating Profit + Depreciation Cost)	382	380	380	▲2
Operating Profit	183	185	185	+2
Depreciation Cost	199	195	195	-4
Dividend (Interim / Year end)	Yen / share 40 (15YEN / 25YEN)	50 (25YEN / 25YEN)	Yen / share 50 (25YEN / 25YEN)	+10

CONTENT

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New orders for this fiscal year

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CHINA

BYD

Expanding order

Suspension Ball Joint

EV for Seagull and Dolphin
(scheduled to commence mass production in May 2025)

EV for Atto3
(scheduled to commence mass production in Aug. 2025)

Thailand

ISUZU MOTORS co., (Thailand) Ltd.

Timing gear for new diesel engine

For domestic sales in Thailand "D-MAX","MU-X"
(Production and delivery started in Oct. 2024

Thailand

Thai Honda Co., Ltd.

Transmission ASSY Camshaft

Motorcycle 650cc class
(Production and delivery started in Sep. 2024)

Accelerating sales of EV parts for Chinese automakers

Sales Expansion to Chinese automakers

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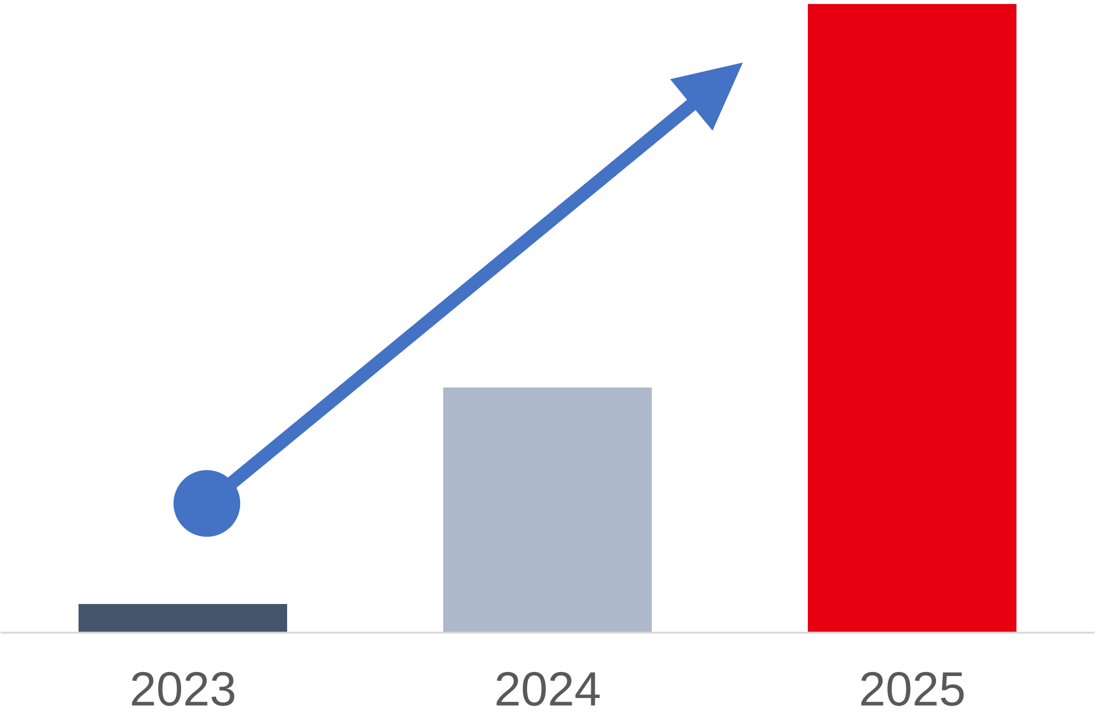
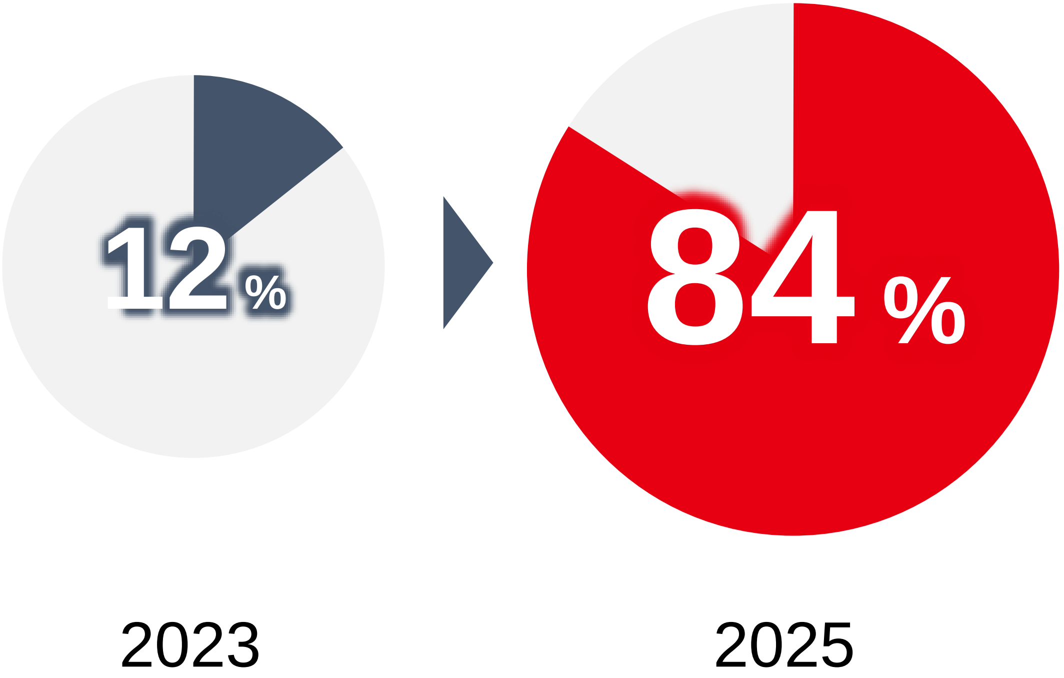
Sales for BYD



About 22 times compared to FY23

Suspension BJ Share for BYD



Growing to Top Market Share

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e-Mobility: Business in Africa

Adopted to "Global South Future-Oriented Co-Creation Project Subsidy" by The Ministry of Economy, Trade and Industry
***Second case following the case in Kenya.**

- Spread of batteries and swap stations
- Building a foundation for data business
- Reducing environmental impact through e-Mobility

Creating two-wheel EV ecosystem in major cities in Ethiopia.

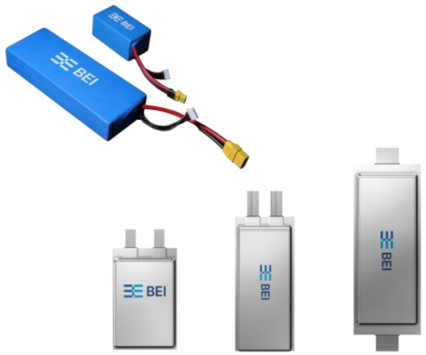
e-Mobility: Investing in BEI Lab

BEI
Beyond energy innovation

Head Office: Ansan, Gyeonggi Province, South Korea
Business: Development and Manufacturing of high-density energy batteries
Founded: 2018

HSC electrode technology

Proprietary technology to prevent electrode deterioration



Developing for small e-Mobility

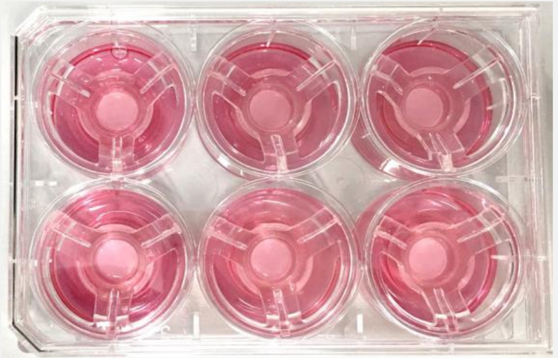
Joint Development of High-Power & Long-Life Batteries

Plant Biotechnology: Joint R&D with Organtech

OrganTech 株式会社オーガンテック

■Founded in 2008 by Takashi Tsuji from the former RIKEN, a leading researcher on organ regeneration.
■The company owns many intellectual properties related to 3D artificial skin models, hair regeneration, and tooth regeneration.

For medical and drug discovery Research High-performance artificial skin



Issues in mass production

Precision work by skilled workers is required.

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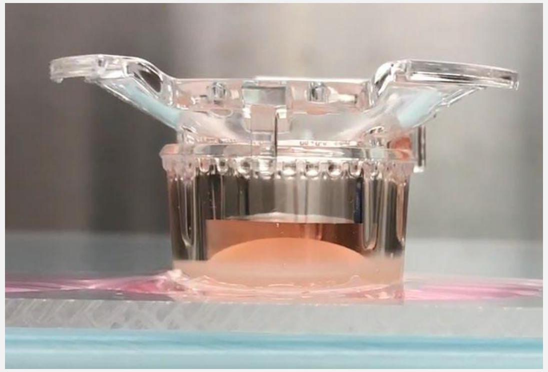
Production equipment and automation technology for mass production



Realize mass production of artificial skin through cross-industry collaboration

CONTENT

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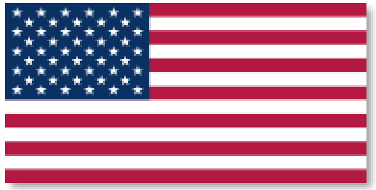
Recent Trends of Data Center

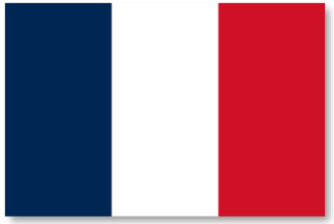
2/6 UK Prime Minister Stormer at Press Conference

Deregulation of nuclear power plants to supply DC power



2/8 The Nikkei reports

Four U.S. IT firms invest aggressively after DeepSeek shock



2/10-11 "AI Action Summit"

17 trillion yen investing in AI development

Generative AI never stops and continues to grow

Generative AI Future Trends Forecast

Basic Process of Generative AI

Pre-training
Gaining basic knowledge

Reinforcement Learning
Optimization of mistaken thought and behavior

Inference
prediction and judgment

Further technological evolution

Lower cost and higher efficiency

Demand for high-performance GPUs continues

Accelerating the spread of AI

Market Forecast: Global data centers will grow and get bigger

Demand for peak-shaving function is expected to rise

Shipment of HSC for AI data centers begins

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3,300F Series

Power Supplier

A company

B company

Shipment schedule brought forward in response to strong customer demand

Capacity expansion at Hokuto Factory

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Scheduled to complete at the end of March 2025

Annual production capacity (number of cells)

0.2 million → **1.5 million**

Manufacturing
Improving production efficiency

Bottleneck process
New equipment introduction

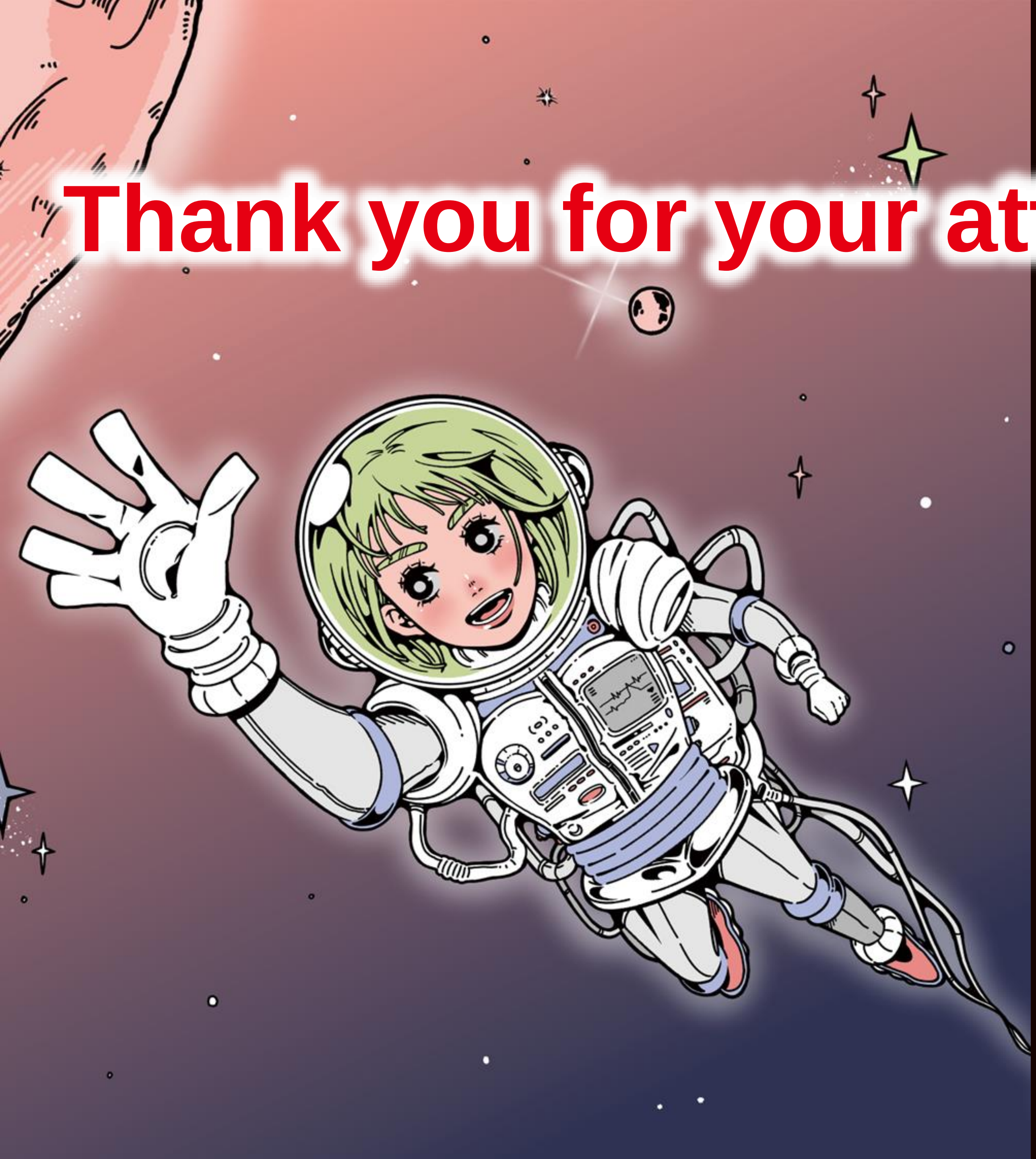
Layout
Optimize production efficiency

Responding to accelerated customer demand

South Alps New Factory Update

New factory operations brought forward to meet customer demand

Thank you for your attention



GO FAR BEYOND