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Question-and-Answer Session

Results Briefing for the Fiscal Year Ending December 31, 2023

Outline of briefing session

16:00–17:00 on Wednesday, February 14, 2024 (Zoom webinar)

For institutional investors and analysts

Question 1. For the year ended December 31, 2023, what caused the decline in gross profit ratio compared to the previous period?

Answer It was due to a large drop in the quantity of chemicals shipped.

Question 2. What is the concept behind the consolidated financial plan for the year ending December 31, 2024?

Answer Net sales tend to decline in the first quarter due to seasonality. It is expected that, although there will be a gradual increase from the second quarter, full-scale recovery in demand will occur in the second half of the period.

With regard to profit, it is planned that the profit margin will decline due to factors such as an increase in the proportion of machinery in the sales mix. Selling, general and administrative expenses are expected to increase due to increases in personnel expenses and travel expenses.

Question 3. Regarding CZ sales evolution, what else is included in CZ?

Answer It includes the CZ-8101 next-generation products as well as CZ pre- and post-treatment agents, as shown in slide 21 of results briefing materials. The post-treatment agent is used for the purpose of improving adhesion. Opportunities for its use are increasing as package substrates become higher density.

Question 4. What products are used in electronic substrates for vehicles?

Answer CZ is used for package substrates for vehicles. In addition, V-Bond is mainly used for electronic substrates for vehicles. Our market share in electronic substrates for vehicles is not very large.