

Let's Achieve the Target Figures We Announced with Full Force

President CEO
Masahiro Okitsu



1. FY2025 Q3 Financial Results

On February 10 we announced our FY2025 Q3 financial results. Year on Year our income and profit decreased due to impact from our Asset-light strategy, decrease in demands, and harsh competitions and such. However, by racking up profits centering our Brand business, our accumulative operating income over the three fiscal quarters have reached up to 40.9 billion yen against our announced annual target of 45.0 billion yen.

Also, looking at our equity ratio, we have improved our position to 17.8%, and as our current target is 20%, our financial basis is improving more rapidly than expected. I thank you all for your efforts to achieve such results so far.

Meanwhile, our current business condition is becoming increasingly difficult with harsh competitions along with deterioration in PC demands, rise in cost with memory devices soaring, and unstable exchange rate etc. Although we are almost in reach of our announced targets, the current situation is completely unpredictable.

Let us all give our full efforts in the remaining term until the very last day of March to expand sales to build up profit, and work with higher cost consciousness. By doing so, let us achieve our target figures by any means.

2. Structural Reform in Display Device Business

In our financial results announcements, we also explained we will halt production at Kameyama No.2 Plant and terminate SDP business as part of our structural reform in our Display Device Business.

Regarding Kameyama No.2 Plant, we have been discussing transfer with Foxconn since last May, but unfortunately our conditions did not match, and we decided to end our discussions. As a result, since we cannot expect future surplus at this plant, we decided it is difficult to further continue its operations. After we conduct productions to meet demands from existing customers and secure inventory, we will halt productions around August 2026.

Also for SDP, we have been in discussions to transfer our engineering to an India major company's LCD plant, but we were not able to reach an agreement. Thus, we ended this discussion and decided to terminate business.

For those who have been involved in these businesses, although being an extremely difficult decision, we will carefully support everyone's career including utilizing outer career change support programs.

I heard that some people concern the decision of Kameyama No.2 Plant shows our deterioration in our relationship with Foxconn. However, this decision has absolutely no effect on our relationship. We will continue our collaboration in new business areas such as EV and AI servers and aim for early business establishment.

3. End Note

I mentioned during our financial results announcement that this time's decision is a punctuation point in our Device Business structural reforms. From here on, the Display Device Business will focus on Kameyama No.1 Plant and Hakusan Plant and develop high added value products and work on expanding sales to achieve surplus. In our Brand business, it is time to make full scale steps toward our growth.

Although our current business conditions are extremely harsh, let us all work together to face on difficulties while aggressively taking on challenges of new businesses and investment for growth, and make one step each to soar high in the future. With such efforts, let's make strong progression to achieve 80 billion yen in operating income in fiscal 2027 as we announced as our target in our Medium-Term Management Plan.

Lastly, we have a little over one month remaining in this fiscal year. As I stated at the start of this message, let us make our full efforts until the very last day to achieve our announced targets, especially 45 billion yen in operating income. By achieving our announced targets in two consecutive fiscal years, let us make it a big step toward regrowth.

End