

FY03/2025 1st HALF

Materials for Financial Results Briefing

(April 1, 2024 – September 30, 2024)

November 12, 2024

GLTECHNO HOLDINGS, INC.

TSE STD (255A)

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Introduction

- **The Company (GLTECHNO HOLDINGS, INC.) was established on October 1, 2024, as the holding company of GL Sciences Inc. and Techno Quartz Inc.**
Therefore, financial results such as Net sales and Operating profit for the 1st HALF (April – September) as described in this document are those prior to the management integration.
- **Besides, please refer to the following documents which have also been publicly disclosed.**
 - **Mid-Term Management Plan**
【 Topic ① 】
 - **Notices on Action to Implement Management that is Conscious of Cost of Capital and Stock Price**
【 Topic ② 】
 - **Notes on Cancellation of Treasury Stock**
【 Topic ③ 】
- **Our corporate message has been formulated as:**

Search for a Way

URL: <https://www.gltechno.co.jp/en/company/philosophy.html>

Company Overview

Holding Company

- GLTECHNO HOLDINGS, INC. -

Analytical Instruments Business

- GL Sciences Inc. -

Supporting various analysis
with “chromatography” technology
【Core business】

Semiconductor Business

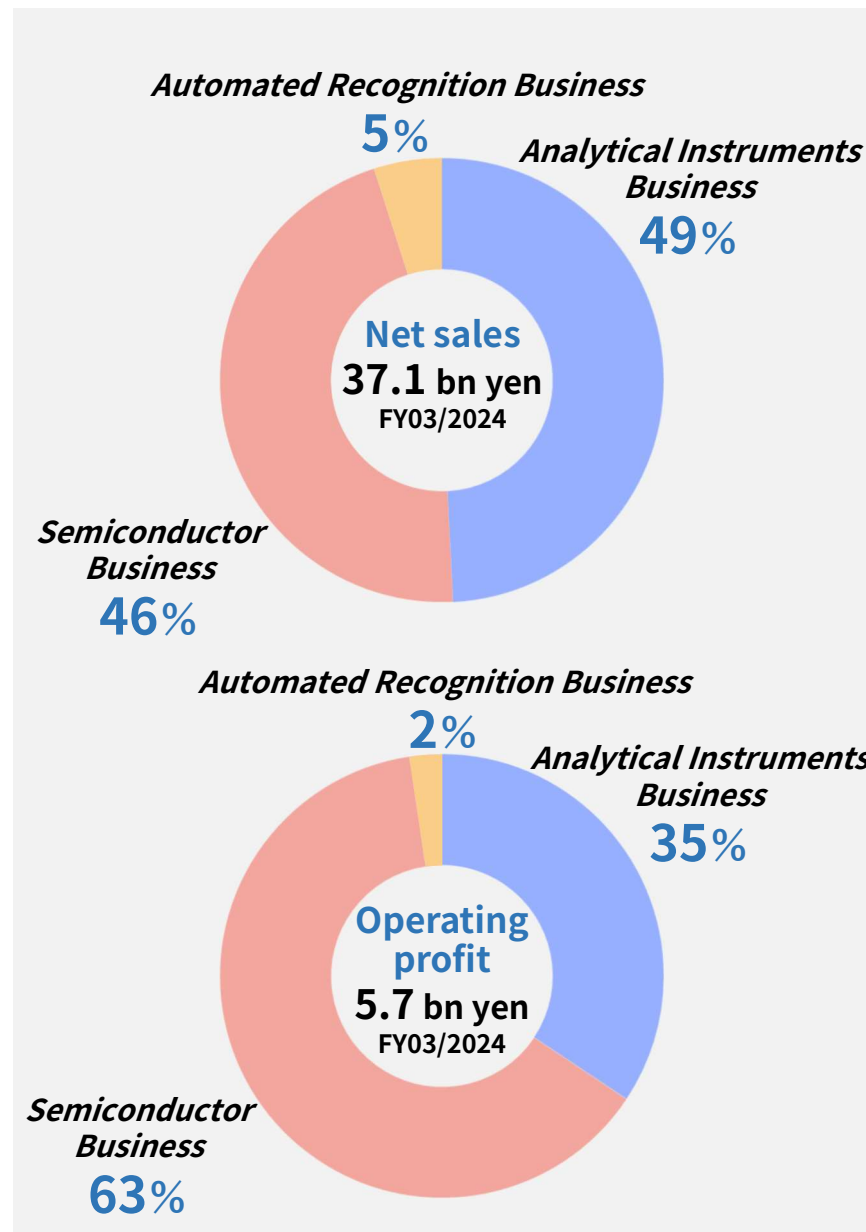
- Techno Quartz Inc. -

Supporting global semiconductor manufacturing
with cutting-edge processing technology
【Growing/Core business】

Automated Recognition Business

- GL Solutions Inc. -

Realizing a more convenient society
through contactless IC technology
【New business】



Executive Summary



Executive Summary

- **Higher revenues & earnings** for the 1st HALF of FY03/2025

- Net sales: 19,796 mil. yen (+15.5% YoY)

- Operating profit: 2,895 mil. yen (+14.1% YoY)

Especially **Semiconductor Business** achieved remarkable growth

(Both Net sales and profit increased by over 20%)

(Full-term forecasts) * There is no change in the full-term forecasts announced on October 1

- **Higher revenues & earnings** are anticipated also for the full-term of FY03/2025

- Net sales: 41,320 mil. yen (+11.2% YoY)

- Operating profit: 6,140 mil. yen (+7.5% YoY)

- Dividend forecast: 101 yen

Net sales in the 1st HALF is 47.9% relative to the full-term forecast, but it is very close to the level of the previous 2nd HALF and further growth is expected for the next HALF

Performance highlights

1

[Company-wide] Higher revenues / Higher earnings

Net sales: 19,796 mil. yen +15.5% +2,661 mil. yen (FY2024 17,135 mil. yen)

Operating profit: 2,895 mil. yen +14.1% +358 mil. yen (FY2024 2,536 mil. yen)

2

[Analytical Instruments Business] Higher revenues but Lower earnings

Net sales: 8,926 mil. yen +10.7% +862 mil. yen (FY2024 8,064 mil. yen)

Operating profit: 728 mil. yen -6.6% -51 mil. yen (FY2024 779 mil. yen)

(factors) **[Higher revenues]** Sales of consumables/instruments for many fields are going strong;

Overseas sales also increased

[Lower earnings] SG&A expenses increased due to wage raise and management integration

3

[Semiconductor Business] Higher revenues / Higher earnings

Net sales: 9,974 mil. yen +21.8% +1,784 mil. yen (FY2024 8,189 mil. yen)

Operating profit: 2,107 mil. yen +23.3% +398 mil. yen (FY2024 1,709 mil. yen)

(factors) Growth in the context of new/additional factories and proactive capital investment in response to expanded demands in the field of generative AI

Much greater performance than as planned thanks to abundant order backlog and highly operative factories

4

[Automated Recognition Business] Higher revenues / Higher earnings

Net sales: 895 mil. yen +1.6% +14 mil. yen (FY2024 881 mil. yen)

Operating profit: 58 mil. yen +21.0% +10 mil. yen (FY2024 48 mil. yen)

(factors) **[Higher revenues]** Steady adoption of modules in the context of raised awareness of higher security

Demand for higher security in public sectors was also a driver

Financial Results Overview

(FY03/2025, 1st HALF)
(company-wide)



Financial Results Overview (company-wide)

Higher revenues / Higher earnings

【Net sales】 Analytical Instruments & Semiconductor Businesses drove revenue growth

【Operating profit】 Significant growth rates of Semiconductor & Automated Recognition Businesses

【Ordinary profit】 Increased by about only 5% impacted by exchange loss

【Net profit】 Extraordinary profit (gain on receipt of national subsidy) of 153 mil. yen was registered for Semiconductor Business in FY2024
⇒ Taking this NOT into account, Net profit increased in essence

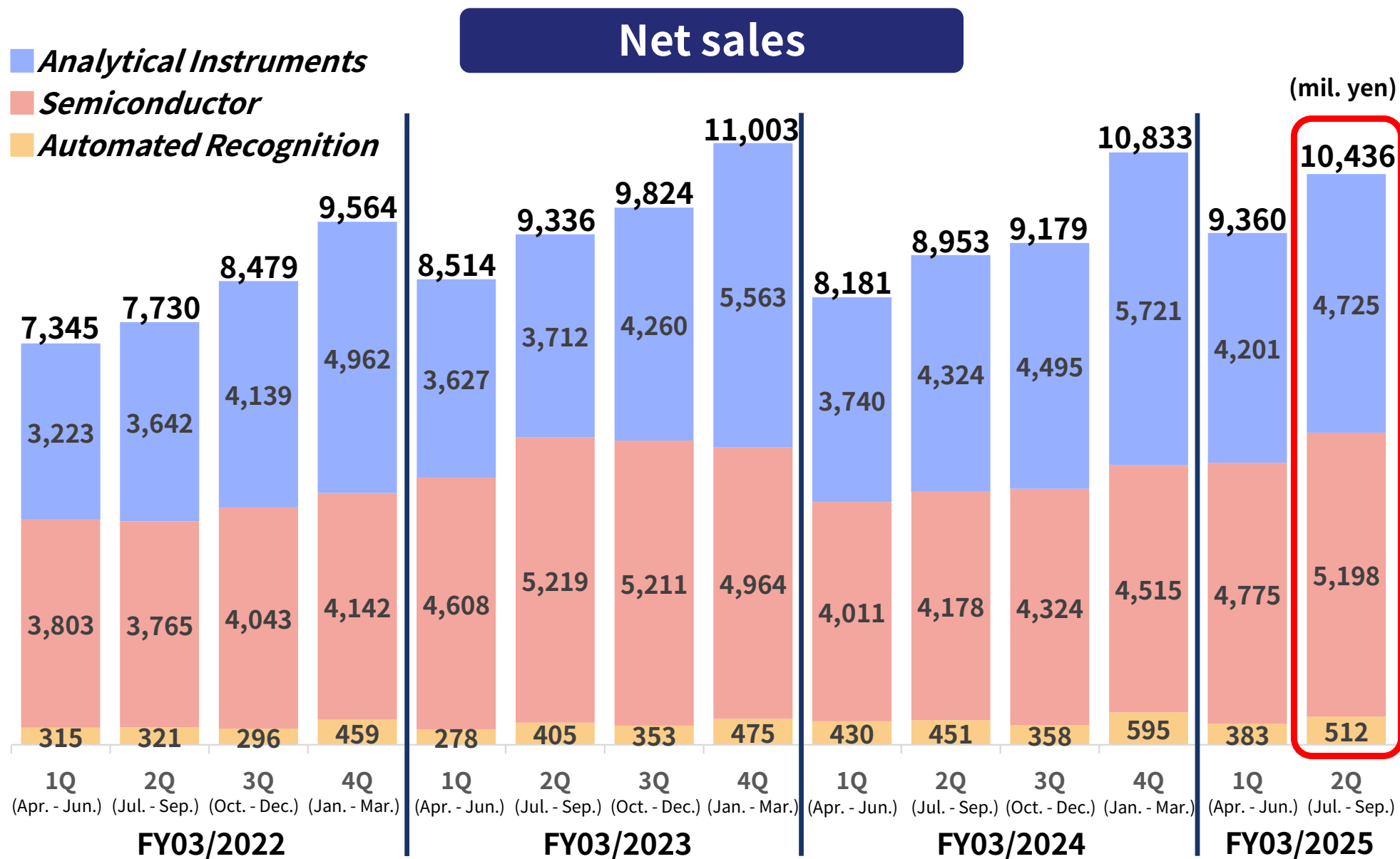
(mil. yen)

	FY03/2024 1st HALF	FY03/2025 1st HALF	+/- %	+/- amount
Net sales	17,135	19,796	+15.5%	+2,661
Operating profit	2,536	2,895	+14.1%	+358
Operating profit margin	14.8%	14.6%	N/A	-0.2 pt
Ordinary profit	2,726	2,871	+5.3%	+144
Net profit attributable to owners of parent	1,496	1,411	-5.6%	-84

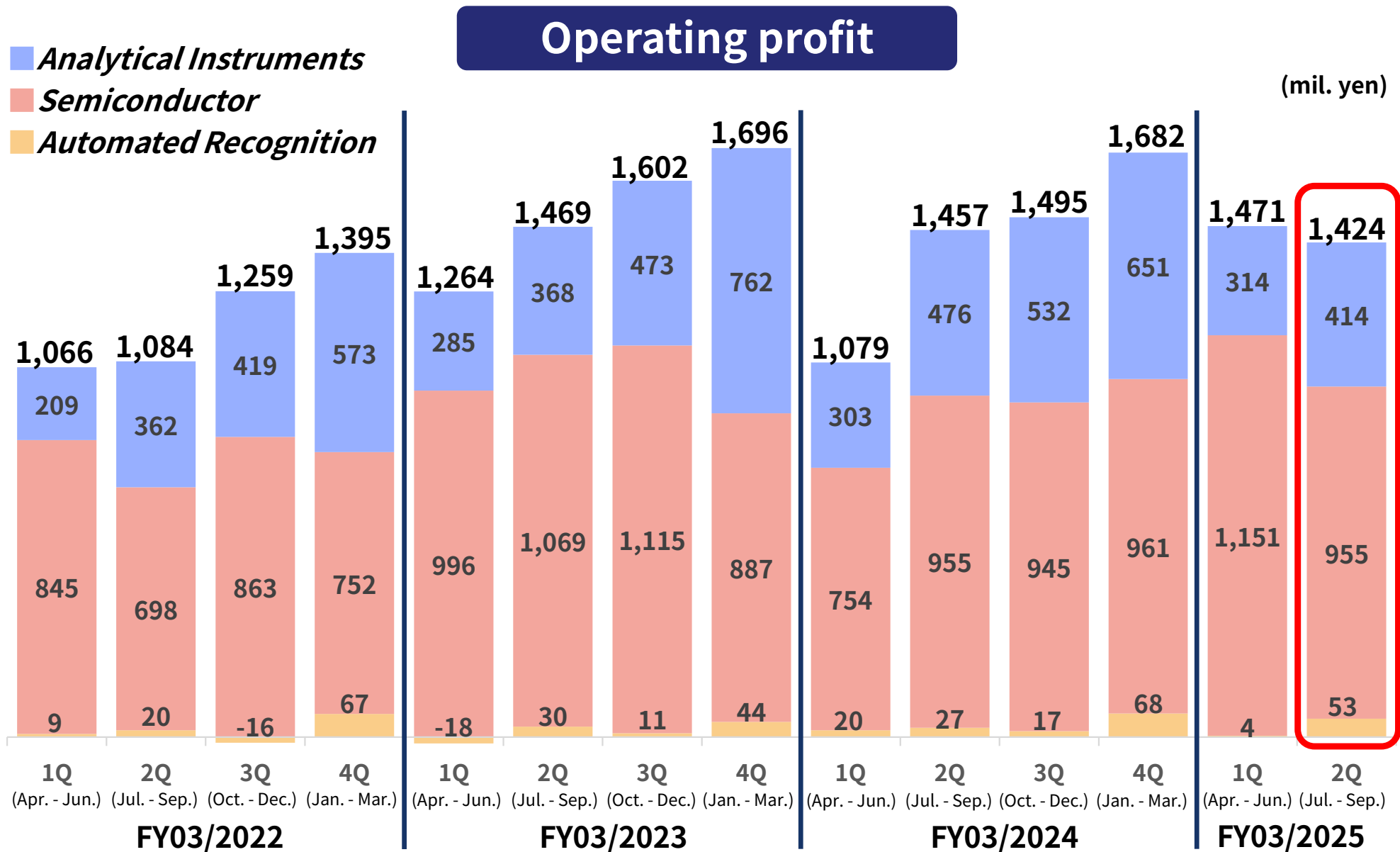
Financial Results Overview

(FY03/2025, 1st HALF)
(by segment)

Quarterly transition of Net sales (by segment)



Quarterly transition of Operating profit (by segment)



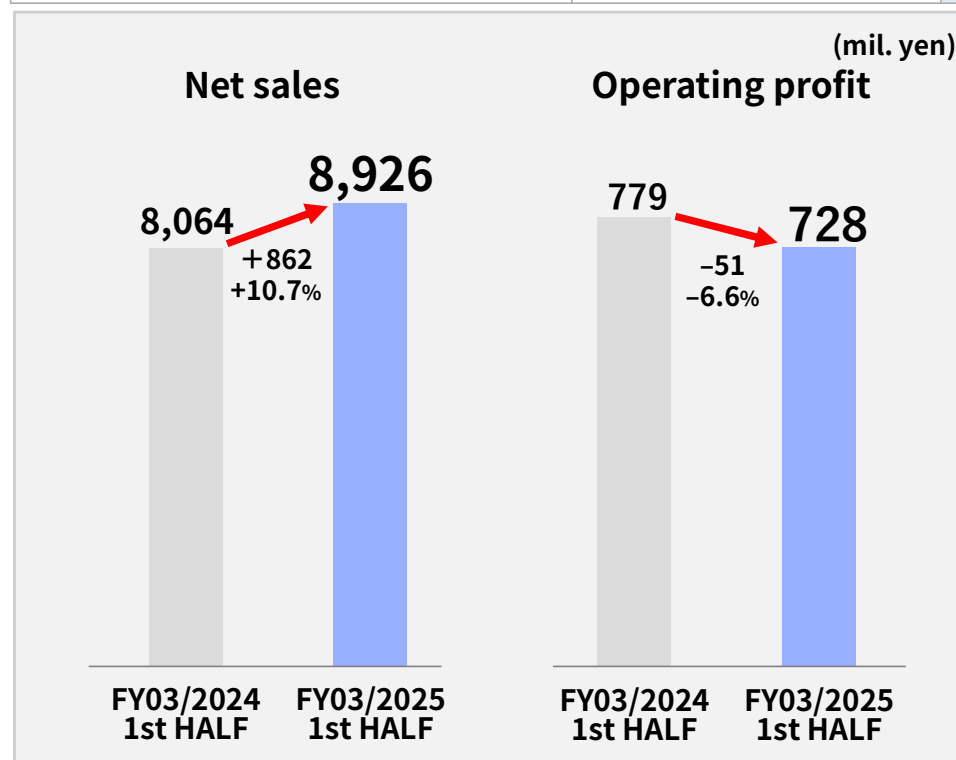
Financial Results Overview (by segment): *Analytical Instruments Business*

FY03/2025, 1st HALF

Higher revenues but Lower earnings

【Higher revenues】 Sales of consumables/instruments for many fields are going strong;
Overseas sales also increased (mil. yen)

	FY03/2024 1st HALF	FY03/2025 1st HALF	+/- %	+/- amount
Net sales	8,064	8,926	+10.7%	+862
Operating profit	779	728	-6.6%	-51
Operating profit rate	9.7%	8.2%	N/A	-1.5 pt



Factors, etc.

< Domestic net sales >

【Sales increased in many fields】

- **Consumables** for e.g. environment analysis, pharmaceutical and chemical industry
Especially sales of **LC columns** and **products relating to sample preparation** were on the up
- **Instruments** for LC and water quality analysis were the driving forces

< Overseas net sales >

【Going strong】

- **LC columns** continue to represent large shares
- Good performance especially in **Asia, Europe, and Latin America**
- Overseas sales as a whole also increased YoY

* Profit decreased due to such as increase in labor cost for wage raise and expenses associated with management integration

Analytical Instruments Business:

Sales share by region

FY03/2025, 1st HALF

Domestic: **75.5%** and Overseas: **24.5%** (mainly Asia),
both maintaining steady growth

(mil. yen)

	FY03/2024 1st HALF	FY03/2025 1st HALF	YoY		Proportion FY03/LF
			+/- %	+/- amount	
Domestic	6,030	6,736	+11.7%	+706	75.5%
Overseas	2,034	2,189	+7.6%	+155	24.5%
North America	280	288	+2.7%	+7	3.2%
Asia	1,282	1,400	+9.2%	+117	15.7%
Others	471	501	+6.4%	+30	5.6%
Total (Domestic + Overseas)	8,064	8,926	+10.7%	+862	100.0%

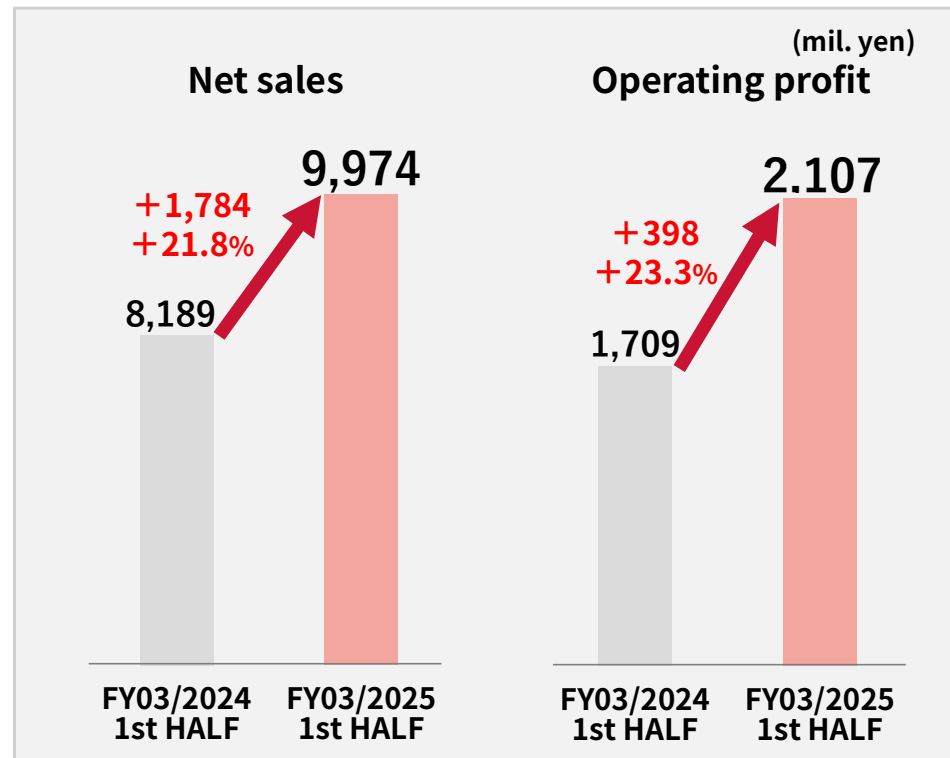
Financial Results Overview (by segment): *Semiconductor Business*

FY03/2025, 1st HALF

Much higher revenues/earnings

Growth in the context of new/additional factories and proactive capital investment in response to expanded demands in the field of generative AI (mil. yen)

	FY03/2024 1st HALF	FY03/2025 1st HALF	+/- %	+/- amount
Net sales	8,189	9,974	+21.8%	+1,784
Operating profit	1,709	2,107	+23.3%	+398
Operating profit rate	20.9%	21.1%	N/A	+0.2 pt



Factors, etc.

【Demand expansion】

- Despite continued decline in demand for those used for PCs/smartphones, proactive capital investments looking to the future such as new/additional factories are revitalized in response to expanded demands in the **markets of generative AI**

⇒ Further and wider growth can be anticipated

【Responses to demand expansion】

- Expanding markets by developing and extending highly value-added products
- Preparation for robust increase in domestic production output

【Additional factor】

- Increased profit in relation to change in the method for evaluating inventories (mainly in 1Q)

Semiconductor Business: Sales share by region

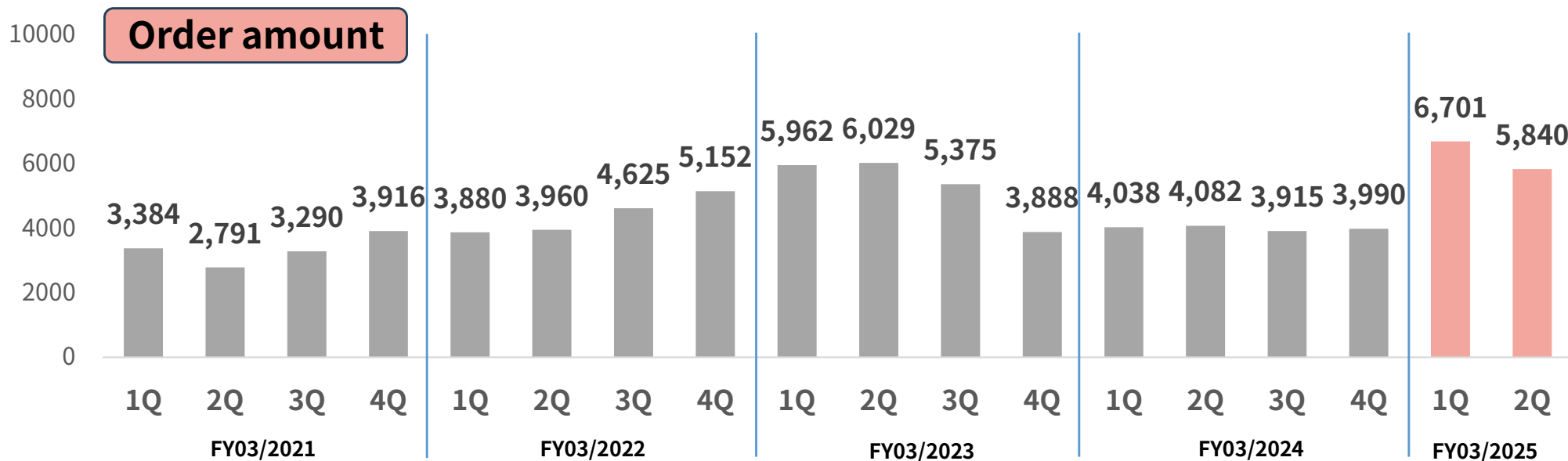
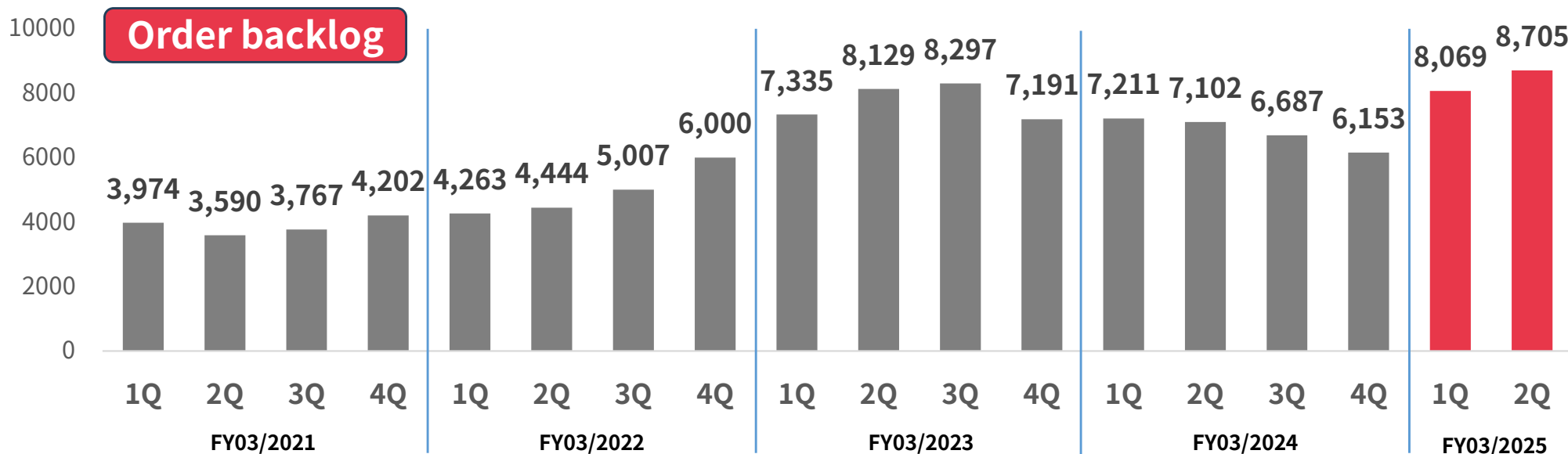
Overseas sales much increased to **nearly 60%**, especially in Asia

(mil. yen)

	FY03/2024 1st HALF	FY03/2025 1st HALF	YoY		Proportion FY03/2025 1st HALF
			+/- %	+/- amount	
Domestic	4,016	4,198	+4.5%	+181	42.1%
Overseas	4,172	5,775	+38.4%	+1,603	57.9%
North America	320	419	+30.7%	+98	4.2%
Asia	3,846	5,345	+39.0%	+1,499	53.6%
Others	5	10	+95.0%	+5	0.1%
Total (Domestic + Overseas)	8,189	9,974	+21.8%	+1,784	100.0%

Quarterly transition of order backlog / order amount

(mil. yen)



Financial Results Overview (by segment): *Automated Recognition Business*

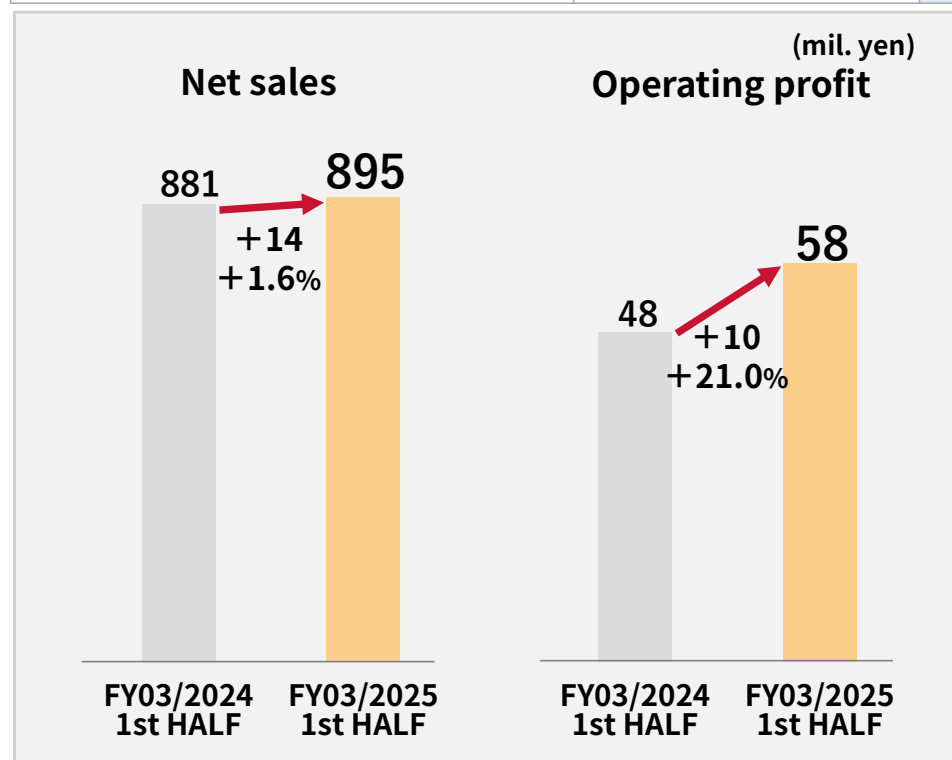
FY03/2025, 1st HALF

Higher revenues / Higher earnings

Steady adoption of modules; and expanded demand in public sectors

(mil. yen)

	FY03/2024 1st HALF	FY03/2025 1st HALF	+/- %	+/- amount
Net sales	881	895	+1.6%	+14
Operating profit	48	58	+21.0%	+10
Operating profit rate	5.5%	6.5%	N/A	+1.0 pt



Factors, etc.

【Higher revenues】

- Steady adoption of modules in the context of **raised awareness of higher security**
- Demand for higher security in **public sectors** was also a driver
- Sales of “Finished products” and “Others for automated recognition” decreased due to such as delayed works for residential facilities

【Higher earnings】

- Several deliveries for **commissioned development projects** were also accounted

Progress Relative to Full-term Forecasts

Generally good progress could be made

(mil. yen)

		FY03/2025 1st HALF Actual*1	FY03/2025 Full-term Forecasts*2	Progress
Net sales	Analytical Instruments	8,926	19,200	46.5%
	Semiconductor	9,974	20,160	49.5%
	Automated Recognition	895	1,960	45.7%
	Total	19,796	41,320	47.9%
Operating profit		2,895	6,140	47.2%
Ordinary profit		2,871	6,260	45.9%
Net profit attributable to owners of parent		1,411	^{*3} 4,370	N/A

*1 Actual results of GL Sciences Inc. before management integration

*2 Based on the performance forecasts announced on October 1

*3 This is a forecast after management integration and thus includes addition of minority shareholders' equity interests associated with the management integration

Performance/Dividend Forecasts

(FY03/2025)

Performance/Dividend Forecasts (FY03/2025): (company-wide)

Expecting **Higher revenues / Higher earnings**

(mil. yen)

	FY03/2024 Full-term Actual ^{*1}	FY03/2024 Full-term Forecasts ^{*2}	[Ref.] +/- % (YoY)	[Ref.] +/- amount (YoY)
Net sales	37,148	41,320	+11.2%	+4,171
Operating profit	5,714	6,140	+7.5%	+425
Operating profit margin	15.4%	14.9%	N/A	-0.5 pt
Ordinary profit	6,108	6,260	+2.5%	+151
Net profit attributable to owners of parent	3,430	^{*3} 4,370	N/A	N/A
Annual dividend (yen)	70	^{*4} 101	N/A	N/A

*1 Actual results of GL Sciences Inc. before management integration

*2 Based on the performance forecasts announced on October 1

*3 This is a forecast after management integration and thus includes addition of minority shareholders' equity interests associated with the management integration

*4 Based on "Notices on Revisions to Divided Forecasts" announced on November 12

Performance Forecasts (by segment) (FY03/2025)

(mil. yen)

		FY03/2024 Full-term Actual* ₁	FY03/2025 Full-term Forecasts* ₂	[Ref.] +/- % (YoY)	[Ref.] +/- amount (YoY)
<i>Analytical Instruments</i>	Net sales	18,281	19,200	+5.0%	+918
	Operating profit	1,962	1,950	-0.6%	-12
	Operating profit margin	10.7%	10.2%	N/A	-0.5 pt
<i>Semiconductor</i>	Net sales	17,029	20,160	+18.4%	+3,130
	Operating profit	3,615	4,070	+12.6%	+454
	Operating profit margin	21.2%	20.2%	N/A	-1.0 pt
<i>Automated Recognition</i>	Net sales	1,836	1,960	+6.7%	+123
	Operating profit	134	120	-10.8%	-14
	Operating profit margin	7.3%	6.1%	N/A	-1.2 pt

*1 Actual results of GL Sciences Inc. before management integration

*2 Based on the performance forecasts announced on October 1

Topics



Announcement of Mid-term Management Plan

Basic Policy

- 01 Strategic investment for sustainable growth
- 02 Growth strategy focused on business competitiveness

Performance Targets

2025.3 – 2027.3 Mid-Term Management Plan FY03/2027 Plan

NS	500 bn yen
OP	77 bn yen
OPM	15.5%
ROE	>13.0%

Toward
Sustainable Growth

2022.3 – 2024.3

FY03/2024 Actual

NS	371 bn yen
OP	57 bn yen
OPM	15.4%
ROE	10.8%

2019.3 – 2021.3

FY03/2021 Actual

NS	292 bn yen
OP	38 bn yen
OPM	13.2%
ROE	10.0%

NS: Net sales
OP: Operating profit
OPM: Operating profit margin
ROE: Return on equity

Disclosure in relation to Cost of Capital

“Notices on Action to Implement Management that is Conscious of Cost of Capital and Stock Price” was disclosed

【Evaluation】

- ROE: Level above 10% could be secured
- PBR: Below 1 except FY03/2021 ⇒ It was considered market evaluations were low

【Policies / Targets / Specific measures】

- ① Business strategies for expanded sales & higher profit margin
 - FY03/2027: **Targeting consolidated net sales of 50,000 mil. yen**
 - FY03/2027: **Targeting consolidated ROE of 13.0%**
- ② Capital policies for realizing optimal capital composition on the Balance Sheets (e.g. shareholder return)
 - FY03/2025: **Targeting consolidated dividend payout ratio of 30%**
- ③ Strengthening IR activities such as:
 - **Dissemination of business/financial strategies, communication with markets, and reinforcement of feedback reporting schemes up to management**
 - **Organizing IR briefing for private investors**

URL: https://www.gls.co.jp/company/ir/gl93n300000002rv-att/GLSup20240926_3.pdf (Japanese)

Decisions on Cancellation of Treasury Stock

- **4,698,200 shares of the Company's treasury stock will be cancelled on Nov. 15, 2024**

Following this, total number of shares issued will decrease from 18,379,430 to **13,681,230**.

【Background】

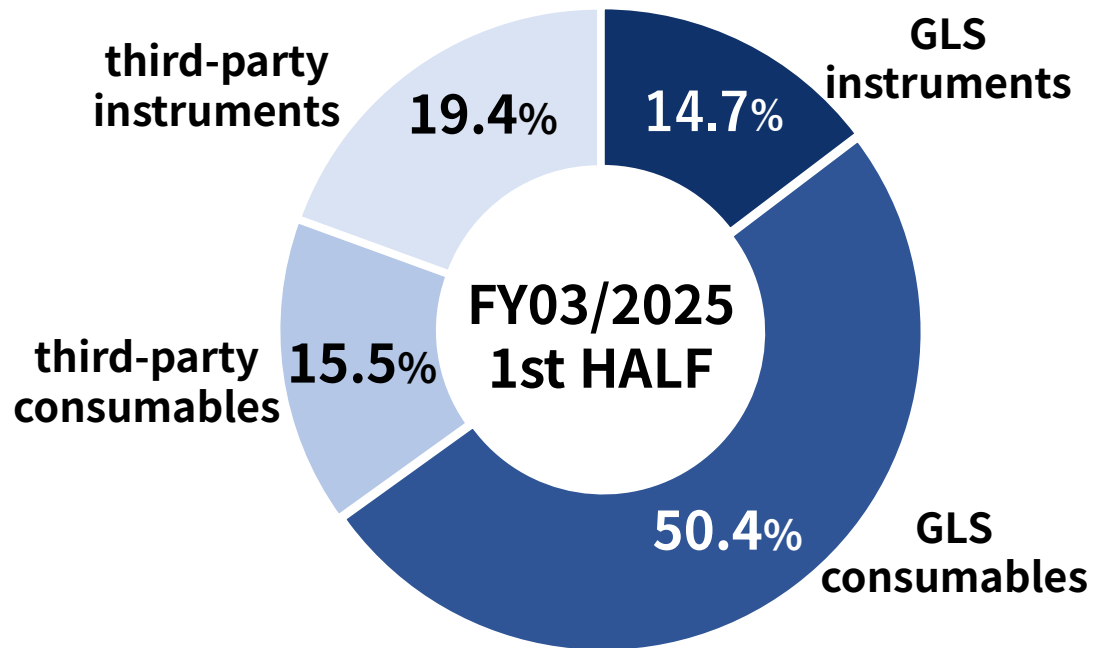
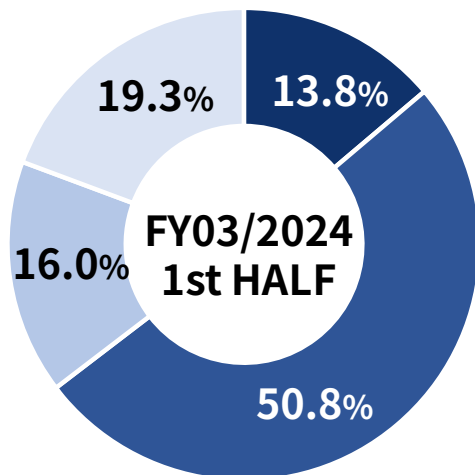
- As of Sep. 30, 2024, GL Sciences had held 2,542,000 shares of Techno Quartz, for which equivalent 5,338,200 shares of GLTECHNO HOLDINGS were issued.
- GL Sciences decided to provide these shares of its parent namely GLTECHNO HOLDINGS as dividend in kind which will be acquired on Nov. 8, 2024.
- In order for greater value for shareholders, 4,698,200 shares out of the above-mentioned 5,338,200 shares will be cancelled (25.6% of the total number of shares issued).

URL: https://www.gltechno.co.jp/news/2024/segh1m00000006da-att/241031_2.pdf (Japanese)

Reference

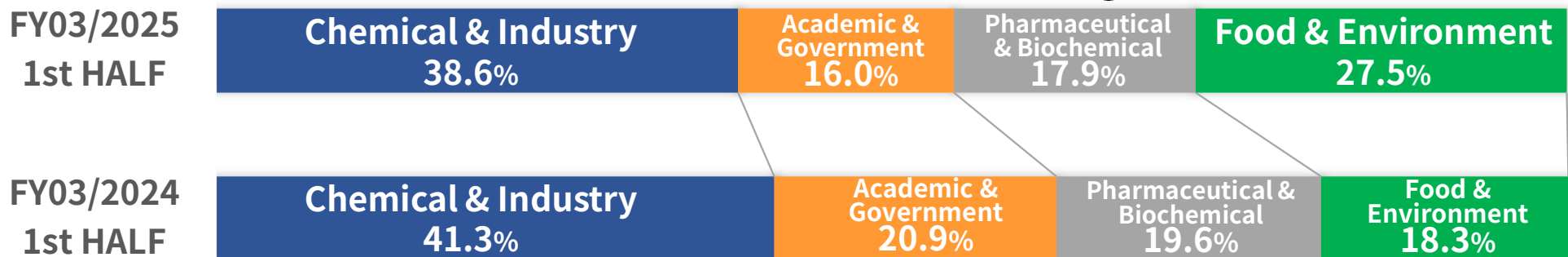
Transition of sales shares by GLS alone

Sales share



Net sales sorted by trade (domestic)


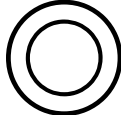



Chemical & Industry is the largest, accounting for c.a. **40%**, and share of Food & Environment increased during the 1st HALF



Reference

Strength of our Analytical Instruments Business

Domestically, **sales staff with technical expertise in analytics** sell instruments after **offering applications** adapted to each customer's needs and roll out their business around **sales of consumables** necessary after installation

	What to sell	Product knowledge	After sales	Profit rate
Instruments makers in general	Only their own products	 Only for their own instruments	Mainly support for maintenance and updates	
Dealers in general	Wide variety of products from partnering makers	While dealing with various products, they sometimes need support of makers concerning professional domains	Consumables are also offered as needed Availability of technical consultations is limited	
Our Analytical Instruments Business [GL Sciences]	Own products plus third-party products	 Also for third-party Products by applying knowledge of our own products	Consumables are also offered as needed Not only responding to technical consultations, applications (applied data) are offered	 By selling our own products, better profit rate can be achieved than pure distributors

Search for a Way

Disclaimer

Materials in this document include prospects of business performance for the future, but they are solely forecasts determined by the Company based on currently available information and accordingly contain potential risks and uncertainty. Therefore, depending on various risks and uncertain elements, actual business performance may substantially differ from the future prospects as described herein.

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