

GLTECHNO HOLDINGS, INC.

Mid-Term Management Plan

(FY2025.3-FY2027.3)

GLTECHNO HOLDINGS, INC.

October 1, 2024

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Management Integration

Background Leading to the Management Integration

Analytical Instruments Business

1968(Founding)

GASUKURO
KOGYO INC.
established

1990

Company name changed to
GL Sciences Inc.

Semiconductor Business

1976

Gas Chro Yamagata
Co.,Ltd.
established

1991

Company name changed to
Techno Quartz Inc.

Automated Recognition Business

FY2013

GL Solutions Inc.
established

Holding Company

FY2024.10

**GLTECHNO
HOLDINGS, INC.
established**

Seizing Growth Opportunities

Improving Management Efficiency

Accelerating Decision-Making

【Purpose of the integration】
Not only to pursue business
development independently but
also **to collaborate across the
entire group to achieve
sustainable growth.**

Search for a Way

GLTECHNO HOLDINGS, INC.

October 1, 2024

Technical Listing on the Tokyo Stock Exchange Standard Market (stock code : 255A)

Company Overview



Holding Company

—GLTECHNO HOLDINGS, INC.—

Analytical Instruments Business

—GL Sciences Inc.—

Supporting various analysis with “chromatography” technology
【Stably growing】

Semiconductor Business

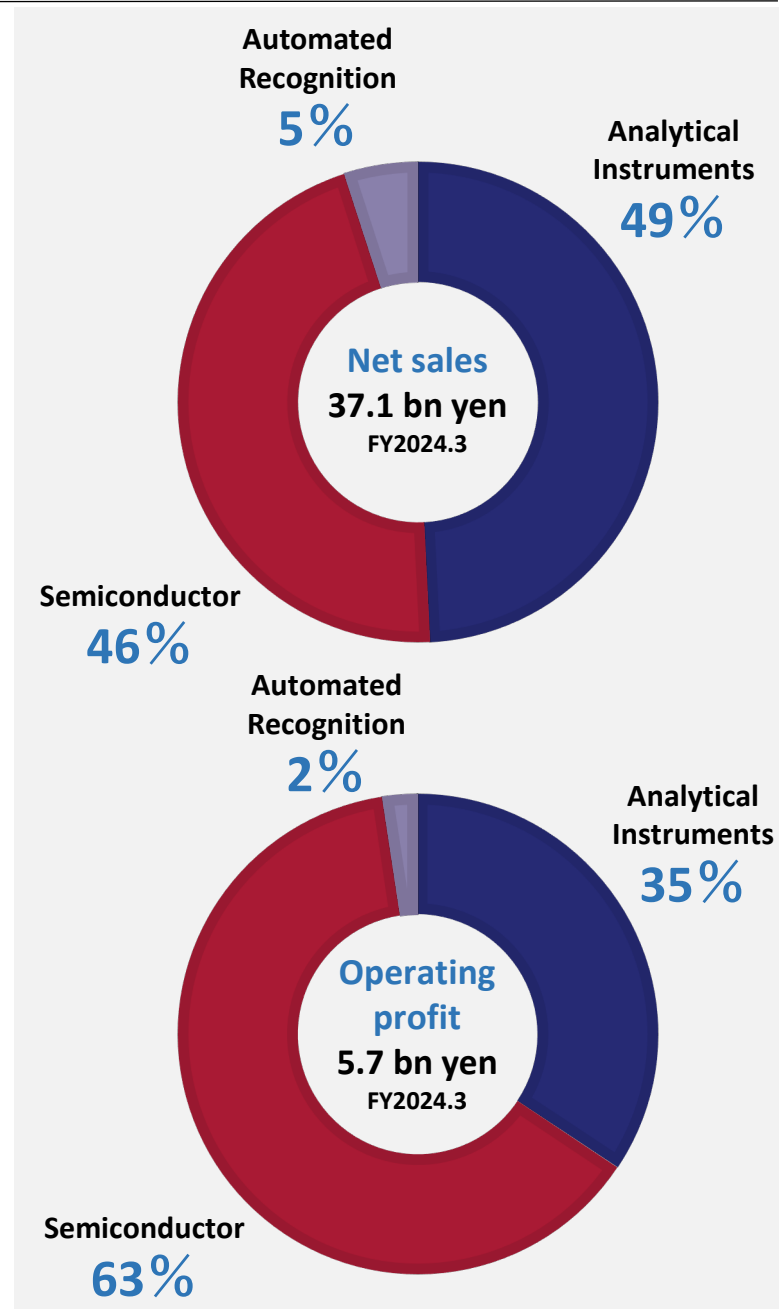
—Techno Quartz Inc.—

Supporting global semiconductor manufacturing with cutting-edge processing technology
【Remarkably growing】

Automated Recognition Business

—GL Solutions Inc.—

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



Mission Statement, Vision, and Corporate Message

Mission Statement

Drive Human and Societal Potential

Our mission puts into words the reason for our inception and existence as a corporate entity. Since its founding, The GLTECHNO Group has remained steadfast in its core philosophy to build trusting relationships and enable people to pursue their purpose in the world. The organization defines itself as a catalyst for driving human potential.

As a catalyst, we stimulate reactions to propel others toward something completely new. Our corporate activities and the provision of value not only foster our own growth but shape our ideal form as an organization driving the potential of industry and society. We will never waver from this corporate mission. We will never compromise our commitment to this founding philosophy.

Vision

Aspire to Create Boundless Value

Our vision gives shape to our ideal form. Our aspirations to create boundless value free us to take the road less traveled so that we may drive every avenue of potential for the future. The GLTECHNO Group has walked the walk for over half a century, never constrained by conventional business practices and precedents since its founding. We will continue our efforts to create new value by considering the ideas of each and every person invaluable to the GLTECHNO Group.

Corporate Message

Search for a Way

Search for a Way embodies the approach of the GLTECHNO Group to always explore better means and methods to foster growth for our customers, for society, and for ourselves. The “Way” demonstrates our passion to share our eternal slogan: Let’s advance together on our only way to success! These words solidify us as a group where each and every person can put this vision into practice every day.

Our approach shapes the organization as one supporting the lives of all humanity across generations while contributing to society at large through scientific innovation.



Business Overview

Overview: Analytical Instruments Business

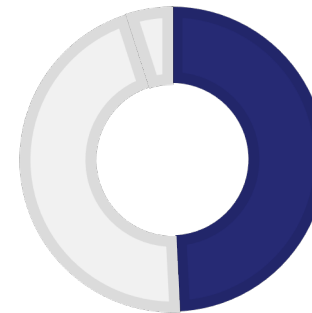
Supporting various analysis with “chromatography” technology



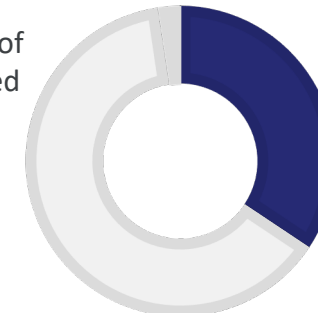
Analytical Instruments Business [GL Sciences Inc.]

We provide comprehensive services covering the planning, development, production, sales, and technical support of analytical instruments and consumables such as columns. Our products support component analysis from various perspectives in research institutions across a wide range of fields, including medical, food, environment, petrochemicals, and steel industries.

Net Sales
18.2 bn yen (FY2024.3)



Operating Profit
1.9 bn yen (FY2024.3)



Product Lineup

Consumables



LC Columns



GC Capillary Columns



SPE Columns

- Columns are manufactured in-house, starting from silica gel synthesis, with strengths in reproducibility, separation performance, and durability.
- A wide lineup that can accommodate various applications.
- Providing analytical expertise tailored to the specific analysis targets.

Instruments



GC Instruments



Pretreatment device

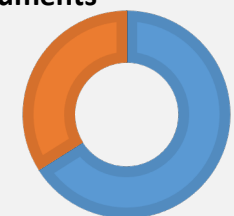


SPE Instruments

- Provision of highly customized instruments.
- Small-lot production to meet unique customer needs.
- Comprehensive quality control and prompt customer support through an integrated system of development, manufacturing, sales, and technical service.

Sales composition ratio (FY2024.3)

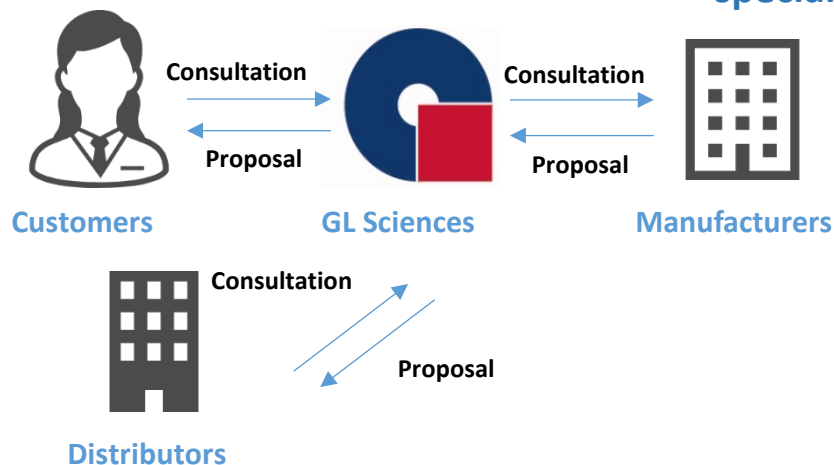
Instruments
34%



Consumables
66%

Overview: Analytical Instruments Business

Diversification of product line



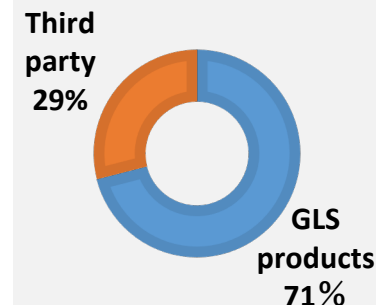
Provide optimal solutions from our own and third-party products using our specialized expertise

Customer support center

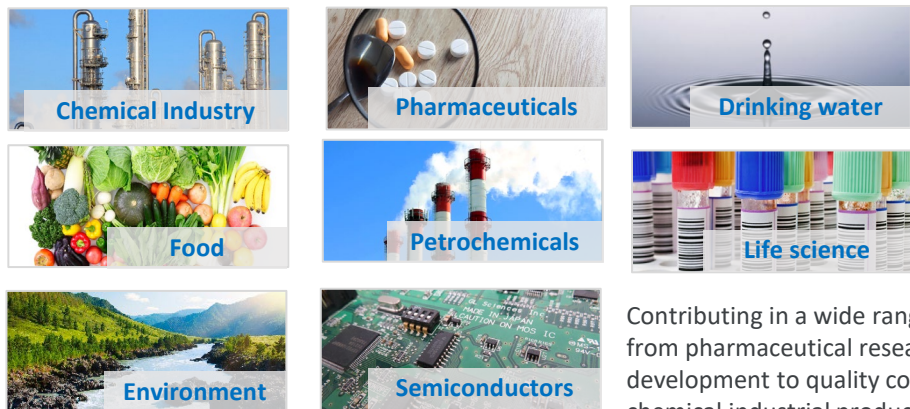


Engineers respond to inquiries about analysis

Sales composition ratio (FY2024.3)



Diverse customer attributes



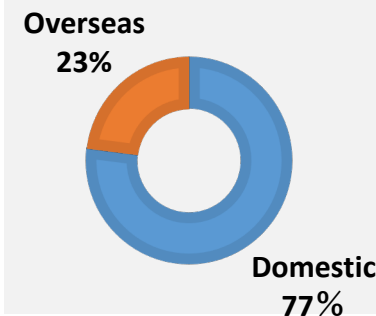
Contributing in a wide range of fields, from pharmaceutical research and development to quality control of chemical industrial products, checking for harmful substances in food, and water quality testing of tap water

Sales region

【Domestic】
Multifaced approach to **consumables** and **instruments**

【Overseas】
Consumables-led focused strategy

Sales composition ratio (FY2024.3)



Overview: Semiconductor Business

Supporting global semiconductor manufacturing with cutting-edge processing technology

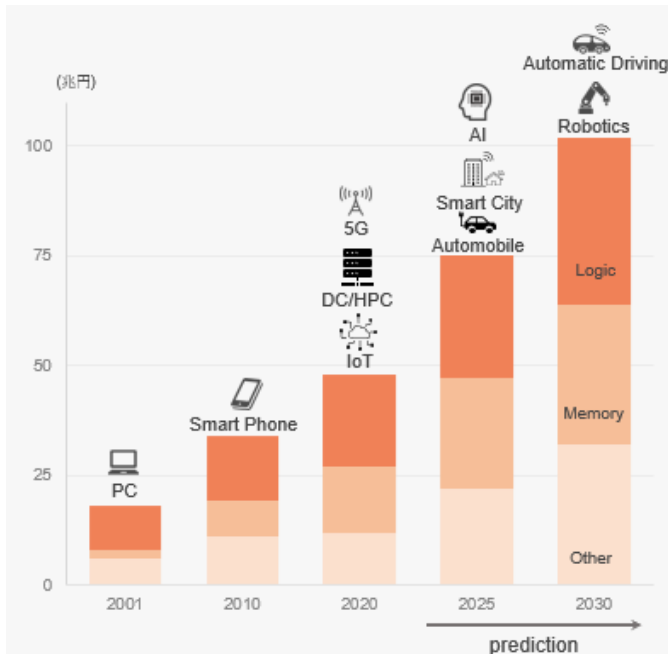


Semiconductor Business 【Techno Quartz Inc.】

We specialize in the manufacturing and sales of high-purity quartz glass and crystalline silicon parts for semiconductor manufacturing equipment, supporting technological innovation in the industry. With a strict production system that ensures world-class quality and stable supply, we are committed to manufacturing that adapts to changes in trends through our unique technological development capabilities.

Global Semiconductor Market Size Forecast

Some predict says it will be 100 trillion yen by 2030...



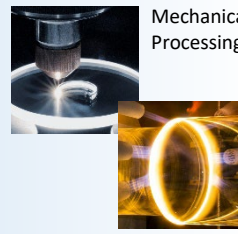
Our Strengths

Possession of Proprietary Technology
Capable of manufacturing products using proprietary technologies, such as the production of dissimilar material encapsulated plates through diffusion bonding.



Encapsulated Plates with Dissimilar Materials

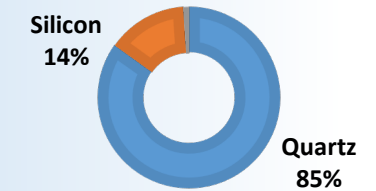
Diverse Processing Technologies
We possess not only cutting-edge machining technologies but also processing capabilities that accommodate traditional fire-based techniques handled by skilled craftsmen.



Mechanical Processing
Fire Processing

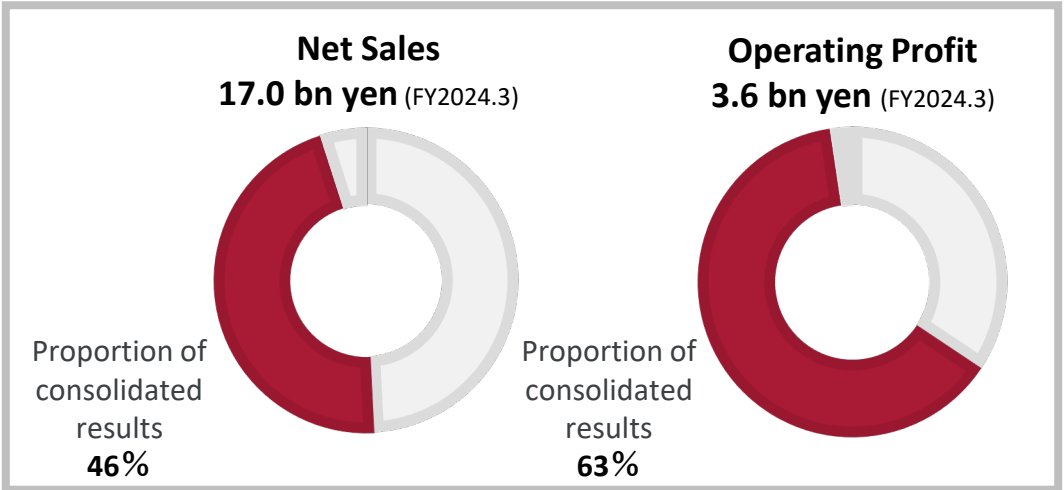
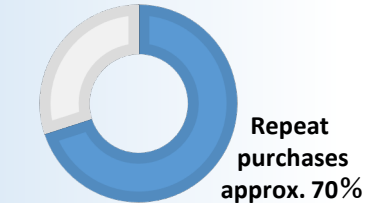
Diversity of Materials
We possess precision processing technologies capable of handling a wide range of materials, from quartz to silicon.

Sales composition ratio (FY2024.3)



Stable Order Acquisition
Since the majority of our products are purchased repeatedly, we ensure stable order acquisition despite being influenced by market conditions.

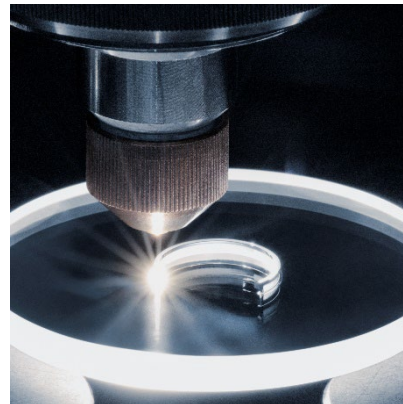
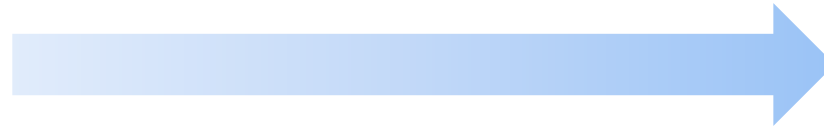
Sales composition ratio (FY2024.3)



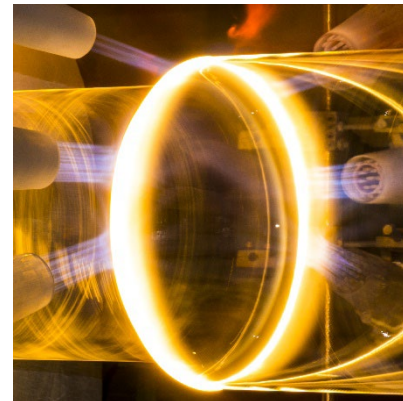
Manufacturing Processes for Quartz Products



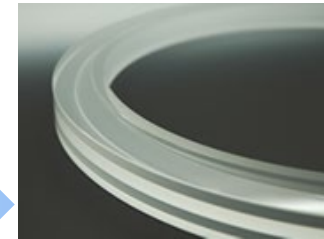
Ingot
(raw material)



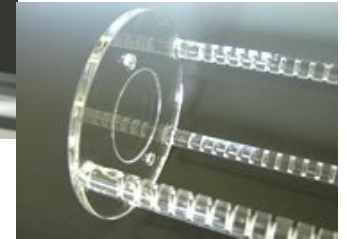
Mechanical processing



Fire processing



Quartz ring



Cylindrical quartz port

Processed products

Processing Methods

Precision machining equipment is used to process quartz and silicon materials with high precision.

Our Strengths

We have one of the world's largest numbers of machining centers.

A large number of specialized members in our machining center.

Materials are processed through repeated welding and shaping using a burner flame exceeding 2000°C.

Capable of handling complex shapes and curves.

A specialist team of skilled craftsmen.

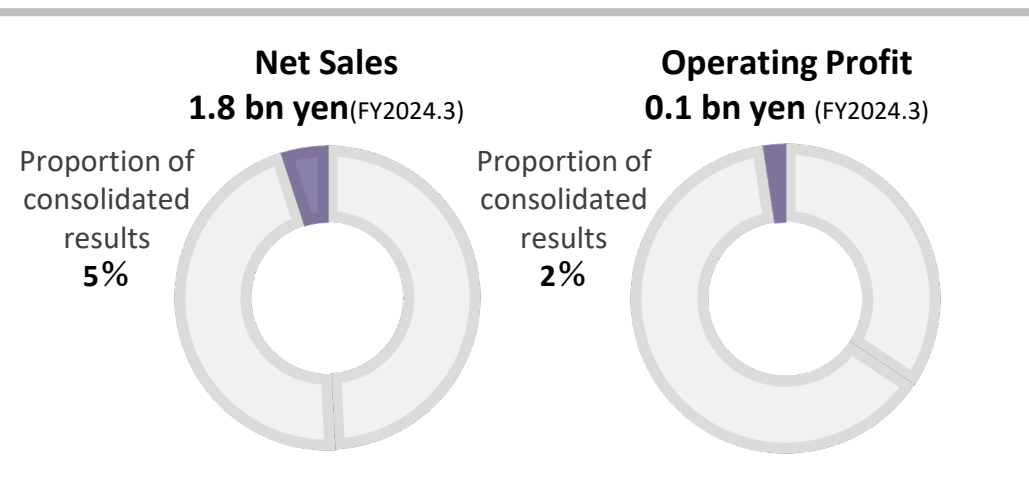
Overview: Automated Recognition Business

Realizing a more convenient society through contactless IC technology



Automated Recognition Business [GL Solutions Inc.]

We have been leading the industry for more than 30 years through our "automated recognition technology (RFID)" that reads and writes information on IC tags contactlessly. By mastering advanced identification technology, antenna technology, and information processing technology, we are striving to evolve automated recognition technology further. Our goal is to contribute to a more convenient information society in the 21st century.



Product Lineup

Embedded Reader-Writers

We provide parts and modules for various device manufacturers, supporting antenna design, high-frequency circuit development, and firmware improvements.



System Solutions

We offer systems for access management, entrance-exit management, key management, chemical substance management, and more by integrating various applications.



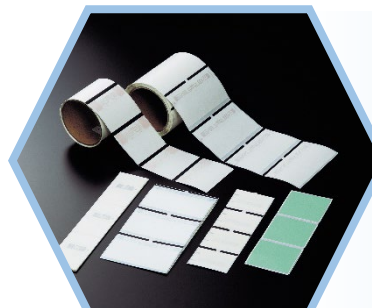
Finished Products

We provide wall-mounted and countertop reader-writers, offering them as standalone devices for access control systems and entrance-exit management systems. These devices are compatible with PCs, POS systems, and various terminals.



Cards & Tags

We offer cards and tags compatible with LF and HF bands, as well as other frequency ranges. Sets with reader-writers are also available.



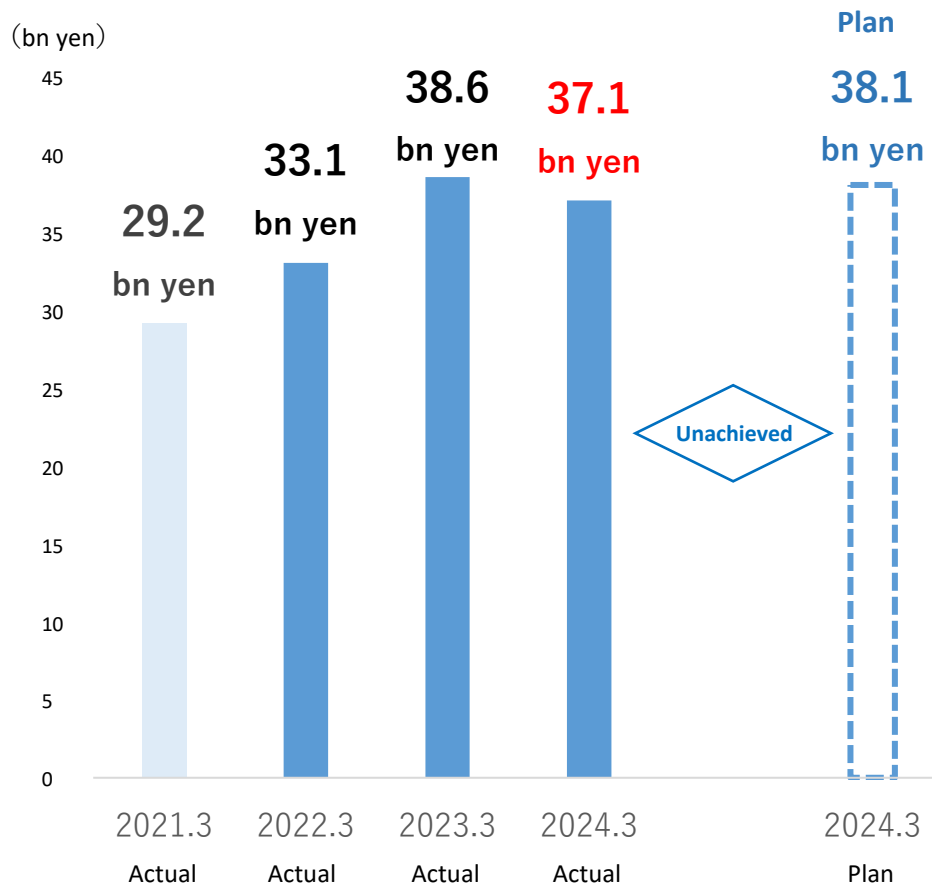
Review of Previous Mid-Term Plan

(FY2022.3-FY2024.3)

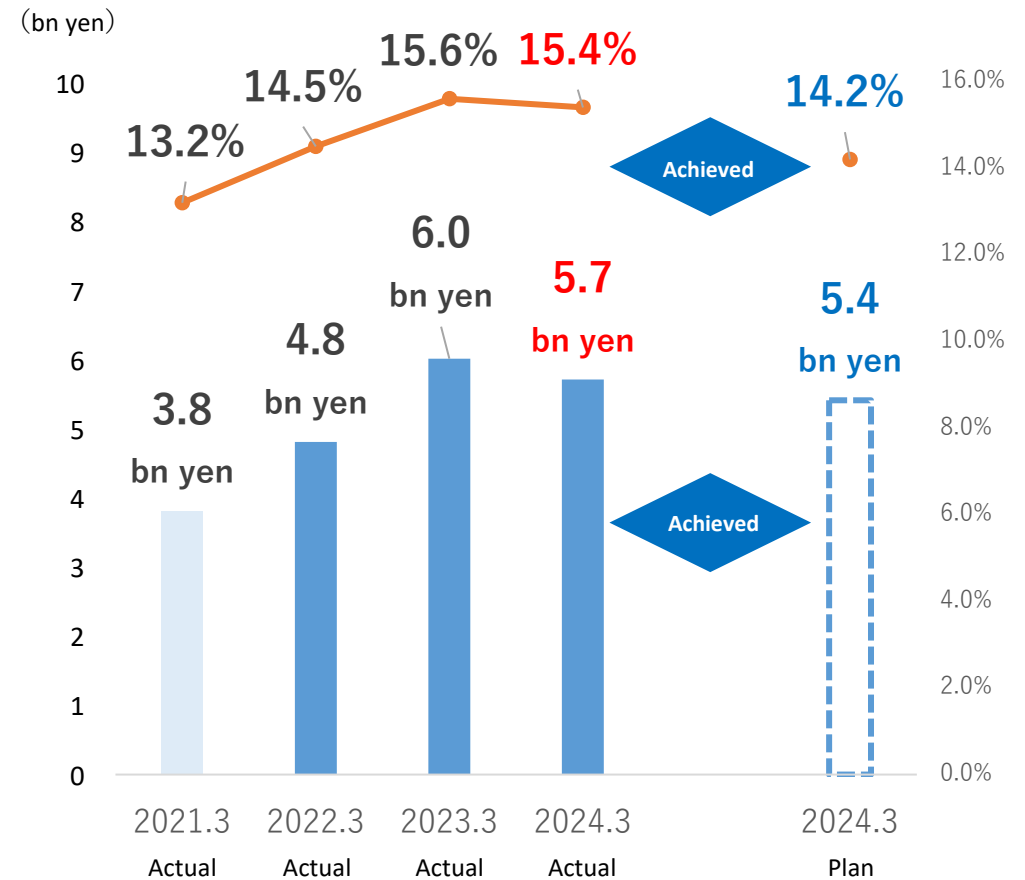
Review of Previous Mid-Term Plan

Despite the impact of market conditions in the semiconductor sector on final-FY results, operating profit and profit margin were achieved, though net sales fell short.

Net Sales



Operating Profit • Operating Profit Margin (%)



* The sales figures for the fiscal year ended March 2021 are the ones based on pre-application of the 'Accounting Standard for Revenue Recognition'.

Review of Previous Forecasts (by Segment)

Analytical Instruments Business

Achieved

The impact of COVID-19 has caused some delays in setting up facilities in China. Overseas net sales of GL Sciences (non-consolidated) has continued to expand but remained below the forecast. (Forecast: 3.5bn yen, composition rate 22.6% → Actual: 3.0bn yen, composition ratio 17.3%)

Semiconductor Business

Achieved, except for net sales

Although net sales for FY2023 reached a record high of 20.0bn yen, and operating profit reached 4.1bn yen, net sales for FY2024 fell short due to market trends. Expansion of production capacity by introducing sequential equipment at the Chinese Plant No. 3, which was completed in November 2021.

Automated Recognition Business

Achieved

Despite some delays due to the impact of shortages in electronic components, the net sales target was met. Proactive collaborations with partner companies have progressed.

(Unit : bn yen)	2021.3 Actual	2024.3 Plan	2024.3 Actual	Achievement Rate(%)
Analytical Instruments Business				
Net Sales	15.2	17.4	18.2	105.0%
Operating Profit	1.4	1.7	1.9	112.8%
Operating Profit Margin	9.5%	10.0%	10.7%	—
Semiconductor Business				
Net Sales	12.7	18.9	17.0	89.9%
Operating Profit	2.4	3.5	3.6	100.7%
Operating Profit Margin	19.2%	19.0%	21.2%	—
Automated Recognition Business				
Net Sales	1.2	1.8	1.8	101.4%
Operating Profit	- 0.05	0.09	0.1	148.9%
Operating Profit Margin	—	5.0%	7.3%	—

Results and Challenges of Previous Mid-Term Plan

	Results	Challenges
<p><u>Analytical Instruments Business</u></p>	<p>Steady expansion of the chromatography business</p> <ul style="list-style-type: none"> • Increase in overseas sales • Growth in sales of carbon neutral-related instruments • Steady sales growth of consumables 	<p>Key issues for sustained expansion</p> <ul style="list-style-type: none"> • Further development of overseas markets, which are growth drivers • Expansion of the product portfolio • Strengthening of sales infrastructure • Expansion of e-commerce sales
<p><u>Semiconductor Business</u></p>	<p>Strengthened production capacity and employee skills</p> <ul style="list-style-type: none"> • Technical improvements and know-how development in manufacturing quartz products for the semiconductor industry • Acquisition of AISINTEC as a subsidiary • Completion and operation of the Chinese Plant No. 3 	<p>Strengthening of the management foundation to meet increased orders</p> <ul style="list-style-type: none"> • Shortage of production capacity due to increased demand • Shortage of skilled engineers and further automation • Improvement of operational efficiency • Differentiation through proprietary technology
<p><u>Automated Recognition Business</u></p>	<p>Expansion of business opportunities and improved profitability</p> <ul style="list-style-type: none"> • Promoted collaborative activities with partner companies • Released secure microcontroller-equipped modules, etc., through the promotion of collaboration between sales and R&D departments 	<p>Strengthening of responses in the technical domain</p> <ul style="list-style-type: none"> • Further expansion of products utilizing core technologies • Incorporation of the latest technology trends • Strengthening of hiring and development of talent to support business expansion

Medium-Term Management Plan

(FY2025.3-FY2027.3)

Performance Targets

**Toward
Sustainable Growth**

FY2025.3-FY2027.3 Med-term Management Plan

Net Sales	50.0 bn yen
Operating Profit	7.7 bn yen
Operating Margin	15.5%
ROE	> 13%

FY2022.3-FY2024.3 Med-term Management Plan

Net Sales	37.1 bn yen
Operating Profit	5.7 bn yen
Operating Margin	15.4%
ROE	10.8%

FY2019.3-FY2021.3 Med-term Management Plan

Net Sales	29.2 bn yen
Operating Profit	3.8 bn yen
Operating Margin	13.2%
ROE	10.0%

01

Strategic investment for sustainable growth

02

**Growth strategy focused
on business competitiveness**

(1) Strategic Investment for Sustainable Growth

Implementing large-scale strategic investments to accelerate growth

①YAMAGATA Prefecture
Production building for Semiconductor Business
Operation will be started in Jan. 2027



Investment
3.5~4 bn yen

★FUKUSHIMA Prefecture
Production building for 2 Businesses
Operation will be started in 2028-2029



Investment
4 bn yen

Planning joint factory
• Analytical Instruments Business
• Semiconductor Business

②FUKUSHIMA Prefecture
Production building for Semiconductor Business
Operation will be started in Apr. 2026



Investment
2 bn yen

③SAITAMA Prefecture
Production building for Analytical Instruments Business
Operation will be started in Oct. 2025



Investment
1.2 bn yen

(1) Strategic Investment for Sustainable Growth

Capital investment ratio
to Net sales

※Calculation method :
Capital investment amount ÷ Net Sales

14.9%

Three fiscal years
of mid-term management plan

7.2%

Last three fiscal
years results

Total investment amount
approx. 10 bn yen



- ① **【Semiconductor】**
Investment 3.5~4 bn yen
Operation will be started in
January 2027.
- ② **【Semiconductor】**
Investment 2 bn yen
Operation will be started in
April 2026.
- ③ **【Analytical Instruments】**
Investment 1.2 bn yen
Operation will be started in
October 2025.
- ★ **【Analytical Instruments ·
Semiconductor】**
Investment 4 bn yen
Operation will be started in
2028-2029.

Revenue Increase at
Full Production Capacity
approx. 9 bn yen



- ① Enhancement of Production Capacity for Fire Processing
 - Compared to the existing Zao factory:
approx. 2 times
- ② Enhancement of Production Capacity for Machining
 - Compared to the existing AISINTEC factory:
approx. 1.5 times
- ③ Enhancement of Production Capacity for Custom-Made GC Instruments
 - Compared to the existing Musashi factory:
approx. 3 times
- ★ Expansion of Production Capacity for GC Instruments and Others.
 - Compared to the existing factory:
approx. 3 times

※GC : Gas Chromatography

(2) Growth Strategy Focused on Business Competitiveness

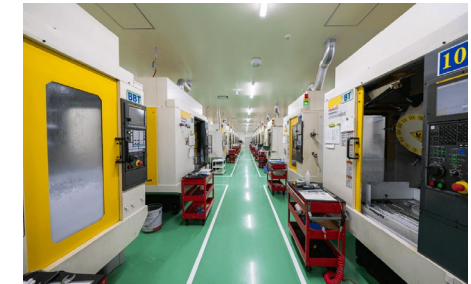
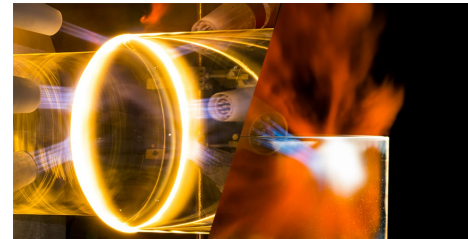
Analytical Instruments Business

- 01 Strengthening overseas sales
- 02 Expanding the domestic market
- 03 Strengthening the R&D department



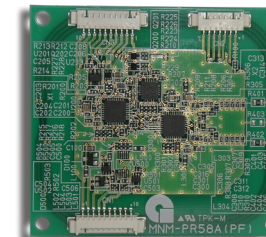
Semiconductor Business

- 01 Enhancing production capacity and maximizing efficiency
- 02 Improving sustainable profitability
- 03 Developing new customers and markets



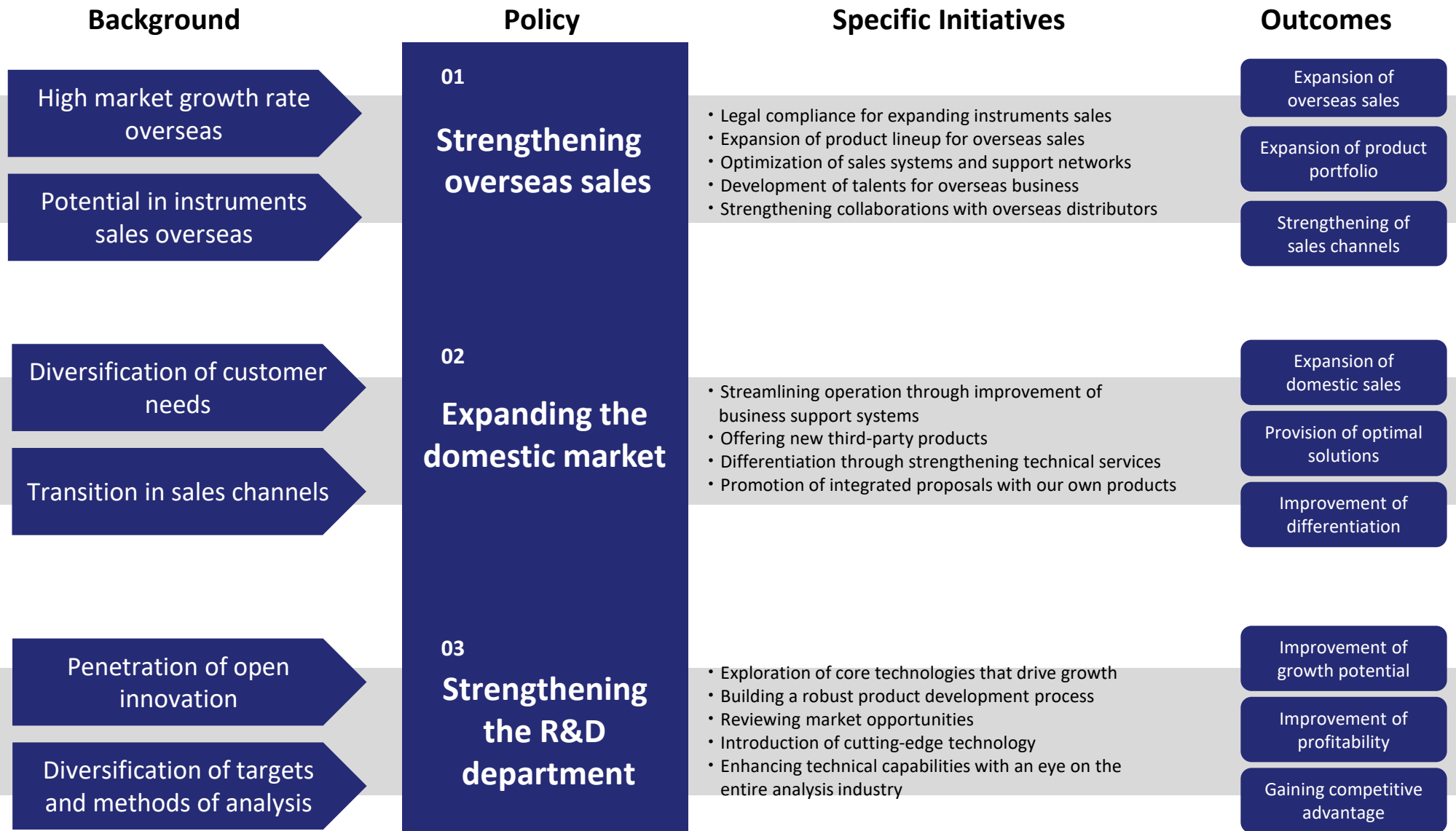
Automated Recognition Business

- 01 Expanding the RFID-related product line and channels
- 02 Capturing technology trends
- 03 Strengthening the business foundation



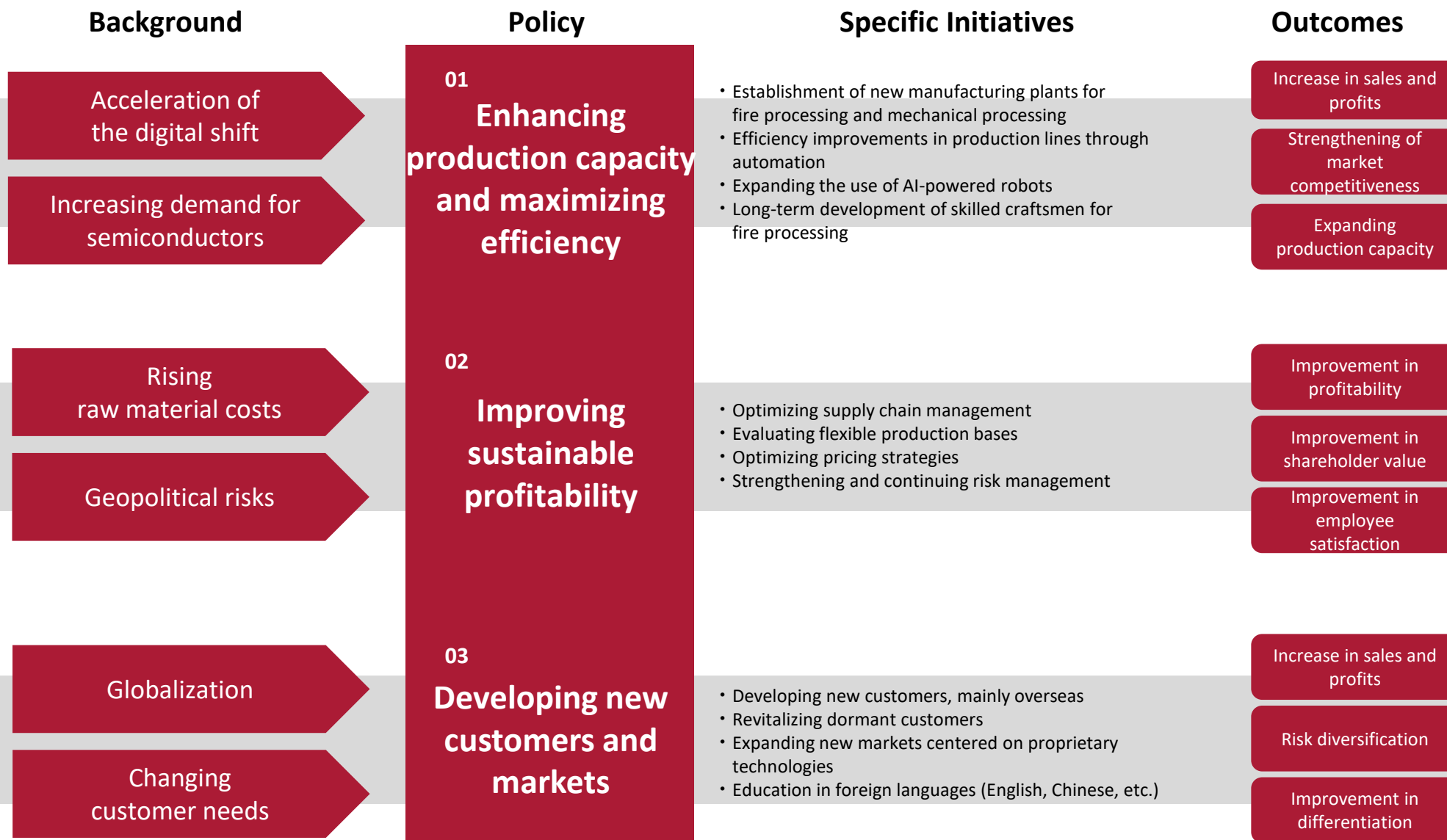
(2) Growth Strategy Focused on Business Competitiveness

Analytical Instruments Business



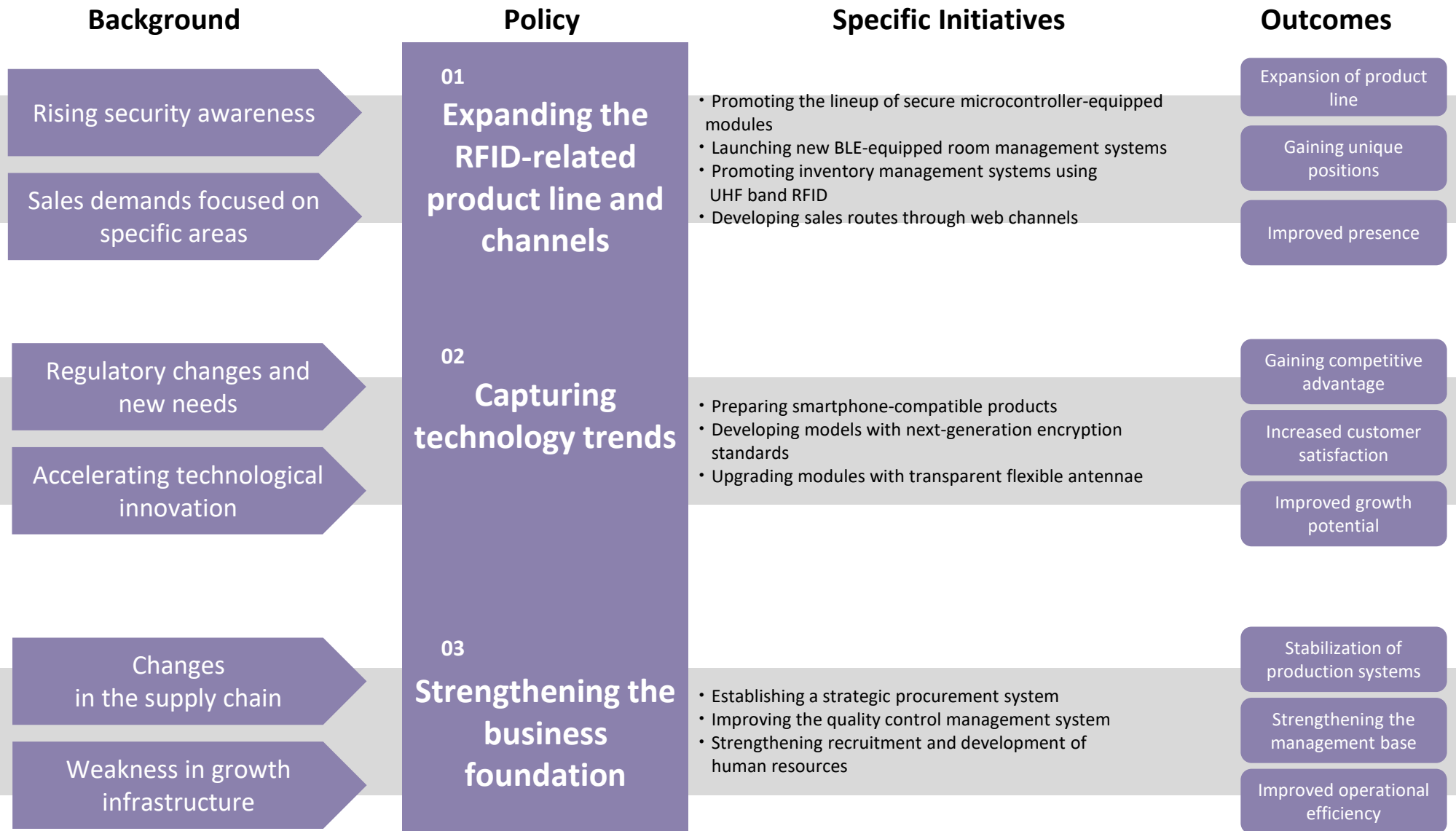
(2) Growth Strategy Focused on Business Competitiveness

Semiconductor Business



(2) Growth Strategy Focused on Business Competitiveness

Automated Recognition Business



Performance Targets by Segment

Net Sales

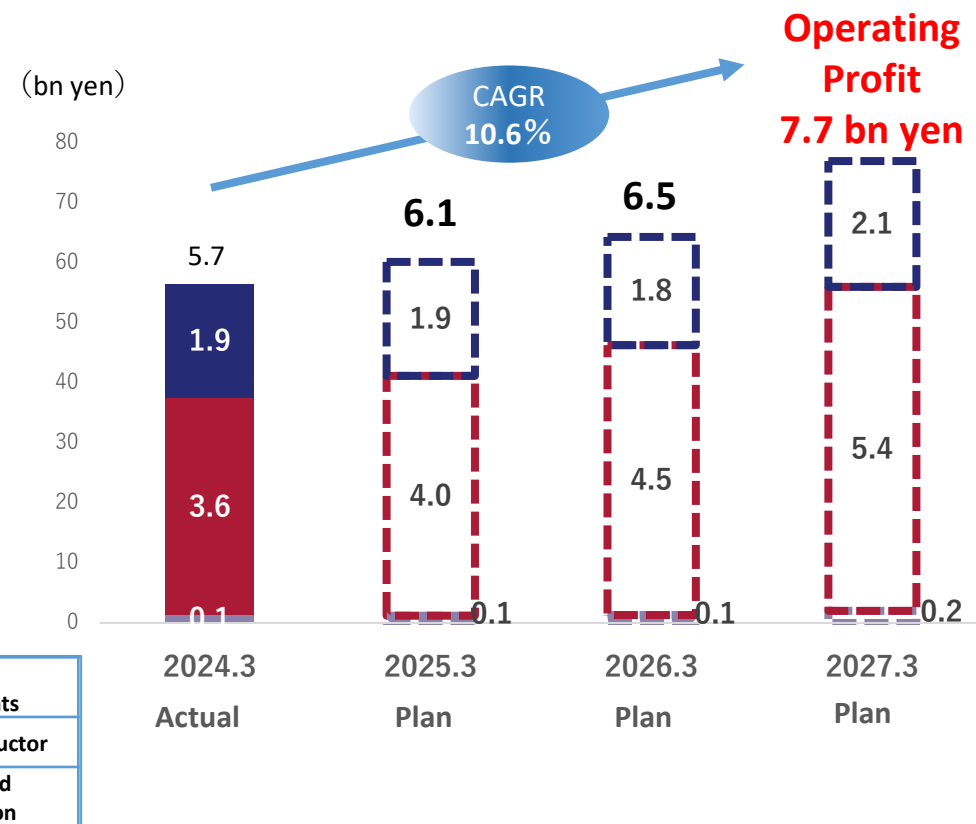
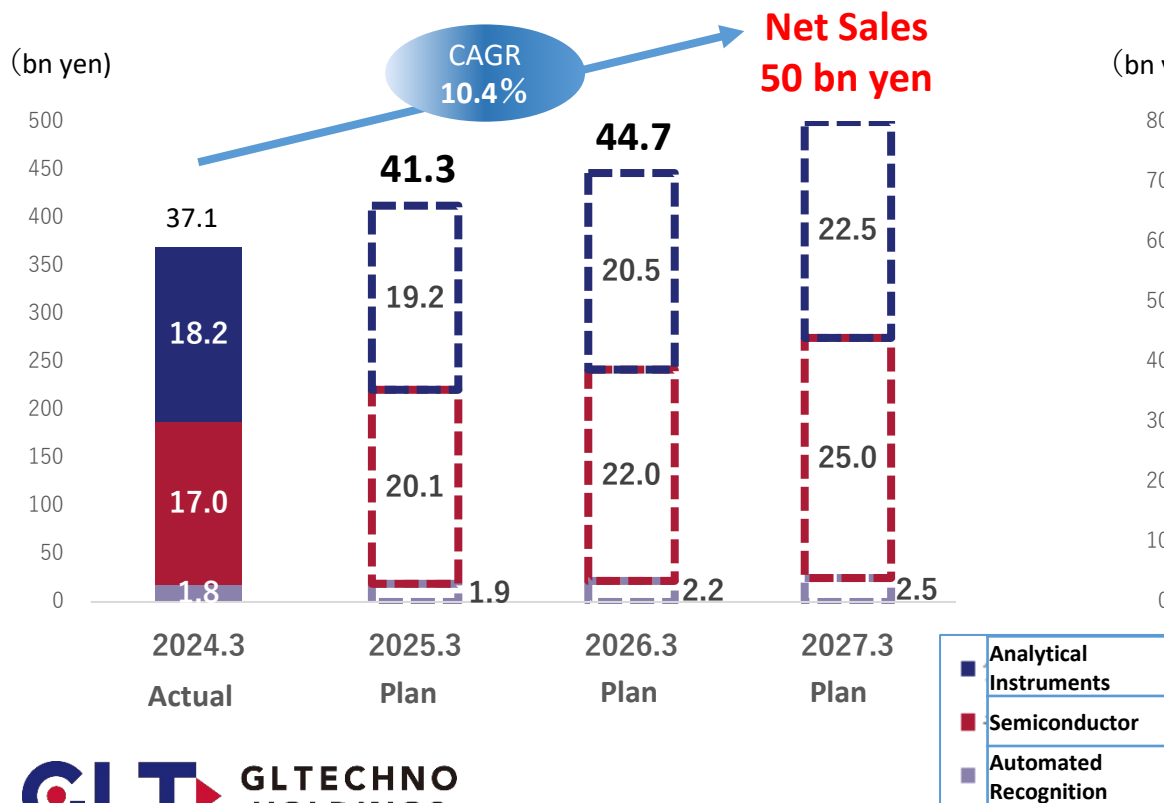
(bn yen)	2024.3 Actual	2025.3 Plan	2026.3 Plan	2027.3 Plan	Rate of Increase	CAGR
Analytical Instruments	18.2	19.2	20.5	22.5	23.1%	7.2%
Semiconductor	17.0	20.1	22.0	25.0	46.8%	13.7%
Automated Recognition	1.8	1.9	2.2	2.5	36.2%	10.8%
Consolidated	37.1	41.3	44.7	50.0	34.6%	10.4%

※ Rate of Increase and CAGR are for the period of 2024.3-2027.3

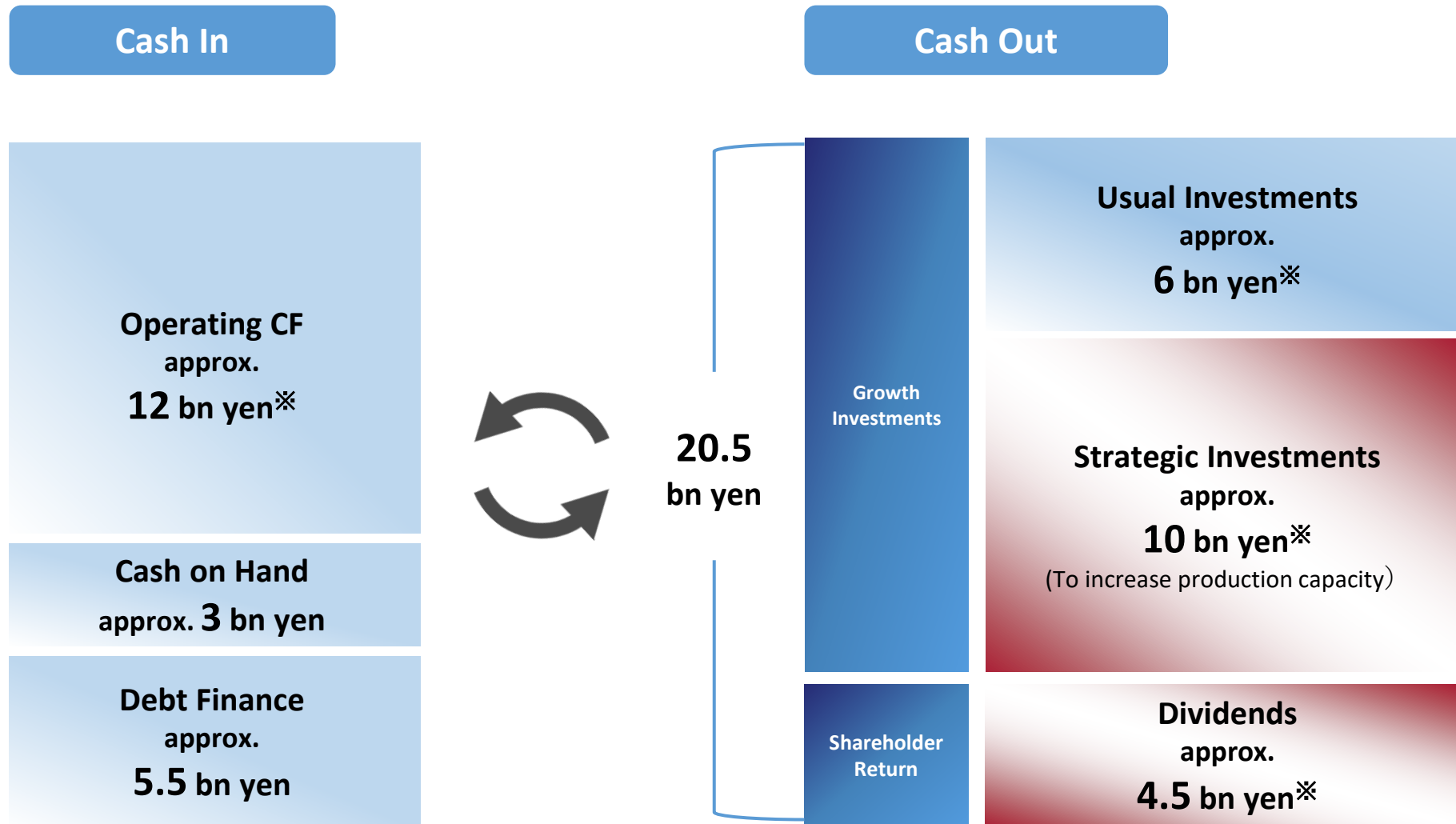
Operating Profit

(bn yen)	2024.3 Actual	2025.3 Plan	2026.3 Plan	2027.3 Plan	Rate of Increase	CAGR
Analytical Instruments	1.9	1.9	1.8	2.1	7.4%	2.4%
Semiconductor	3.6	4.0	4.5	5.4	50.2%	14.5%
Automated Recognition	0.1	0.1	0.1	0.2	48.7%	14.1%
Consolidated	5.7	6.1	6.5	7.7	35.4%	10.6%

※ Rate of Increase and CAGR are for the period of 2024.3-2027.3



Cash Allocation



※ Cumulative value of the three-year period of 2025.3-2027.3

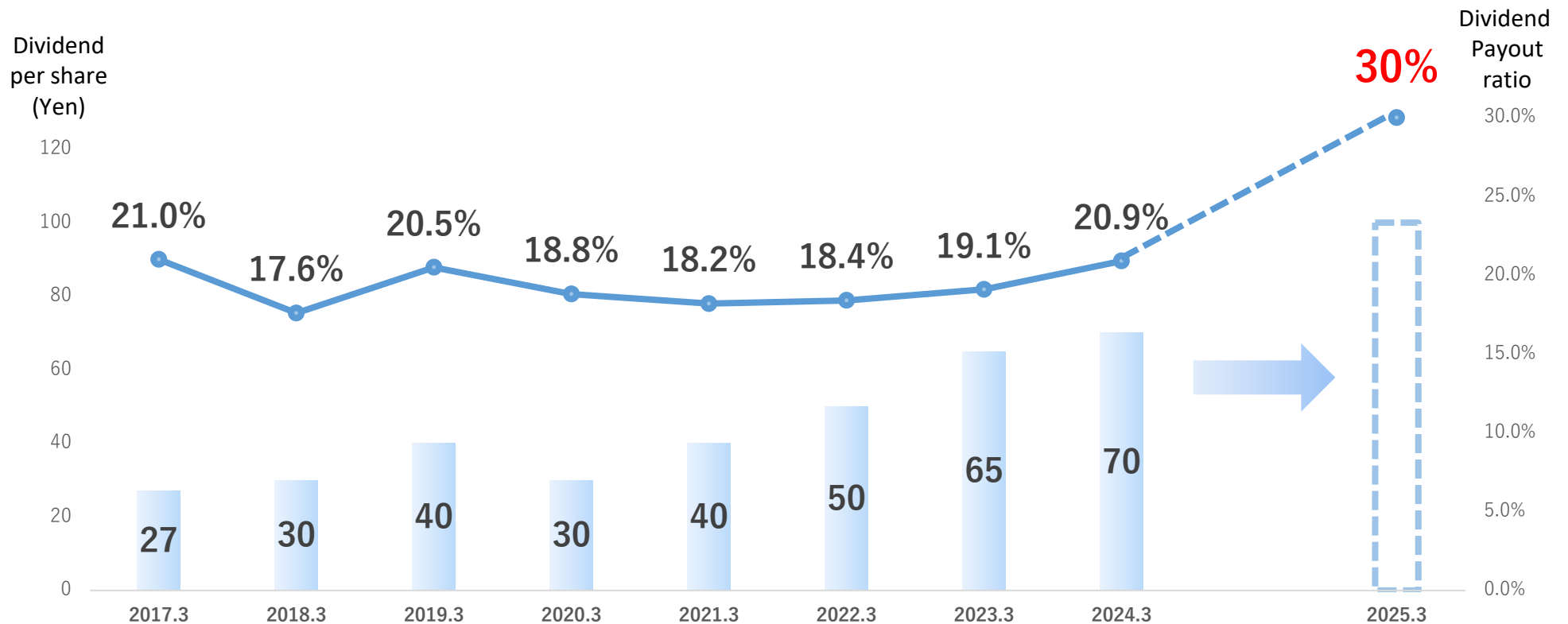
Growth investments aimed at sustainable growth and maximizing corporate value are given top priority

Shareholder return

Dividend

Target of dividend payout ratio: 30%

Will be implemented with taking into consideration a comprehensive range of factors, including financial position, profit levels, and dividend payout ratio, with a view to securing internal funds for future business expansion and providing stable dividends to our shareholders over the long term.



※Dividends before FY March 2024 are those of GL Sciences Inc.

Basic Sustainability Policy

Basic Philosophy

Based on our corporate philosophy of "growing into a truly socially responsible company," the GLTECHNO Group will contribute to society by creating an environment where employees feel happy to work, by creating and challenging ourselves for sustainable corporate growth, and by addressing environmental issues through manufacturing improvements and new technologies. In addition, we will fairly distribute any profits we earn among the company, shareholders, employees, and society, and contribute to the sustainable development of the earth and society with our technology and profits.

Our eternal slogan is "Let's advance together on our only way to success!" and we will work with our stakeholders to solve social issues.

Basic Policy

I Sustainable improvement of corporate value	In an ever-changing business environment, we will improve our competitiveness and productivity by increasing our resilience and responding flexibly.
II Contribution to environmental protection	We aim to realize a better future by promoting collaboration and co-creation with stakeholders on issues such as responding to climate change and working toward a recycling-oriented society.
III Resolving social issues through business	We will continue to contribute to society through our core business activities
IV Promoting the development and active participation of human resources who support corporate activities	We will continue to take on new challenges to solve our customers' problems, develop human resources who can contribute to society, and provide an environment where they can work safely and healthily with a sense of fulfillment and pride.
V Strengthening the governance system	We not only comply with laws and regulations and other social rules, but also strive to meet the expectations of all stakeholders.

※ We will establish a sustainability committee and work on sustainability management.

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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【Contact for this document】

GLTECHNO HOLDINGS, INC.

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