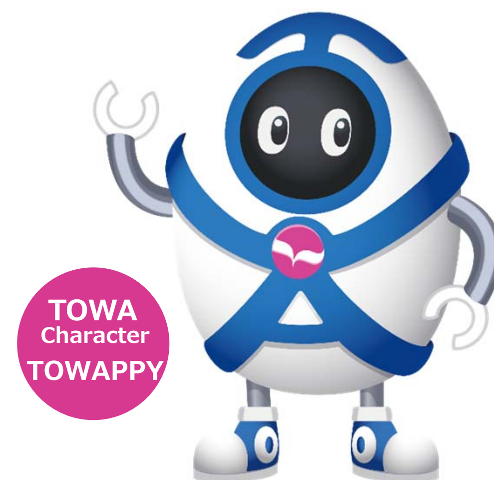

2nd Quarter - FY2024 Business Results

November 7, 2024

TOWA CORPORATION

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FY2024 First Half Summary

(100M¥)

Orders	Net Sales	Operating Profit	Ordinary Profit	Net Profit
252.4	273.9	52.6	52.2	38.2

Orders

- Investment for in-house manufacturing of semiconductor in China is strong.
- Cutting edge package and communication device-related orders of compression equipment and molds reached records high in half-year.

Net Sales

- Same as orders China and Other Asia are steady.
- Net sales of TSS (Total Solution Service) is strong due to the recovery of utilization of customer.

Profit

- Profits at each stage saw a significant increase compared to previous year due to improve of product mix and increase of net sales.

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FY2024 F/H Consolidated Financial Results

(100M¥)

	FY2023 F/H Results	FY2024 F/H Results	YoY	FY2024 F/H Forecast	Vs.Fcst
Net Sales	212.6	273.9	＋61.3 (+ 28.8%)	287.0	▲ 13.0 (▲ 4.5%)
Operating Profit	23.8	52.6	＋28.7 (2.2 times)	56.5	▲ 3.8 (▲ 6.9%)
Operating Margin	11.2%	19.2%	＋8.0pt	19.7%	▲ 0.5pt
Ordinary Profit	27.6	52.2	＋24.6 (1.9 times)	56.5	▲ 4.2 (▲ 7.4%)
Net Profit	19.5	38.2	＋18.6 (2.0 times)	39.6	▲ 1.3 (▲ 3.4%)

※Net Profit= Profit attributable to owners of parent

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FY2024 F/H Net Sales by Business Segment

(100M¥)

	FY2023 F/H Results	FY2024 F/H Results	YoY	FY2024 F/H Forecast	Vs.Fcst
Net Sales	212.6	273.9	＋61.3 (＋28.8%)	287.0	▲13.0 (▲4.5%)
Semiconductor	157.5	207.4	＋49.9 (＋31.7%)	213.0	▲5.5 (▲2.6%)
Fine Plastic	10.9	11.3	＋0.3 (＋3.1%)	11.0	＋0.2 (＋2.6%)
New Business	32.4	45.7	＋13.3 (＋41.1%)	50.0	▲4.3 (▲8.6%)
Laser Processing Machine	11.8	9.5	▲2.2 (▲19.1%)	13.0	▲3.4 (▲26.6%)

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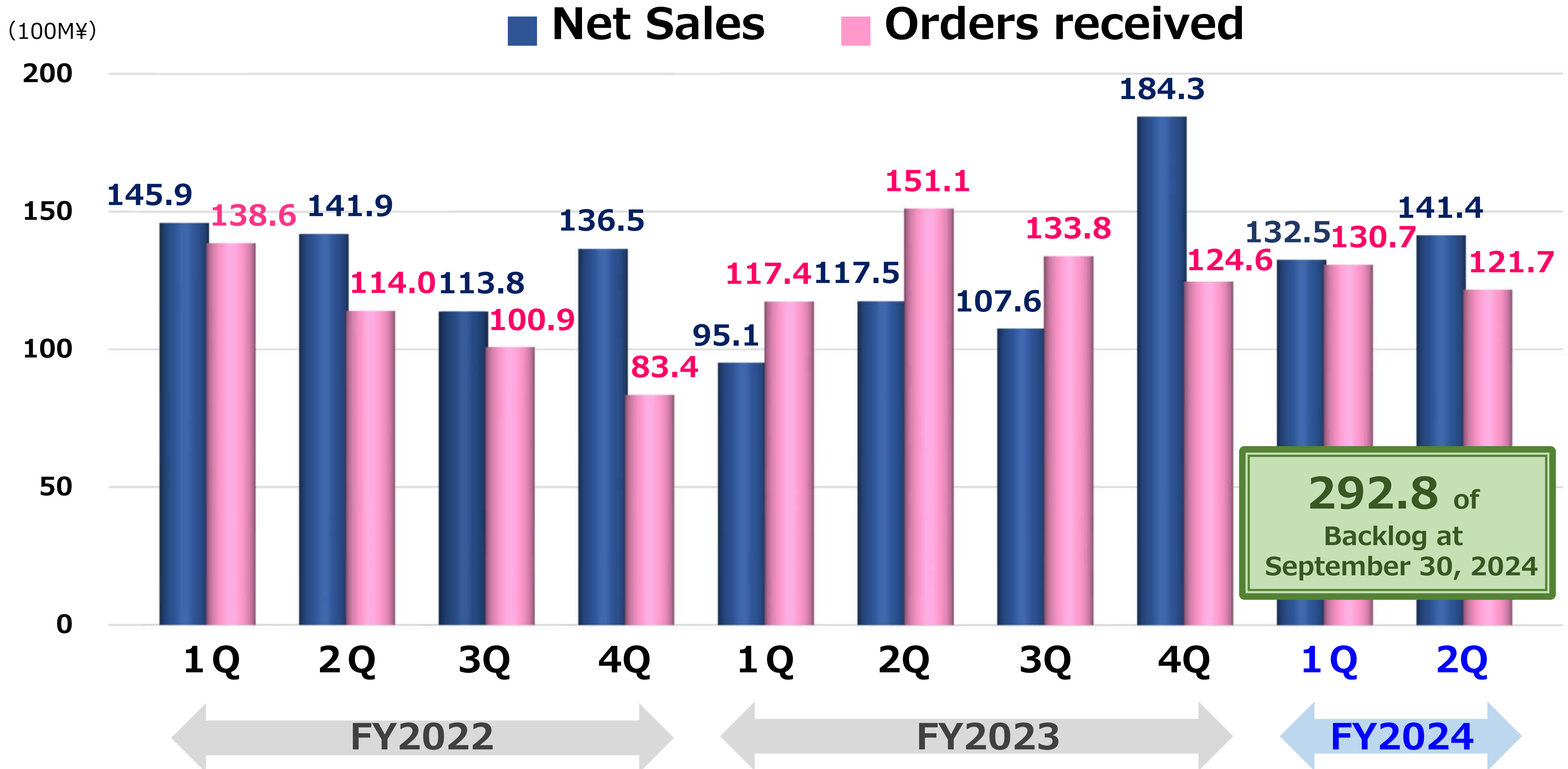
Net Sales and Orders Trend



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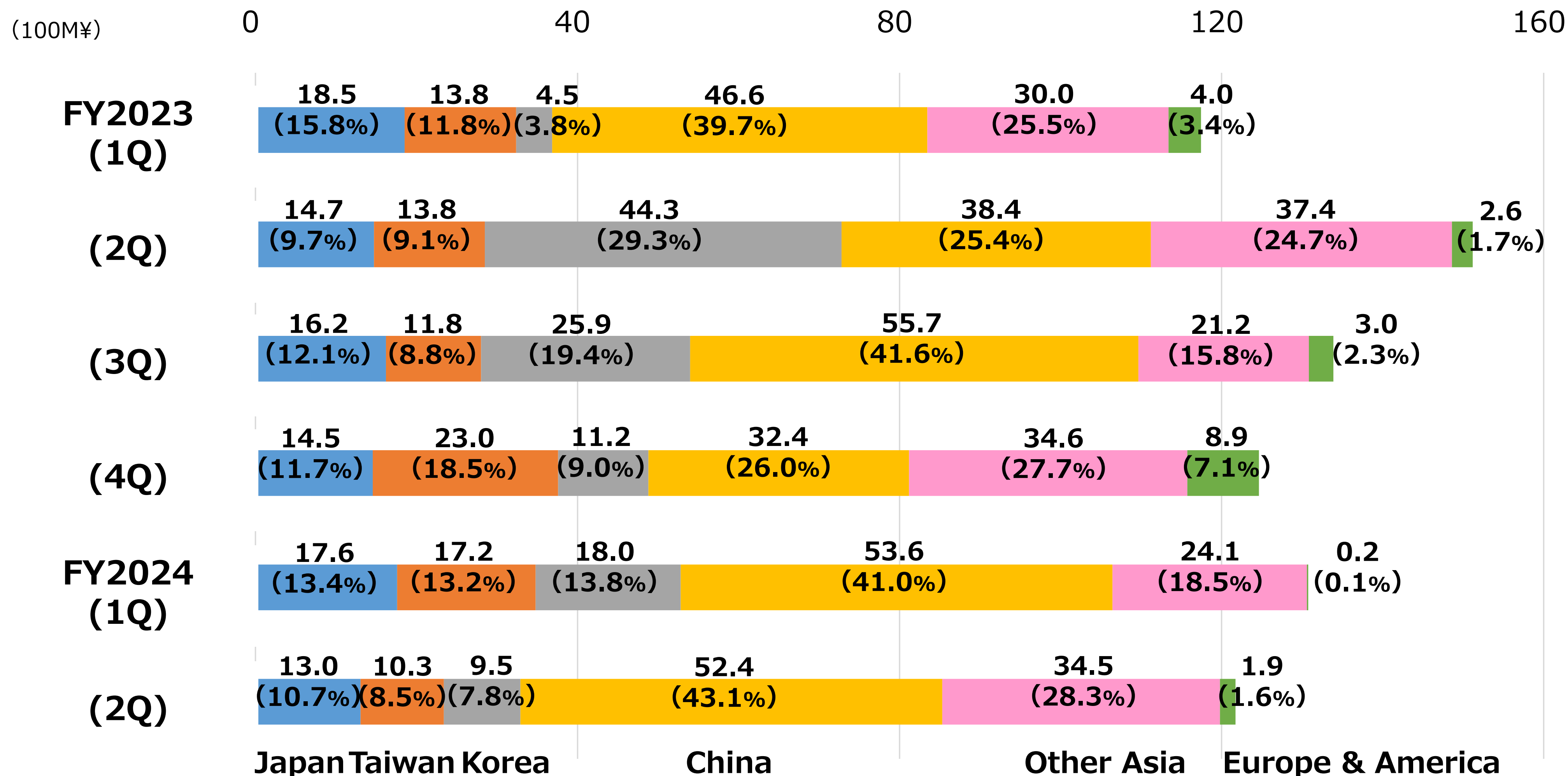
Trend of Orders Distribution Ratio by Geographic Area (Place of destination)



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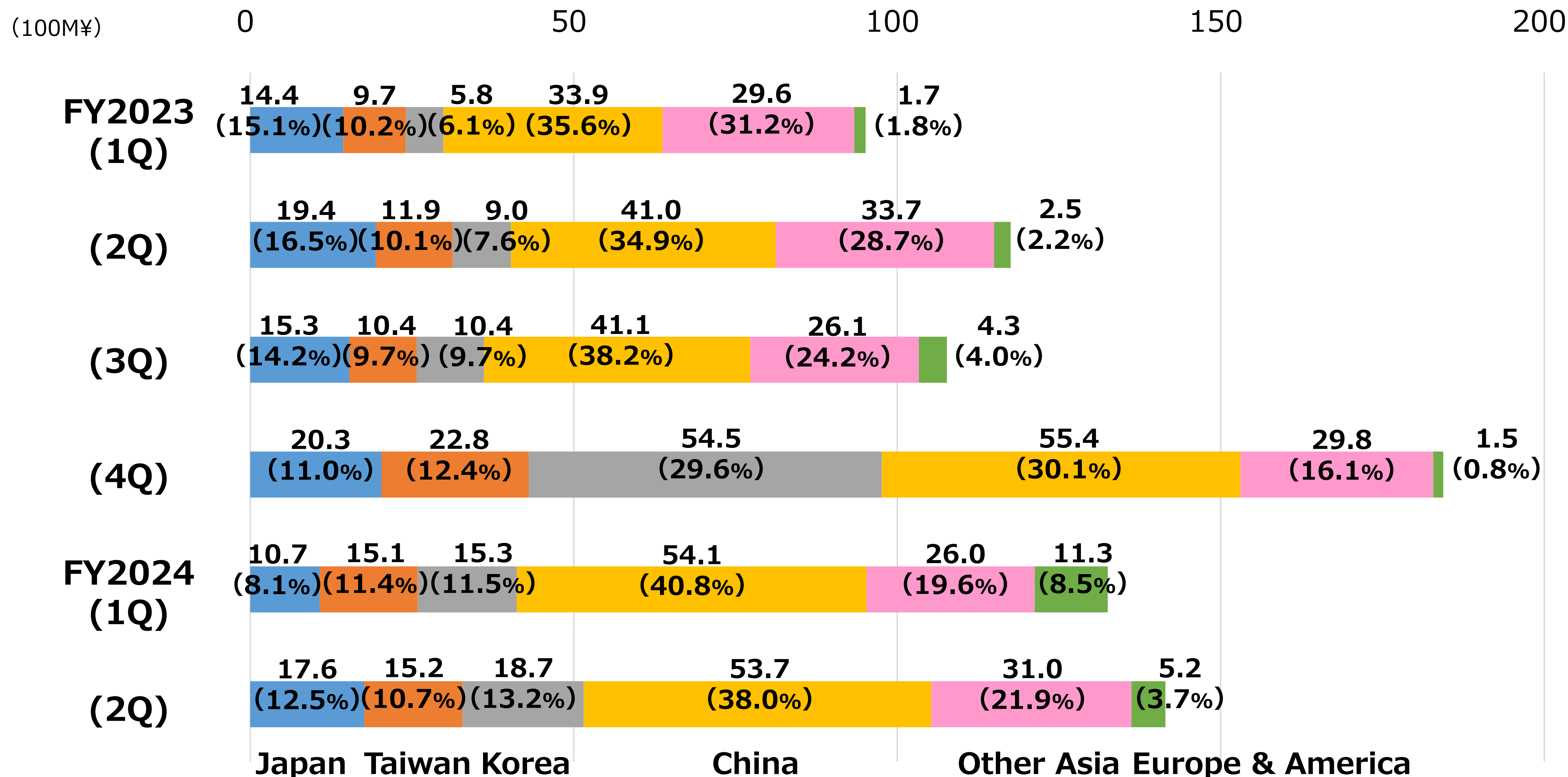
Trend of Sales Distribution Ratio by Geographic Area (Place of destination)



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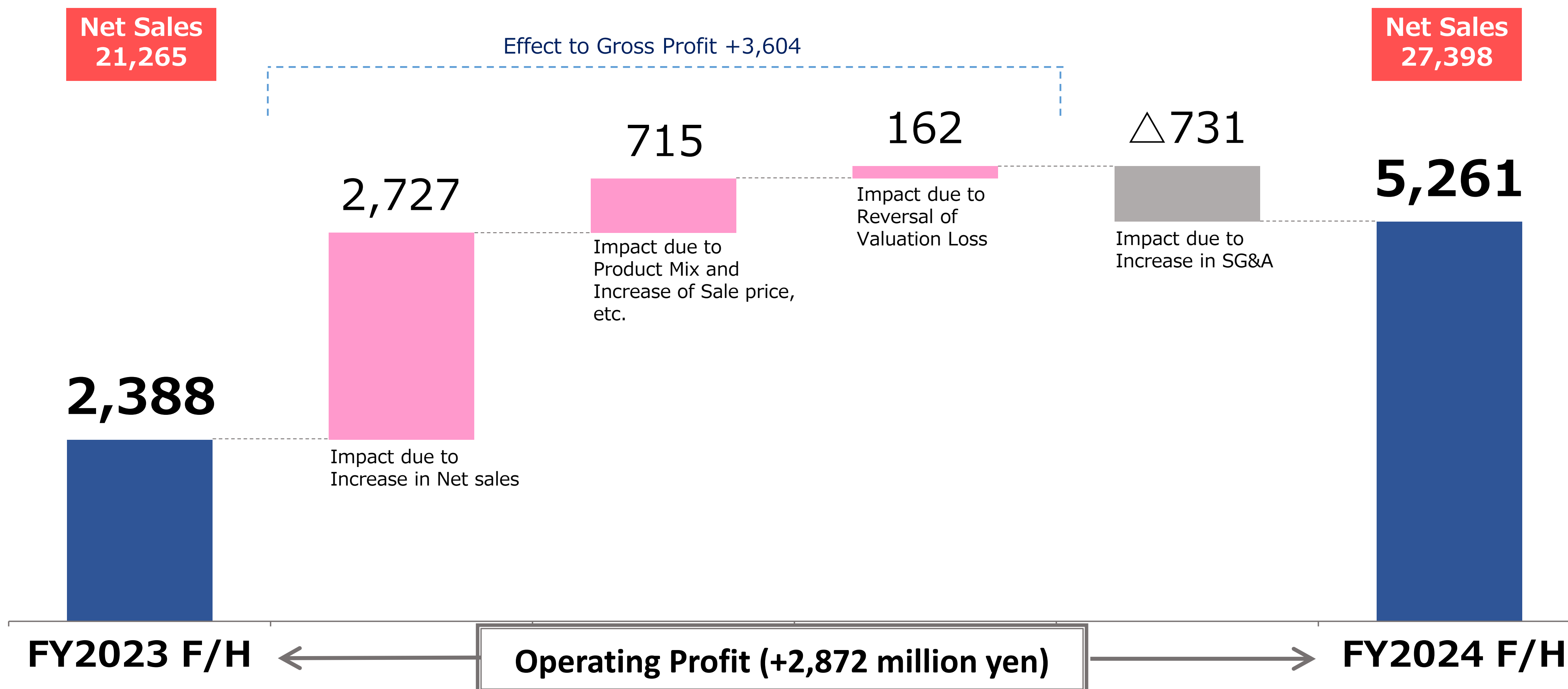
FY2024 F/H Operating Profit Variance Analysis



※Yen amounts are rounded down to millions.

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FY2024 Forecast of Consolidated Financial Results

※Initial forecast is unchanged.

(100M¥)

	FY2023 Results	FY2024			Variance	YoY
		F/H Results	S/H Forecast	FY Forecast		
Net Sales	504.7	273.9	326.1	600.0	+ 95.2	+ 18.9%
Operating Profit	86.6	52.6	73.4	126.0	+ 39.3	+ 45.5%
Operating Margin	17.2%	19.2%	22.5%	21.0%	−	+ 3.8pt
Ordinary Profit	90.7	52.2	73.8	126.0	+ 35.2	+ 38.8%
Net Profit	64.4	38.2	50.1	88.3	+ 23.8	+ 37.0%

※Net Profit= Profit attributable to owners of parent

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FY2024 Forecast of Net Sales by Business Segment

※Initial forecast has been changed.

(100M¥)

	FY2023 Results	FY2024			Variance	YoY
		F/H Results	S/H Forecast	FY Forecast		
Net Sales	504.7	273.9	326.1	600.0	+95.2	+18.9%
Semiconductor	383.2	207.4	246.6	454.0	+70.8	+18.5%
Fine Plastic	21.5	11.3	11.0	22.3	+0.8	+3.7%
New Business	75.8	45.7	50.4	96.1	+20.3	+26.8%
Laser Processing Machine	24.2	9.5	18.0	27.6	+3.4	+14.0%

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Market Outlook

Market Outlook

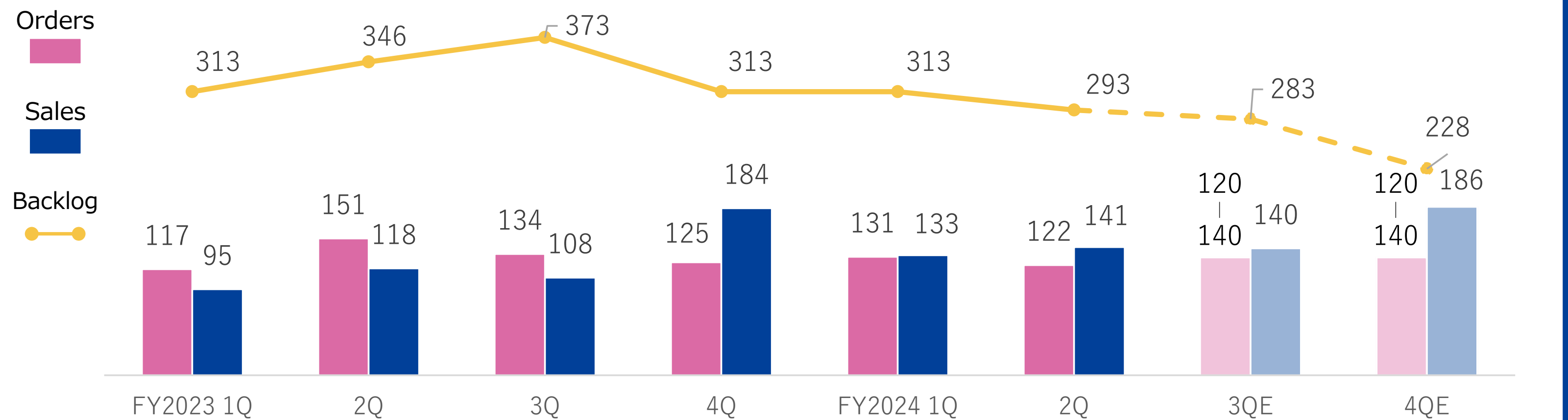
- Forecast of orders has been changed. The recovery of demand for consumer goods and memory which was anticipated to recover from second half has been delayed and it is expected to recover from next fiscal year.
- About net sales, forecast of this fiscal year is unchanged due to backlog of 29.3 billion yen at the end of the 2Q and orders planned to receive in second half. In addition, net sales will be concentrated in 4Q due to desired delivery date of customer side and other factors.
- Cutting edge package-related market regarding generative AI is anticipated to continue to remain steady in second half as well.

Profit & Loss Estimate

(Initial forecast is unchanged)

Net Sales	600.0
Operating Profit	126.0
Ordinary Profit	126.0
Net Profit	88.3

Trend of Orders/Sales/Backlog



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FY2024 Dividend Forecast

	FY2023 Records	FY2024 Forecast
Dividends	13.3yen (40.0yen)	20.0yen (60.0yen)

※ Our company conducted a stock split at a ratio of three shares for every one common share, effective as of October 1, 2024. It has been calculated under the assumption that this stock split was carried out from the previous consolidated fiscal year.
In addition, amounts before the stock split are shown in parentheses.
Also, an interim dividend is not planned to pay in this year.

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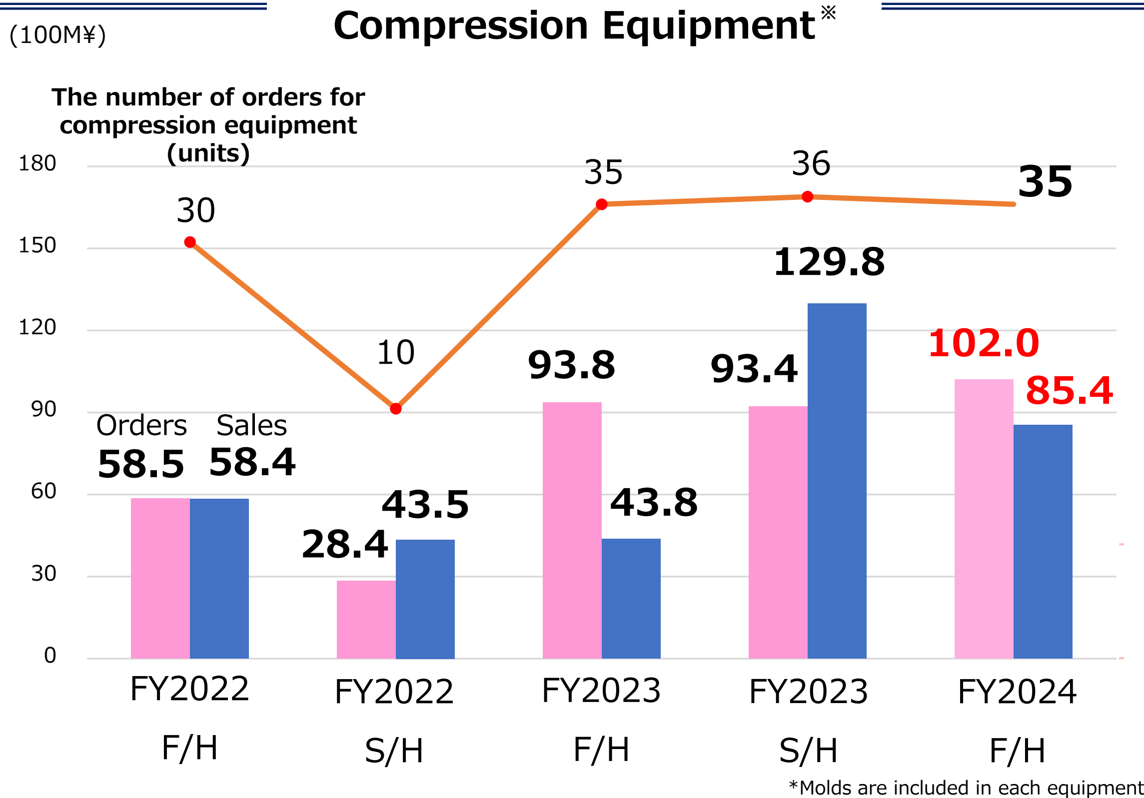
TOWA's Original Compression Equipment

Orders and Sales of Compression Equipment has remained Strong!



TOWA's Original Compression Technology

- It is optimal for thin, layered and modular packages.
- It can mold narrow space gap with our original technology.
- It can also meet the conditions of large size packages as well.

Areas Anticipated to Utilize Compression Technology

Use	Technology
Generative AI	Wafer-level Package
Next Generation Smartphone	Panel-level Package
Autonomous driving	2.5D, 3D Package
IoT	

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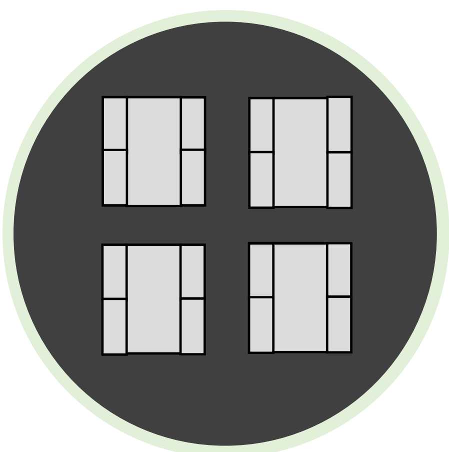
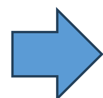
PLP（Panel Level Package）

Inquiries and Orders of Equipment for PLP are increasing

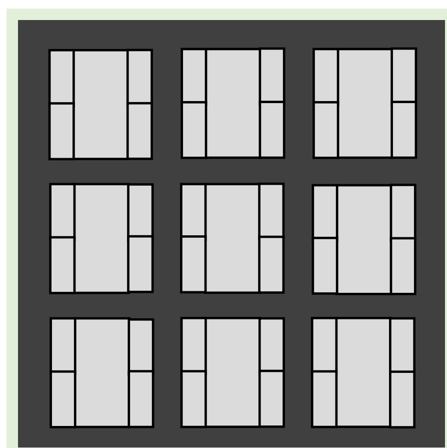
■ **Manufacturing process has been shifted from WLP to PLP to improve production efficiency.**
⇒ **Superiority of compression becomes even greater!**

WLP





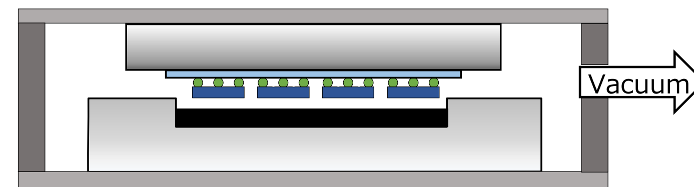
PLP



The number of chip which could be molded at once increased.
Production efficiency has improved significantly!

Superiority of Compression on PLP

With TOWA's original cavity down structure, it is possible to fill panel completely with resin even the four corners without leaving any gap!



Compression equipment for PLP
Model: CPM1180
Work max size : 660x620mm

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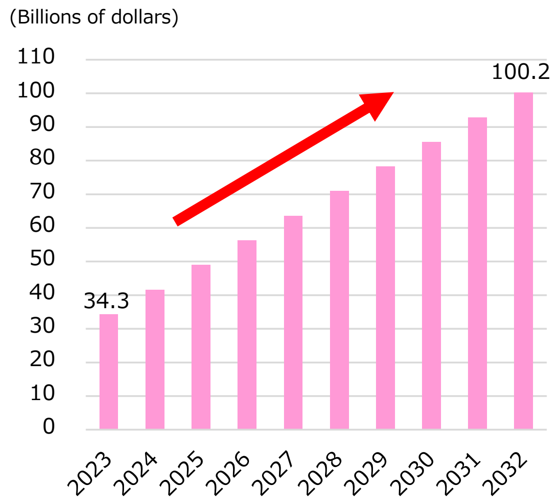
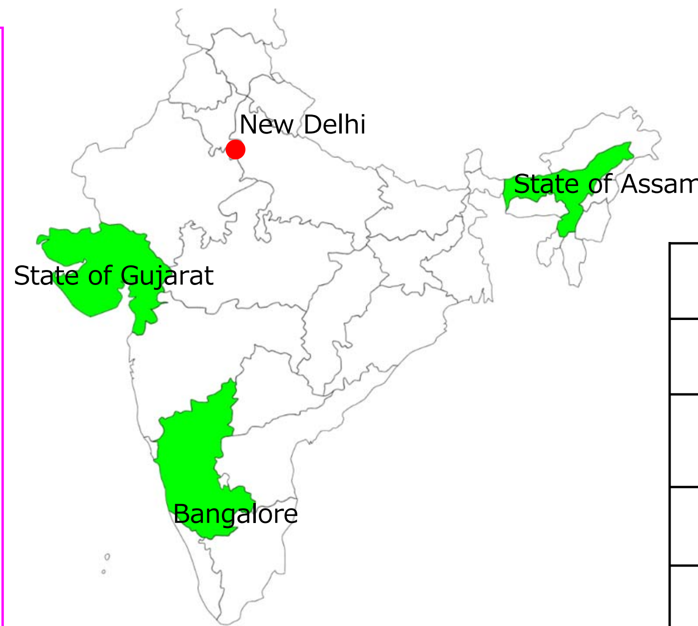
TOWA

Building up Strong business in India

Establishment of Sales Subsidiary to strengthen business in India

- **India is focusing on the development of its semiconductor industry with government support, and major local conglomerates and leading semiconductor manufacturers have already made investment plans.**
  ⇒We will conduct direct sales activities on-site and establish strong relationships with customers from the initial startup phase.





Head Office Location

Potential Future Sales Branch Locations

Company Overview

Name	TOWA India Company Limited (tentative name)
Location	Gurgaon, State of Haryana, Republic of India (planned)
Business Description	• Sales of semiconductor manufacturing equipment and molds • After sales service
Capital	25,000,000 Indian Rupee (approximately 42,750,000 yen)
Establishment Date	In anticipation of establishment until the end of March 2025

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TOWA

Other Topics

Stock Split Conducted

On October 1, 2024, we conducted a stock split at a ratio of three shares for every one common share.

The purpose is to create
a more accessible investment environment
by reducing
the price per investment unit,
thereby expanding
the investor base and
improving the liquidity
of our shares.

"JPX-Nikkei Index 400" Selected for Index Components

We have been selected as a component stock for the "JPX-Nikkei Index 400" for the fiscal year 2024 (from August 30, 2024, to August 28, 2025) based on calculation by JPX Market Innovation & Research, and Nikkei.
A total of 400 stocks have been selected with evaluation based on quantitative indicators such as the 3-year average ROE and qualitative indicators such as the appointment of independent outside directors in addition to screening process that considers market capitalization.

“TOWA Integrated Report” Publication

We have published the "TOWA Integrated Report 2024" which incorporates information on materiality to provide a comprehensive overview of both financial and non-financial information. The report is available on our website. Please take a look.

<Reference> "TOWA Integrated Report 2024“
https://www.towajapan.co.jp/en/ir/corporatereport/

"Eruboshi" Certification

In accordance with the Act on Promotion of Women's Participation and Advancement in the Workplace (Women’s Empowerment Act), we have received the "Eruboshi" certification from the Ministry of Health, Labour and Welfare, as a company with outstanding initiatives for promoting women's participation. Our company will continue to promote work-life balance support and strive to create a workplace where all employees, including women, can maximize their abilities and work with a smile.

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TOWA Vision 2032

「To the top of the world with change」

《Contact》
TOWA CORPORATION Corporate Planning Dept.
5 Kamichoshi-cho, Kamitoba, Minami-ku, Kyoto 601-8105
Telephone number : 075-692-0251

This presentation material contains TOWA Group's forward-looking statements regarding, including but not limited to, plans, policies, finances, technologies, products, services and results. Such forward-looking statements are the judgements made by the Group based on available data, assumptions and applicable methods etc. as of the presentation date, and contain various risks and uncertainties. Also, new risks and uncertainties can occur anytime and it is impossible to predict the occurrence and the effect of them. Thus, please understand the actual results could considerably differ from the forward-looking statements.

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Corporate Overview

Company name	TOWA CORPORATION
Products	Semiconductor/LED Manufacturing Equipment, Ultra-Precision Molds, Fine Plastic Products, Laser Processing Machines
Established	April 1979
President & CEO	Hirokazu Okada
Number of Employees	2,056 (consolidated) [as of September 2024]
Paid in capital	8.9 billion yen
Code Number	6315
Address	5 Kamichoshi-cho, Kamitoba, Minami-ku, Kyoto

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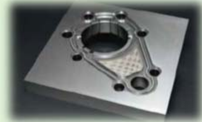
TOWA's Business

New Business

- TSS
  (Total Solution Service)
- Tools for precision process
- Fine process
- Coating


Undertake processing

Remodeling, repair, Prevention & Upkeep

Fine process technology

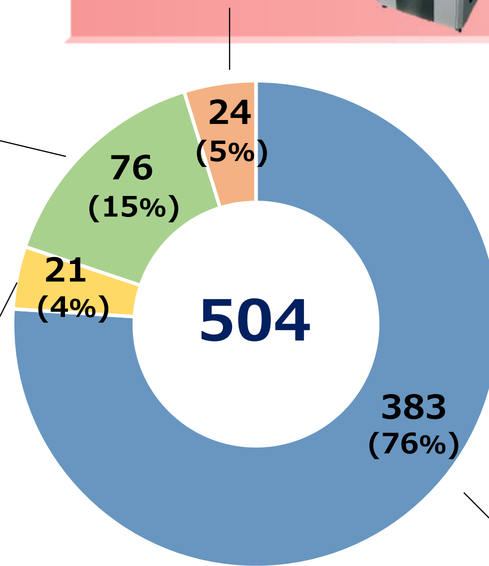
Tool（end mill）

Laser Processing Machines

- Laser Trimmer
- Wafer Marker
- Laser Welder

Laser Trimmer
Model SL432R

Wafer Marker
Model SL473GS3



Net Sales (100M¥)
(FY2023)

Semiconductor Manufacturing (SM) Equipment

- Precision molds for SM
- Molding equipment for SM
- Singulation equipment for SM

Transfer Mold

Molding Equipment
Model PMC 2030-D

Molding Equipment
Model CPM 1080

Fine Plastic

- Fine plastic products
- Medical products

Parts of drip

Component for syringe

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TOWA

Factories

● TOWA Corporation ● Affiliated Companies

Korea

● **TOWA KOREA Co., Ltd.**
Equipment, precision mold and component manufacturing

● **TOWA FINE Co., Ltd.**
Blade

China

● **TOWA (Suzhou) Co., Ltd.**
Equipment and precision mold manufacturing

● **TOWA (Nantong) Co., Ltd.**
Equipment and precision mold manufacturing

Malaysia

● **TOWAM Sdn. Bhd.**
Equipment manufacturing

● **TOWA TOOL Sdn. Bhd.**
Mold manufacturing

Kyoto

● **Headquarters/Factory (Kyoto-shi)**
Equipment and precision mold development and manufacturing

Kyoto

● **Kyoto East Plant (Ujitawara-cho)**
Mold manufacturing

Saga（Tosu-shi）

● **Kyushu Work**
Mold manufacturing

Japan

Yamanashi（Nirasaki-shi）

● **BANDICK Corporation**
Fine plastic products manufacturing

Kanagawa（Sagamihara-shi）

● **TOWA LASERFRONT Corp.**
Laser & Laser Processing machines development and manufacturing

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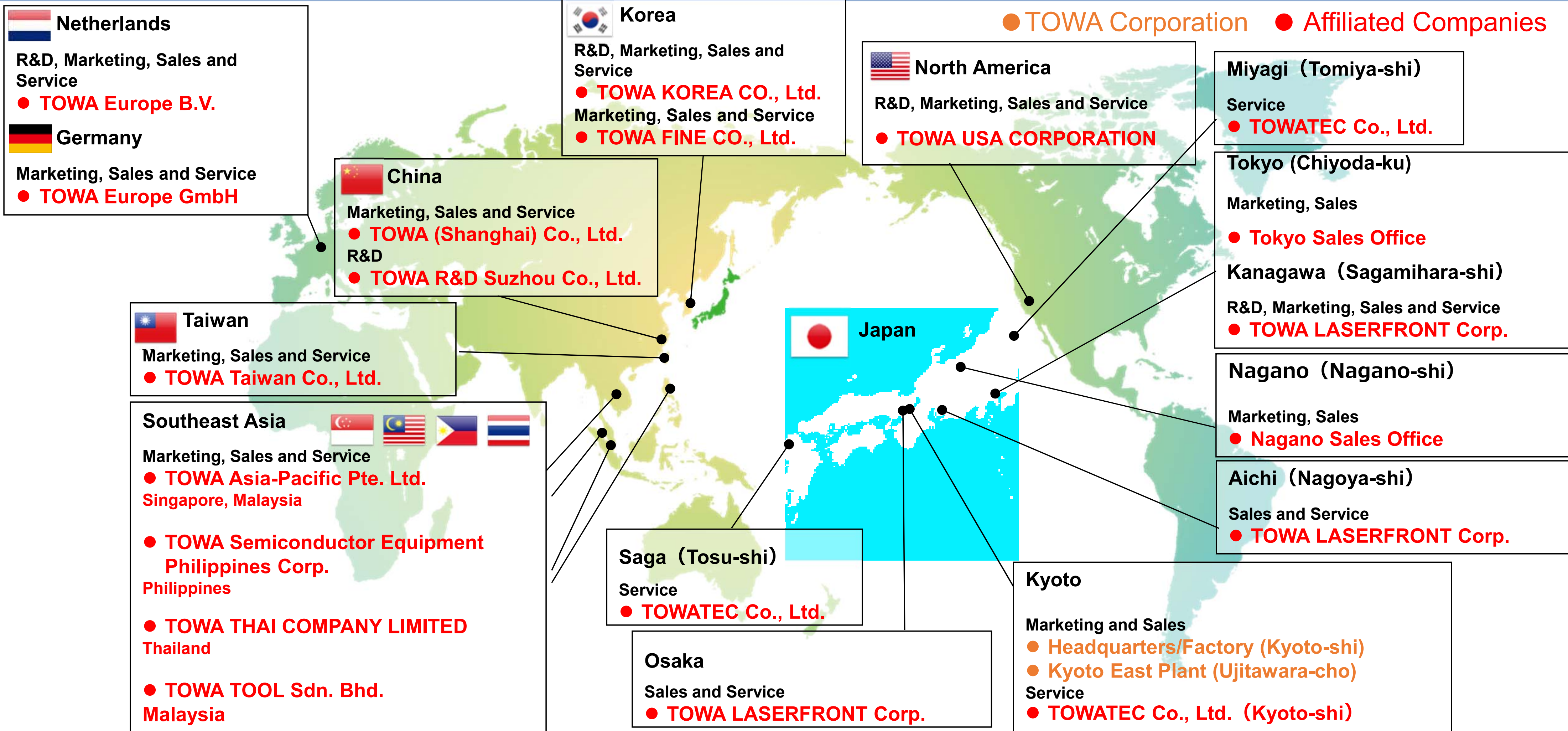
Sales/Service facility



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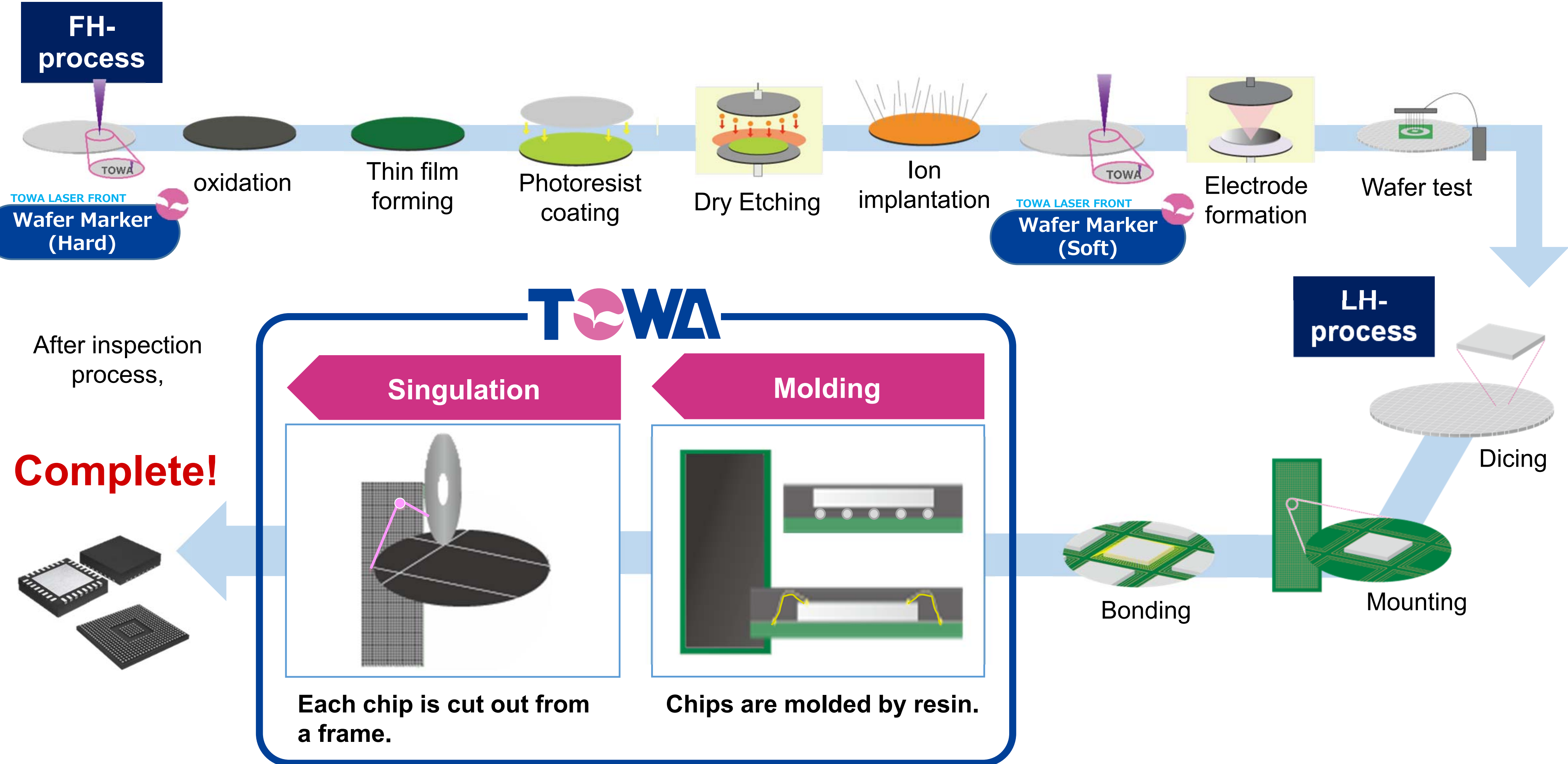
Semiconductor Manufacturing



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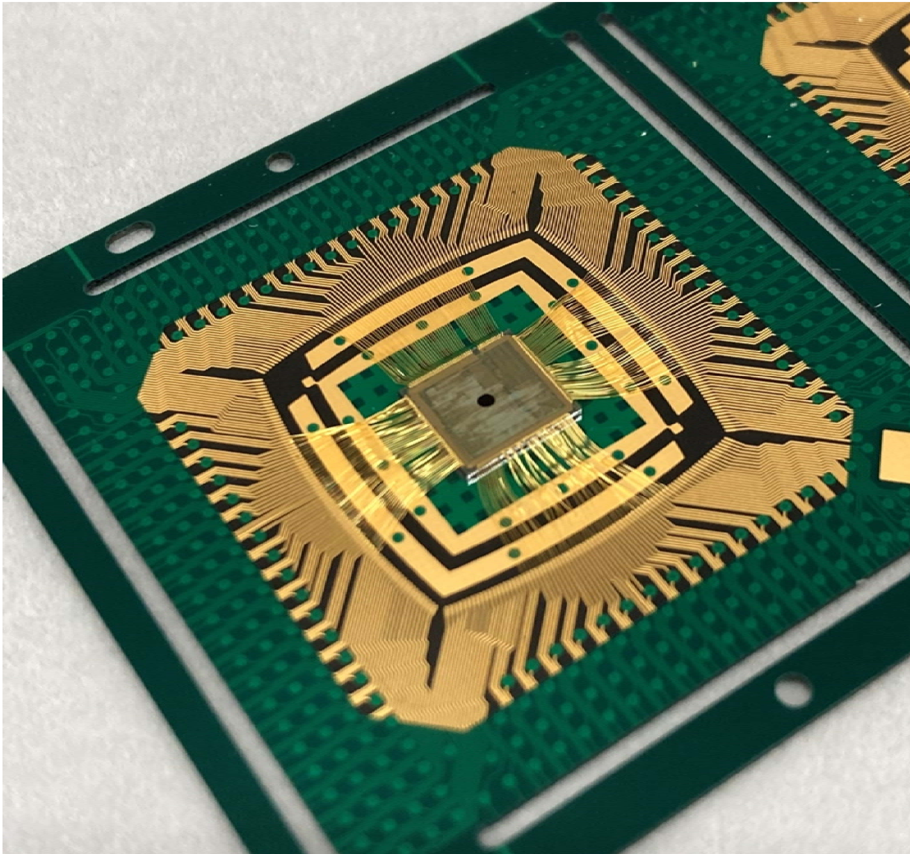
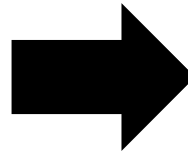
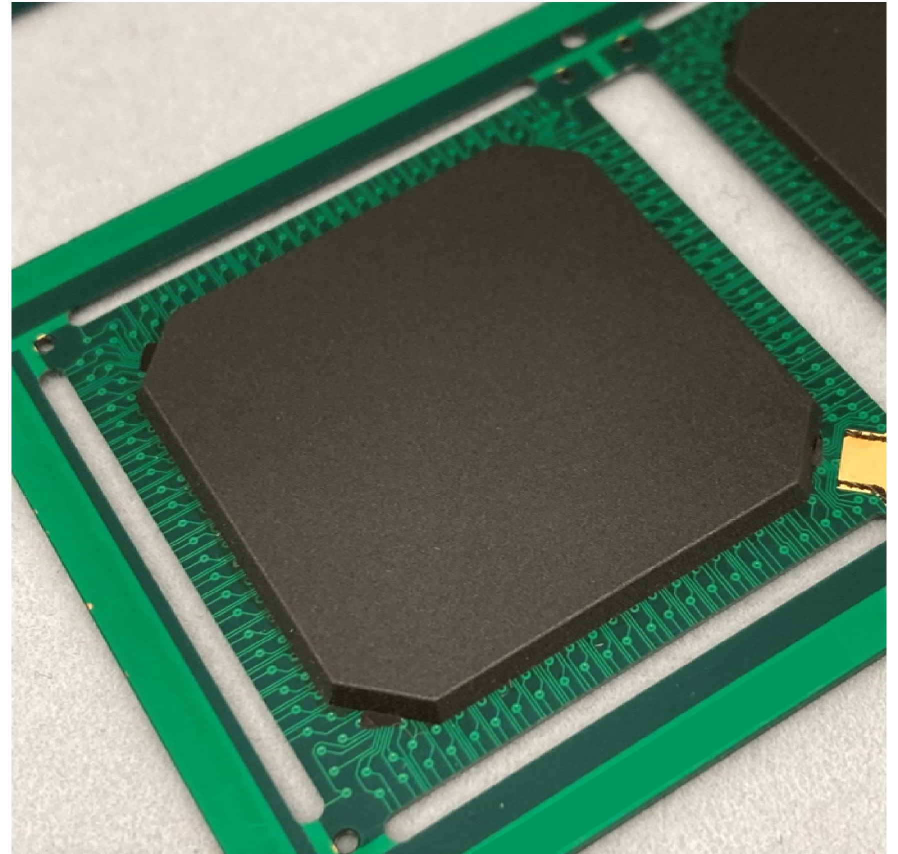
Molding

Chips and Wire are molded by resin.







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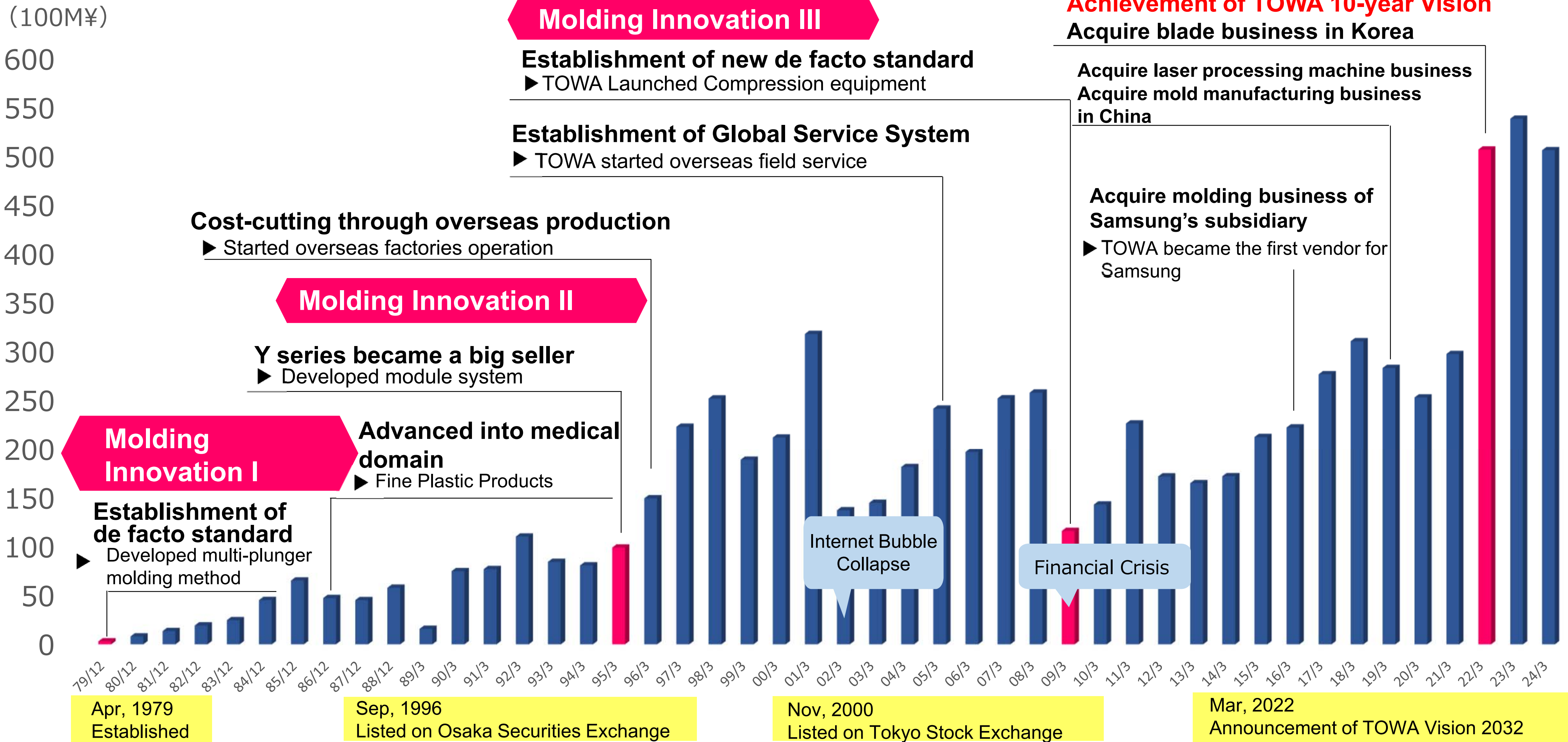
Progress of TOWA



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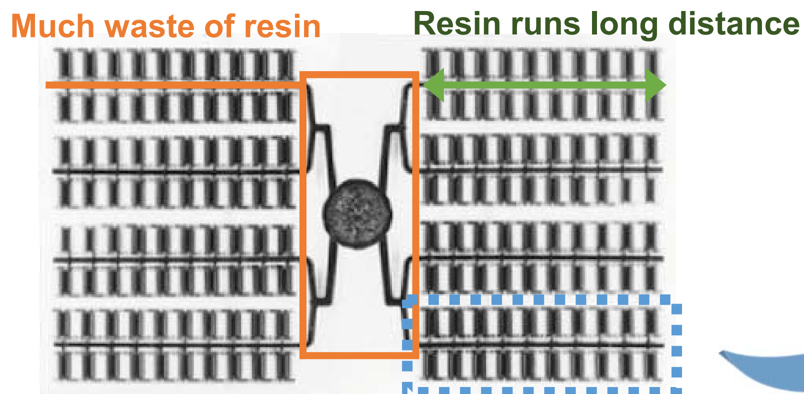
Molding innovation I（1979）

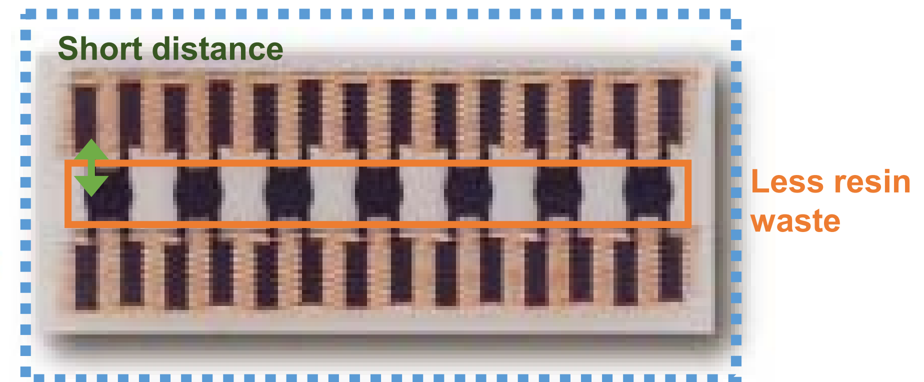
Conventional Mold

Manual molding by putting one palm size resin into the central pod. Resin runs long distance. Molding quality is not homogeneous. And much waste of resin.



Multi-Plunger Mold

Auto molding by putting finger size resins into several pods. This realized short runner, homogeneous molding quality and less waste of resin.



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Molding innovation II（1995）

Module System (Y series)

Before the development of Module System, Molding equipment was・・・

Each equipment is designed depends on what or how much it will manufacture.
Semiconductor manufacturers had to buy another equipment ,
when they want to manufacture another type of product or increase their product volume.

Module System enables to adjust press number!!

・Even you have only one Y series machine,
you can manufacture many types of products or increase your product volume.

Y series is sufficient to meet the needs of assembly subcontractor, to perform backend process bringing from IDM.

Semiconductor molding equipment is one of the strongest quality of TOWA.

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Molding innovation III（2009）

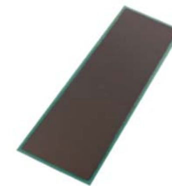
Compression Molding Equipment

Independent compression molding technology has enabled to mold cutting-edge devices, and cut the cost significantly!!
The compression technology is unrivaled from its launch in 2009 because of the patent and technical difficulty.

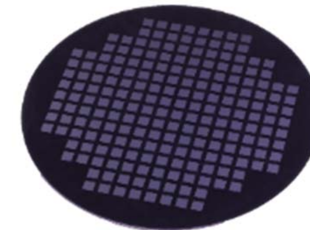
Features

- 100% resin efficiency
  （CO_2 emissions reduced by about 70%）
- Compression molding with no resin fluidity
  (reduce defective products)
- Most suitable for cutting-edge such as memory and 5G
- Applicable to both granular type and liquid type resin
- Applicable to both panel size and wafer size

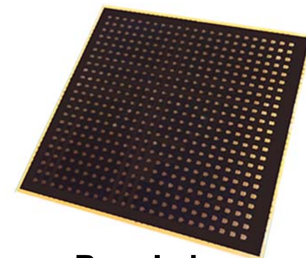
Compression Equipment
Model PMC 2030-D



Substrate size
100×300mm



Wafer size
φ300mm



Panel size
600mm×600mm

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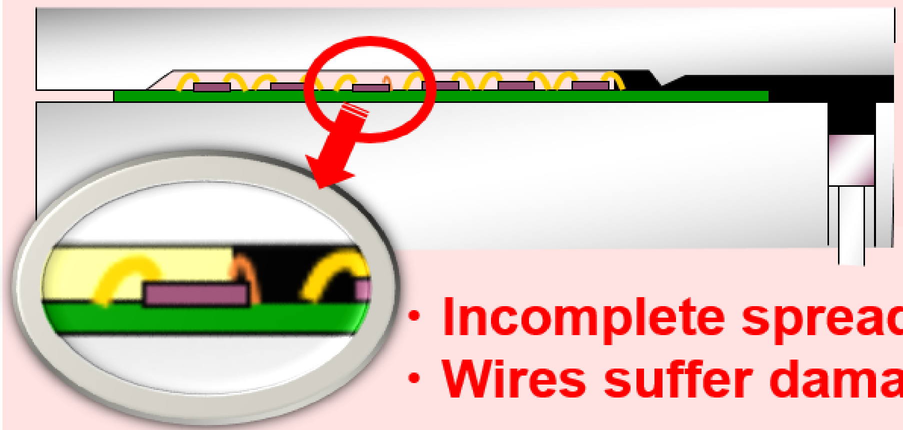
Encapsulation（Molding）Process

Transfer molding

Injecting resin type

Resin flows

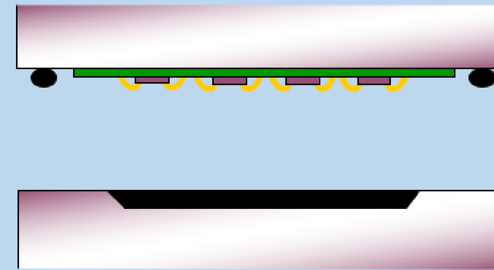


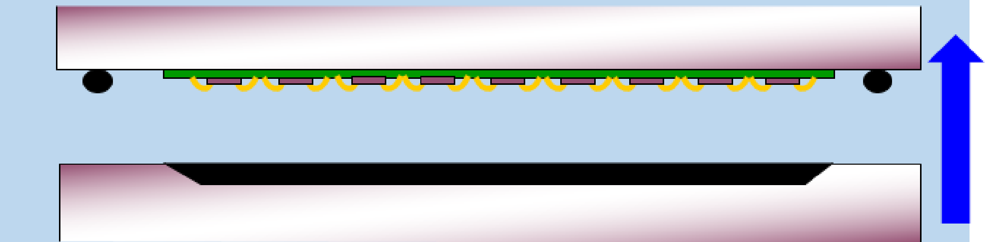
- Incomplete spreading
- Wires suffer damage

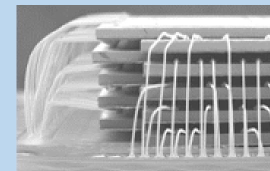
Compression molding

Compressing resin type

No Resin fluidity







- TOWA enabled large size panel molding
- No damage to products

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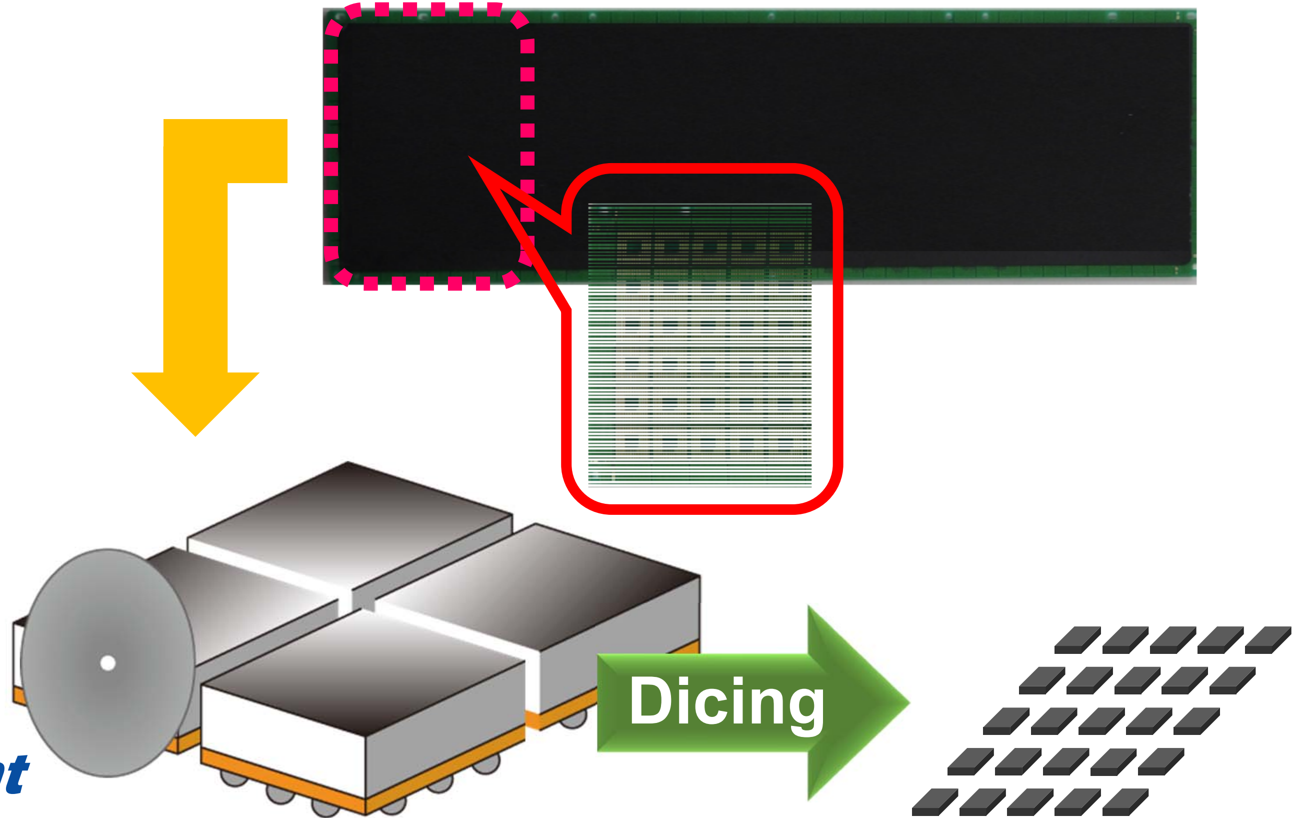
Singulation Process

After molding, frames are cut to each semiconductor chip



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Semiconductor Manufacturing Equipment Line-Up

～Compression Mold～

Compression Equipment
Model CPM 1180

Work max size：625x620mm

Compression Equipment
Model CPM 1080

Work max size：φ300mm、320x320mm

Compression Equipment
Model PMC 2030-D

Work max size：100x300mm

～ Transfer Mold～

Transfer Equipment
Model YPM 1180

Work max size：100x300mm

～ Singulation～

Singulation Equipment
Model FMS 4040

Work max size：100x300mm

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