

## FY 2024 (Year Ending March 2025) 3<sup>rd</sup> Quarter Financial Results Briefing Q & A Summary

Date: February 5, 2025

### 3<sup>rd</sup> Quarter Results

**Q1:** Did AMI (Analytical & Measuring Instruments) orders reach a record high?

**A1:** Yes, they reached a record high.

### Full-Year Forecast

**Q2:** What is the reason for the downward revision of the full-year operating income forecast?

**A2:** We had planned in our November announcement to make up for the shortfall from the first half against the plan in the second half. However, since we fell short of this target in Q3, we have revised our forecast downward.

**Q3:** The operating profit margin for AMI in Q4 is expected to be around 20%. What are the initiatives to achieve this?

**A3:** We aim to achieve the target operating profit margin by expanding sales of key models (liquid chromatography, mass spectrometry systems, gas chromatography), increasing recurring business (consumables and maintenance & service), enhancing profitability through value-added appeals, and improving factory financials through increased production.

### FY2025 Outlook

**Q4:** What is your outlook for the AMI business next fiscal year?

**A4:** We have high expectations for the North American business, which is a focus of our medium-term management plan, and the rapidly growing Indian business. Additionally, the domestic business is performing steadily, and we aim to achieve growth exceeding the market growth rate.

**Q5:** How are you addressing inflation?

**A5:** We will improve profit margins by passing on the increased costs of raw materials and labor to sales prices, a strategy we call 'value-added appeals.'

### AMI / China Business

**Q6:** What is your outlook for the China business in FY2025?

**A6:** While we are still in the process of budget formulation and considering factors affecting the business, we see a recovery in AMI orders in China. Considering the Chinese government's stimulus and demand related to the 2025 Pharmacopoeia revision, we expect growth in the high single digits for FY2025.

**Q7:** Are there any markets in China expected to decline more than this fiscal year in FY2025?

**A7:** We anticipate recovery across all markets in general. However, this is our current estimation, and the actual figures may differ due to fluctuations in economic conditions and various other external factors.

**Q8:** What is the expected contribution to performance from the 2025 Pharmacopoeia revision?

**A8:** We aim to achieve a scale similar to the previous revision by expanding our business by proposing applications to customers.

### **AMI / India Business**

**Q9:** How is the profitability of the India business?

**A9:** It is at a high level.

**Q10:** The sales target for the India business in FY2035 is ¥47B. Is there potential for an upside?

**A10:** We believe there is potential for an upside by providing End-to-End solutions that meet local needs in the rapidly growing pharmaceutical market and the green domain, such as lithium-ion batteries. We are also establishing a new plant locally, responding to the Indian government's domestic preference policies. The local manufacturing will start with AMI, but we also consider manufacturing medical equipment, turbomolecular pumps, and hydraulic equipment in the future to expand the business.

### **Impact of US Tariff Policies**

**Q11:** What is the impact of US tariff policies?

**A11:** There are no exports from Mexico and Canada to the US, which are subject to additional tariffs, and sales in Mexico and Canada are currently small, so the impact of retaliatory tariffs is minimal. The total export value from China to the US is also small, and there is currently little impact on the business. However, we will continue to monitor whether indirect effects, such as inflation due to additional tariffs, lead to a restraint in customer capital investment.

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