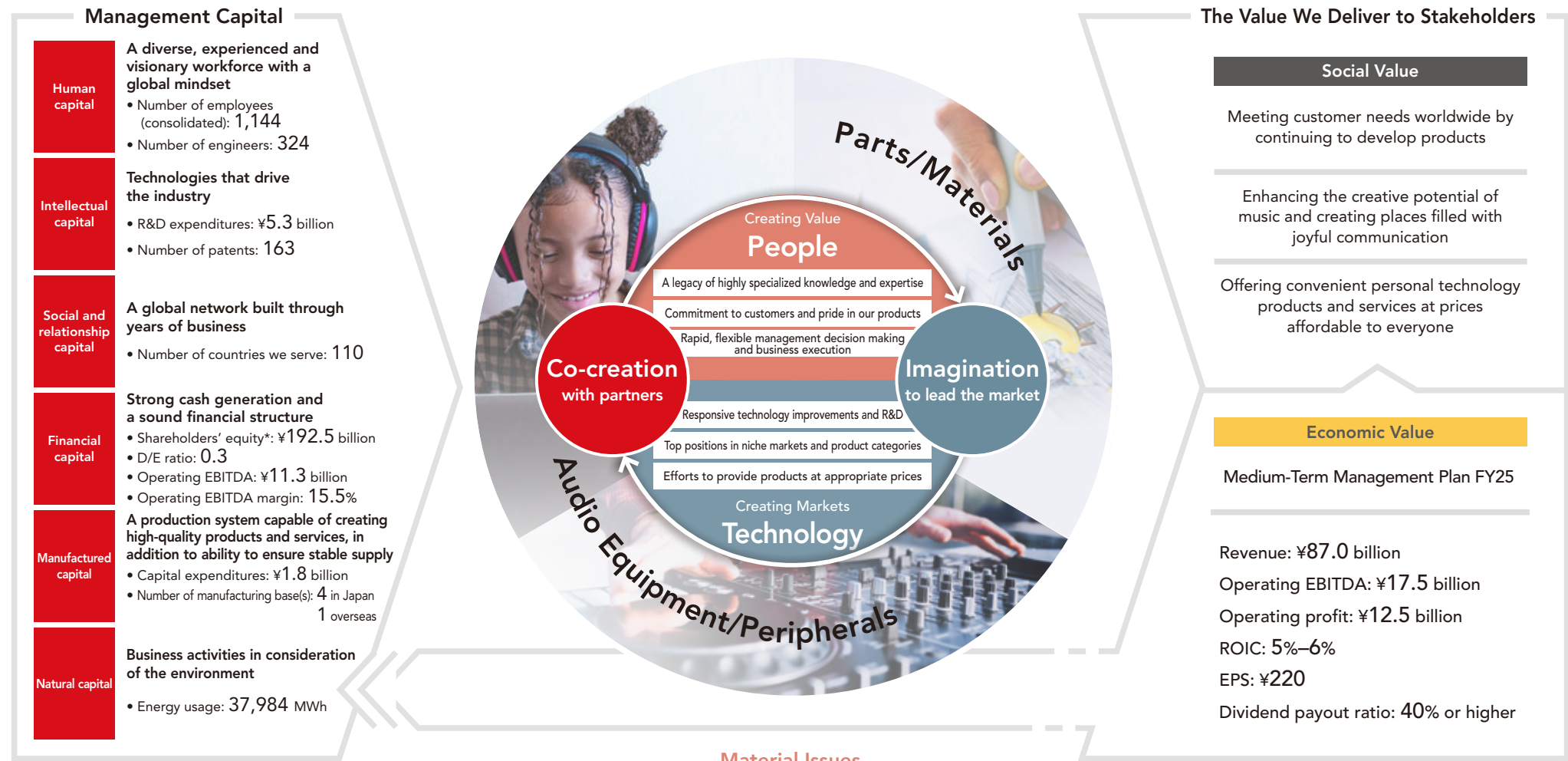


Value Creation Process

Vision A corporate group that continues producing "No. 1/Only 1" businesses



Management Capital

- Human capital**
A diverse, experienced and visionary workforce with a global mindset
 - Number of employees (consolidated): 1,144
 - Number of engineers: 324
- Intellectual capital**
Technologies that drive the industry
 - R&D expenditures: ¥5.3 billion
 - Number of patents: 163
- Social and relationship capital**
A global network built through years of business
 - Number of countries we serve: 110
- Financial capital**
Strong cash generation and a sound financial structure
 - Shareholders' equity*: ¥192.5 billion
 - D/E ratio: 0.3
 - Operating EBITDA: ¥11.3 billion
 - Operating EBITDA margin: 15.5%
- Manufactured capital**
A production system capable of creating high-quality products and services, in addition to ability to ensure stable supply
 - Capital expenditures: ¥1.8 billion
 - Number of manufacturing base(s): 4 in Japan, 1 overseas
- Natural capital**
Business activities in consideration of the environment
 - Energy usage: 37,984 MWh

The Value We Deliver to Stakeholders

- Social Value**
 - Meeting customer needs worldwide by continuing to develop products
 - Enhancing the creative potential of music and creating places filled with joyful communication
 - Offering convenient personal technology products and services at prices affordable to everyone
- Economic Value**
 - Medium-Term Management Plan FY25
 - Revenue: ¥87.0 billion
 - Operating EBITDA: ¥17.5 billion
 - Operating profit: ¥12.5 billion
 - ROIC: 5%–6%
 - EPS: ¥220
 - Dividend payout ratio: 40% or higher

Material Issues

* Equity attributable to owners of parent

- Contributing to society and the community through business operations**
 - Shaping the future and making a positive contribution to creating a prosperous society and enriching people's lives by manufacturing products that society needs
 - Enhancing our supply chain framework to make it more environmentally and socially responsible

- Establishing a robust corporate foundation**
 - Creating inclusive workplaces where diversity is respected and all employees can thrive and contribute with a future-oriented mindset
 - Enhancing our sound corporate governance structure to achieve sustainable growth

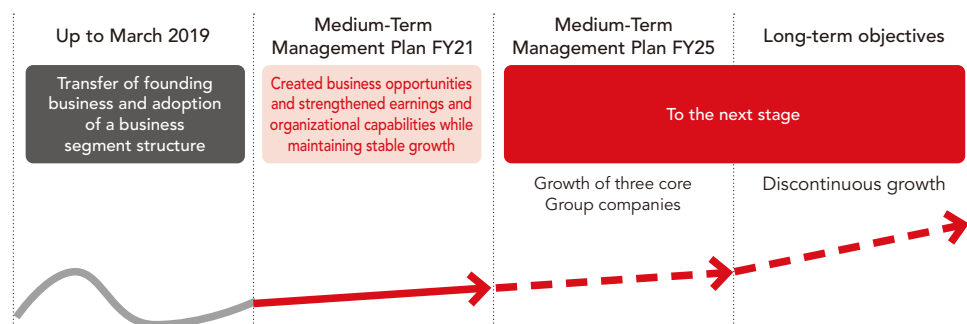
Medium-Term Management Plan FY25

Basic Policy of Medium-Term Management Plan FY25

With its heritage of manufacturing and diligent effort, Noritsu Koki will continue to create a platform for developing highly unique businesses and investing in the future.

The Noritsu Koki Group brings together great technologies, proven companies and highly experienced human resources to consistently deliver new value to society.

Positioning of Medium-Term Management Plan FY25



Progress of Medium-Term Management Plan FY25

Noritsu Koki achieved stable growth during Medium-Term Management Plan FY21, which was focused on creating business opportunities and strengthening earnings and organizational capabilities. Currently, we are working as a group to carry out Medium-Term Management Plan FY25 (2022 to 2025). Consolidated results for 2022 (the first year of the plan) saw a 34.9% year-on-year increase in revenue as JLab was included in the scope of consolidation* from May 2021. In addition, the pen nib business of Teibow and the DJ equipment business of AlphaTheta also performed well. Operating profit declined, mainly because the Group recorded an impairment loss related to goodwill for JLab as a result of the impact of interest rate hikes in the U.S., in addition to other expenses. However, profit attributable to owners of parent increased by a substantial 1,885.1% year-on-year to ¥101.5 billion, largely due to proceeds from the divestment of shares in JMDC. We believe that the first year of Medium-Term Management Plan FY25 was a success in terms of making good progress in each business, increasing financial capital and further strengthening manufacturing, which is the foundation of the Group.

* 8-month period after joining the Group (in May 2021) for 2021 and 12-month period for 2022

Quantitative Targets of Medium-Term Management Plan FY25

In Medium-Term Management Plan FY25, our quantitative targets are revenue of ¥87.0 billion with a compound annual growth rate (CAGR) of 12.4%, as well as operating EBITDA of ¥17.5 billion and operating profit of ¥12.5 billion, which will establish the financial foundation for our growth strategy. In addition, we have set targets of ROIC of 5%–6% and earnings per share (EPS) of ¥220. We have also raised the consolidated target dividend payout ratio from 25% to 40% (or higher) to further enhance shareholder returns.

Targets	Medium-Term Management Plan FY21	Medium-Term Management Plan FY25	CAGR
Revenue	¥54.4 billion	¥87.0 billion	12.4%
Operating EBITDA	¥11.0 billion	¥17.5 billion	12.2%
Operating profit	¥6.3 billion	¥12.5 billion	18.6%
ROIC	2.5%	5%–6%	–
EPS	¥110	¥220	18.8%
Dividend payout ratio	25%	40%	–

Basic Policy and Key Measures of Medium-Term Management Plan FY25

Noritsu Koki aims to be a corporate group that continues producing “No. 1/Only 1” businesses, with Teibow, AlphaTheta and JLab as its three core Group companies. We have identified three strategies that will be critical to achieving the targets of the plan: 1) Reinforce existing Group businesses and invest in growth fields to become a high-growth, innovative corporate group, 2) Implement financial strategies to achieve ROE of 8%, and 3) Promote sustainability and enhance corporate governance. In addition to working to further expand the competitiveness of the three core Group companies, we will aggressively invest in growth areas, including Teibow’s metal injection molding (MIM) business and JLab’s expansion into non-U.S. markets, as we pursue the sustainable development of the Group. We will also execute our financial strategy with an emphasis on capital efficiency, and take steps to promote sustainability and enhance corporate governance.

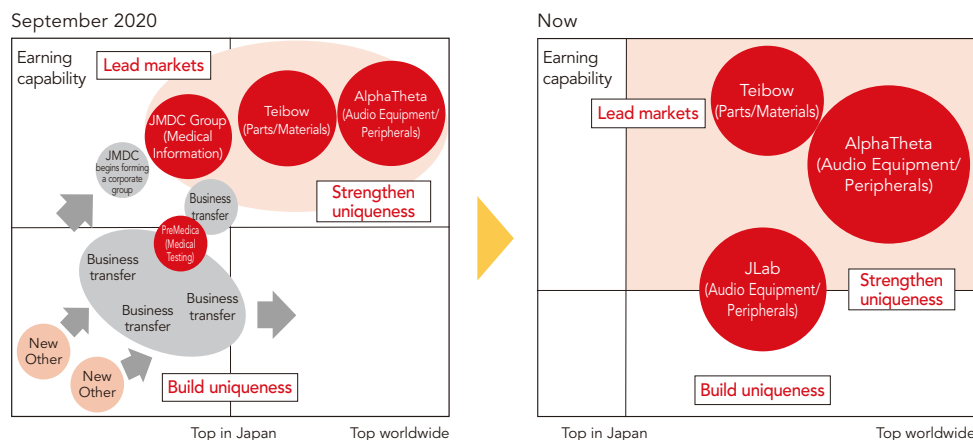
Key Strategy 1	Reinforce existing Group businesses and invest in growth fields to become a high-growth, innovative corporate group
Key Strategy 2	Implement financial strategies to achieve ROE of 8%
Key Strategy 3	Promote sustainability and enhance corporate governance

Medium-Term Management Plan FY25

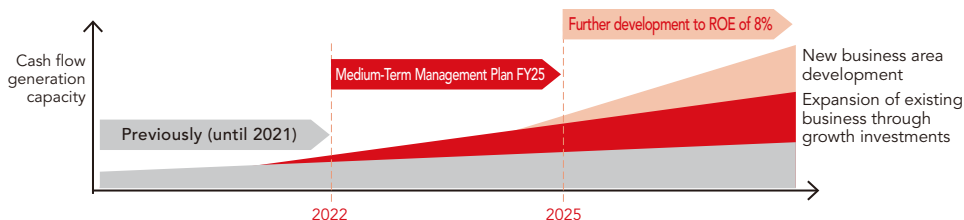
Building a Business Portfolio for Current Needs

Accurately analyzing medium- to long-term changes in the external environment and establishing a business portfolio that meets the needs of the times is essential for a company to achieve lasting growth. Taking this perspective, Noritsu Koki has been reviewing and realigning its business and revenue structures since around 2018. We have established a new Group business portfolio centered on three companies: Teibow, which handles the pen nib business and MIM business, AlphaTheta, which has the world's top share of DJ equipment and has been a member of the Noritsu Koki Group since April 2020, and JLab, which leads the U.S. earbud and headphone market and joined the Group in May 2021. In February 2022, we sold 33% of our shares in JMDC, which is no longer a consolidated subsidiary. With this restructuring of our business, Noritsu Koki took a new step forward as a global corporate group. Starting in 2022, Noritsu Koki changed its reportable structure to three segments: Manufacturing (Parts/Materials), which is handled mainly by Teibow; Manufacturing (Audio Equipment/Peripherals), which is handled by AlphaTheta and JLab; and Other. Going forward, we will focus on promoting the steady profit growth of the three core Group companies, enhancing management throughout the Group and creating synergy to maximize corporate value.

After Reorganization of Business Portfolio



Roadmap for Achieving ROE of 8%



Quantitative Targets and Growth Strategies of the Three Core Group Companies under Medium-Term Management Plan FY25

Targets

Teibow

Revenue ¥16.0 billion

Operating EBITDA ¥5.5 billion

Capital Expenditures
(Millions of yen)

Existing/Foundation Businesses

- In the writing instruments business, expand scope of business and profitability through market penetration of high value-added products and expansion of sales channels into emerging markets
- In the cosmetics business, increase sales through various measures, including expansion of sales channels for strategic products, proposals for new eyeliner and sales of polybutylene terephthalate (PBT) brushes

Growth/New Businesses

- In the MIM business, leverage the strongest production system in the industry to enhance presence in the global market and double revenue
- For new businesses, use technologies and knowledge from the pen nib business to focus on development of new fields such as air fresheners and medical applications

See page 15 for more details.

Targets

AlphaTheta

Revenue ¥40.0 billion

Operating EBITDA ¥8.5 billion

R&D Expenditures
(Millions of yen)

Existing/Foundation Businesses

- Build on brand equity and technical capabilities in DJ equipment to offer even more innovative value
- Offer customers new experience value with market proposals combining hardware and software

Growth/New Businesses

- Create and quickly commercialize new products and services in peripheral markets of the DJ equipment business, including proposal of DJ lifestyle ideas for new customer segments (growth of DJ culture and lifestyle), development and launch of music production equipment, and full-scale development of music performance data business
- Increase the revenue share of software services to more than 10%

See page 17 for more details.

Targets

JLab

Revenue ¥29.0 billion

Operating EBITDA ¥4.5 billion

Number of Sales Personnel
(People)

Existing/Foundation Businesses

- In the core personal audio device business, expand sales personnel in markets outside the U.S., and increase share of non-U.S. sales to 30% or more
- Increase cost-competitiveness by accelerating launches of new products and improving production efficiency, and ensure thorough quality and production management

Growth/New Businesses

- Expand peripheral businesses and evolve into a personal technology company that meets a wide range of consumer needs through one-stop solutions
- Contribute to society through businesses and products, including the use of brand ambassadors and support for sports

See page 19 for more details.

Financial Strategy

Message from the CFO



We will pursue the sustainable growth of the three core companies and increase the Group's corporate value through optimal capital allocation.

Ryosuke Yokobari
Director and CFO

Financial Policy

Noritsu Koki has grown steadily since it was founded in 1951, despite enduring some tough times that included large losses and the transfer of its founding business. I believe the strong financial footing we have established over the years is the basis of our sustainable growth and corporate value, and gives us a competitive advantage in the market.

In Medium-Term Management Plan FY25, which runs through 2025, one of our key initiatives is to implement financial strategies for achieving ROE of 8%, as well as for reinforcing existing businesses and investing in growth fields. For cash flow generation, we have set the numerical targets of an operating EBITDA margin of 20% or higher and ROIC of 5%-6%, while for

shareholder returns, our goal is to deliver continuous, stable dividends with a target dividend payout ratio of 40% or higher. Our capital policy is to reduce the net debt to operating EBITDA ratio to 3.0 times or less.

In investing for future growth, we will invest capital in growth fields in each business and explore M&A opportunities to strengthen our core businesses (the manufacturing business of the three core companies). Through optimal capital allocation, we will build a flexible business portfolio that adapts to changing times in order to maintain the sustainable growth of our businesses and increase our corporate value.

Basic Policy of Our Financial Strategy

1. Cash flow generation	<ul style="list-style-type: none"> • Operating EBITDA margin of 20% or higher • ROIC of 5%-6% (>WACC)
2. Growth investment	<ul style="list-style-type: none"> • Channel capital into growth fields in each business • M&A to reinforce core businesses
3. Shareholder returns	<ul style="list-style-type: none"> • Continuous, stable dividends with a payout ratio of 40% or higher (target)
4. Capital policy	<ul style="list-style-type: none"> • Maintain financial discipline with a target net debt to operating EBITDA ratio of 3.0 times or less

Business Environment and Measures to Enhance Earnings of the Three Core Group Companies

The business environment underlying the execution of our financial strategy is expected to remain difficult to predict. Corporate earnings will continue to be pressured by many factors, including worldwide inflation and tightening monetary policies, along with rising energy and raw material prices associated with the conflict in Ukraine. This means that management also needs to take a more prudent approach.

Financial Strategy

In these circumstances, we aim to expand earnings for each company and ensure the sustainable development of the Group as a whole under the new Group structure featuring the three manufacturing companies—Teibow, AlphaTheta and JLab—at the core. Teibow is working to capture recovering demand from schools in its mainstay pen nib business, and is also focusing on the development of metal injection molding (MIM), a growth business, and expansion of core businesses. AlphaTheta will accelerate its new business development efforts to secure future revenue sources. JLab will enter non-U.S. markets and aggressively invest business resources in the development of new products that anticipate consumer needs.

By combining the individual strategies and measures of the three core Group companies with efforts to optimize overall operations, we aim to maximize corporate value and achieve the quantitative targets of Medium-Term Management Plan FY25.

Growth Investment Strategy

As a result of our business portfolio realignment, we have improved our liquidity on hand, further expanding our investment capacity. In Medium-Term Management Plan FY25, we plan to make the investments outlined below in the following categories—R&D, capital expenditures and new businesses—all while maintaining financial soundness. We will direct funds to the development of new businesses that will contribute to future Group earnings and to the expansion of income from existing businesses. At the same time, we will aggressively invest in DX-related areas with an eye to further improving productivity.

Basic Growth Investment Strategy

Investment in R&D

- Teibow: New materials R&D and establishment of new MIM technology
- AlphaTheta: Reinforcement of new product development system, increasing the number of products being developed and expansion into new business fields

Capital Expenditures

- Teibow: Establishment of new pen nib and MIM factories, enhancement of production capacity and promotion of rationalization
- AlphaTheta: Software application development

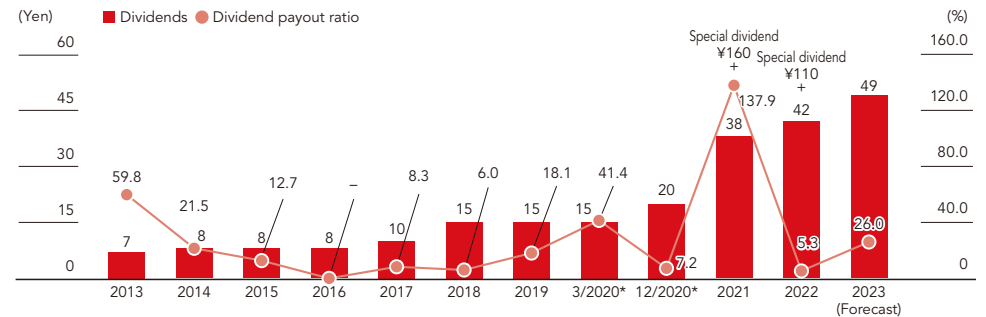
Investment in New Businesses

- JLab: Entry into non-U.S. markets and the development of new products
- Group-wide: M&A for reinforcement of core businesses and investment in DX

Shareholder Return Policy

Noritsu Koki considers expansion of returns to shareholders a key management priority, and has focused its efforts on maintaining stable, continuous dividends while securing the internal funds necessary for future business development and reinforcement of the operational foundation. In paying dividends, we ensure that the dividend amount is appropriate by taking various factors into consideration, including results for the current fiscal year, future earnings projections and our financial position. In Medium-Term Management Plan FY25, we have raised the target dividend payout ratio to 40% or higher in order to further strengthen ties with shareholders and investors. We will continue working to enhance shareholder value through expansion of shareholder returns and steady profit growth.

Dividends and Dividend Payout Ratio



* Figures for both the fiscal year ended March 31, 2020 and the nine-month period ended December 31, 2020 are presented due to a change in the fiscal year end.

Engagement with Shareholders and Investors

The support of shareholders and investors is essential for the Noritsu Koki Group to continue to achieve sustained growth. Through timely and accurate disclosure of information, we properly highlight the growth potential of Group companies. In addition, we are committed to taking advantage of various opportunities to expand dialogue and deepen understanding of the Group, including by holding briefings and presentations and producing an integrated report. We want to be a corporate group that has high expectations from and is trusted by all its stakeholders, including shareholders, customers, suppliers, local communities, employees and others.

Technological Advantages

The Noritsu Koki Group's Approach to Technology

For manufacturing companies, technology is the source of competitiveness and the foundation for creating value. Our three core Group companies (Teibow, AlphaTheta and JLab) have each created products using unique technologies cultivated through incremental improvements and strategic research and development, and established dominance in their respective markets by steadily working to provide those products at competitive prices. The foresight to accurately perceive emerging needs and the ability to produce innovation that shakes up conventional ideas are the main forces driving the Group's continuous progress. Based on our commitment to bringing better products to consumers and craftsmanship that values the input of users, we will continue to maintain and strengthen our value creation cycle of "creation of innovative technologies and products," "a good reputation and dominant share in the market," and "accumulation of funds for the next research and development activities." With this approach, Noritsu Koki intends to be a corporate group that continues producing "No. 1/Only 1" businesses.

Highlight

Teibow's NEXT Facility: Dedicated to Creating Next-Generation Technologies

In 2018, Teibow established NEXT, a facility dedicated to development, and brought together engineers who had until then been assigned to the head office factory and the Technical Center, to speed up the creation of next-generation technologies. With its specialized facilities and equipment, NEXT's integrated system facilitates the completion of all processes from design to manufacturing and evaluation in one location, enabling rapid development with no time lag. It also has a benchmark construction (BMC) section for performing evaluations and comparisons with competing products. Keeping up with the latest industry and market trends has helped us to clarify concepts in technology development and achieve further progress in product development. At NEXT, Teibow is responding to increasingly complex market and customer needs through the establishment and rapid commercialization of new technologies such as a hollow plastic feeder and other special processes (a special polishing process and special processing of materials).



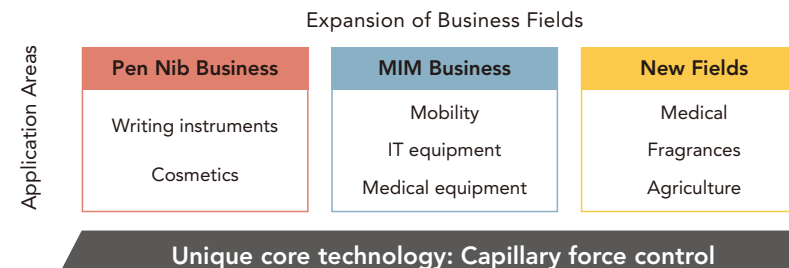
The training facility at NEXT

Technological Advantages of Group Companies

Teibow

Leveraging Micro-technologies to Develop the MIM Business and New Fields

Conceptual diagram of Teibow's core technologies and new business fields and application areas



Core Technology

Capillary force control technology

Capillarity refers to the physical phenomenon in which a liquid in narrow tubes called capillaries moves without an external force or energy. The force that causes capillarity is called capillary force. Teibow built on its felt-processing technology for hats, its original business, and micro-level fine processing technology to establish an elaborate capillary force control technology. It has applied this unique technology to the development of an assortment of more than 3,400 types of high-quality products, including marking pen nibs and materials for use in fragrance applications.

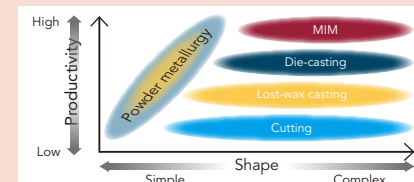


Microstructure that enables superb capillary force control

Technology Applications

Development of MIM business

Metal injection molding (MIM) is an advanced metal processing technique that combines traditional plastic injection molding with powder metallurgy. It makes it easy to manufacture 3D structures with horizontal holes, transverse grooves, and so on. This technique also makes it possible to manufacture a wide variety of parts, including the ability to design products that previously consisted of numerous different parts in a single unit. Leveraging its fine processing technology, Teibow entered the MIM business and successfully produced complex hollow-core products, which were previously considered difficult to manufacture. This is one example of Teibow's advantage of having a flexible production system that is responsive to the diverse needs of customers.



MIM is advantageous for productivity and manufacturing complex shapes

Technological Advantages

Technological Advantages of Group Companies

AlphaTheta **Mixing Core Technologies with New Technologies to Create New Surprises, Joy and Excitement**

Core Technologies **Core technologies to consistently create products and services that meet customer expectations**

AlphaTheta's DJ equipment, which is trusted by professional DJs worldwide, was born from a corporate culture that prioritizes the creation of customer value, driven by the three core technologies supporting that culture. Sophisticated user interface technology, high-quality sound technology, and digital audio analysis and signal processing technologies help DJs deliver exceptional performances, bringing diversity and creativity to the enjoyment of music.

User Interface Technology	A user interface that adds versatile performance expression to music is a key factor in elevating the DJ into an artist. AlphaTheta is working to further enhance the ease of use, intuitiveness, stability and durability of this interface.
High-Quality Sound Technology	AlphaTheta uses its unique design knowledge to create a rich audio experience with frequencies in the tight low range, realistic mid-range and high-resolution range. It pursues sound design that stirs audiences with great sound quality even at loud volumes.
Digital Audio Analysis and Signal Processing Technologies	DJs deliver smooth performances by using their understanding of the composition and characteristics of musical pieces to mix tracks with different tempos and keys. AlphaTheta's original analysis technology expresses the music's composition and characteristics in visual form, and its innovative signal processing technology supports DJs in sound design.

Technology Applications **Utilizing original system technology to propose new ways of enjoying music**

AlphaTheta is offering new ways of enjoying music by enhancing its various technologies, including technologies compatible with the latest forms of music media, wireless technologies and AI. Its technology for isolating vocals and instruments enables musical expression that was not possible before, such as by removing vocals and replacing instruments. The LAN system, which links the music to lights and visual elements, helps the DJ express their own world perspective and contributes to an innovative production. In addition, AlphaTheta is focusing on using cloud and networking technologies to build a digital database that collects, analyzes and accumulates the performance techniques of professional DJs.

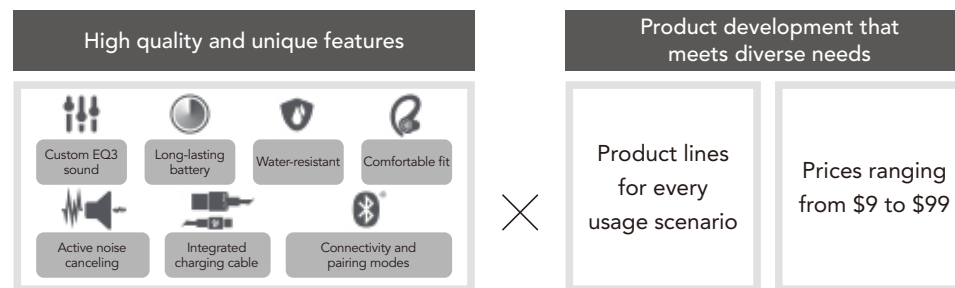


Flagship DJ system for pro DJs and clubs



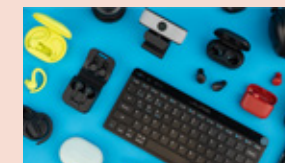
Automation of stage lighting using system technology

JLab **Maximizing Value for Customers with Innovative Product Technologies and a Production System Focused on Market Needs**



Product Technologies **Unique product designs that create high-value products at prices everyone can afford**

All JLab products are equipped with the audio drivers best suited for the design. The drivers utilize JLab's signature C3 (Crystal Clear Clarity) technology that produces clean, crisp, immersive sound to achieve exceptionally vibrant highs to deep bass. Its products are also full of user-friendly new functions and new standards. JLab's focus on designing products with user convenience in mind is apparent in the use of long-life batteries, excellent noise isolation and a patent pending integrated USB charging cable. The clear sound and unique product designs that offer a high level of satisfaction at affordable prices has won the support of technology fans around the world.



Unique product designs

R&D System **Accelerating co-creation between in-house R&D teams and suppliers in each country to succeed in competitive markets**

JLab coordinates and manages in-house R&D teams to strategically tackle a variety of technical challenges. This enables rapid product planning and development based on an accurate grasp of potential needs in the market. In addition, JLab is accelerating creation of competitive technologies and products not only by leveraging its own technology assets and intellectual property, but also by expanding co-creation initiatives in various fields of R&D with suppliers in China and other countries.

Business Strategy | Teibow

Message from Top Management of Group Companies

We are building a diversified, stable profit structure by reinforcing the foundation of the pen nib business and expanding the MIM business.



Kiyoshi Kochi
Representative
Director and President
Teibow Co., Ltd.

In addition to the marking pen nib and cosmetics pen nib businesses, where it holds the world's top market share, Teibow is also building its presence as Japan's leading company in the metal injection molding (MIM) business. We will continue to enhance our position in Japan in the pen nib business through the development of highly original technologies and products, and also cultivate the global market with a focus on emerging countries. In the MIM business, we will take advantage of our flexible production system to provide optimized solutions to the various challenges customers face in their manufacturing processes. At the same time, we will accelerate the creation and commercialization of new technologies for heavy products of 200 grams or more and hollow MIM to build a more diverse and stable profit structure.

Business Overview

Existing

Existing business (pen nib business)

Manufacture of nibs for writing instruments, brush pens and cosmetics tools



Writing instruments

Market share
worldwide: Over 50%

Teibow firmly maintains the world's top market share for marking pen nibs. Leveraging capillary force control technology, it manufactures five billion nibs per year, and its highly original technologies and products have an excellent reputation in Japan and abroad. Teibow also has a presence in the cosmetics business.



Cosmetics

Nylon tips for eyeliner
Market share
worldwide: No. 1

Growth

Growth business (MIM business)

Small parts for transportation equipment



Ability to create small
and complex shapes



Unique hollow
technologies

MIM

Enabling Production of Complex Shapes with a Unique Technology That Combines Hollow Technologies with MIM

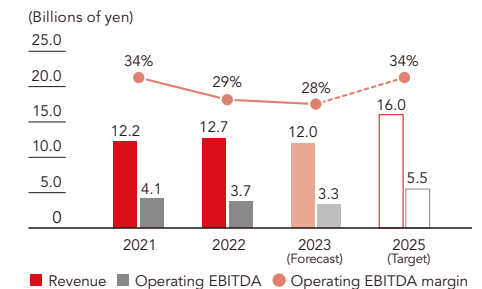
In the MIM business, where we have one of the highest production capacities in Japan, Teibow uses a technique that integrates conventional plastic injection molding technology with powder metallurgy to manufacture otherwise hard-to-machine parts, including micro, precision and 3D parts.

Goals of Medium-Term Management Plan FY25

As a manufacturer of parts/materials and miniature components with a pen nib business that holds the world's top market share, Teibow will work to achieve high profitability in the mainstay pen nib business while also expanding the MIM business, where continued market growth is expected. Teibow will help to realize the Noritsu Koki Group's Vision of being "A corporate group that continues producing 'No. 1/Only 1' businesses."

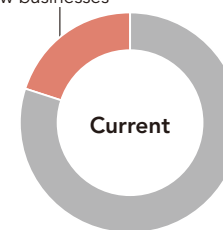
Progress and Outlook

While revenue was up in 2022 compared with the previous year, driven by the solid performance of the pen nib business, operating EBITDA declined by approximately 11% due to higher logistics costs, raw material prices and other expenses. Teibow will continue to pursue sustainable growth by strengthening the profitability of its core businesses and leveraging the technology and knowledge cultivated in the pen nib business to develop new fields such as household goods and medical equipment, and by nurturing the MIM business. In the writing instrument pen nib business, Teibow will focus on developing high value-added products and expanding sales channels. In the cosmetics business, it will expand sales channels primarily in China, develop the market for new eyeliners, and work to boost sales of polybutylene terephthalate (PBT) brushes. For the MIM business, which is expected to be a growth driver, Teibow will promote global sales backed by its strengths of superior quality and mass-production system, while also focusing on application development in new fields. Teibow aims to double revenue in this business from the level when the medium-term management plan was drawn up.



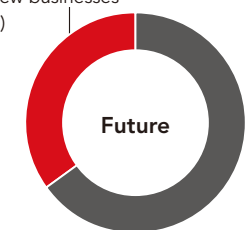
Teibow's Goal (Revenue Composition)

Growth/New businesses
(MIM, etc.)



Existing/Core businesses
(Pen nib business)

Growth/New businesses
(MIM, etc.)



Existing/Core businesses
(Pen nib business)

Business Strategies | Teibow

Strengths and Opportunities

Teibow's advantage in the market is its diverse product lineup, backed by its advanced technological capabilities as well as its flexible production system capable of handling everything from mass production to small-lot items while maintaining high quality. Based on close communication with customers, Teibow will respond to increasing demand in the pen nib business centered on emerging countries. In the MIM business, it will expand applications to transportation and medical equipment, in addition to deepening its presence in the global market.

Strengths

- Strong relationships with customer companies (trust in quality and technologies)
- Production system capable of handling everything from mass production to small-lot items while maintaining high quality
- Rapid development speed
- Capillary force control technology
- Ability to produce complex shapes through the combination of hollow technologies and MIM

Opportunities

- Pen nib business**
 - In writing instruments and cosmetics markets, demand is expanding with GDP growth in emerging countries
- MIM business**
 - Global market centered on transportation equipment expected to grow
 - Expansion of new applications in medical equipment field, etc.



Business Strategies

Writing instruments business	<ul style="list-style-type: none"> • Leverage unique technologies and know-how to develop new products with a competitive advantage and high added value • Invest management resources in expansion of sales channels in China and emerging countries where increased demand is expected • Collaborate with other companies that have outstanding technologies to promote development of new products and expansion of applications. Uncover new needs of existing customers and develop new customers (applications such as air fresheners and in medical and agriculture industries, etc.)
Cosmetics business	<ul style="list-style-type: none"> • Promote further expansion of business foundation, primarily in the major markets of China and Southeast Asia • Focus on development of strategic products for major markets <ul style="list-style-type: none"> – Focus on sales expansion of eyeliners by partnering with major brands in Europe, the U.S. and elsewhere – Develop new nylon tips and adapt to demand for nibs for eyeliners
MIM business	<ul style="list-style-type: none"> • Aim to expand adoption in transportation equipment parts based on the combination of hollow technologies and MIM • Focus on expansion of new applications and sales growth in the field of medical equipment, where miniaturization and precision technologies are advanced • By opening a new factory, establish a strong production system capable of mass-producing high-quality products

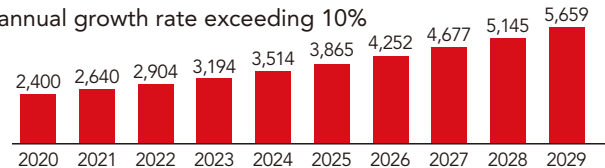
Highlight

MIM Development Center, a New Production Base for MIM Products

The MIM Development Center, a dedicated factory in Hamamatsu (Shizuoka Prefecture) that was constructed to further advance the MIM business, began operation in July 2021. Production capacity has expanded to twice the previous level, and we have established a mass-production system that can adapt to expansion of demand for MIM products primarily in the transportation equipment and medical fields.

Global MIM market expected to grow to ¥800 billion* in the future with a high annual growth rate exceeding 10% (Millions of dollars)

MIM Global Market Trend



* Converted at the exchange rate (TTM) of ¥140.97 to \$1 as of July 31, 2023
 Source: Prepared by Noritsu Koki based on joint research and multiple market forecasts by the European Powder Metallurgy Association (EPMA) and Kato P.E. Office



MIM Development Center (Miyakoda-cho, Kita-ku, Hamamatsu City)

Business Strategy | AlphaTheta

Message from Top Management of Group Companies

We operate a wide range of businesses from DJ equipment to software applications, and will continue working toward our mission of "One Through Music."



Yoshinori Kataoka
President and CEO
AlphaTheta Corporation

AlphaTheta pursues its mission of "One Through Music" through its various businesses and products, such as world-leading DJ equipment and other audio equipment. We are focusing on the sustainable growth of our businesses with a two-pronged strategy of reinforcing existing businesses with DJ equipment at the core and enhancing growth businesses centered on software applications and digital services. In our core DJ equipment business, we will offer new experiences to our broad customer base, develop new markets in the APAC region, and work to create next-generation applications in the software market. As a company valued by society, we will continue to tackle new challenges as we create innovative products and services and strive for the development of music culture.

Business Overview

Existing

Existing businesses (hardware category)

Audio equipment, mainly DJ equipment

DJ equipment, music production equipment, headphones and speakers



Expand product development

Pro Audio, etc.

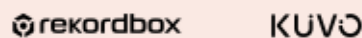


Best known for its DJ equipment (with a strong market presence in Europe and North America in particular), AlphaTheta offers a wide range of products including music production equipment that supports artists in the studio and on stage, as well as various types of audio equipment.

Growth

Growth businesses (software applications and services)

Music management, royalty distribution service, DJ school operation, etc.



Digital services

· AlphaTheta Care, etc.

Actively collaborates with other companies to pursue customer convenience and new experiences and increase non-hardware touchpoints

Promotes digitalization of music information from clubs and events using music recognition technology

Partners with companies aiming to run the world's largest DJ school in the metaverse



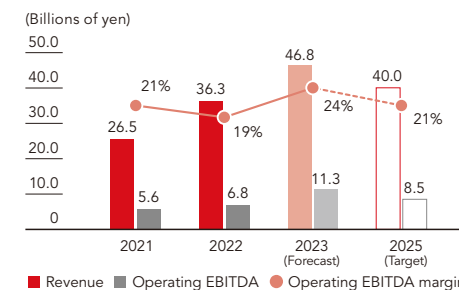
AlphaTheta supports the development of the world's music culture by providing rekordbox, an application for DJs, KUVO, a music performance data analysis service, AlphaTheta Care, an extended warranty service, and through the operation of the DJ school Yokohama DJ Lab.

Goals of Medium-Term Management Plan FY25

AlphaTheta is developing a variety of equipment and services based on its core technologies: user interface technology, high-quality sound technology, digital audio analysis and signal processing technologies, and data analytics technology. With its original, cutting-edge R&D, AlphaTheta will propose optimal solutions for the sophisticated needs of DJs and other music professionals, as well as contribute to effective use of energy through resource and energy-saving products.

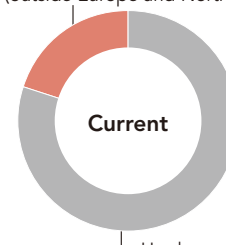
Progress and Outlook

In 2022, AlphaTheta's revenue grew substantially on the back of firm demand, while operating EBITDA also increased steadily. The music industry, which AlphaTheta has close ties with, is also making a comeback with the post-pandemic resumption of events. AlphaTheta views the changes that have taken place in the external environment as a good opportunity to expand its business scope and will strive to provide new experiences in both hardware and software. It will also work to establish services in adjacent markets, including proposal of the DJ lifestyle to a new customer base and data services related to musical performances. AlphaTheta aims to increase the revenue share of software services to 10% or more.



AlphaTheta's Goal (Revenue Composition)

Hardware (outside Europe and North America)

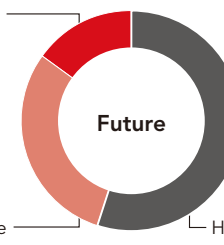


Current

Hardware (Europe and North America)

Software

Hardware (outside Europe and North America)



Future

Hardware (Europe and North America)

Business Strategies | AlphaTheta

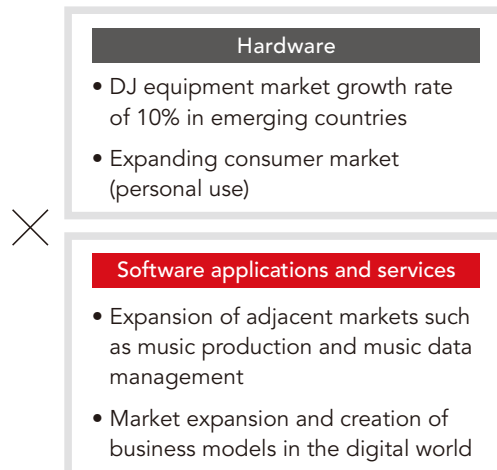
Strengths and Opportunities

The music industry in developed countries, particularly Europe and North America, is now clearly on the path to recovery, while the DJ equipment market in emerging countries is maintaining sales growth of around 10% per year, backed by the development of domestic economies. With its flexible production system, AlphaTheta will pursue further progress and growth by meeting increasing global demand. In the hardware category, AlphaTheta will leverage the strengths of its outstanding technologies and brand to further expand the value it offers, and in the applications and services category, it will focus on forming new platforms that combine hardware and software.

Strengths

- Pioneer DJ's brand equity (strong reputation among the world's top DJs and nightclubs)
- Global market leader
- Product development and technological capabilities
- Extensive product lineup (for both professional and personal use)
- Intuitive user interface
- Operation of DJ training school

Opportunities



Hardware

- DJ equipment market growth rate of 10% in emerging countries
- Expanding consumer market (personal use)

Software applications and services

- Expansion of adjacent markets such as music production and music data management
- Market expansion and creation of business models in the digital world

Business Strategies



Hardware

- Leverage technology and brand strength to further enhance customer value in the key markets of Europe and North America
 - Work closely with diverse customers and expand the range of products and services that help them succeed
 - Stabilize production to meet increased demand due to diversification of suppliers and expansion of sales channels
- Expand sales channels in emerging countries and China, where high growth rates are expected
 - Strengthen sales structure in the APAC region
- Expand new user base and create new markets by developing products for personal use
 - Focus on development of entry-level models
 - Expand market presence through sponsorship and participation in music events worldwide

Software

- Create a platform that combines hardware and software to deliver high customer value
 - Evolve rekordbox into a next-generation application that utilizes cloud technologies and multi-device support technology
 - Attract entry-level and new users through DJ applications for mobile devices
- Help to shape environments where music creators can maximize their creativity
 - Build a support service for fair distribution of royalties in collaboration with DJ Monitor

Highlight

Start of Alliance between AlphaTheta and DJ Monitor

In October 2022, AlphaTheta entered into an alliance with DJ Monitor B.V., an Amsterdam-based company that digitalizes information of music performed at nightclubs and other venues using music recognition technology (MRT) and provides the data to copyright holders. To create an environment where music creators can achieve maximum creativity, AlphaTheta has made it a priority to establish an ecosystem that enables fair distribution of royalties, and entered into the business and equity alliance with the belief that creation of new businesses through cooperation and synergy between the two companies will contribute to the music industry. Currently, the two companies are working on co-development, starting with the evolution of KUVO, a music performance data analysis service.

AlphaTheta

Offers KUVO, a service that supports fair distribution of royalties to musicians and copyright holders worldwide



A global leader in music recognition technology
Develops music usage reporting and royalty distribution technology for musicians and copyright holders

Business Strategies | JLAB®

Message from Top Management of Group Companies

We are focusing our resources on the four pillars of audio, work, gaming/content and health, and intend to grow non-U.S. sales to at least 30% of revenue.



Win Cramer
CEO
PEAG, LLC dba JLab

JLab, the U.S. market leader in high-quality wireless earbuds and headphones, is a personal technology company that develops and supplies familiar electronic products and various types of equipment to deliver new value to customers and enrich their lives. Based on the high brand awareness we have built through our portable audio devices, we will invest resources into four pillars where we expect demand to grow in the future—audio, work, gaming/content and health—to diversify our revenue streams. We will also use our excellent reputation and track record in the U.S. market as a springboard to accelerate sales expansion in the EMEA and APAC regions, and aim to increase the share of revenue from non-U.S. sales to at least 30% in 2025.

Business Overview

Existing Existing business (personal audio device business)
A wide range of affordably priced audio equipment



No. 1 in U.S. in multiple categories (2022)

JLab offers a wide range of high-quality, easy-to-handle personal audio devices. Delivering vivid sound from treble to deep bass, its earbuds and headphones have earned strong support from users, and it has captured the No. 1 market share in the U.S. in multiple categories.*

Growth Growth business (products in the work series and health-related products)
Personal work devices, hearing aids, etc.



Products geared to diversification of workstyles

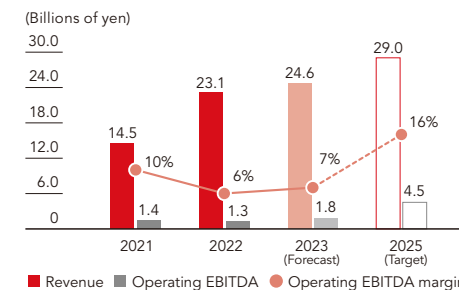
Along with its world recognized wireless earbuds and headphones, JLab meets a wide range of customer needs with peripherals that combine mobility and high quality, including wireless mice, wireless keyboards, network cameras, USB microphones and more.

Goals of Medium-Term Management Plan FY25

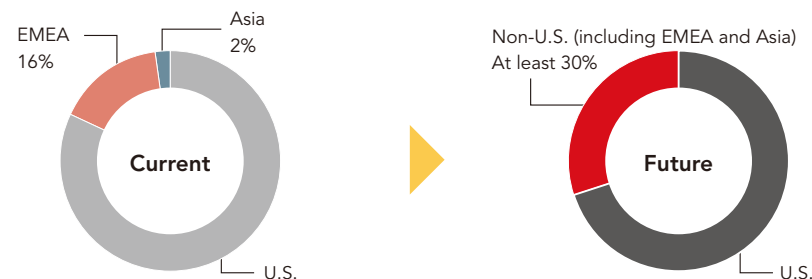
JLab will pursue further growth for its wireless earbuds and headphones, which have the top share in their respective categories in the U.S. market. At the same time, JLab will actively invest business resources into peripheral businesses to be a personal technology company that meets diverse customer needs. In addition, it will contribute to more fulfilling and comfortable lives for people worldwide with socially responsible activities through its businesses and products, including ambassador marketing and sponsorship of sports.

Progress and Outlook

In 2022, JLab achieved positive growth in revenue despite negative year-on-year growth in the U.S. market as a whole. Outside the U.S., it made upfront investments in online sales expansion, sales promotions and other areas, which resulted in a decrease in operating EBITDA and profit margins. To further strengthen its global business, JLab is expanding sales channels and aims to increase non-U.S. sales to at least 30% of revenue. JLab will also take various measures to reinforce its business operations, such as accelerating new product development, enhancing cost competitiveness, and upgrading quality and logistics management systems. Furthermore, it will work to develop and expand peripheral devices to establish a diverse business portfolio that is resilient to changes in the external environment.



JLab's Goal (Revenue Composition)



* Based on data from The NPD Group/Retail Tracking Service, U.S. (unit sales in 2022) for true wireless earbuds under \$100, headphones under \$50 and headphones for kids.

Business Strategies | 

Strengths and Opportunities

JLab's strengths are its sales and market development capabilities, and its ability to quickly commercialize trending technologies as well as technologies that are a step ahead. Based on the trust and support of customers, demonstrated by the top share in the U.S. market for true wireless earbuds under \$100, JLab's team-oriented structure that enables it to stay in front of rapidly changing trends in personal audio devices is the source of its competitive advantage and the driving force for future growth. Building on its accumulated technologies and knowledge, JLab will diversify its businesses and products and aims to be a manufacturing company that meets a wide range of needs.

Strengths

- Marketing that incorporates trends and ability to quickly commercialize products
- Selling power through strong relationships with major retailers (Walmart, Target, Best Buy, etc.)
- Products that offer high performance and added value at affordable prices
- A leading position established with clearly targeted product development (target segments/positioning)



Opportunities

- Personal audio devices**
 - Market penetration in Europe and the APAC region
 - Increasing needs for mid-price products
- New businesses**
 - Emergence of new needs in response to the "new normal"
 - Customization and personalization



Business Strategies

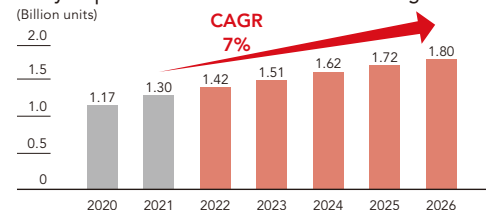
- Personal audio devices**
 - Increase market share in regions outside the U.S.
 - └ Promote partnerships with major distributors
 - └ Establish cooperative framework with AlphaTheta in logistics and parts procurement
 - Accelerate expansion of the pillars of audio and gaming/content
 - └ Strengthen sales of high value-added products based on ability to quickly commercialize products with multiple options to meet various needs
 - └ Collaborate with large retailers such as Walmart and Target to identify the latest trends, and leverage them in new product development
 - Work to improve quality and stabilize the supply chain
 - Improve manufacturing processes and diversify suppliers
 - └ Make continuous investments to increase inventory management efficiency and strengthen logistics functions
- New businesses**
 - Full-scale entry into the health category with hearing-related health products, a growth field
 - └ Develop and expand hearing protection products in response to deregulation related to sales of hearing aids in the U.S.
 - In light of changes in the way people work, enter the market for devices other than earbuds with the goal of becoming a personal technology company
 - └ Strengthen development of peripherals such as mice, keyboards, web cameras and microphones

Highlight

Accelerating Expansion in Non-U.S. Markets

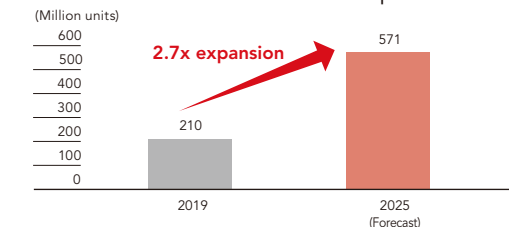
JLab is the leader in multiple product categories in the U.S. However, to ensure sustainable growth into the future, it must evolve into a true global company by developing and cultivating new markets. In expanding its global presence, JLab will allocate resources to sales promotion and the establishment of a global network adapted to regional characteristics in Europe, which has a rich and diverse music culture, and Asia, where demand for personal audio devices and peripheral devices is expanding amid rising living standards.

Yearly Shipments of Bluetooth Audio Streaming Devices*



* Audio streaming devices include wireless headsets, wireless speakers and automotive systems. Forecast from 2023 onward.
Source: 2022 Bluetooth Market Update prepared by Bluetooth Special Interest Group based on ABI Research 2022 report and other sources

Global Market for Wireless Earbuds/Headphones



Source: Fuji Keizai Group, press release no. 20054