

Explorer in Surface Engineering

Financial Results Briefing Material for the First Quarter of the Fiscal Year Ending March 2022

JCU CORPORATION

TSE First Section (Stock Code: 4975)



August 4, 2021

Summary of Consolidated Financial Results for 1Q FY3/22

Overview of Financial Results

Accounting Period of 1Q FY3/22

JCU (non-consolidated): April 1 to June 30

Overseas subsidiaries: January 1 to March 31

For electronic components

- In China: Demand for chemicals increased significantly due to the continued increase in demand for PWBs for high-performance electronic devices such as tablets and for servers, as well as the fact that some PWB manufacturers continued their operations even during the Chinese New Year holidays.
- In Taiwan: Demand for chemicals remained largely flat due to a decrease in the production of PWBs for smartphones, despite an increase in the production of semiconductor package substrates for high-performance electronic devices, servers, and Antenna-in-Package (AiP).
- In Korea: Demand for chemicals increased as semiconductor package substrate manufacturers increased capital investment due to strong demand for semiconductors.

For automotive components

- In Japan: Demand for chemicals increased significantly as exports of automobiles and automotive components remained at levels higher than before the COVID-19 pandemic.
- In China: Demand for chemicals increased significantly as the recovery trend in the automotive industry continued. Although there was no impact of a decrease in automobile production due to a shortage of semiconductors, we will continue to monitor the situation closely.

Machine Business

- Net sales decreased substantially due to the continued cautious attitude toward new investment, although there were signs of recovery in capital investment for automotive components, represented by the resumption of postponed projects.

Summary of Consolidated Financial Results for 1Q FY3/22

(Millions of yen)

	Same period of previous FY (1Q FY3/21)	1Q FY3/22	YoY % Change
Net sales	4,921	5,517	Up 12.1%
Operating profit	1,377	1,940	Up 40.8%
Ordinary profit	1,422	2,046	Up 43.9%
Profit attributable to owners of parent	972	1,390	Up 42.9%
Net income per share	36.66 yen	52.95 yen	-

Foreign Exchange Rates

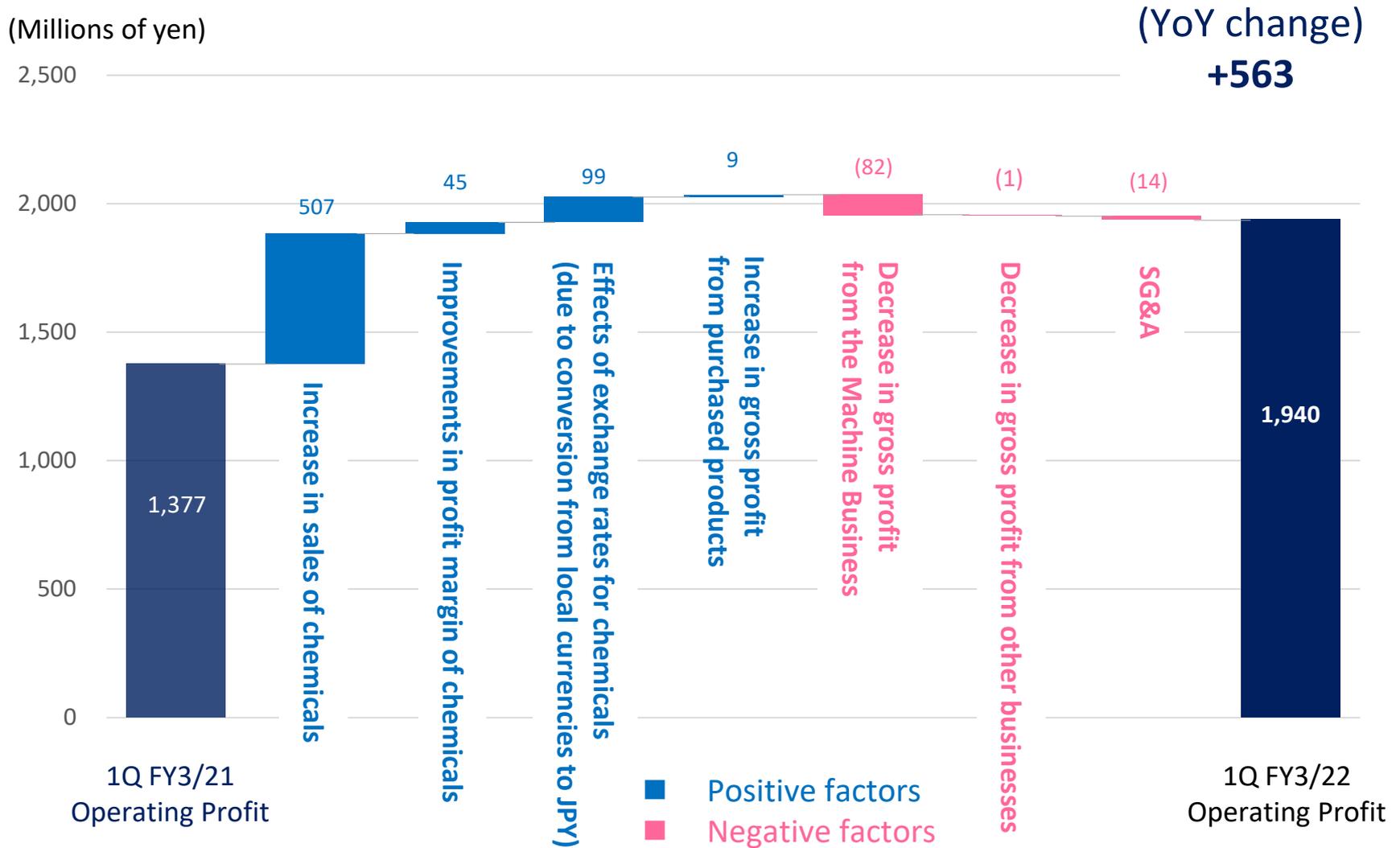
(Yen)

	FY3/21				FY3/22	
	1Q	2Q	3Q	4Q	(Forecast)	1Q
Chinese yuan (CNY)	15.61	15.39	15.38	15.48	15.50	16.36
Taiwan dollar (TWD)	3.62	3.61	3.62	3.63	3.60	3.77
Korean won (KRW)	0.0914	0.0898	0.0897	0.0906	0.0900	0.0951

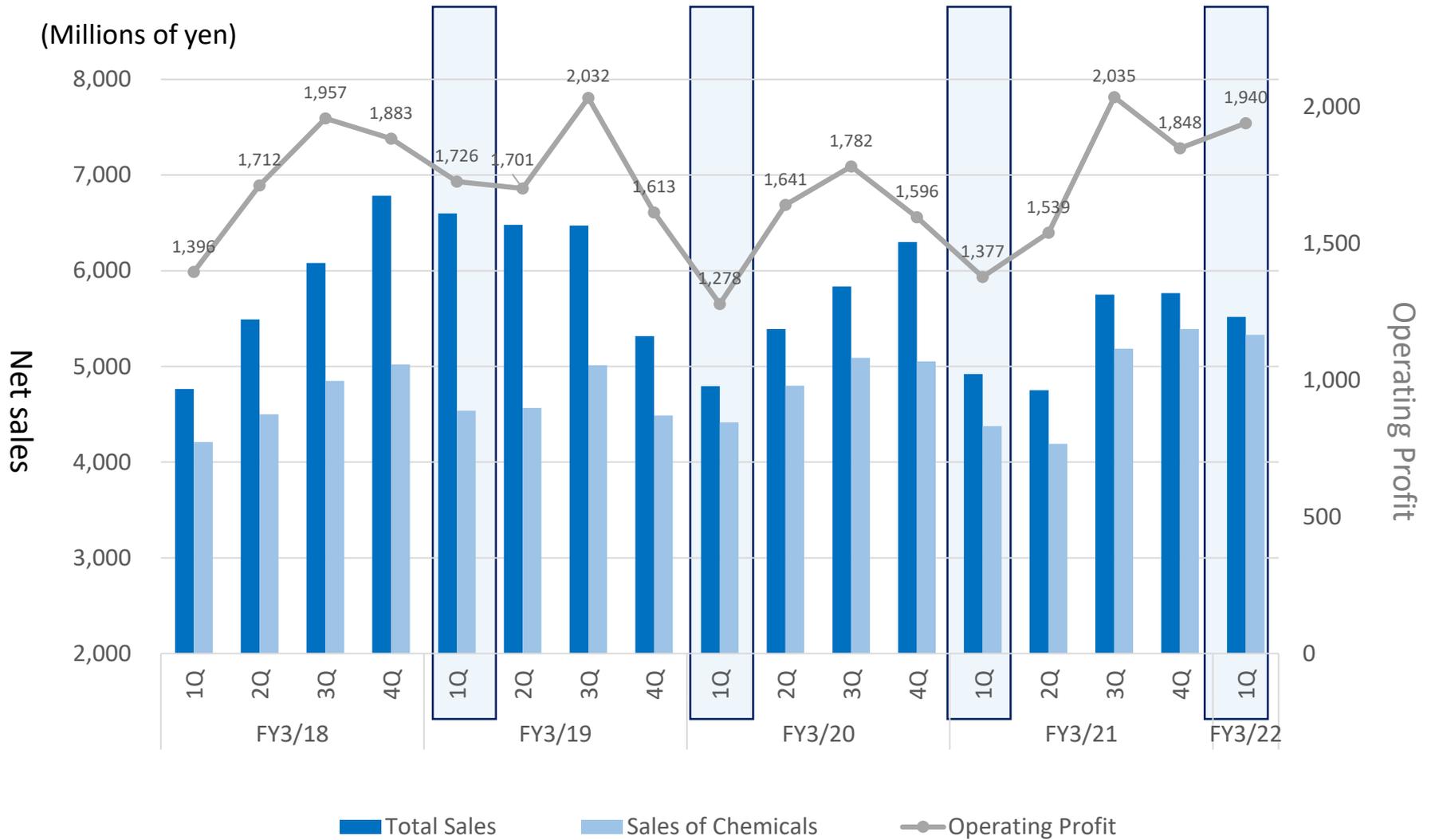
Note: The average rate for the period is used to translate Chinese yuan, Taiwan dollar and Korean won, our major foreign currencies, to Japanese yen.

Foreign exchange sensitivity (as at the consolidated year): Changes of about 90 million yen in consolidated operating profit with 1 % change in major currency rates listed above

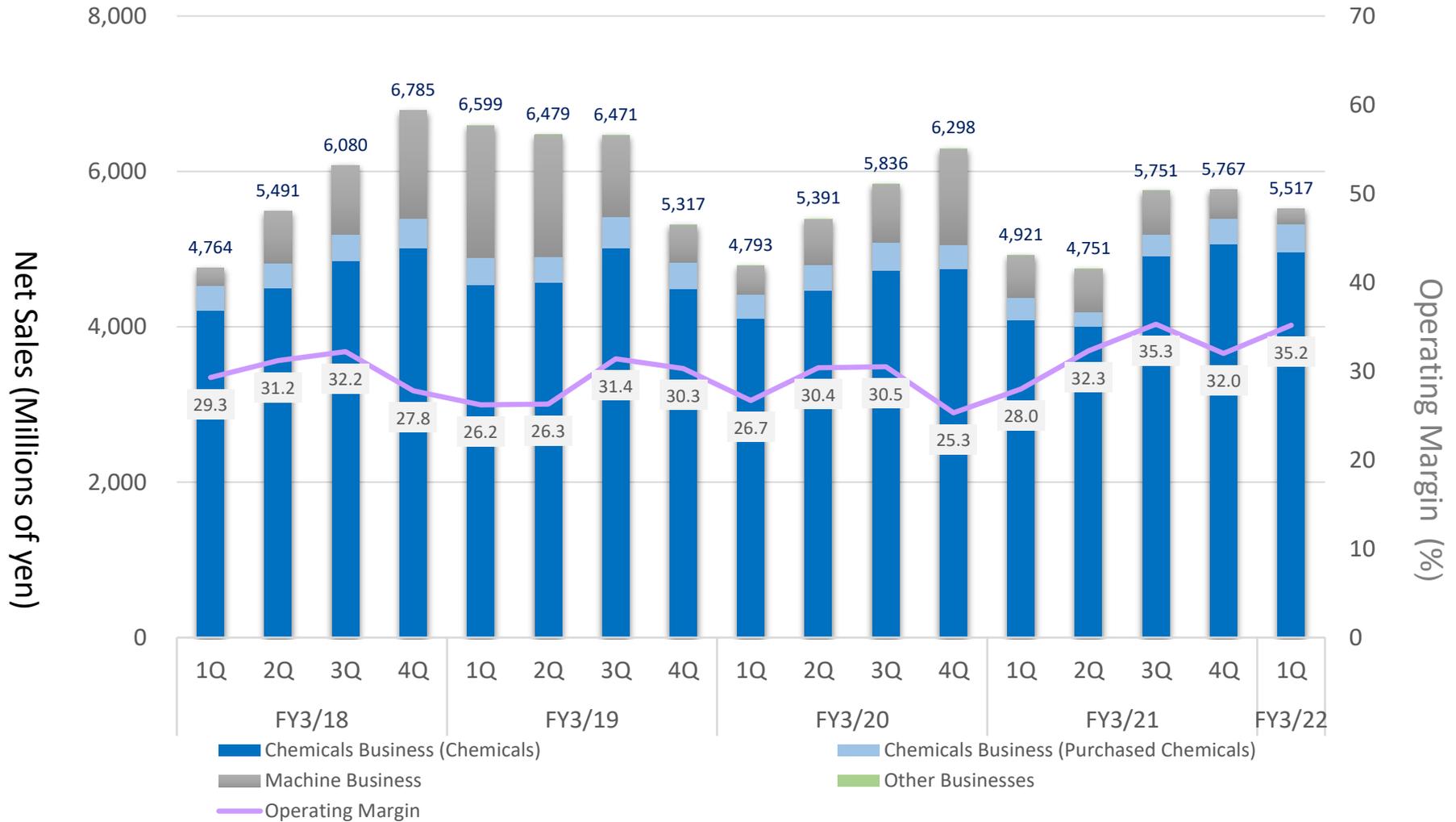
Changes in Consolidated Operating Profit for 1Q FY3/22



Quarterly Consolidated Financial Results

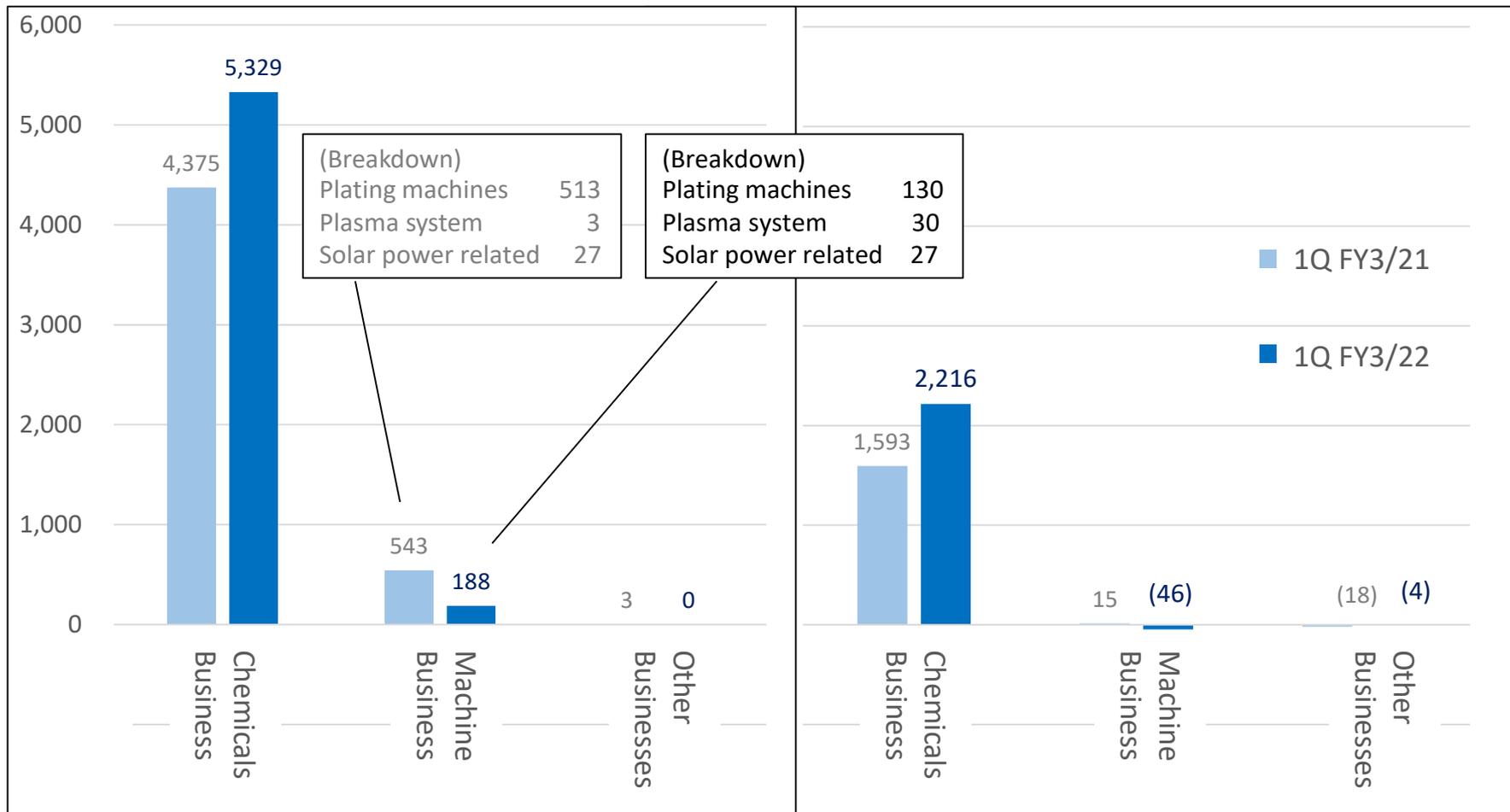


Quarterly Consolidated Financial Results (By Segment)



Consolidated Segment Results for 1Q FY3/22

(Millions of yen)

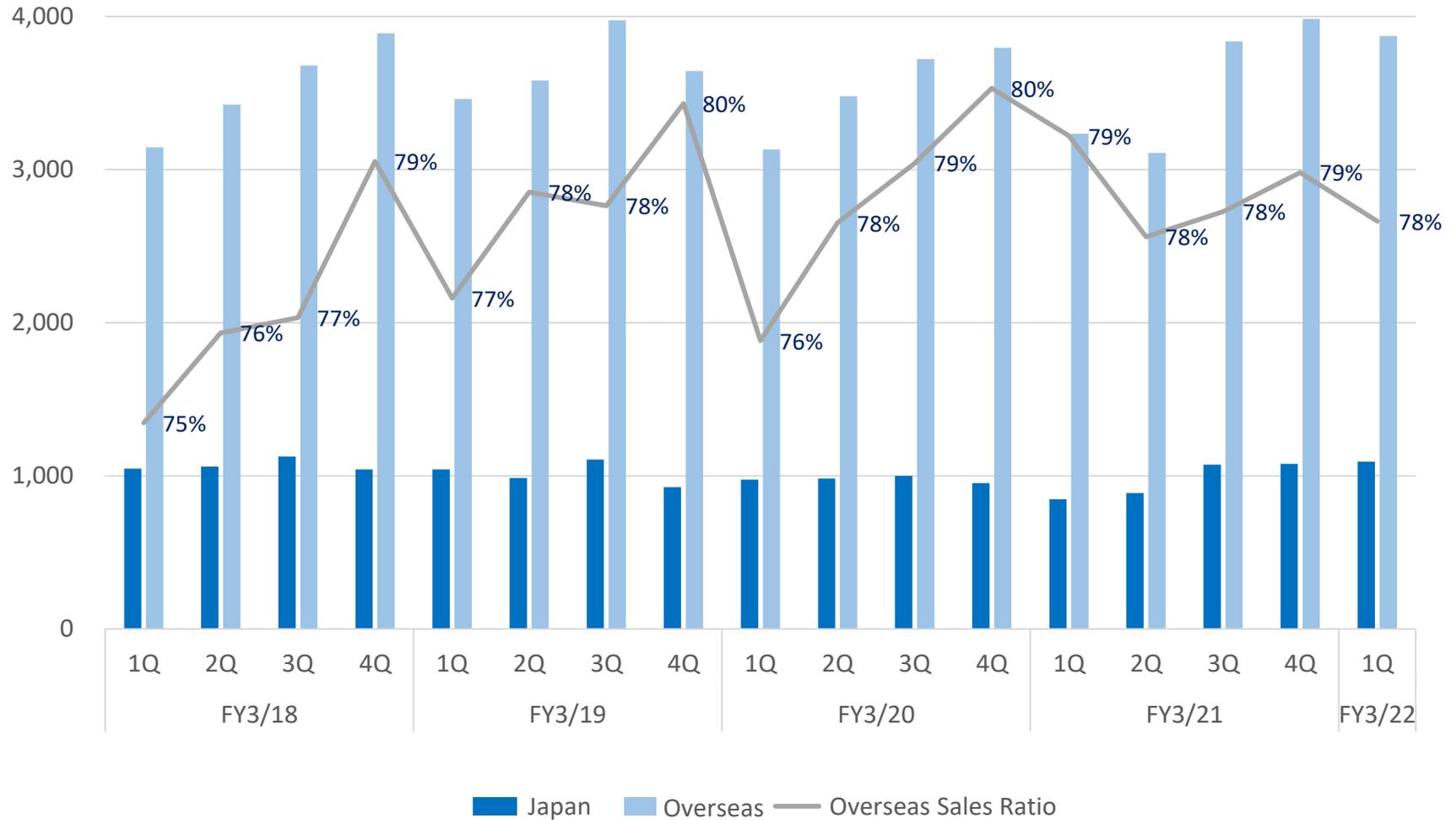


Net Sales

Segment Profit (Loss)

Quarterly Sales of Chemicals in Japan and Overseas

(Millions of yen)

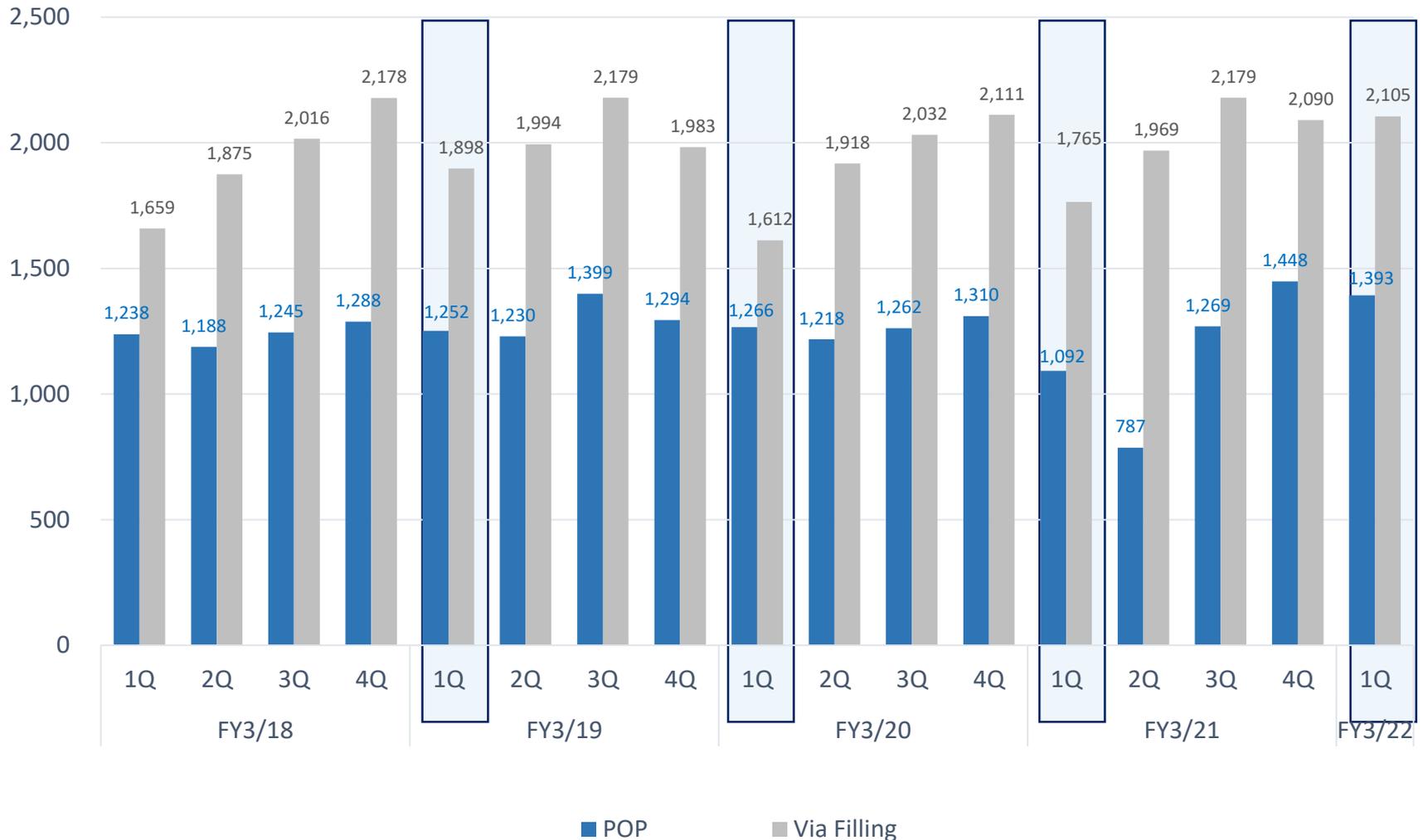


Quarterly Sales of Chemicals for POP and Via Filling

POP: Planting on Plastics, mainly for automotive components

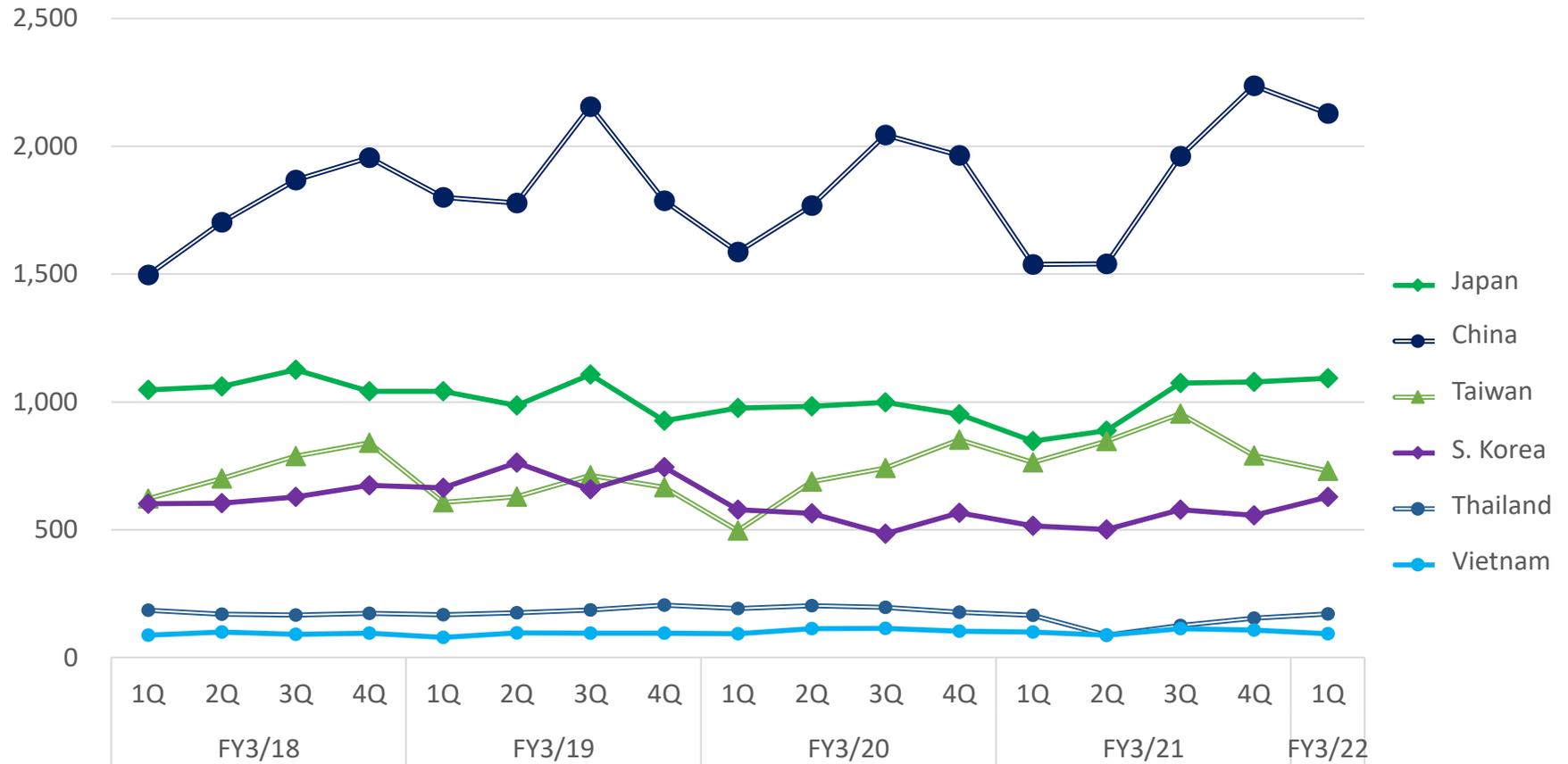
Via Filling: Additive for copper planting for PWBs, mainly for smartphones and PCs

(Millions of yen)



Quarterly Sales of Chemicals by Region

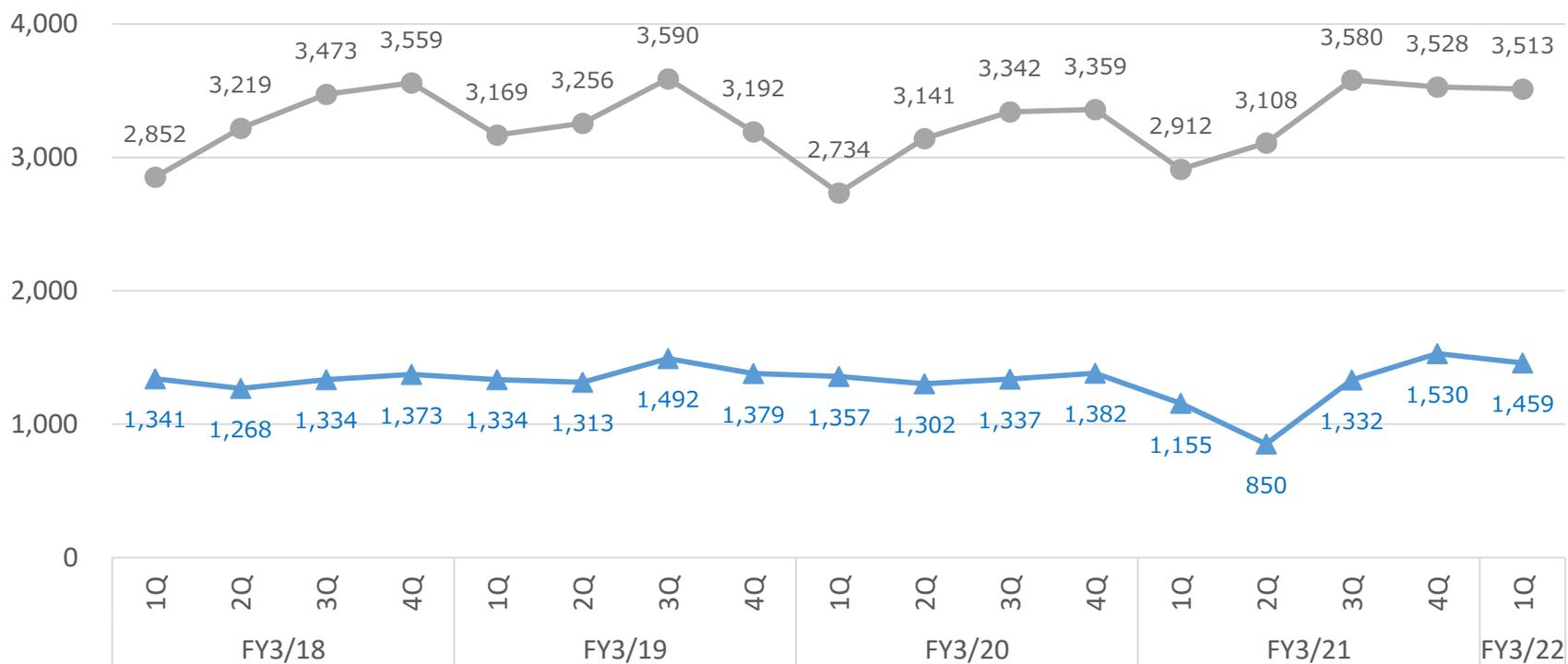
(Millions of yen)



Quarterly Sales of Chemicals by Region

(Millions of yen)

Consolidated



(Chemicals for Electronic Components)
Core Products: Via filling
PWBs, connectors, surface treatment
(plating) chemicals for semiconductor sector

● Chemicals for Electronic Components
▲ Key Chemicals

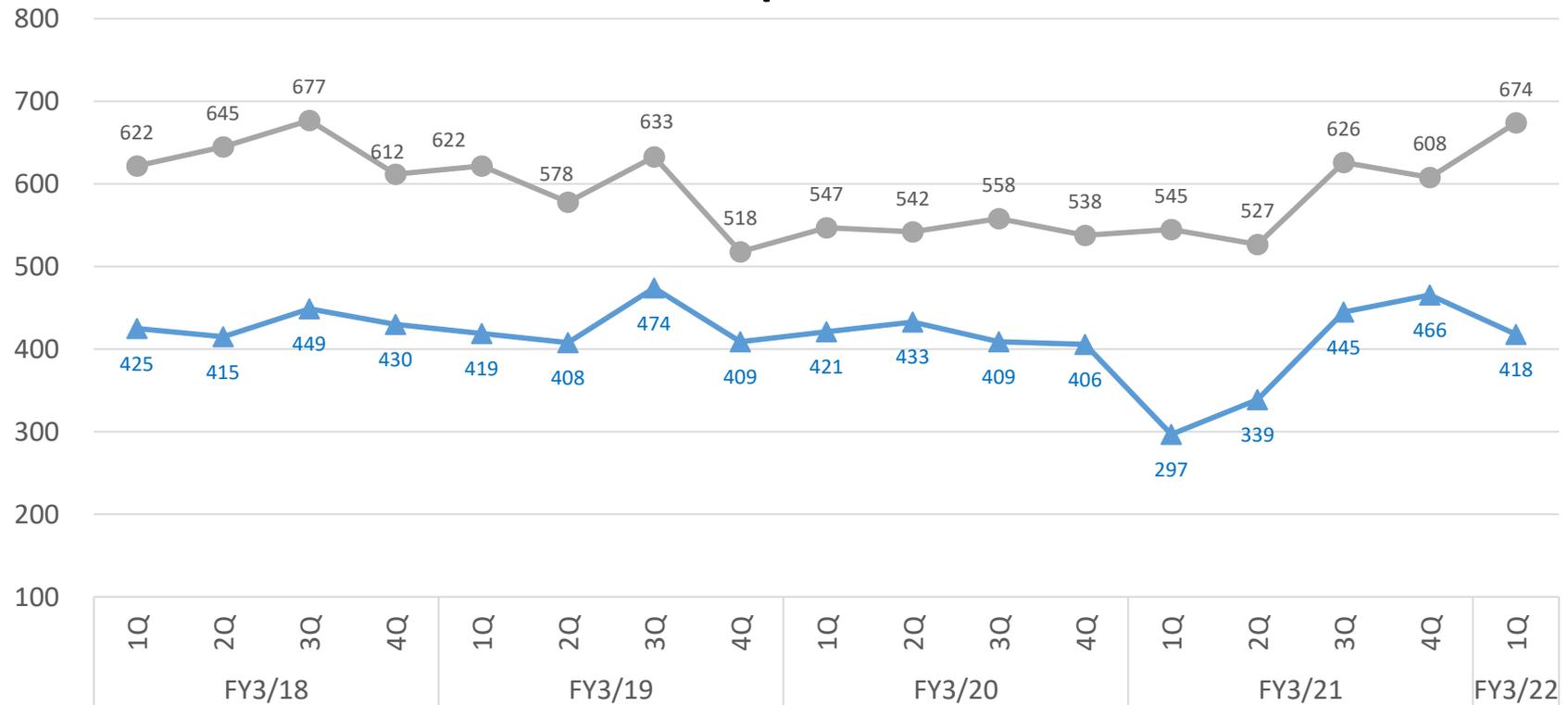
(Key Chemicals) Core Products: POP
Chemicals for decoration and rust-proof,
surface treatment (plating) chemicals mainly for
automotive components and water faucet clasps



Quarterly Sales of Chemicals by Region

Japan

(Millions of yen)



● Chemicals for Electronic Components
▲ Key Chemicals

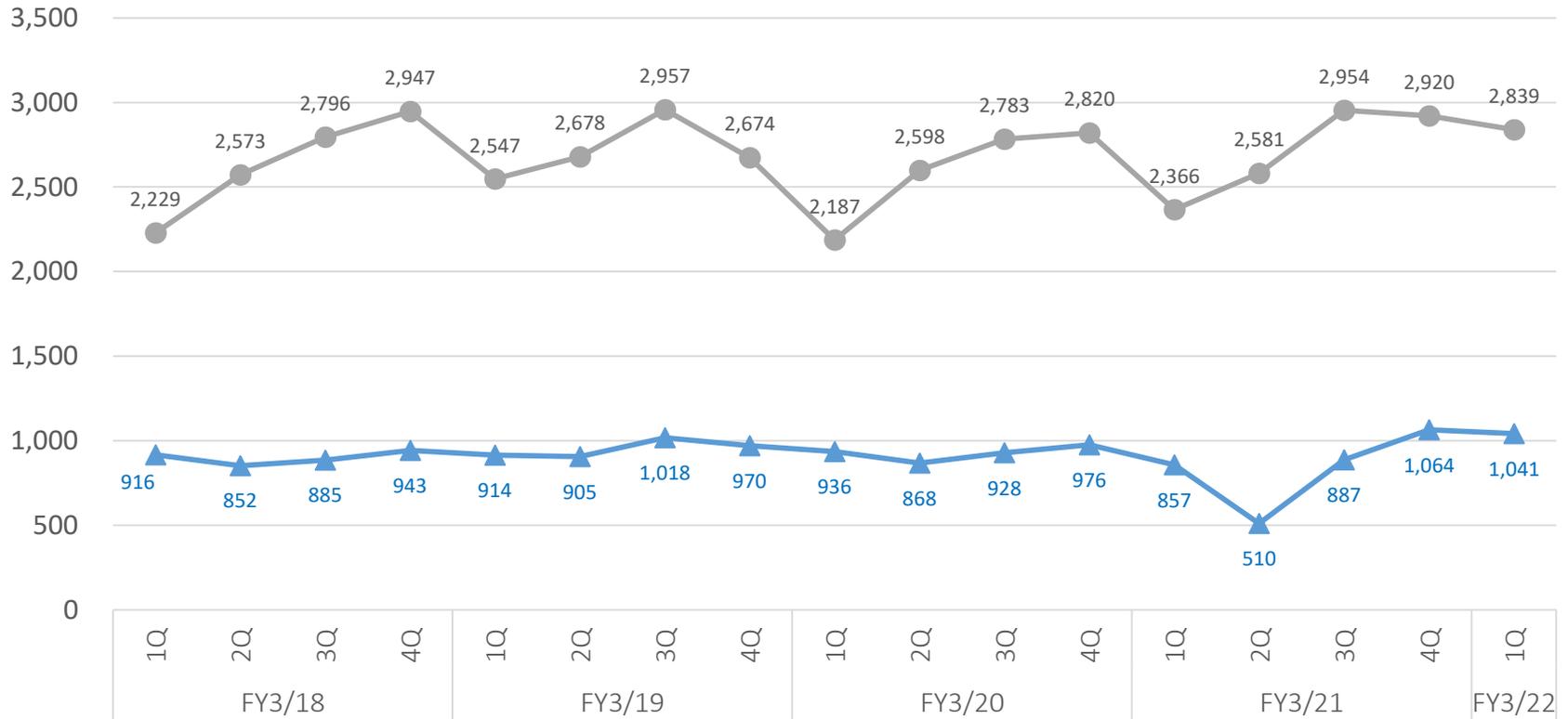
Chemicals for Electronic Components
Up 11% QoQ Up 24% YoY Up 24% vs. 1Q FY3/21

Key Chemicals
Down 10% QoQ Up 41% YoY Up 41% vs. 1Q FY3/21

Quarterly Sales of Chemicals by Region

(Millions of yen)

Overseas



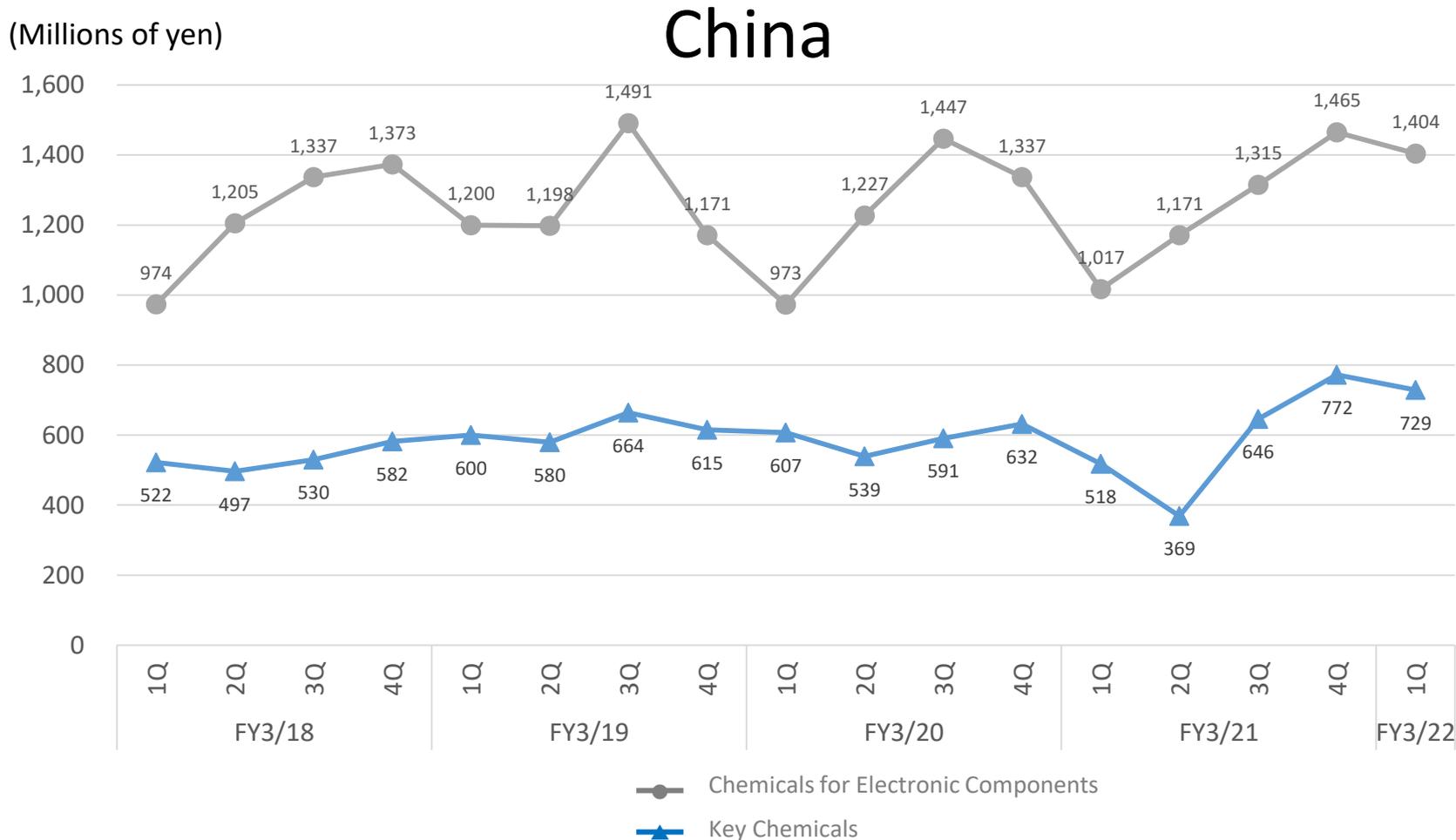
● Chemicals for Electronic Components

▲ Key Chemicals

Chemicals for Electronic Components
 Down 3% QoQ Up 20% YoY Up 20% vs. 1Q FY3/21

Key Chemicals
 Down 2% QoQ Up 21% YoY Up 21% vs. 1Q FY3/21

Quarterly Sales of Chemicals by Region



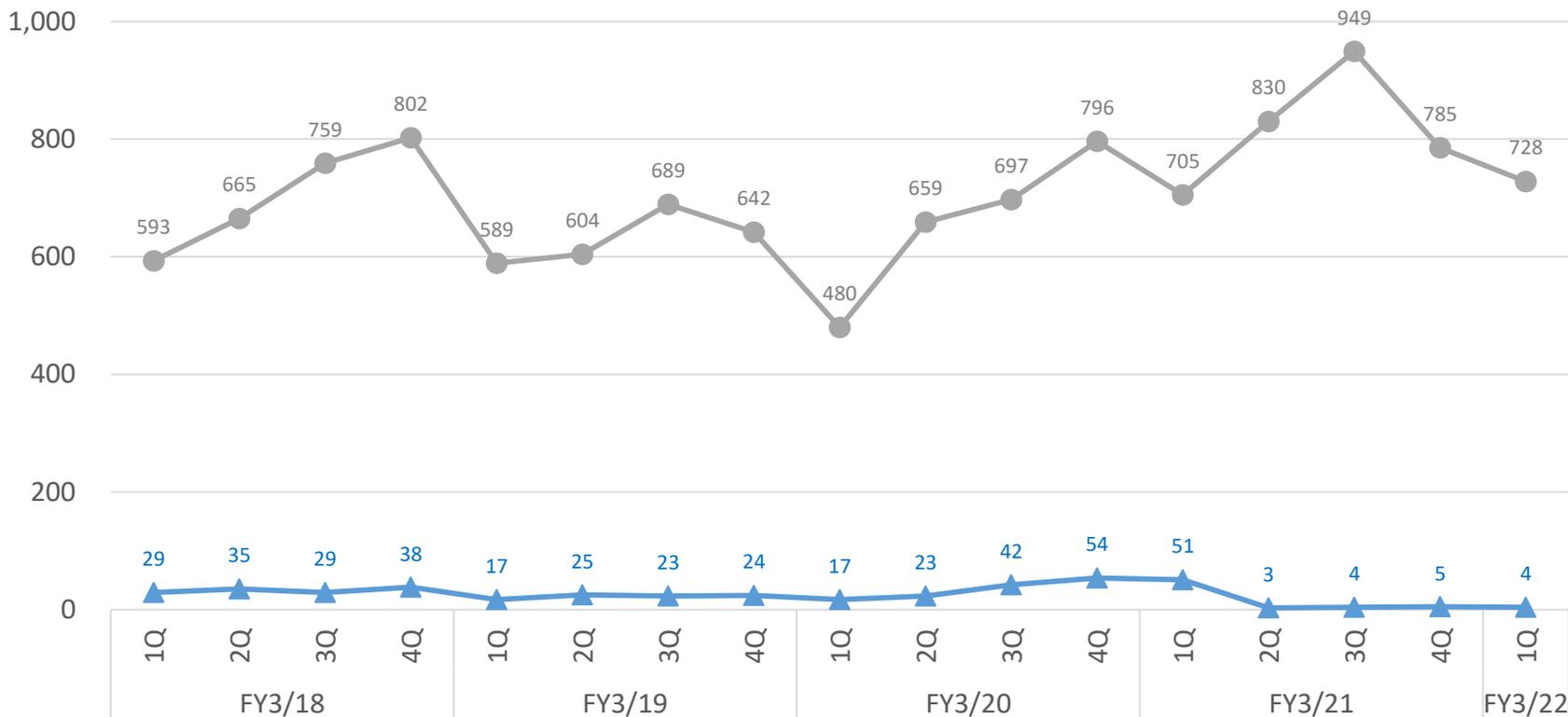
Chemicals for Electronic Components
 Down 4% QoQ Up 38% YoY Up 38% vs. 1Q FY3/21

Key Chemicals
 Down 6% QoQ Up 41% YoY Up 41% vs. 1Q FY3/21

Quarterly Sales of Chemicals by Region

(Millions of yen)

Taiwan



● Chemicals for Electronic Components

▲ Key Chemicals

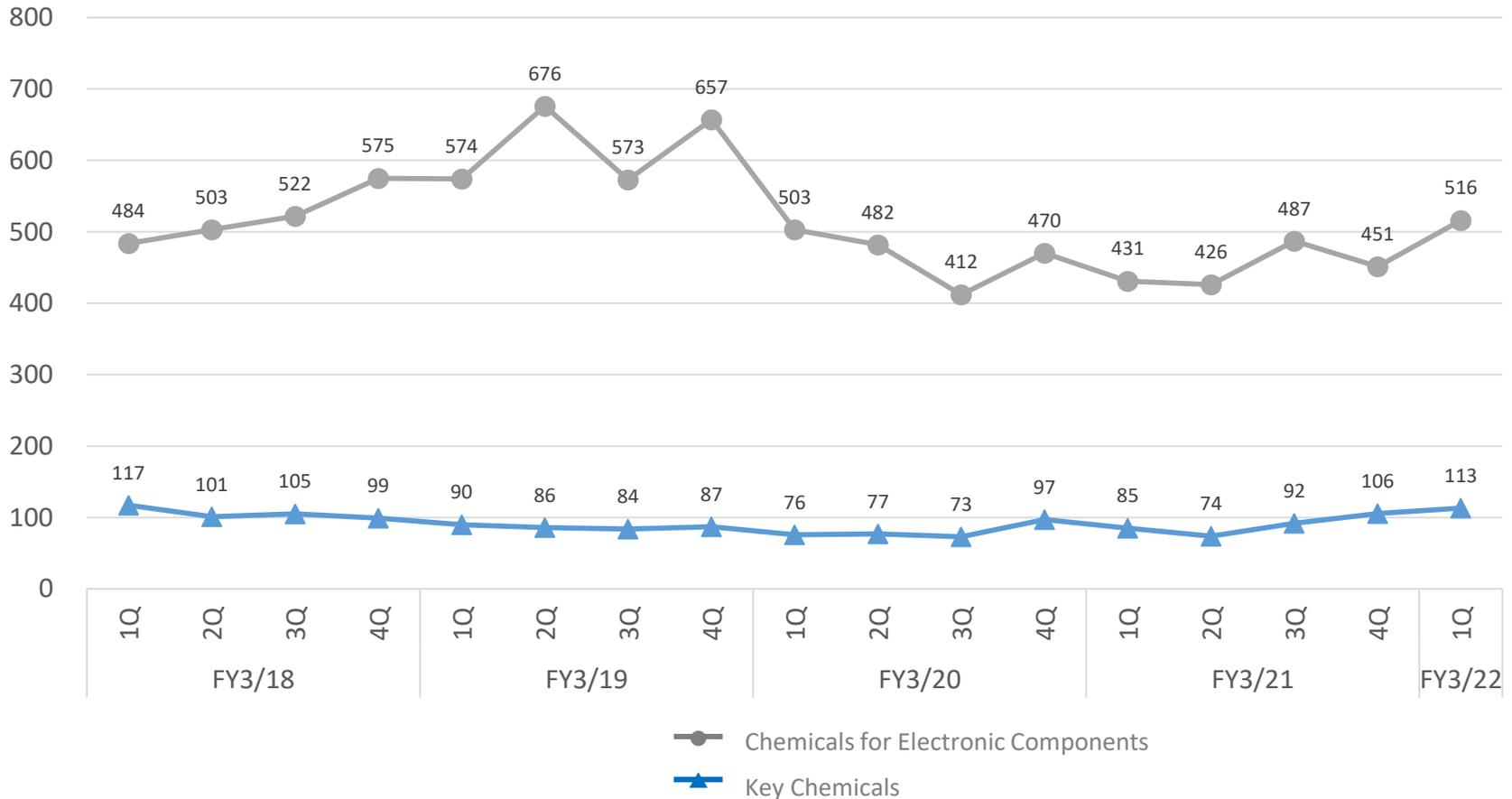
Chemicals for Electronic Components
 Down 7% QoQ Up 3% YoY Up 3% vs. 1Q FY3/21

Key Chemicals
 Down 20% QoQ Down 92% YoY Down 92% vs. 1Q FY3/21

Quarterly Sales of Chemicals by Region

(Millions of yen)

South Korea



Chemicals for Electronic Components
 Up 14% QoQ Up 20% YoY Up 20% vs. 1Q FY3/21

Key Chemicals
 Up 7% QoQ Up 33% YoY Up 33% vs. 1Q FY3/21

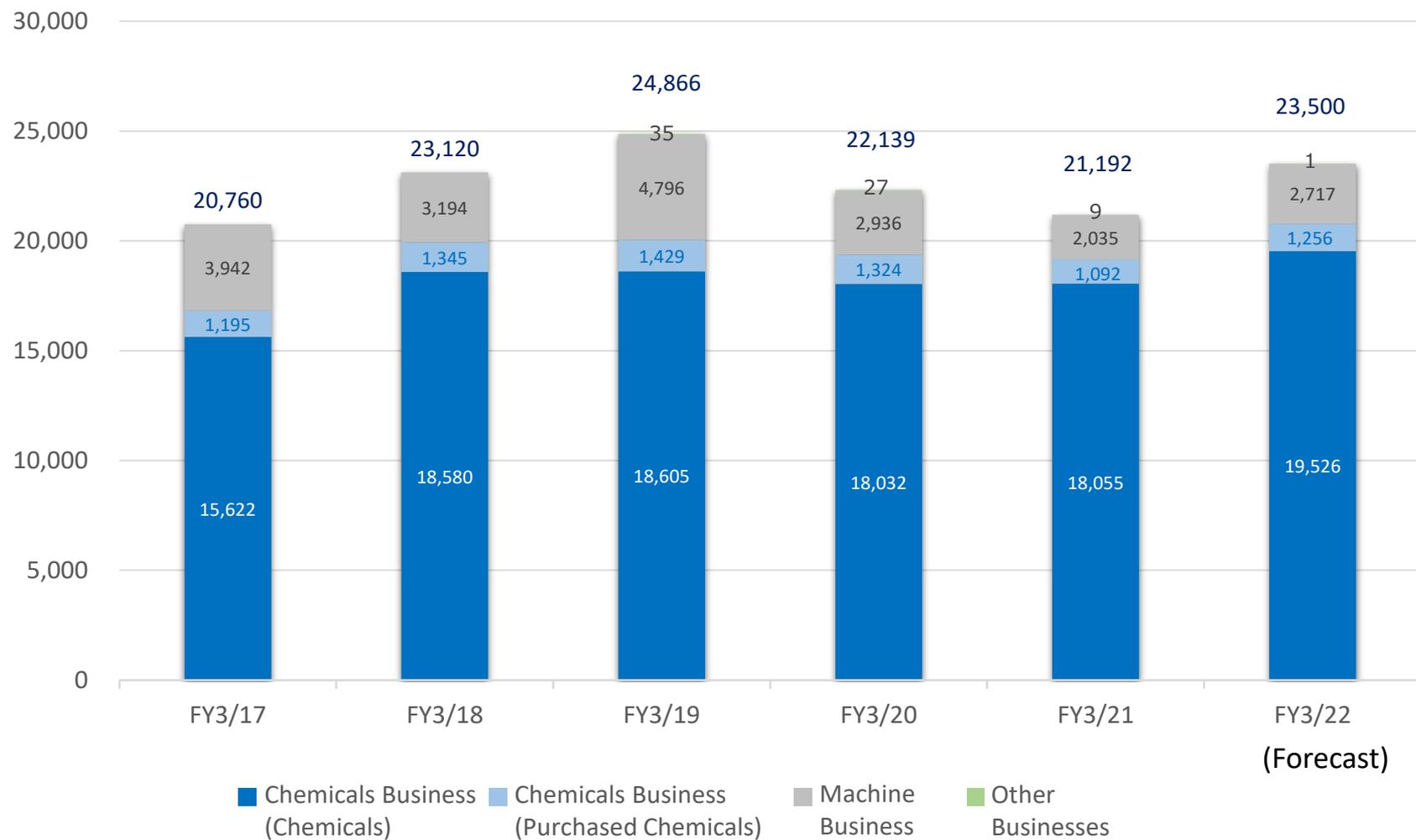
Forecasts for FY3/22

(Millions of yen)

FY3/21	1Q (Results)	1H (Forecasts)	Full year (Forecasts)	Progress rate against full- year forecast
Net sales	5,517	10,700	23,500	23.4%
Operating profit	1,940	3,250	7,500	25.8%
Ordinary profit	2,046	3,300	7,550	27.0%
Profit attributable to owners of parent	1,390	2,300	5,300	26.2%
Net income per share	52.95 yen	87.59 yen	201.83 yen	-

Annual Sales by Business (incl. Forecast)

(Millions of yen)



Dividend Forecast

12th consecutive
dividend increase

		FY3/20	FY3/21	FY3/22 (Forecasts)
Dividends per share	Interim	23.5 yen	25.0 yen	27.0 yen
	Year-end	25.0 yen	25.0 yen	27.0 yen
	Annual	48.5 yen	50.0 yen	54.0 yen

We will continue to make investments for sustainable growth while securing liquidity on hand and maintaining stable financial base. Our basic dividend policy is to return profits to shareholders through the flexible acquisition of treasury stock, with the aim of continuing the trend of stable dividend increases.

Reference

- Company Profile
- Major Distribution Channels
- Major Products

Company Profile

Founded in : December 1957

Established on : April 1, 1968

Capital stock : 1,235 million yen

Annual sales : Non-consolidated: 11.6 billion yen / Consolidated: 22.0 billion yen
(For the fiscal year ended March 31, 2021)

Head office : TIXTOWER UENO 16F, 8-1 Higashiueno 4-chome, Taito-ku, Tokyo

Lines of business : Manufacturing and sale of surface treatment chemicals, surface treatment machines, and related materials

Representative Directors : Masashi Kimura, Chairman and CEO

Employees : Non-consolidated: 250 / Consolidated: 561
(As of March 31, 2021)

ISO Certificates

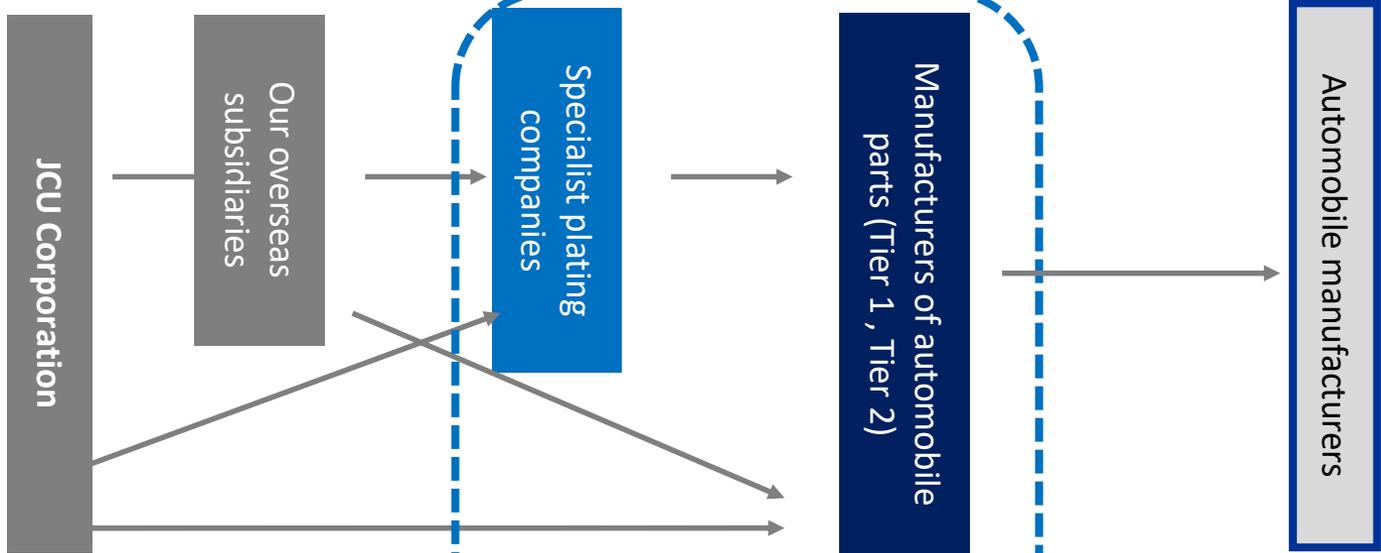
ISO9001 Production Headquarters, Head Office Sales and Marketing Department, and R&D Center (JCQA-0281)

ISO14001 Production Headquarters and R&D Center (JCQA-E-0143)

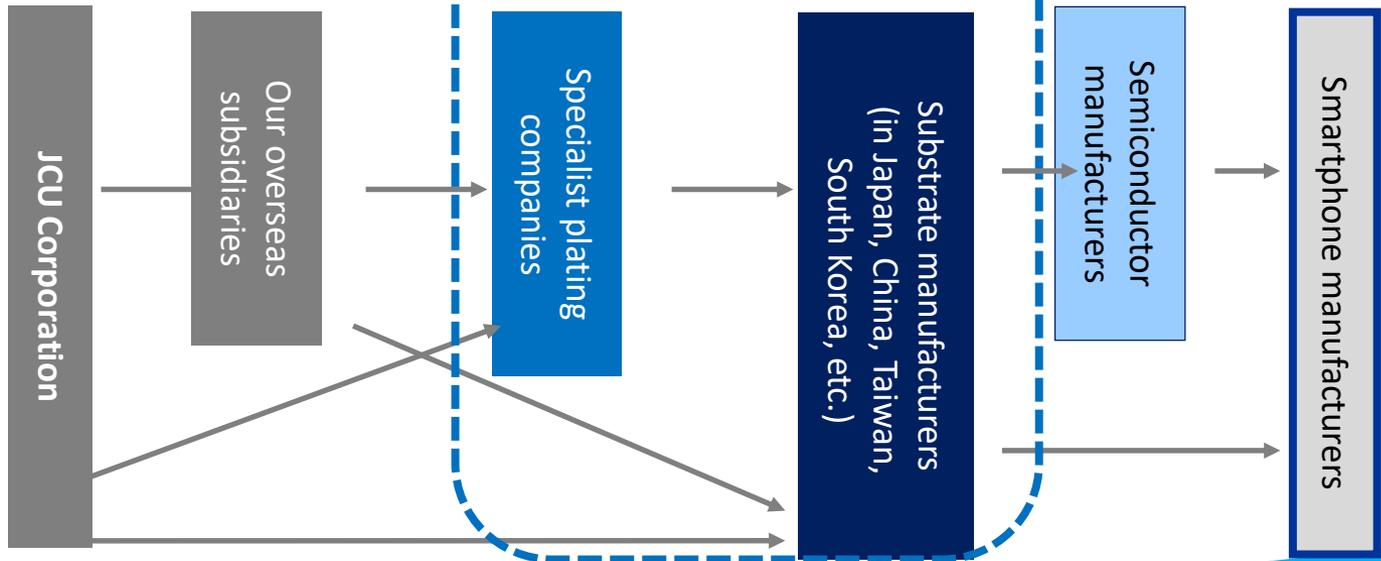
Major Distribution Channels

Customers (sold-to)

Automobiles



Smartphones



Major Products

Chemicals Business	For decoration and rust-proofing (Key chemicals)	Automotive parts (front grilles, door handles, emblems, etc.) Faucet parts (water supply equipment, showerheads, drain plugs, etc.) Construction materials (bolts, nuts, etc.)
	For electronic components (Chemicals for electronic components)	PWBs (reversible and multilayer substrates, build-up boards, package substrates, etc.) Electronic components (lead frames, chip components, connectors, etc.) Semiconductors (silicon wafers)

Machine Business	Fully-automated surface treatment equipment	Fully-automated equipment from input of materials to completion of the plating process
	Peripheral equipment	Manufacturing and sale of filtration machines and other peripheral equipment to be attached to surface treatment equipment
	Automatic analytical control systems	Automatic management of plating solutions by analyzing concentrations of chemicals and adding chemicals when an insufficient level is detected
	Plasma system	Etching and washing devices for PWBs as part of pre-plating processes
	Solar power generation equipment	Installation and operation of solar power generation equipment (photovoltaic panels)

This material contains current plans and forecasts of future performance of JCU CORPORATION. These plans and forecast figures are prepared by the Company based on currently available information. This material does not give any assurance or guarantee of the Company's future financial performance and actual results may differ substantially from these plans for a number of conditions or developments in the future.



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