

# Financial Results Briefing Material

## for the Fiscal Year Ended March 2021

**JCU CORPORATION**

TSE First Section (Stock Code: 4975)

May 10, 2021

# Summary of Financial Results for FY3/21

## Overview of Financial Results

Accounting Period of FY3/21

JCU (non-consolidated): April 1 to March 31

Overseas subsidiaries: January 1 to December 31

### For electronic components

- Demand for components such as PWBs for base stations, servers, and tablets, PWBs for automobiles, and SSD substrates increased, but smartphone sales volume dropped, overall chemicals demand remained almost flat.
- Chemicals demand rose substantially as demand for semiconductor package substrates used in 5G electronic components climbed and shipments of PWBs for communications devices rose in connection with the expansion of teleworking.
- Although the demand for semiconductor package substrates has been increasing, demand for chemicals were generally unchanged due to the decline driven by the withdrawal of some PWB manufacturers from the HDI (high density interconnect) substrate business in the previous fiscal year.

### For automotive components

- In Japan: Although the automotive industry is on a recovery track, the rebound was not strong enough to offset the decline in the first half, and chemicals demand fell.
- Overseas: Although production by automotive component manufacturers was on a recovery track, chemicals demand remained flat as the number of vehicles sold stayed at a low level due to the impact of tougher regulations and the US-China trade tensions.

### Machine Business

- Sales and the amount of orders received decreased substantially due to lower demand in capital investment by automotive component manufacturers.

# Summary of Financial Results for FY3/21

## Consolidated

(Millions of yen)

	FY3/19	FY3/20	FY3/21	
	Results	Results	Results	YoY % Change
Net sales	24,866	22,319	21,192	(5.1)%
Operating profit	7,072	6,297	6,799	8.0%
Ordinary profit	7,192	6,240	6,922	10.9%
Profit attributable to owners of parent	4,963	4,416	4,708	6.6%
Net income per share	178.55 yen	163.97 yen	178.33 yen	-

# Summary Consolidated Balance Sheet

Note: Certain line items are omitted.

(Millions of yen)	FY3/20	FY3/21
Current assets	24,249	26,724
Cash and deposits	12,929	16,674
Notes and accounts receivable-trade	8,282	7,195
Inventories	2,076	2,502
Non-current assets	8,790	8,499
Property, plant and equipment	5,635	5,312
Investments and other assets	3,113	3,124
<b>Total assets</b>	<b>33,039</b>	<b>35,224</b>
Current liabilities	5,773	6,050
Notes and accounts payable-trade (incl. electronically recorded obligations-operating)	2,173	2,237
Short-term borrowings (incl. current portion of long-term borrowings)	540	634
Non-current liabilities	1,938	1,470
Long-term borrowings	706	613
<b>Total liabilities</b>	<b>7,712</b>	<b>7,520</b>
<b>Total net assets</b>	<b>25,327</b>	<b>27,703</b>
<b>Total liabilities and net assets</b>	<b>33,039</b>	<b>35,224</b>

# Foreign Exchange Rates

(Yen)

	FY3/20	FY3/21			
		1Q	2Q	3Q	4Q
Chinese yuan (CNY)	15.78	15.61	15.39	15.38	15.48
Taiwan dollar (TWD)	3.53	3.62	3.61	3.62	3.63
Korean won (KRW)	0.0937	0.0914	0.0898	0.0897	0.0906

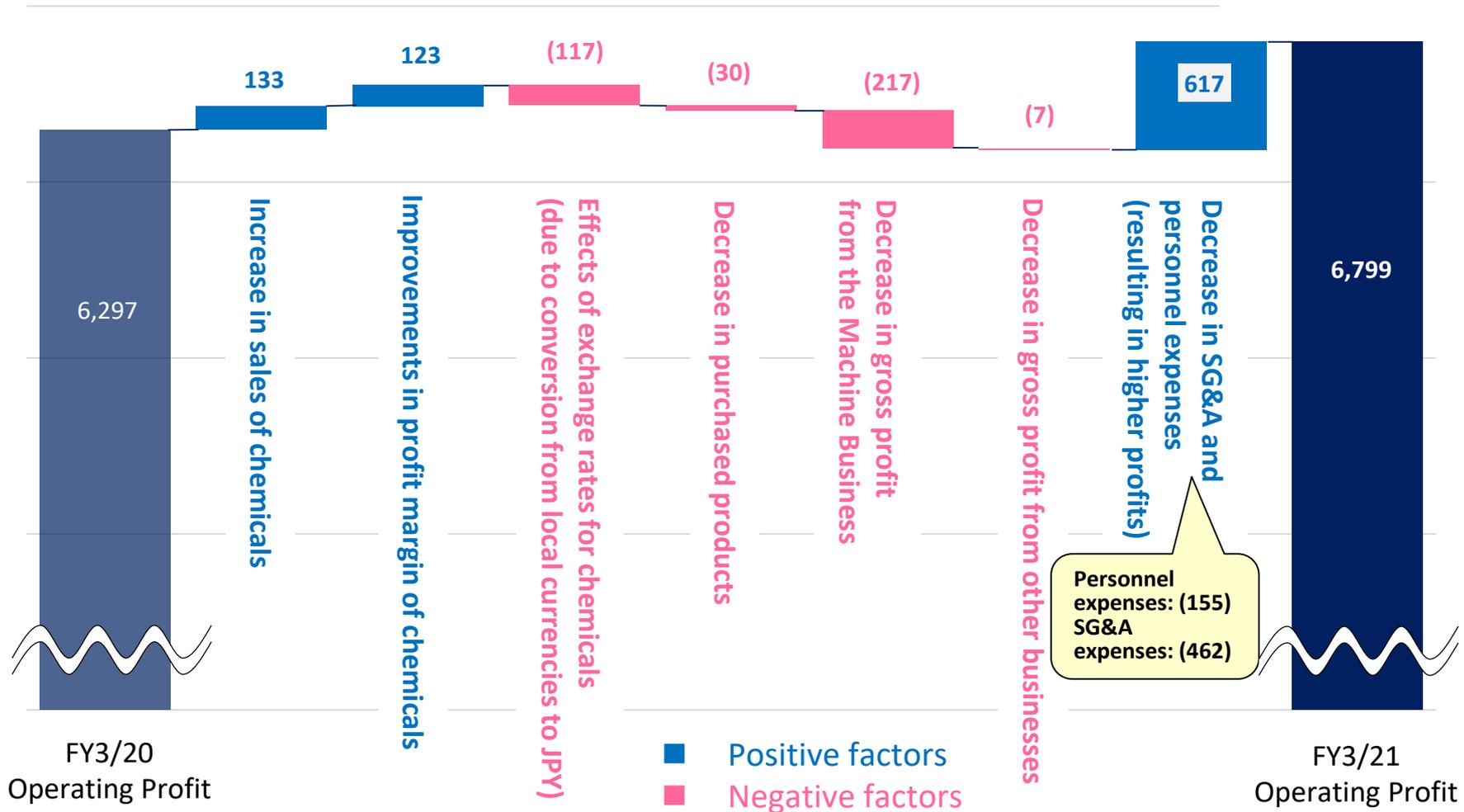
Note: The average rate for the period is used to translate Chinese yuan, Taiwan dollar and Korean won, our major foreign currencies, to Japanese yen.

Foreign exchange sensitivity (as at the consolidated year): Changes of about 60 million yen in consolidated operating profit with 1 % change in major currency rates listed above

# Changes in Consolidated Operating Profit for FY3/21

(Millions of yen)

(YoY change)  
**+502**

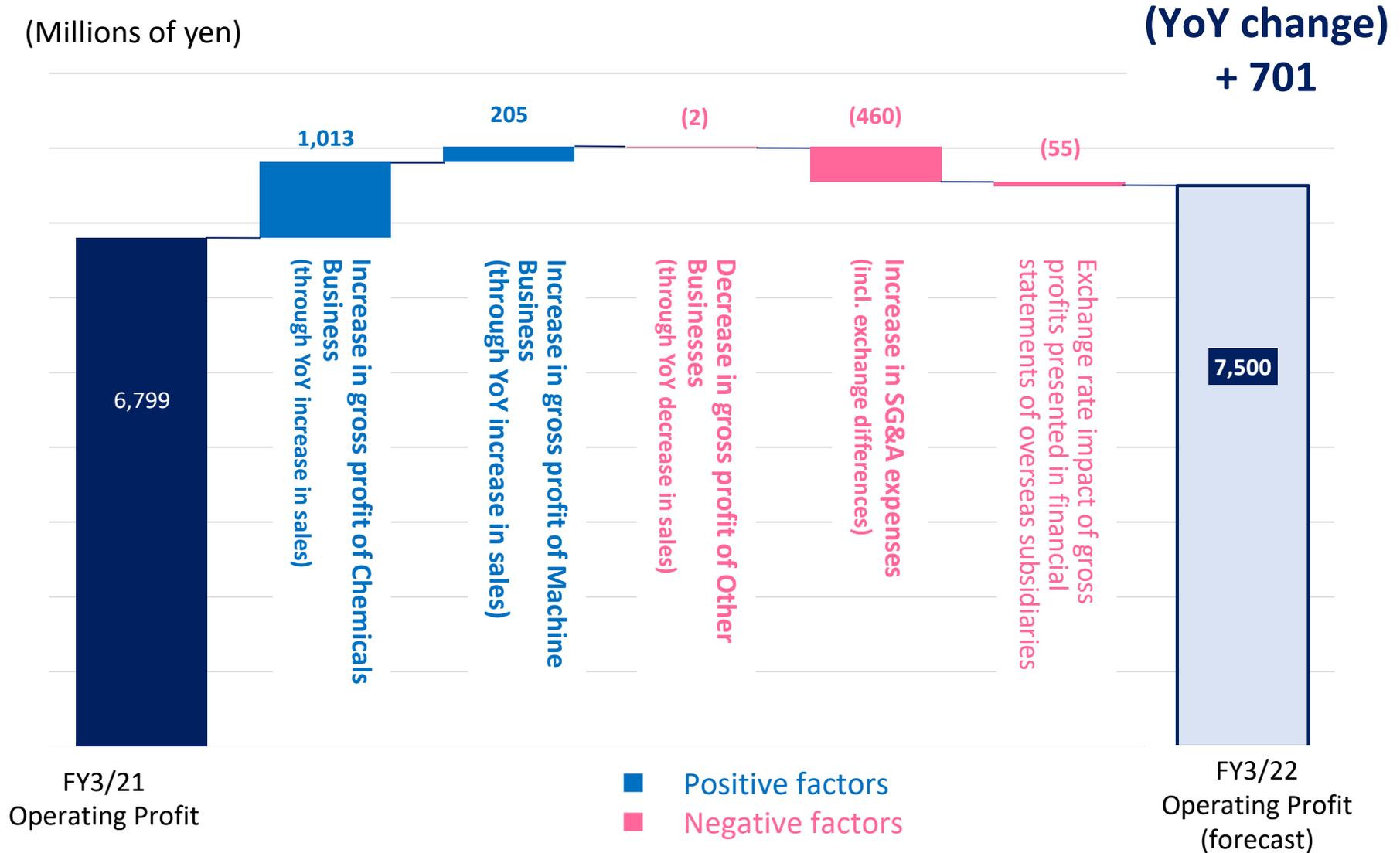


# Forecasts for FY3/22

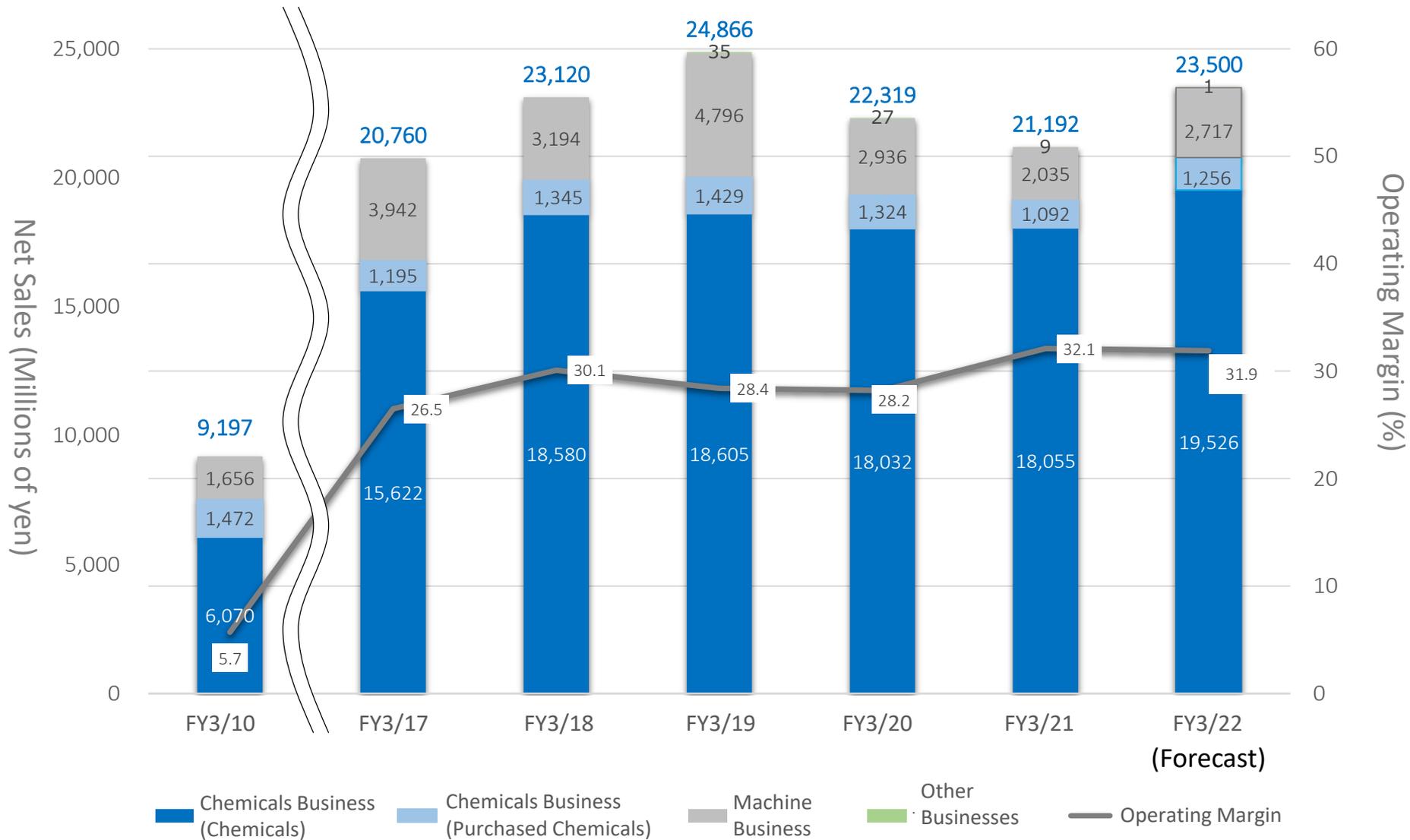
(Millions of yen)

	FY3/21	FY3/22 Forecasts	YoY % Change
Net sales	21,192	23,500	10.9%
Operating profit	6,799	7,500	10.3%
Ordinary profit	6,922	7,550	9.1%
Profit attributable to owners of parent	4,708	5,300	12.6%
Net income per share	178.33 yen	201.85 yen	-

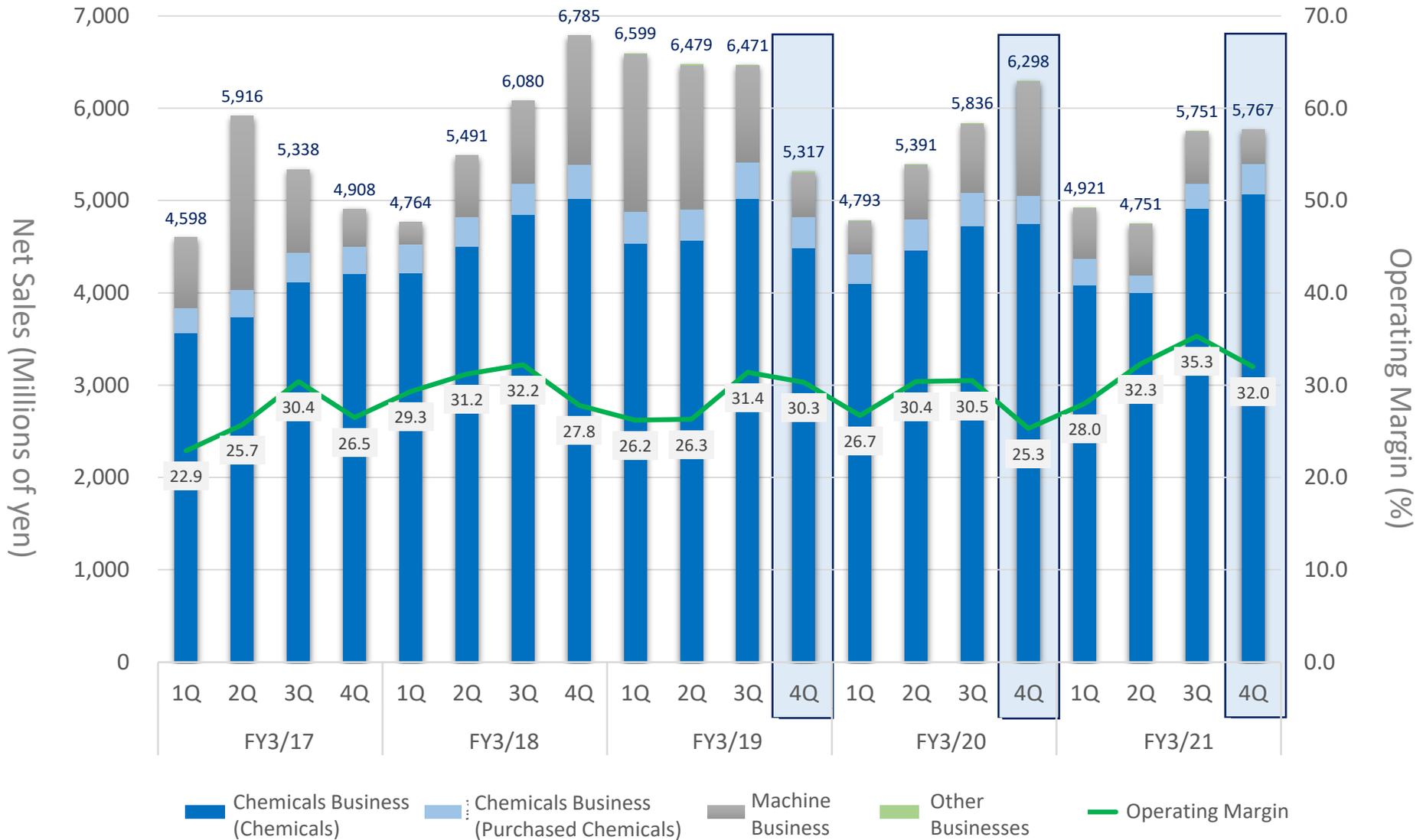
# Changes in Consolidated Operating Profit (Forecast for FY3/22)



# Annual Consolidated Financial Results (By Segment)

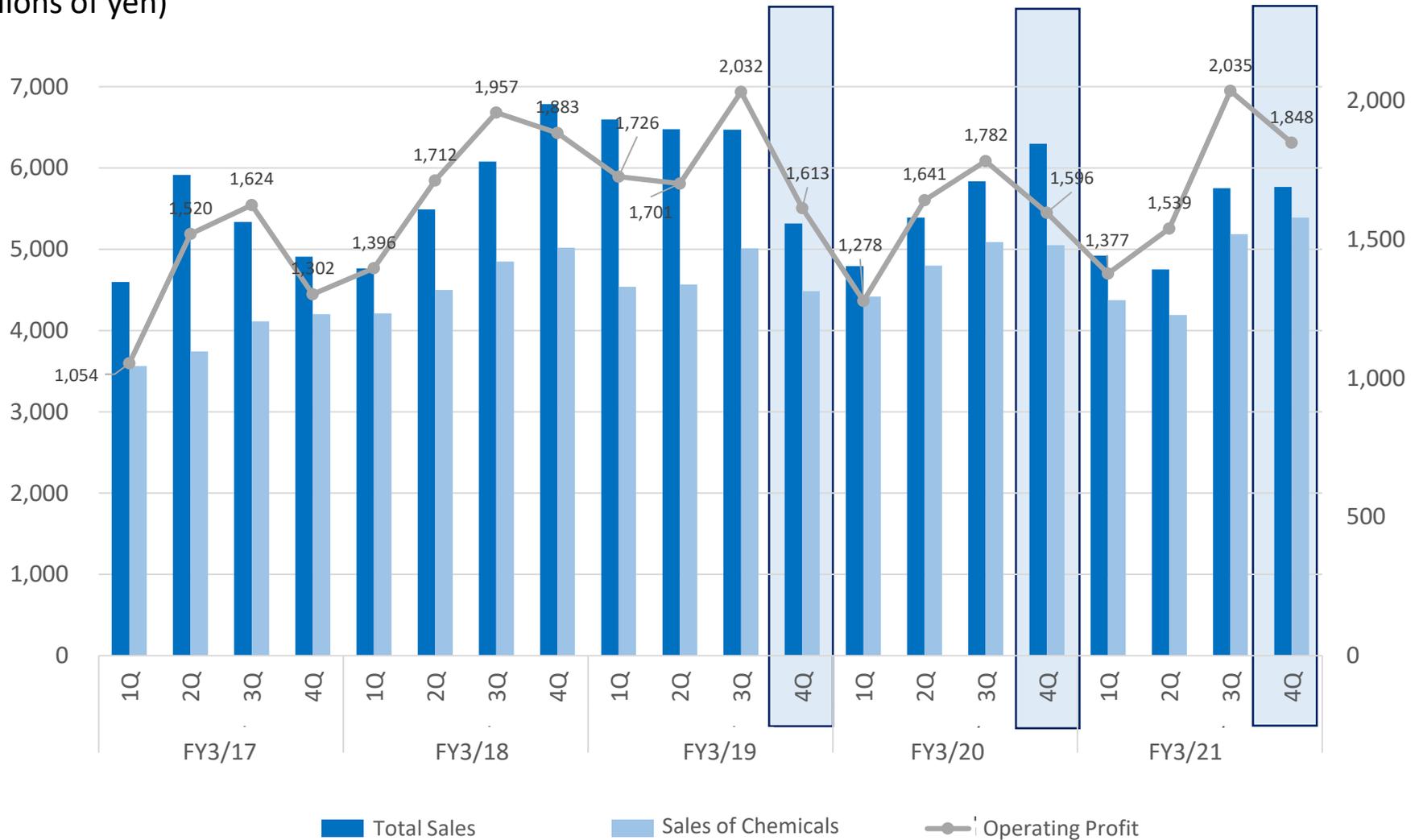


# Quarterly Consolidated Financial Results (By Segment)



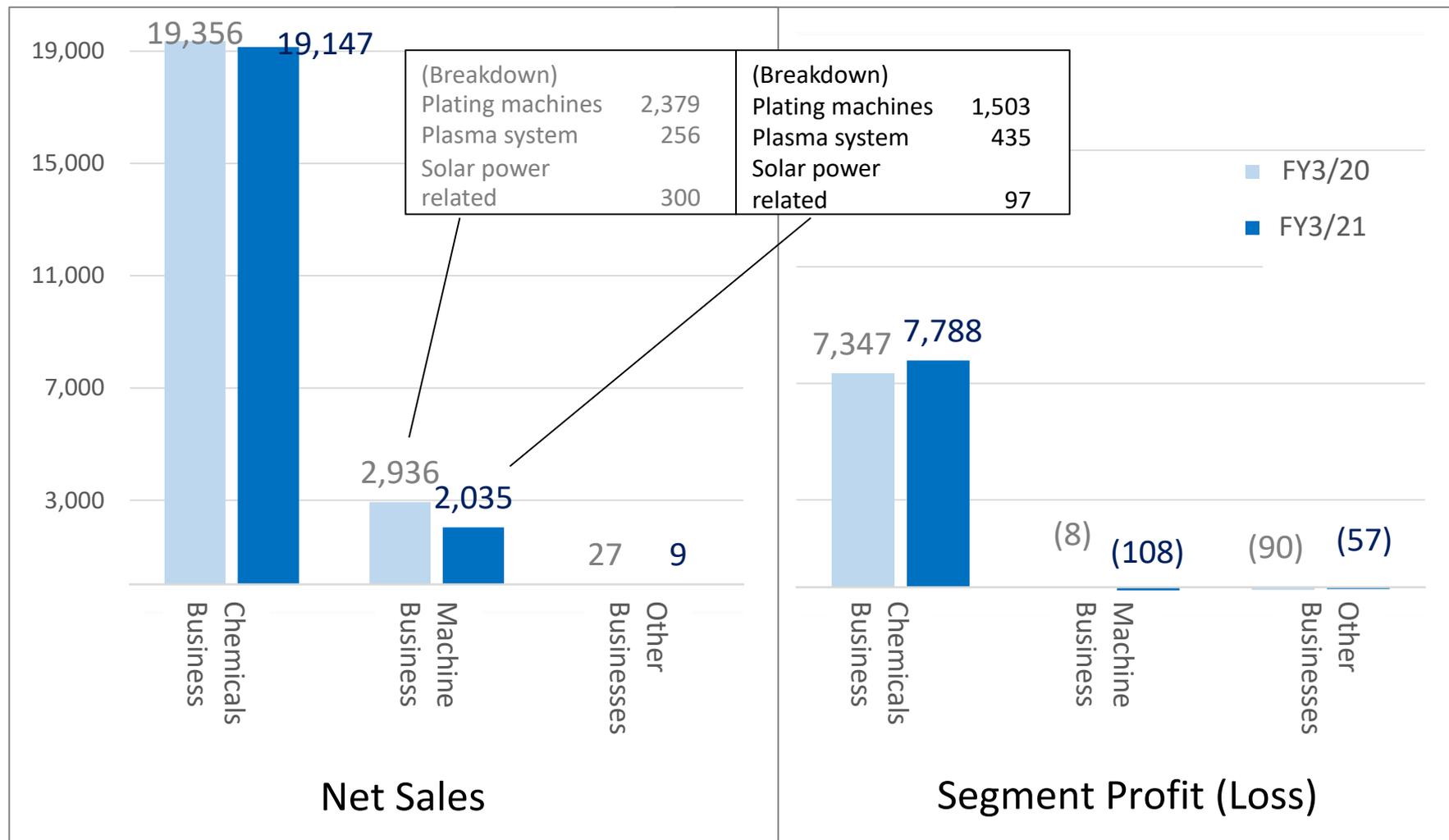
# Quarterly Consolidated Financial Results

(Millions of yen)



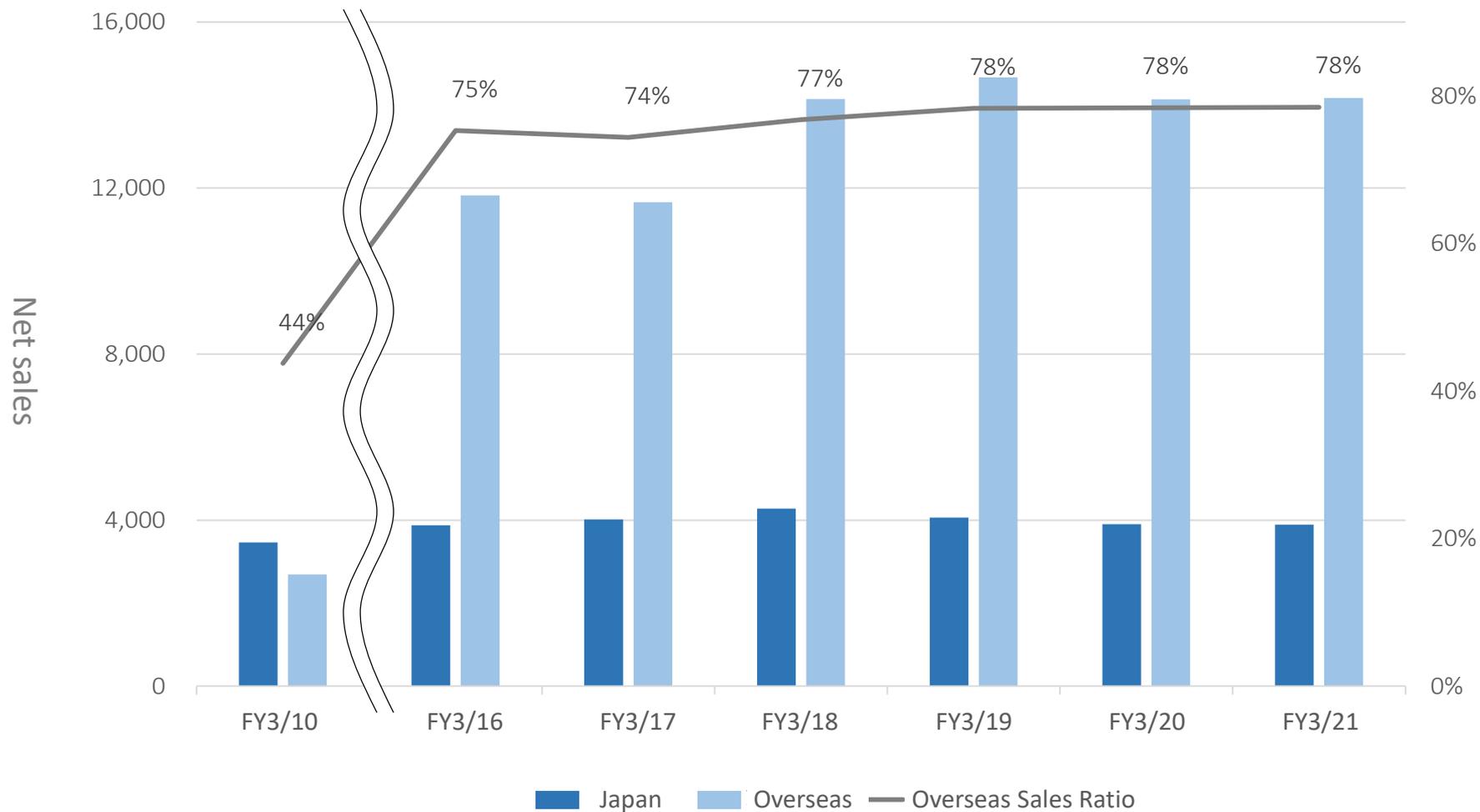
# Consolidated Segment Results for FY3/21

(Millions of yen)



# Annual Sales of Chemicals in Japan and Overseas

(Millions of yen)

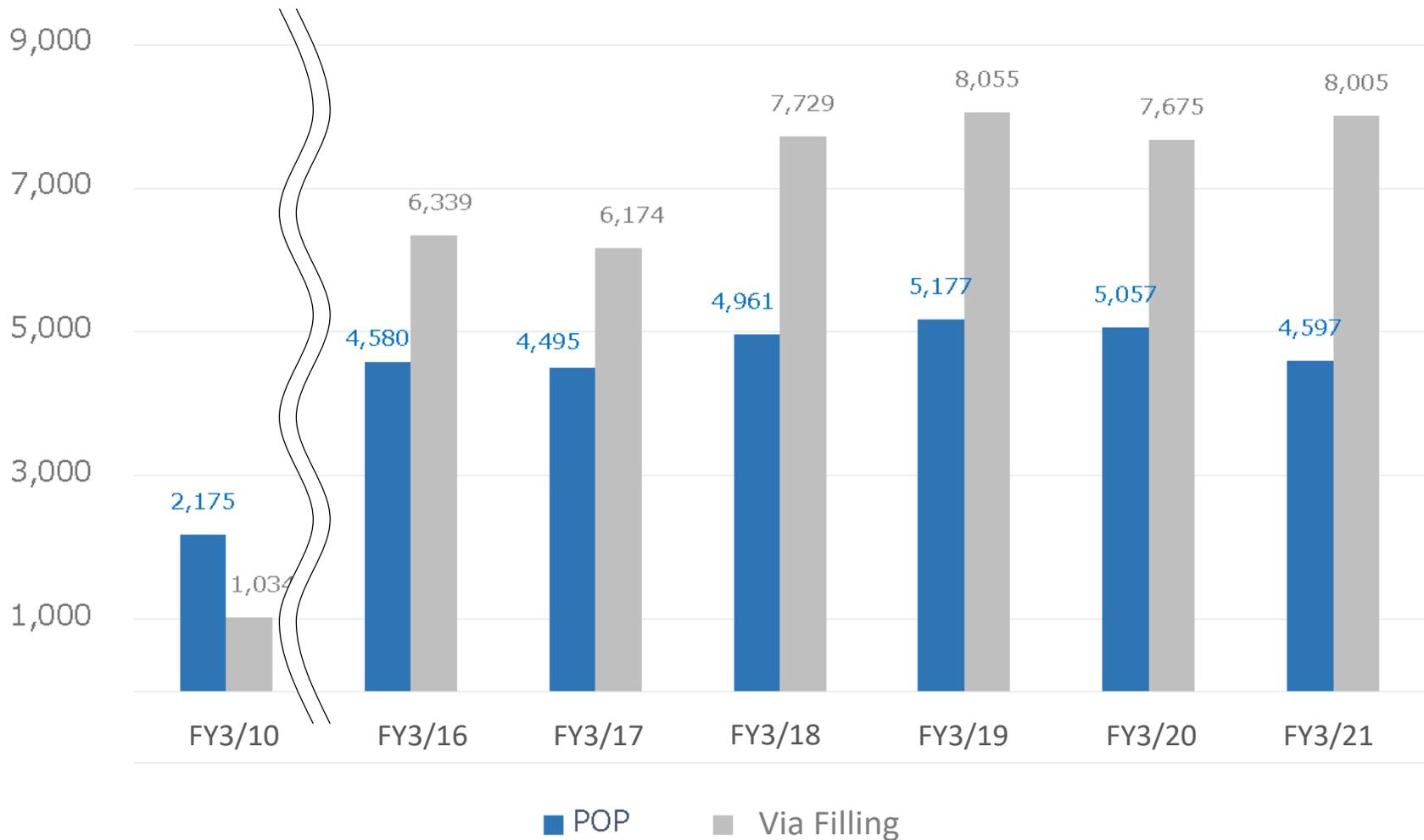


# Annual Sales of Chemicals for POP and Via Filling

(Millions of yen)

POP: Planting on Plastics, mainly for automotive components

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

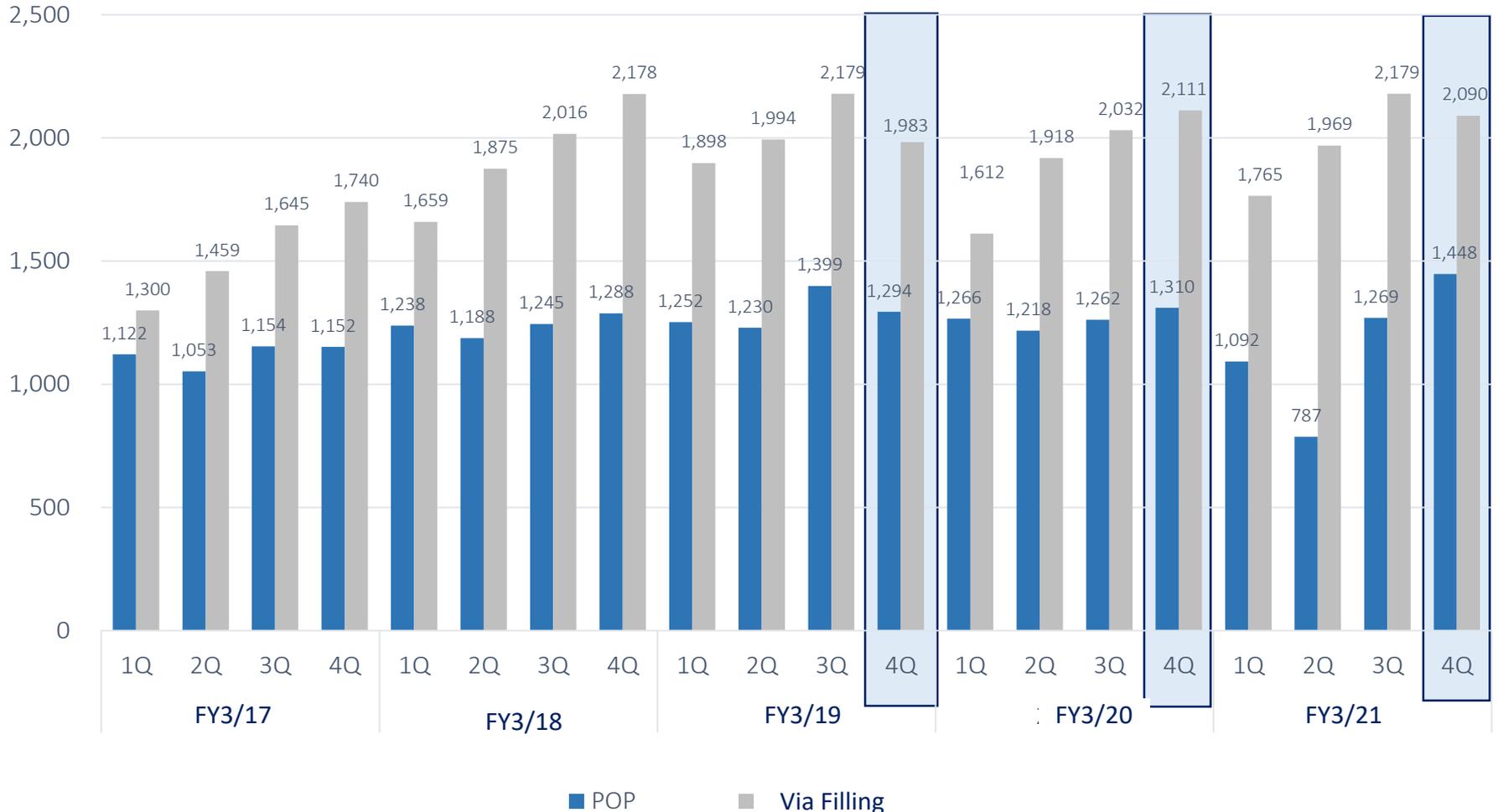


# Quarterly Sales of Chemicals for POP and Via Filling

POP: Planting on Plastics, mainly for automotive components

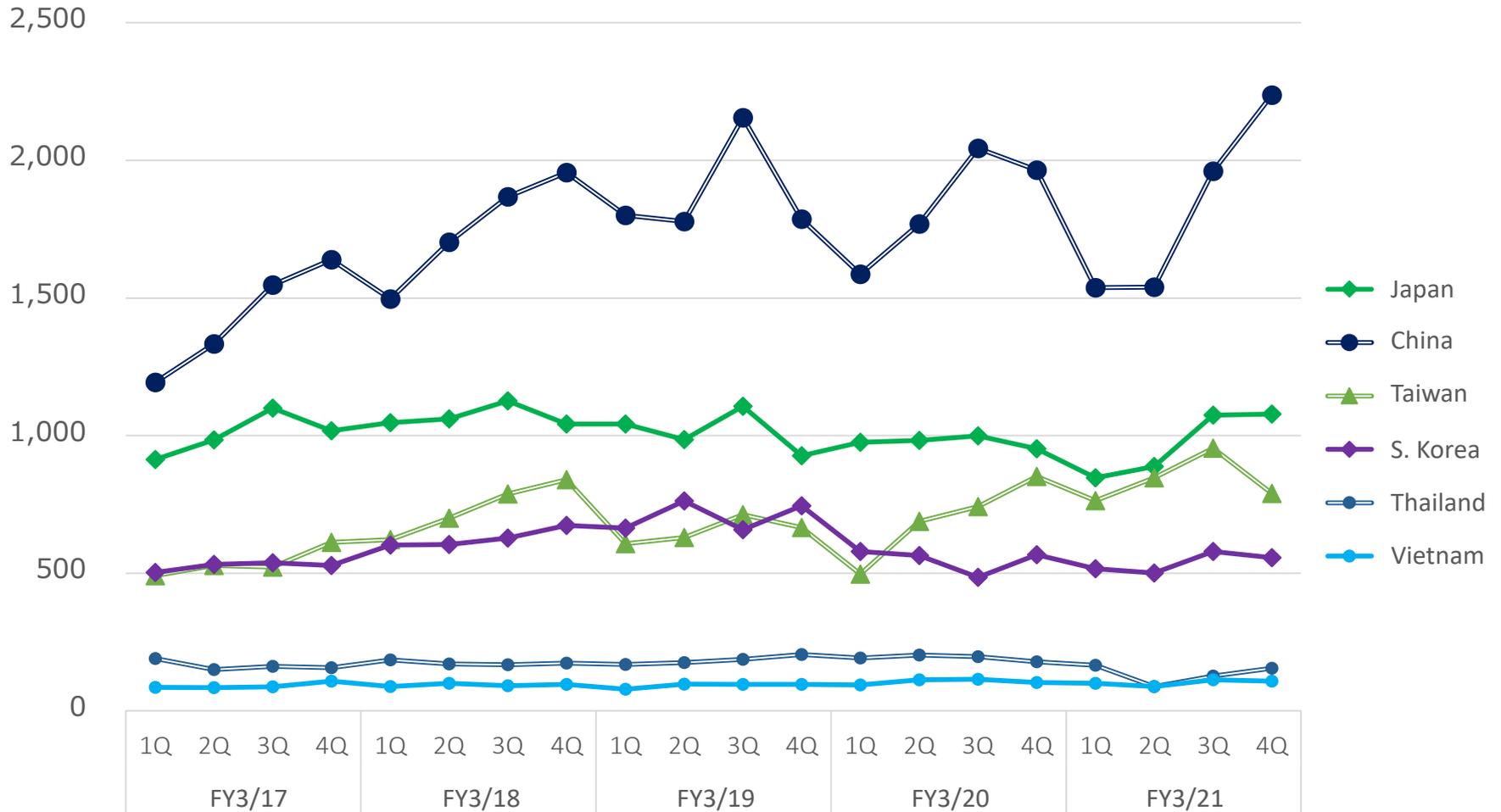
Via Filling: Additive for copper planting for PWBs, mainly for smartphones and PCs

(Millions of yen)



# Quarterly Sales of Chemicals by Region

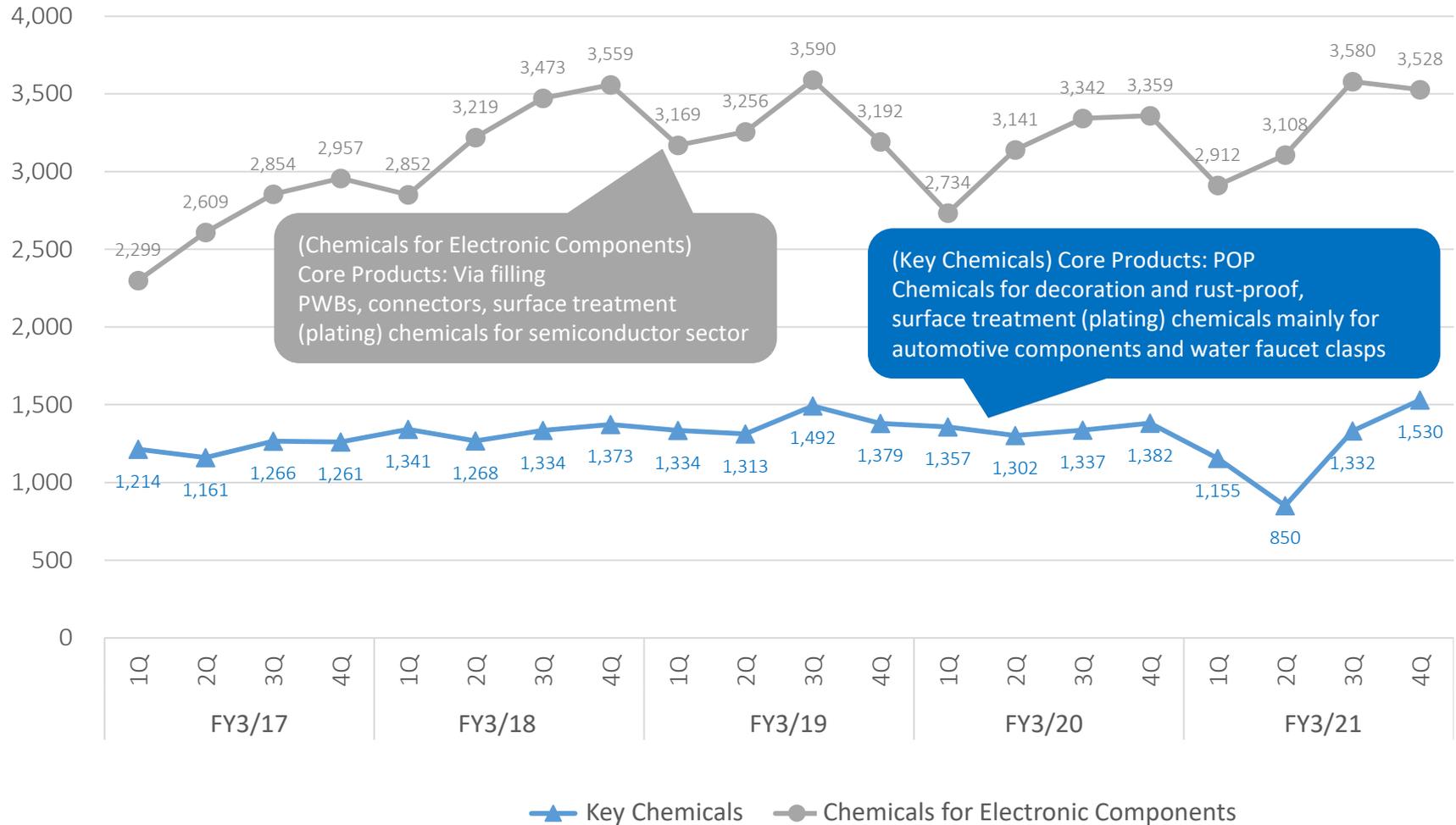
(Millions of yen)



# Quarterly Sales of Chemicals by Category

(Millions of yen)

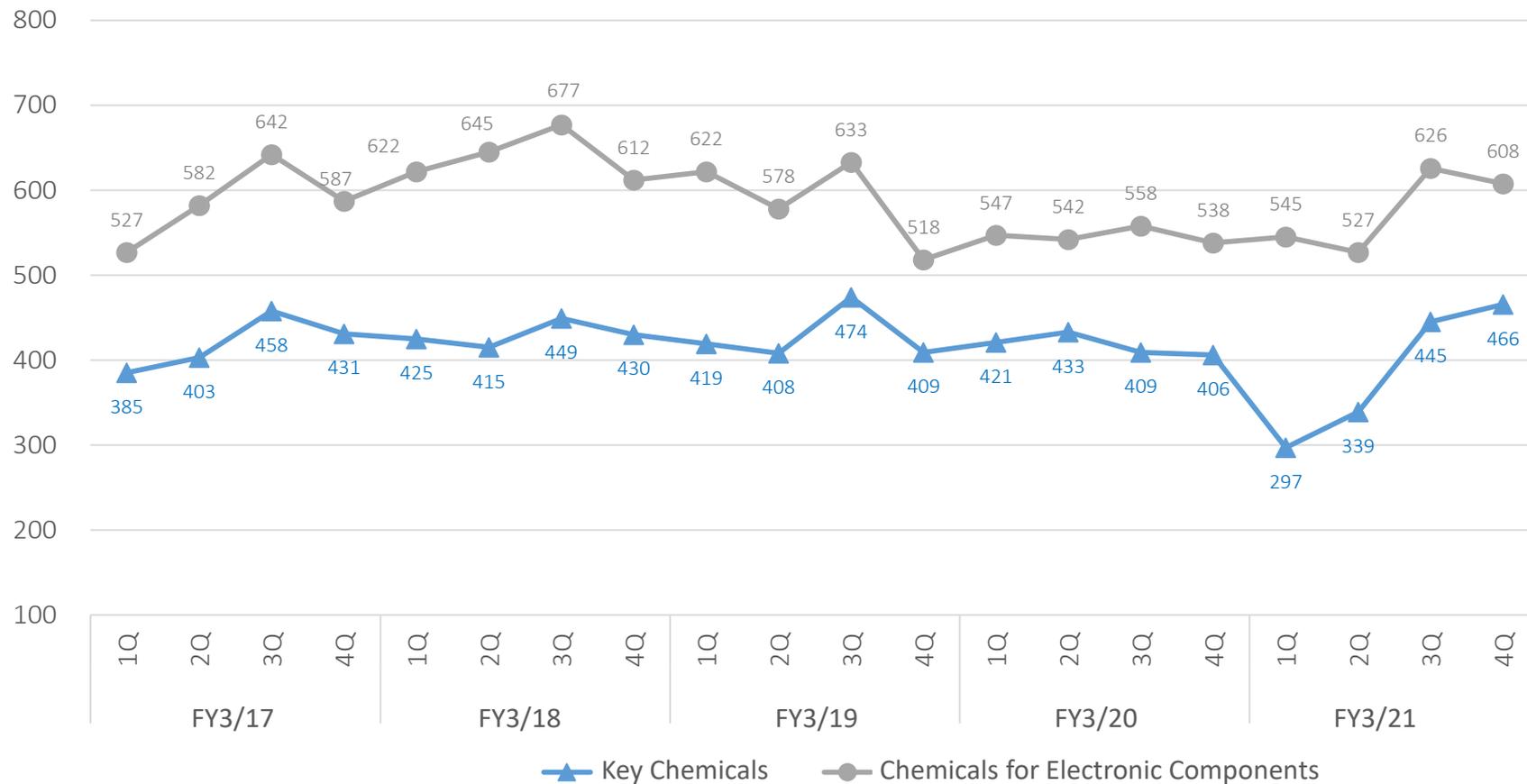
## Consolidated



# Quarterly Sales of Chemicals by Region

(Millions of yen)

## Japan



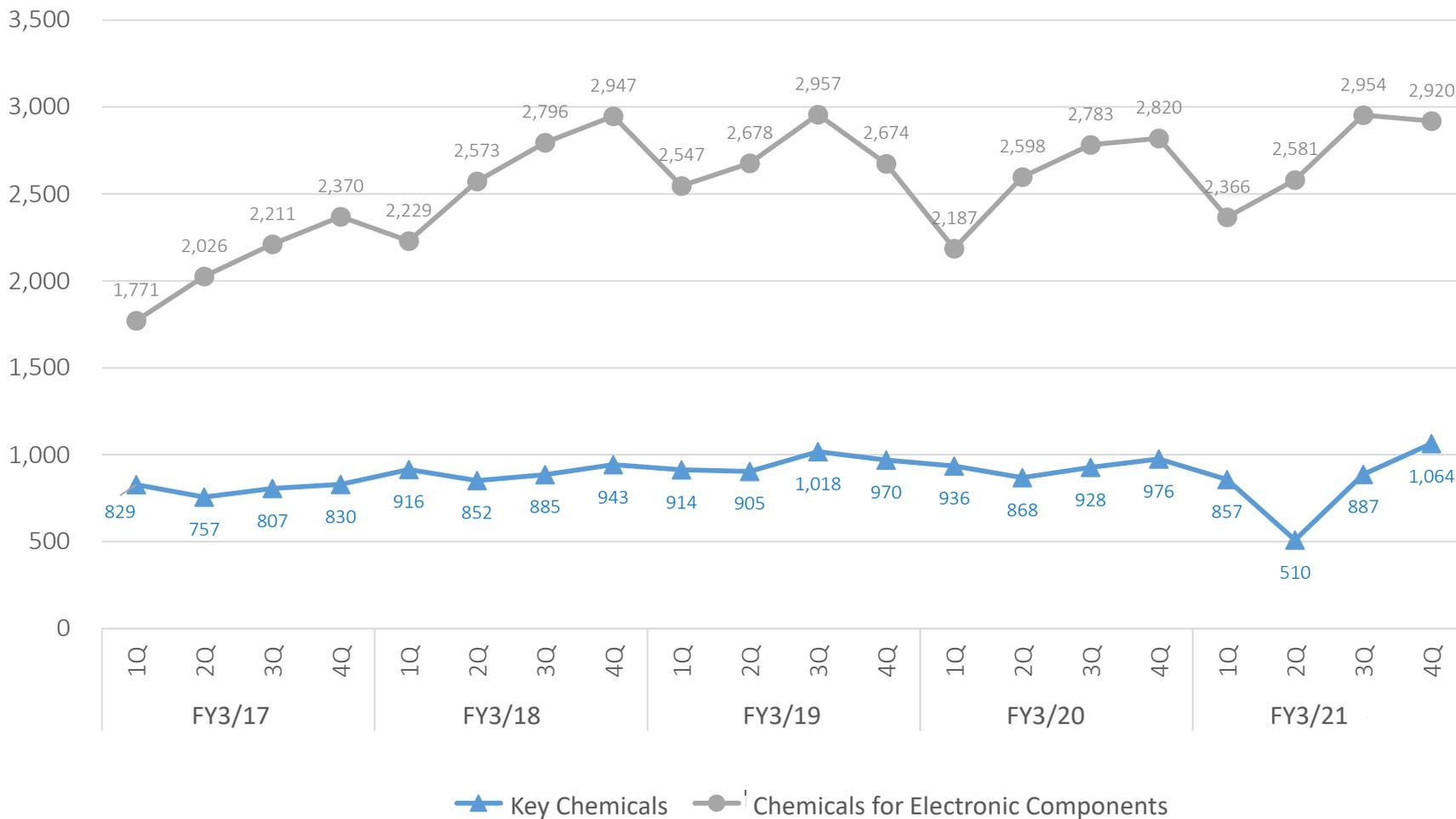
Chemicals for Electronic Components  
Down 2% QoQ Up 13% YoY Up 6% vs. FY3/20

Key Chemicals  
Up 4% QoQ Up 14% YoY Down 7% vs. FY3/20

# Quarterly Sales of Chemicals by Region

(Millions of yen)

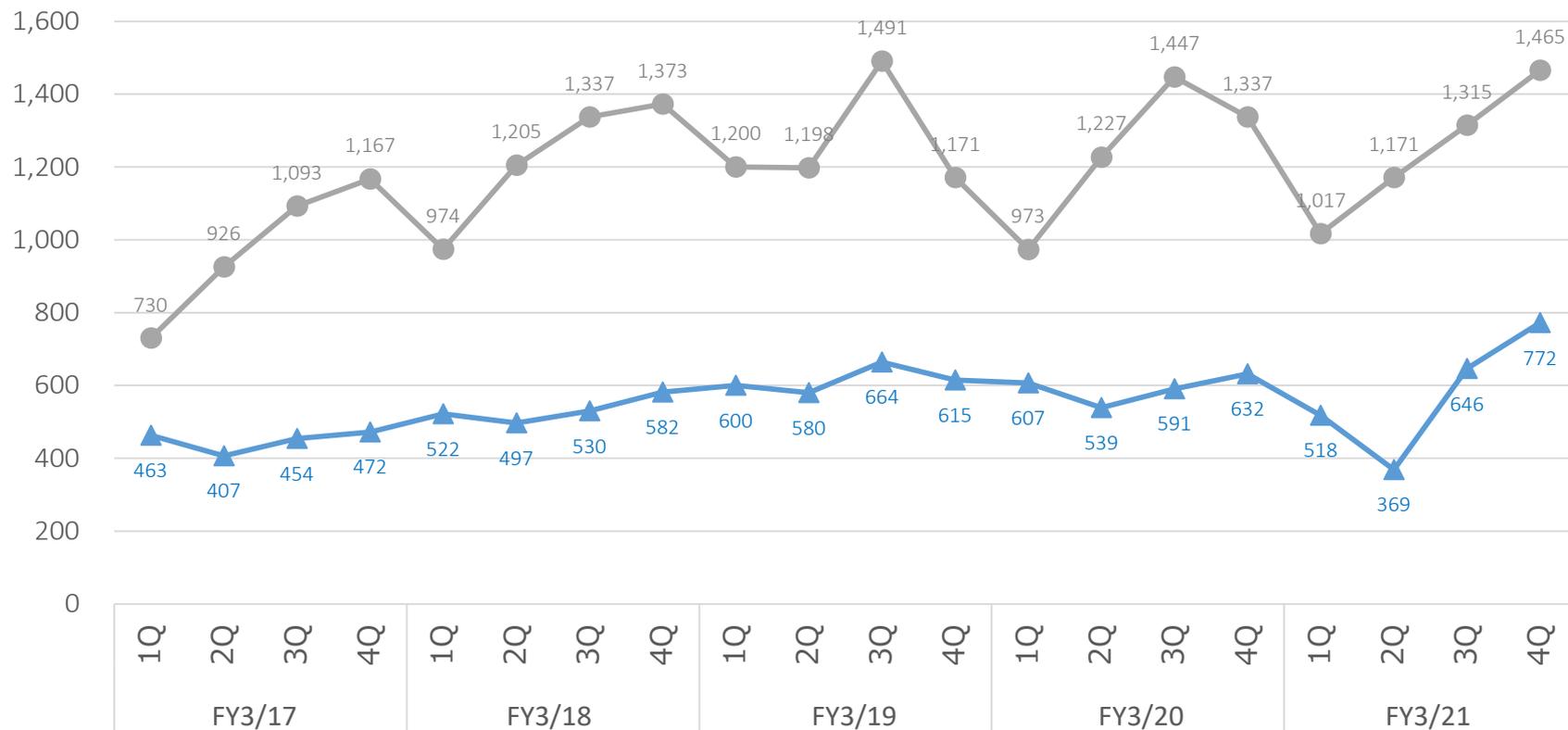
## Overseas



# Quarterly Sales of Chemicals by Region

(Millions of yen)

## China



▲ Key Chemicals ● Chemicals for Electronic Components

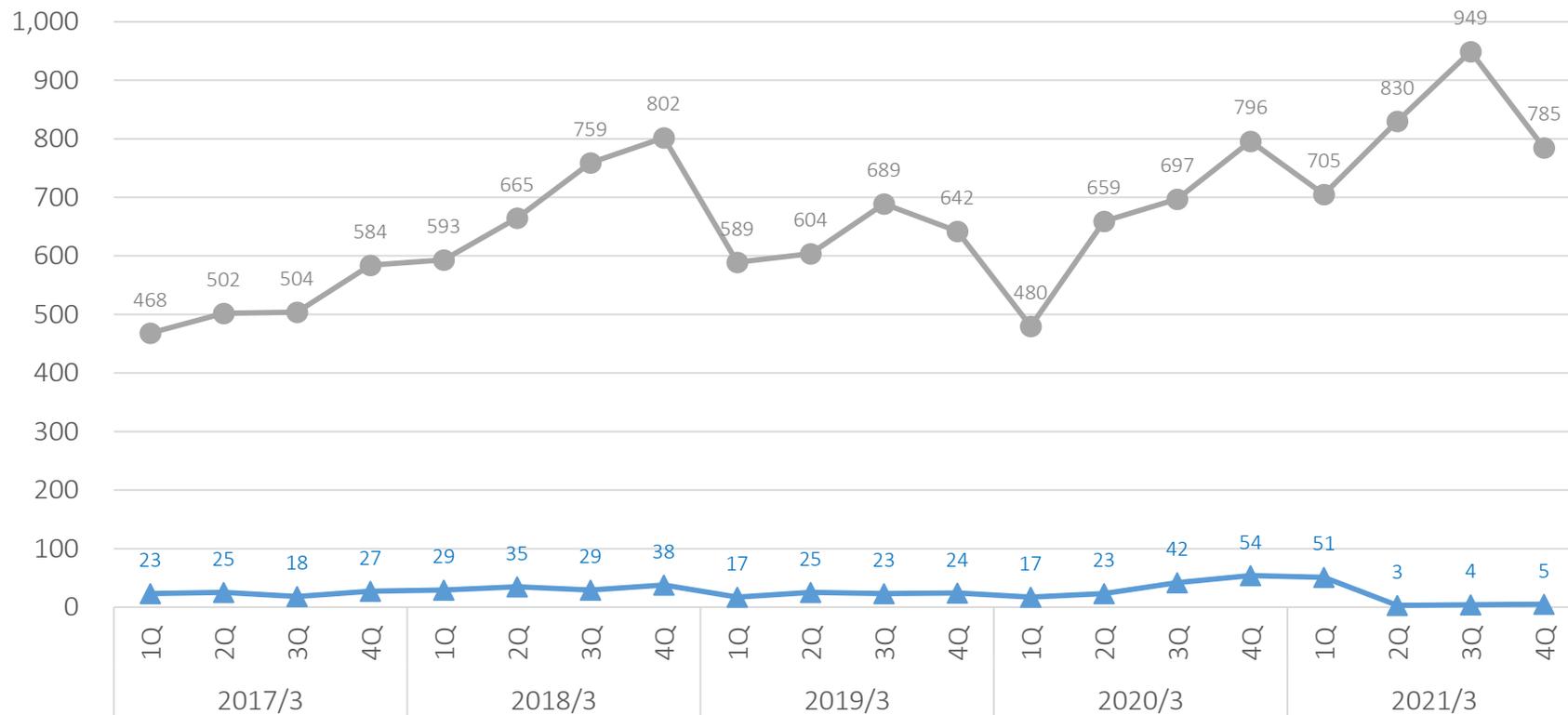
Chemicals for Electronic Components  
Up 11% QoQ Up 9% YoY ±0% vs. FY3/20

Key Chemicals  
Up 19% QoQ Up 22% YoY Down 3% vs. FY3/20

# Quarterly Sales of Chemicals by Region

(Millions of yen)

## Taiwan



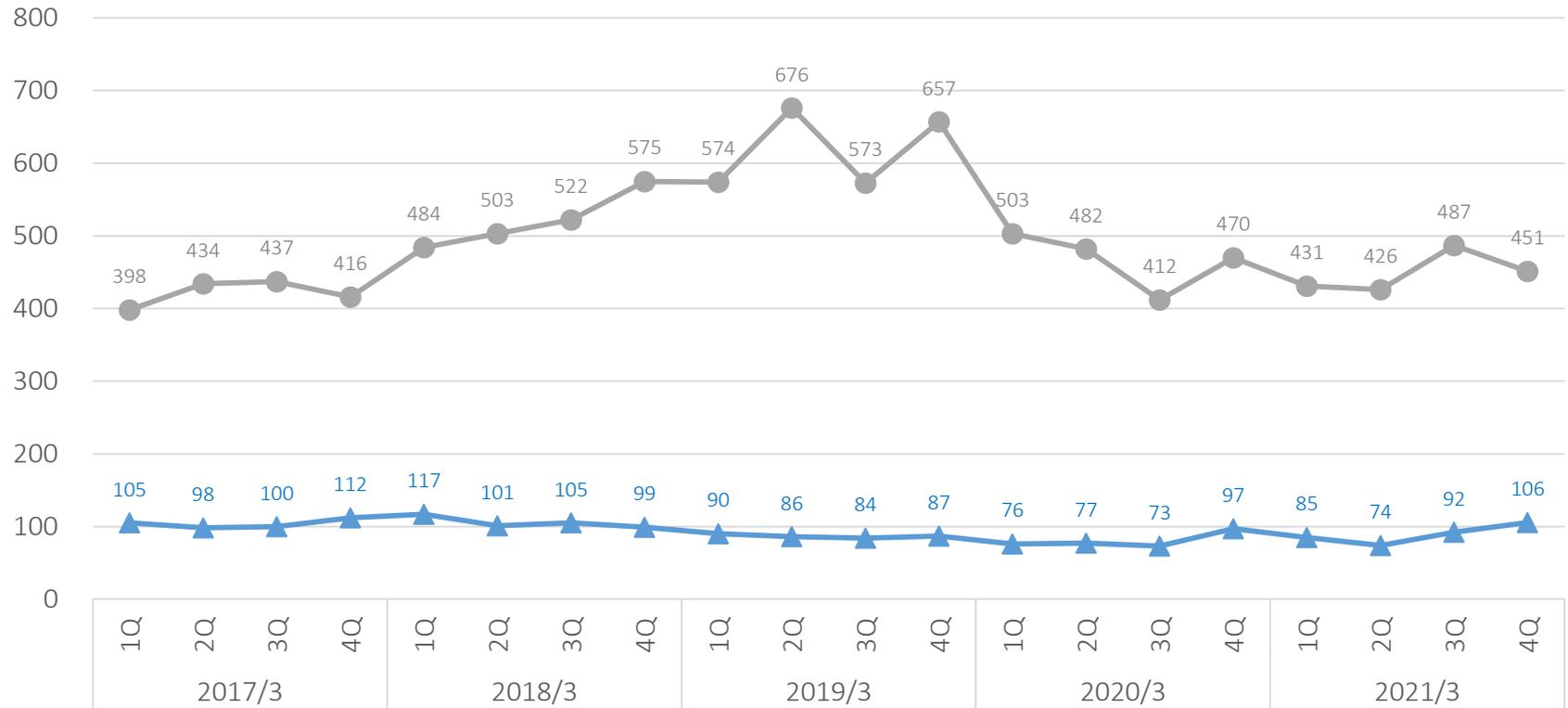
▲ Key Chemicals    ● Chemicals for Electronic Components

Chemicals for Electronic Components  
 Down 17% QoQ    Down 1% YoY    Up 24% vs. FY3/20

# Quarterly Sales of Chemicals by Region

(Millions of yen)

## South Korea

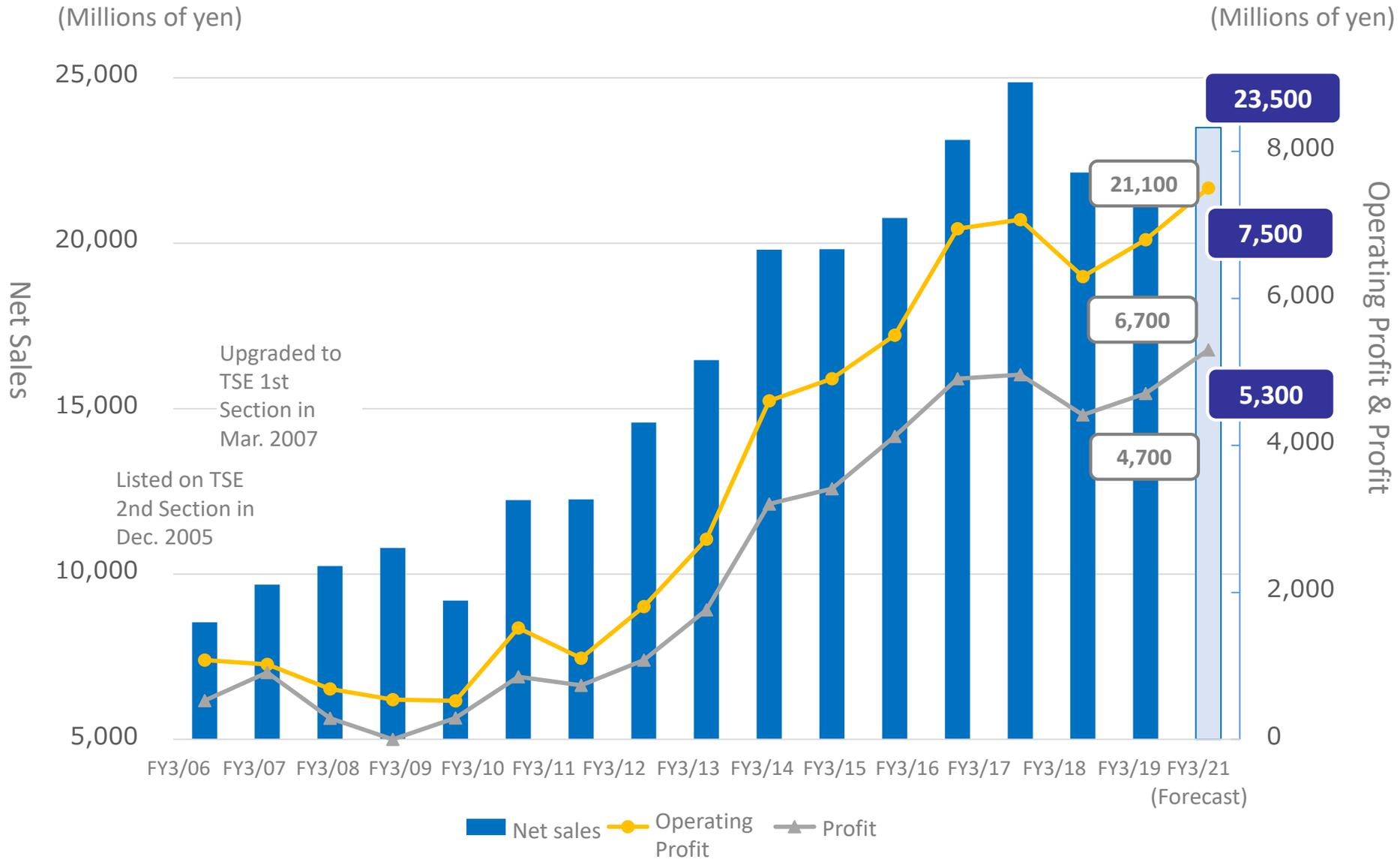


▲ Key Chemicals ● Chemicals for Electronic Components

Chemicals for Electronic Components  
Down 7% QoQ Down 4% YoY Down 3% vs. FY3/20

Key Chemicals  
Up 15% QoQ Up 9% YoY Up 10% vs. FY3/20

# Financial Results since Listing



# FY3/22 Dividend Forecast

		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.

- 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: 21.1 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, President and CEO

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

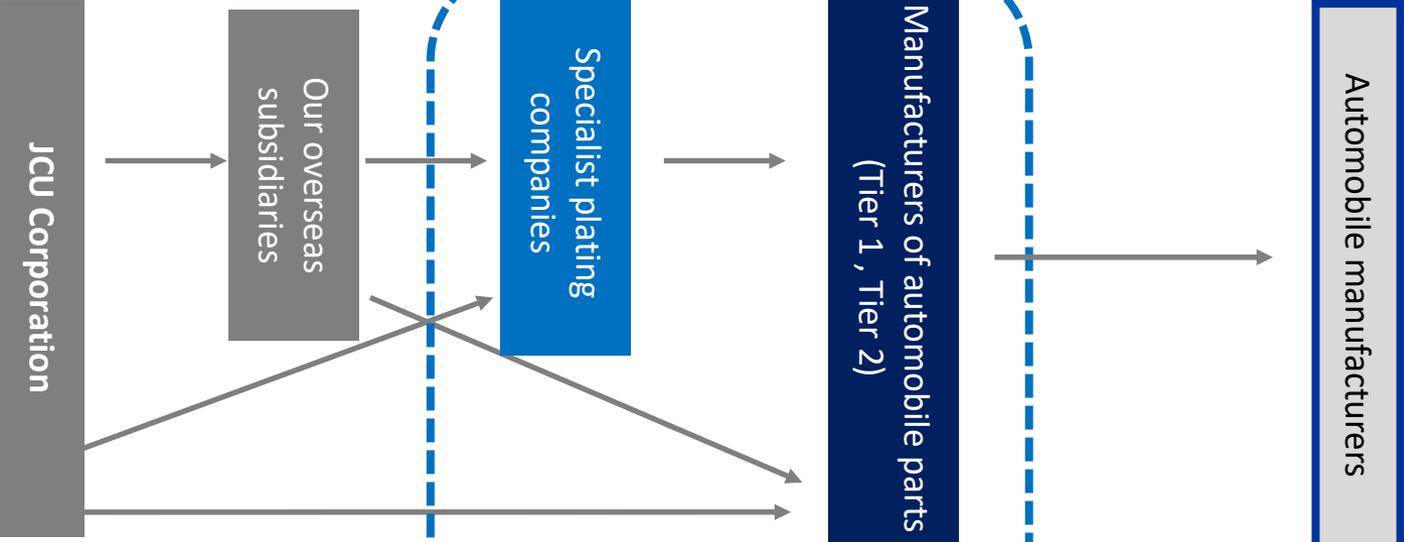
## ISO Certificates

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)

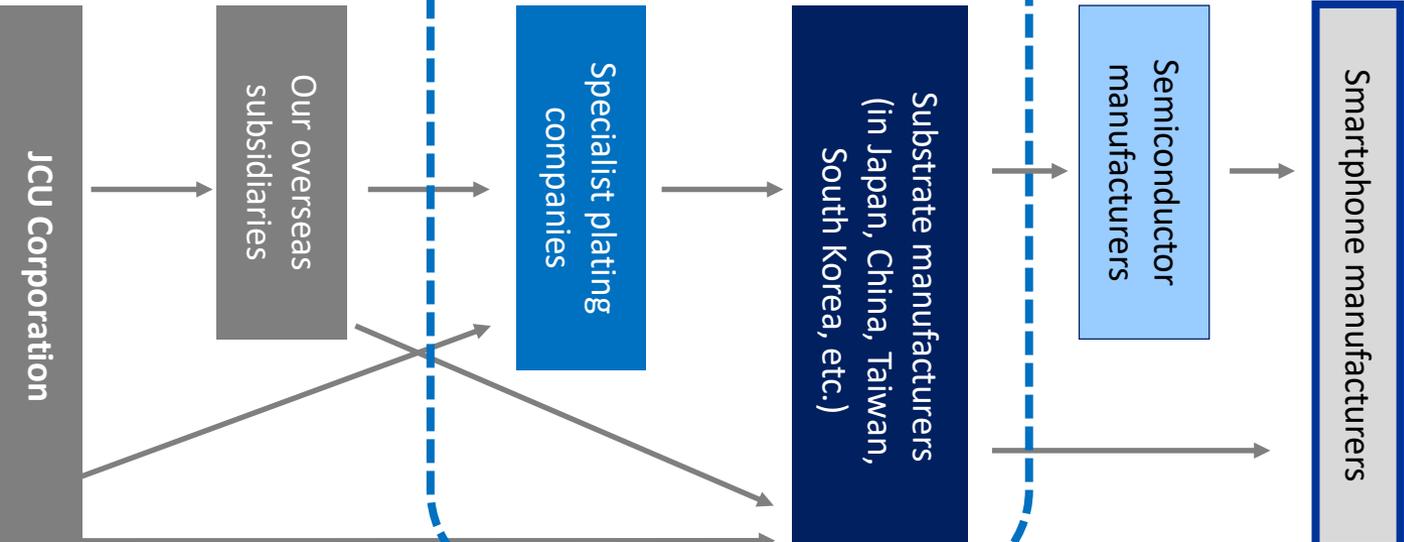
# Major Distribution Channels

Customers (sold-to)

## Automobiles



## Smartphones



# Major Products

<b>Chemicals Business</b>	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)

<b>Machine Business</b>	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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