JCU CORPORATION

Financial Results Briefing Material

for the First Half of the Fiscal Year Ending March 2025

JCU CORPORATION

TSE Prime (Stock Code: 4975)

November 7, 2024

Summary of Consolidated Financial Results for 1H FY3/25

Accounting Period of 1H FY3/25
JCU (non-consolidated): April 1 to September 30, 2024
Overseas subsidiaries: January 1 to June 30, 2024

Chemicals Business

For electronic components

- China: The inventory adjustment of high-performance electronic devices including smartphones ran its course, resulting in a recovery trend in the demand for PWBs. As a result, sales of chemicals substantially increased year over year.
- Taiwan: With signs of recovery in the semiconductor market, demand for servers and semiconductor package substrates for high-performance electronic devices moderately expanded. As a result, sales of chemicals increased year over year.
- South Korea: Due to the bottoming out of the semiconductor market and the progress in inventory adjustment by customers, demand for semiconductor package substrates showed a moderate recovery. As a result, sales of chemicals increased year over year.

For decoration

- Japan: Although the impact of the suspension of shipments by some automobile manufacturers eased, demand for chemicals declined due to changes in design trends. As a result, sales of chemicals decreased year over year.
- China: Despite increases in automobile production due to an improvement in shortages of semiconductors and parts, demand for automobile parts which is subject to our business decreased. Sales of chemicals stayed flat year over year.

Machine Business

- Sales increased thanks to the ordered projects progressing on schedule. However, orders received and order backlog decreased due to a decline in new orders for large projects.

Summary of Financial Results for 1H FY3/25

(Millions of yen)

	1H FY3/23	1H FY3/24	1H FY3/25		
	Results	Results	Forecasts	Results	YoY % Change
Net sales	13,117	10,864	12,100	12,736	17.2%
Operating profit	4,680	3,095	3,870	4,665	50.7%
Ordinary profit	4,720	3,202	3,870	4,983	55.6%
Profit attributable to owners of parent	3,326	2,177	2,680	3,385	55.5%
Net income per share	128.26 yen	85.04 yen	105.78 yen	133.72 yen	-

Foreign Exchange Rates

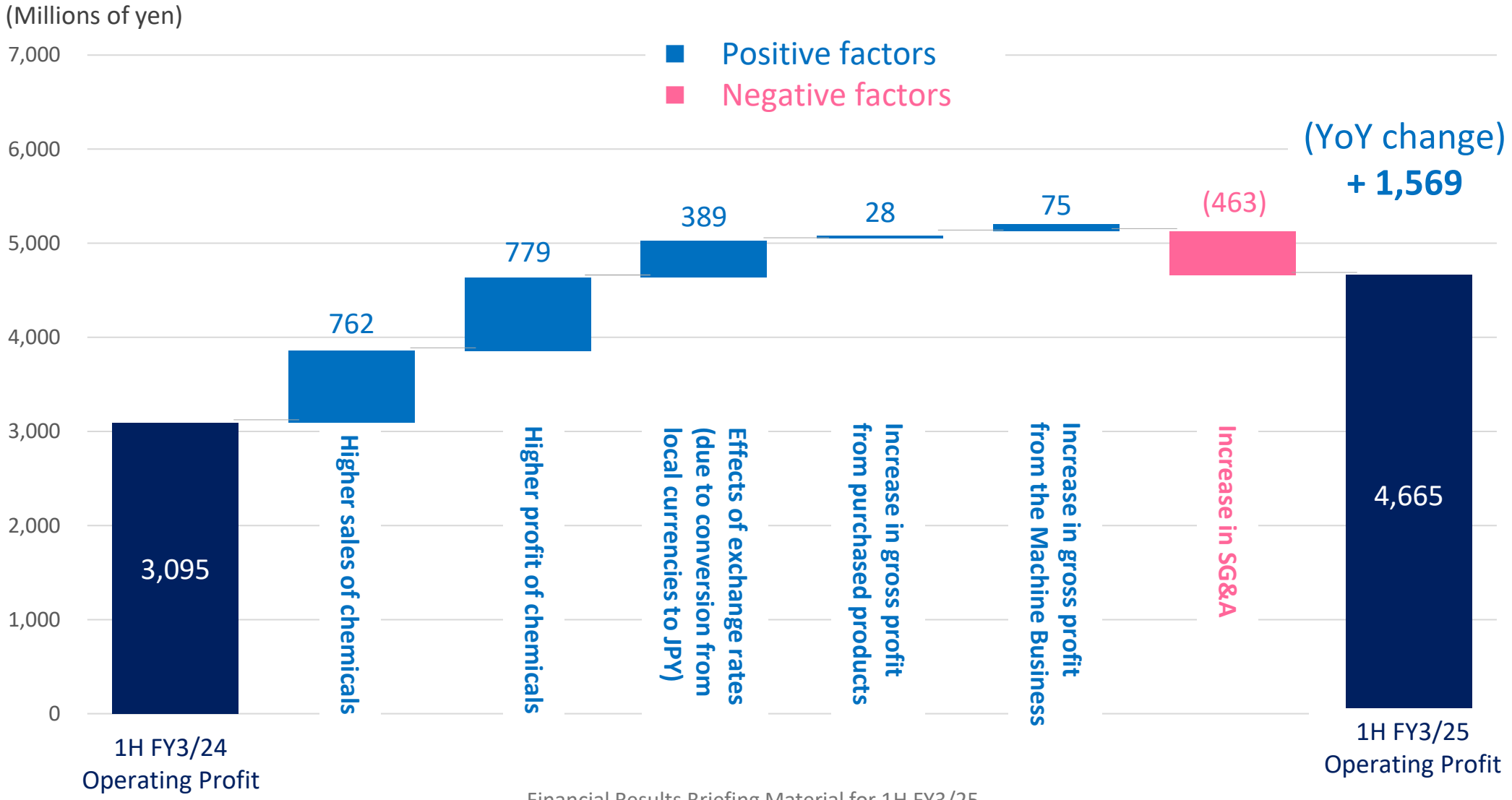
Foreign exchange sensitivity (as at the consolidated year):
Changes of about 100 million yen in consolidated operating profit with 1% change in major currency rates listed below

(Yen)

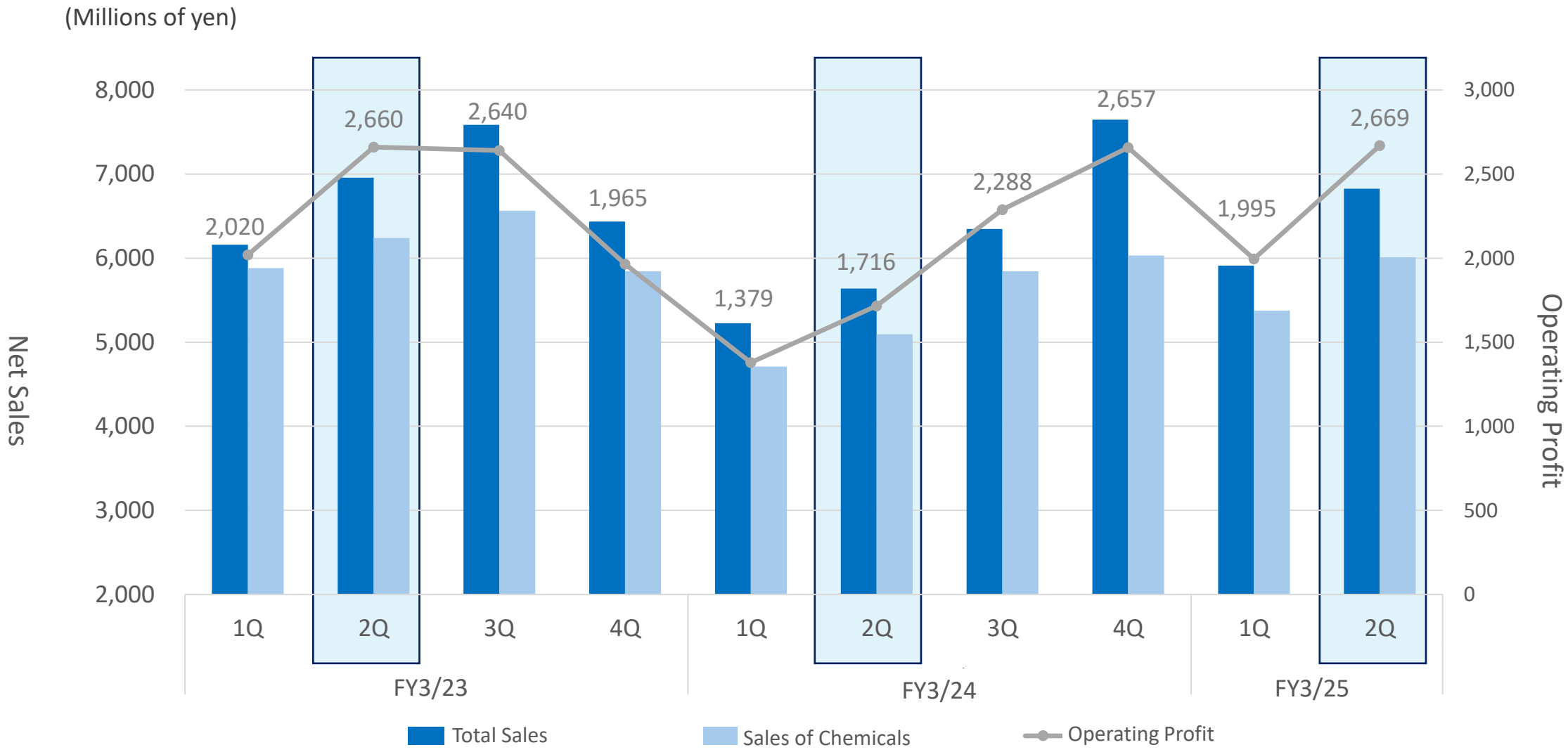
	FY3/24				FY3/25		
	1Q	2Q	3Q	4Q	(Initial forecast)	1Q	2Q
Chinese yuan (CNY)	19.34	19.45	19.61	19.82	20.40	20.63	21.05
Taiwan dollar (TWD)	4.36	4.42	4.47	4.51	4.60	4.73	4.78
Korean won (KRW)	0.1039	0.1042	0.1062	0.1076	0.1100	0.1117	0.1127

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.

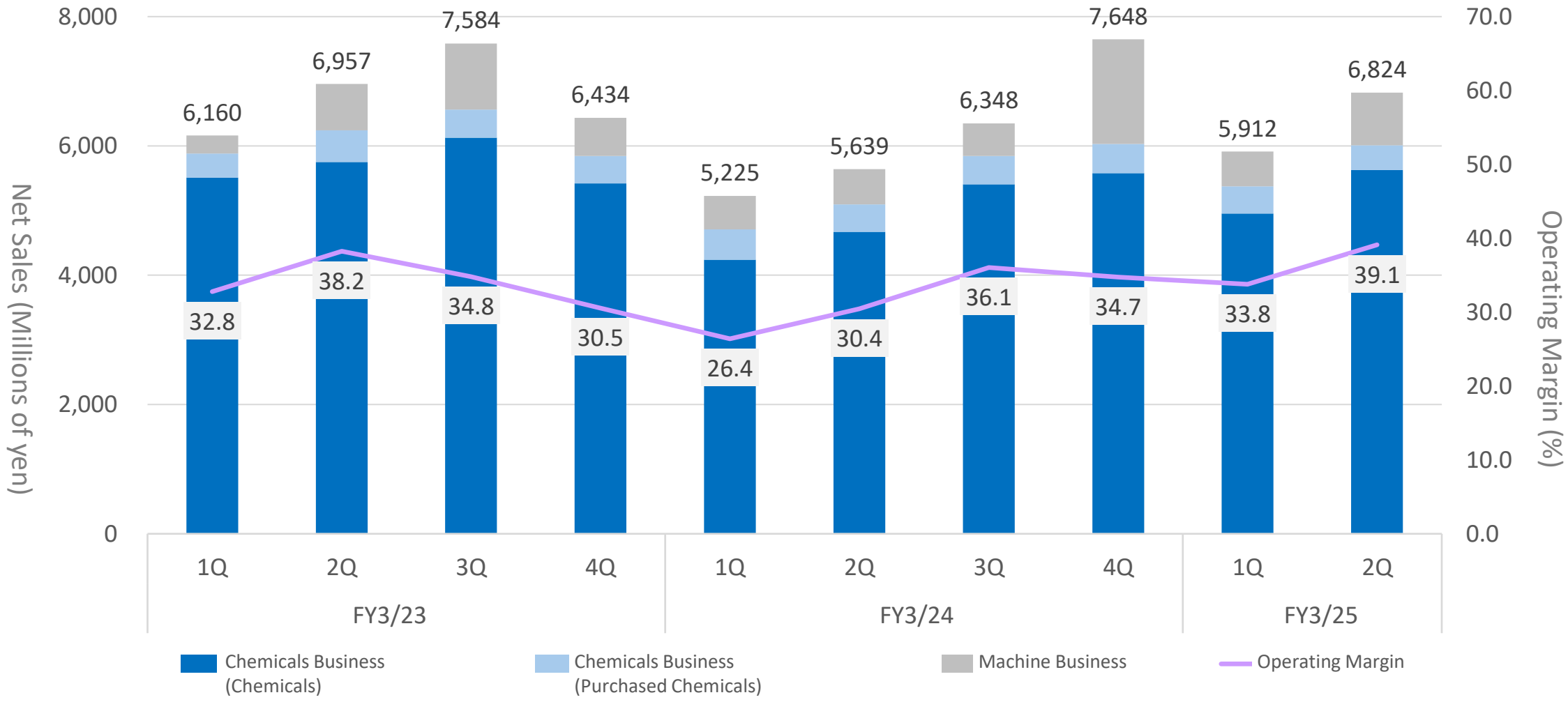
Changes in Consolidated Operating Profit for 1H FY3/25



Quarterly Consolidated Financial Results

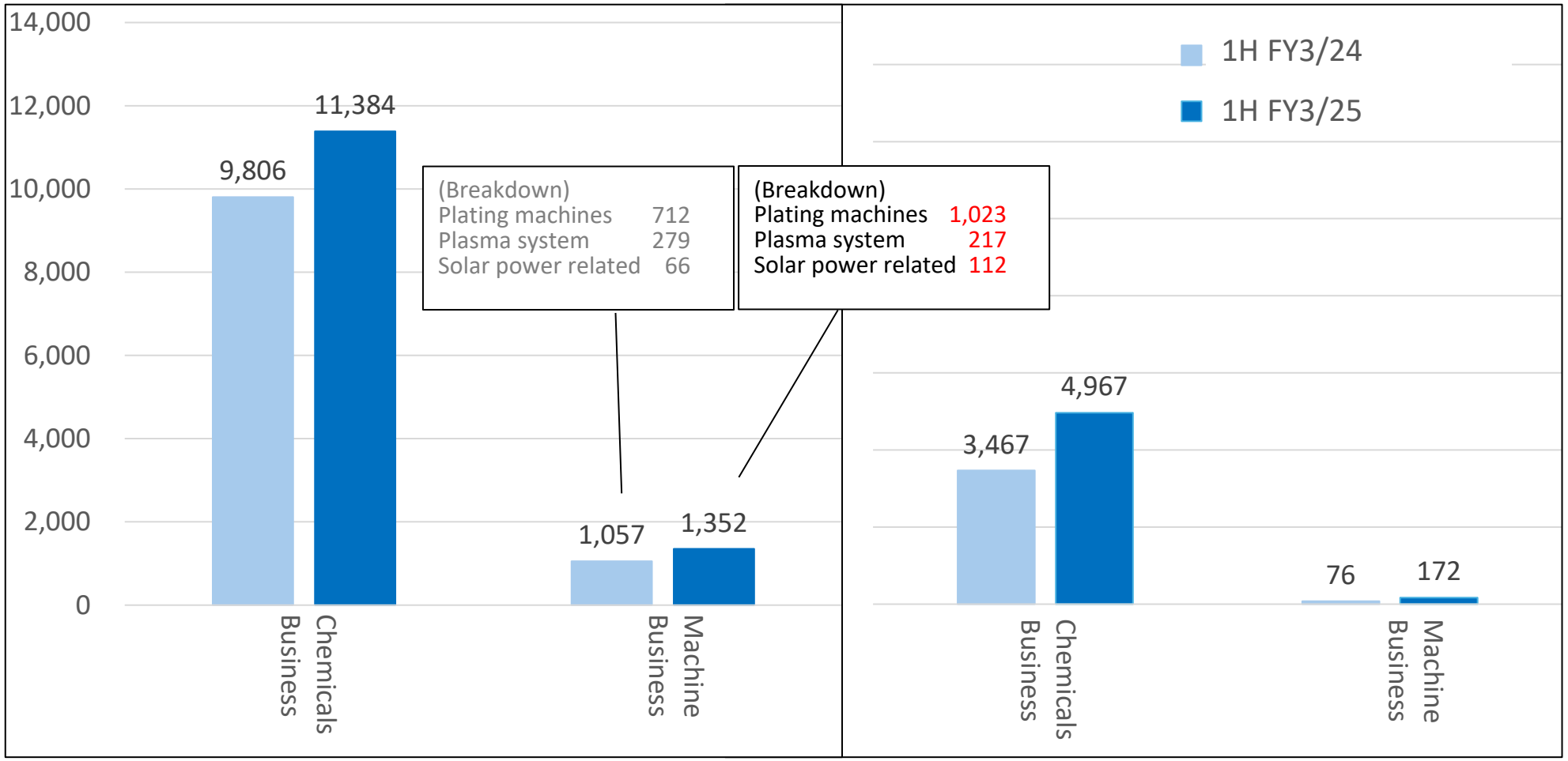


Quarterly Consolidated Financial Results (By Segment)



Consolidated Segment Results for 1H FY3/25

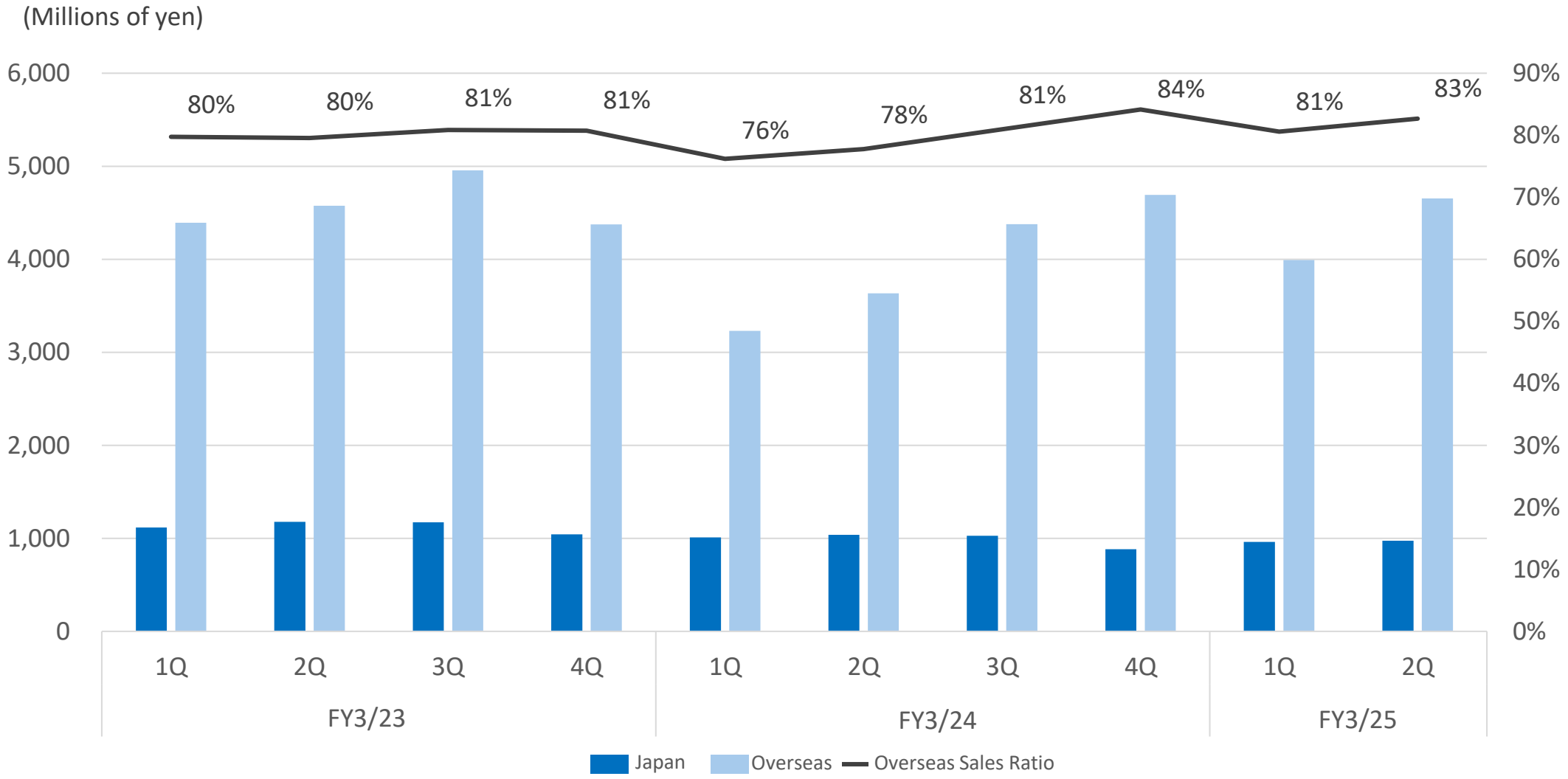
(Millions of yen)



Net Sales

Segment Profit (Loss)

Quarterly Sales of Chemicals in Japan and Overseas

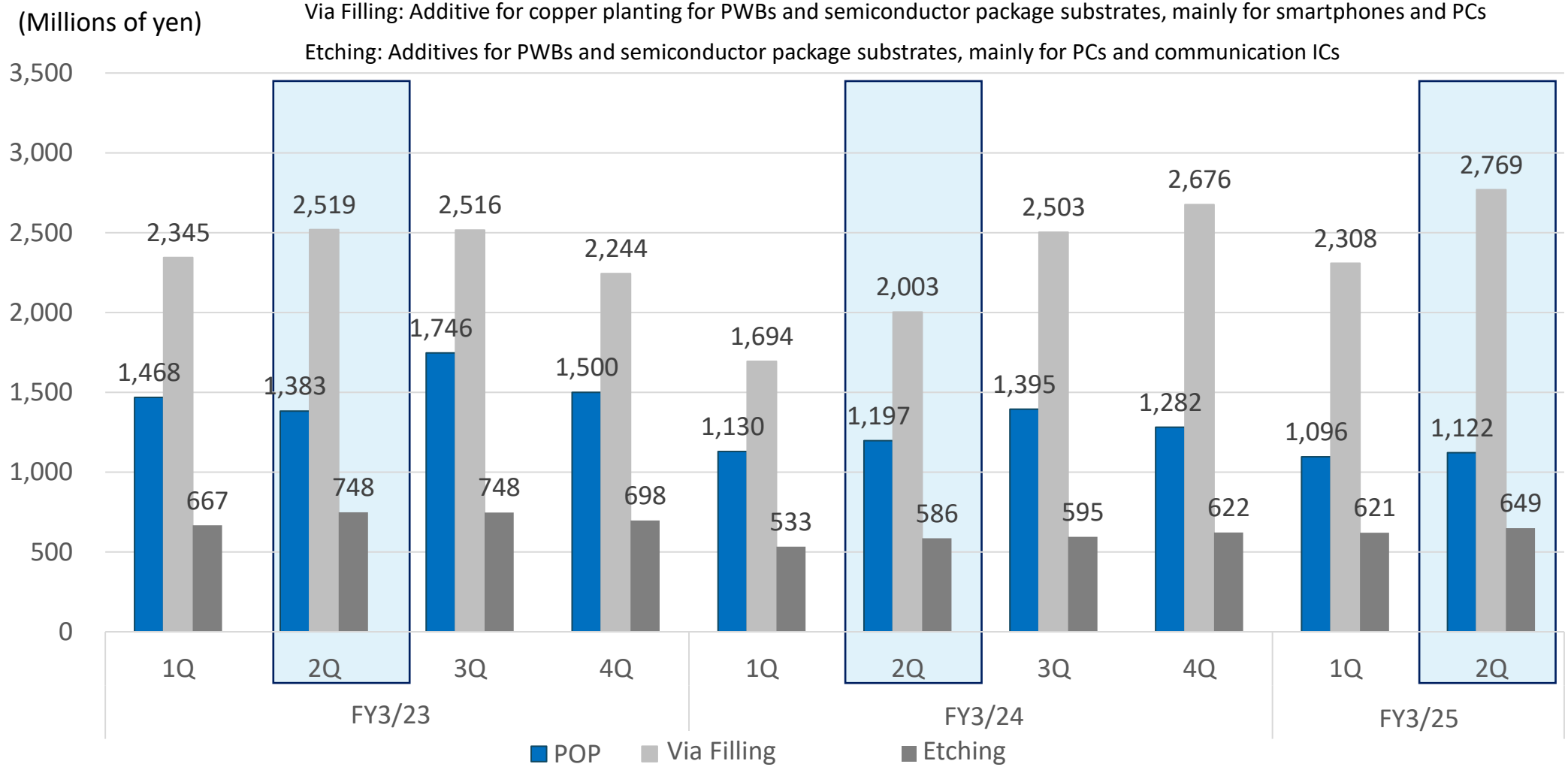


Chemicals for POP, Via Filling and Etching | Quarterly Sales

POP: Planting on Plastics, mainly for automotive components

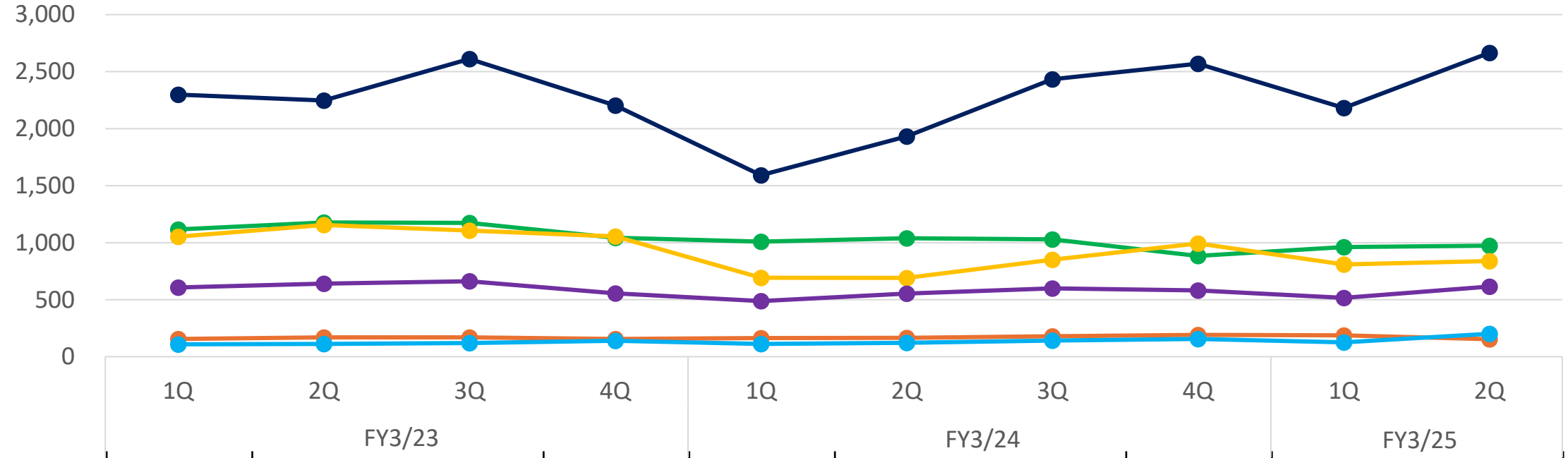
Via Filling: Additive for copper planting for PWBs and semiconductor package substrates, mainly for smartphones and PCs

Etching: Additives for PWBs and semiconductor package substrates, mainly for PCs and communication ICs



Quarterly Sales of Chemicals by Region

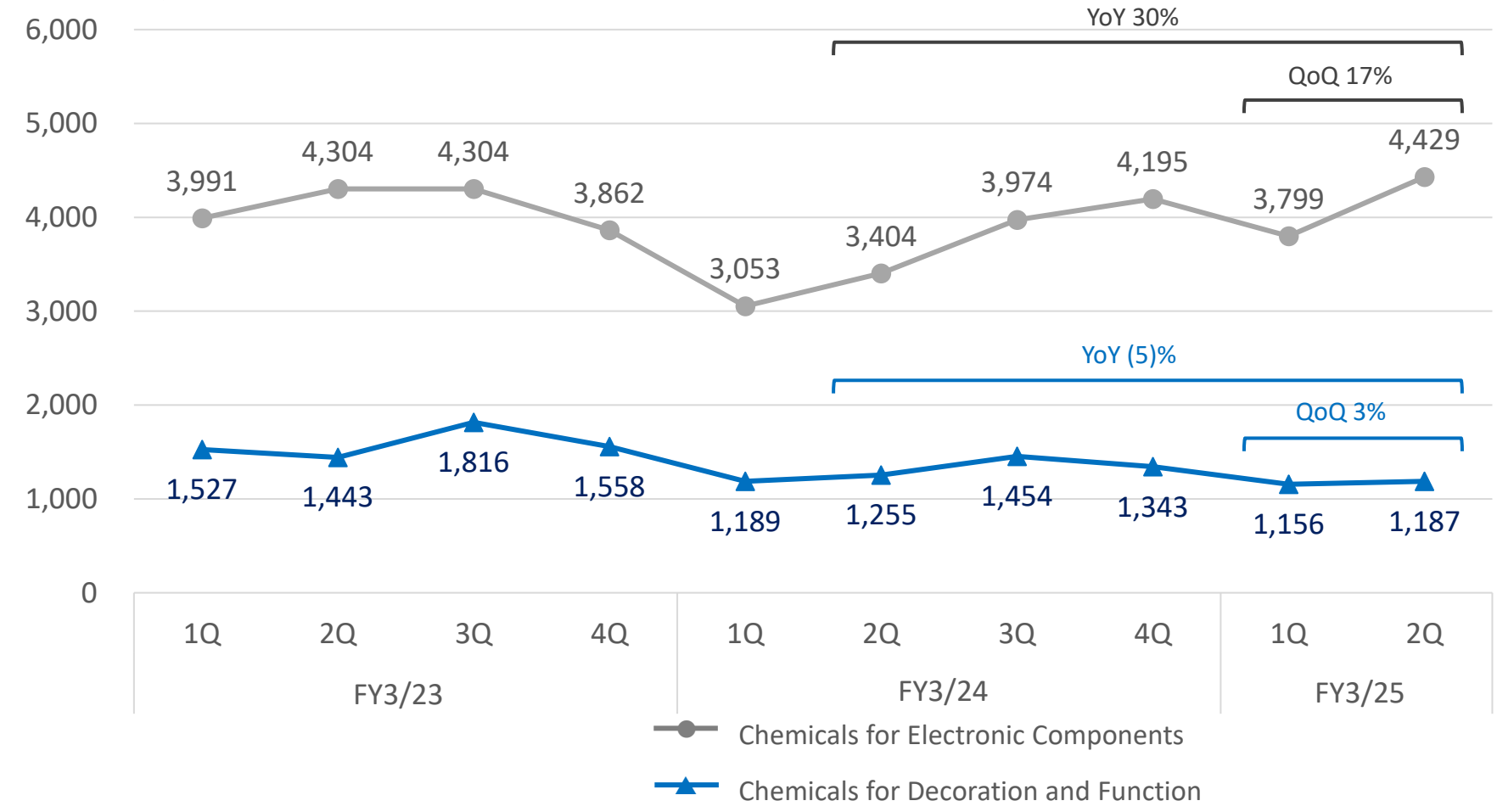
(Millions of yen)



Japan	1,117	1,177	1,173	1,043	1,009	1,038	1,028	884	962	974
China	2,307	2,247	2,612	2,203	1,591	1,931	2,432	2,569	2,181	2,665
Taiwan	1,052	1,155	1,106	1,054	692	691	851	994	809	839
S. Korea	607	641	662	556	488	553	598	582	517	616
Thailand	156	170	170	155	164	166	179	191	186	154
Vietnam	109	112	120	139	111	121	142	156	127	201

Quarterly Sales of Chemicals by Category

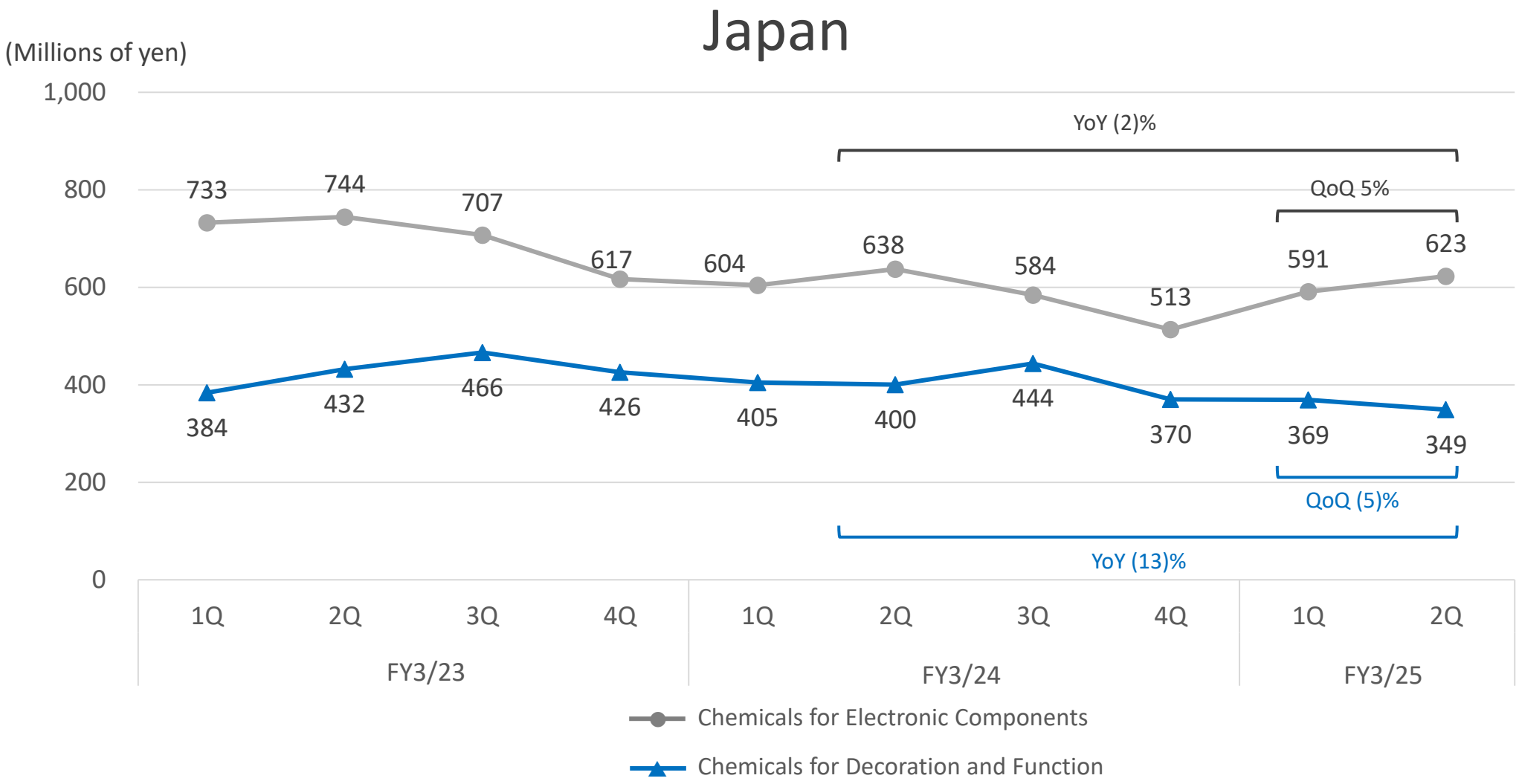
Consolidated



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

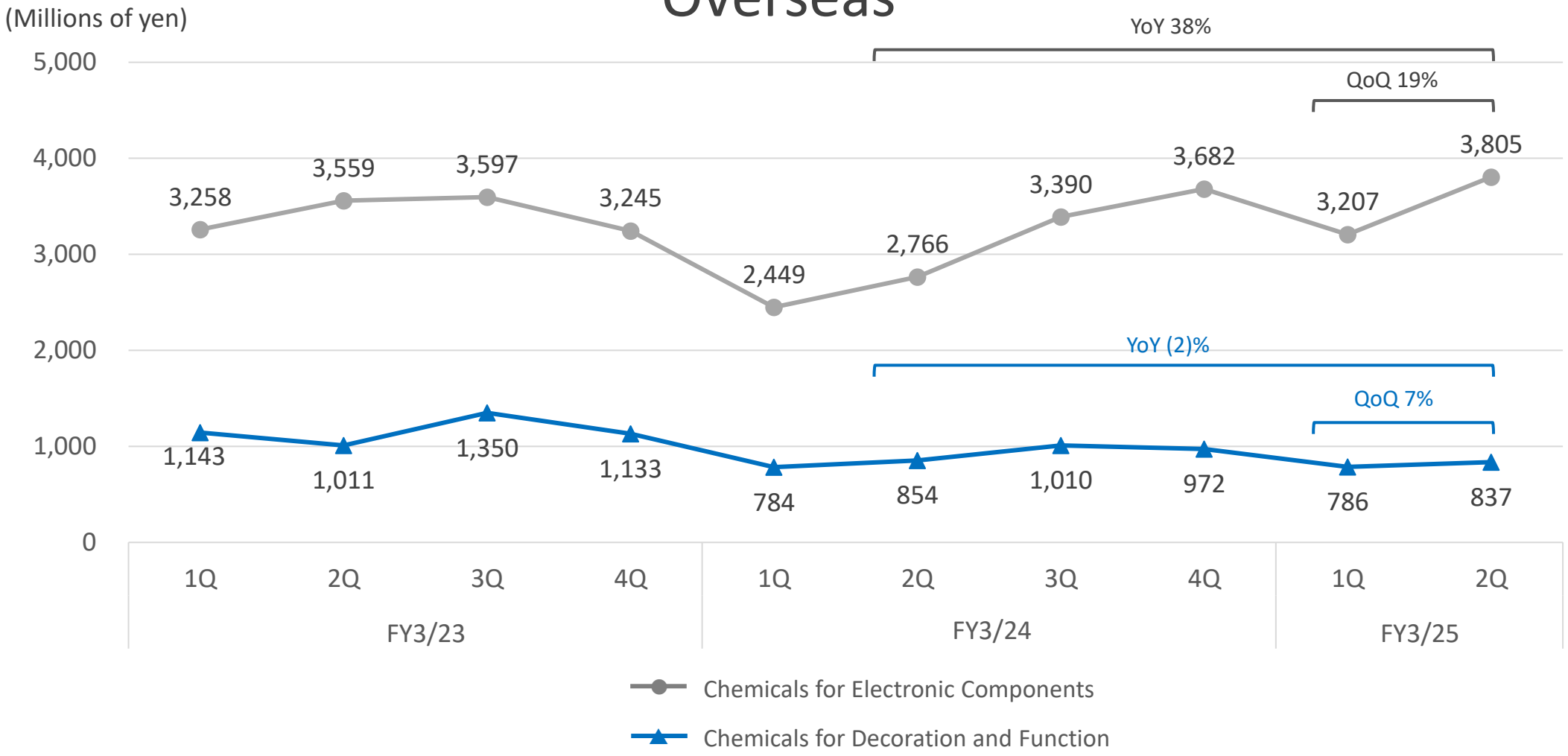
(Chemicals for Decoration and Function)
Core Products: POP
Chemicals for decoration and rust-proofing
Surface treatment chemicals mainly for automotive components and water faucet clasps

Quarterly Sales of Chemicals by Region

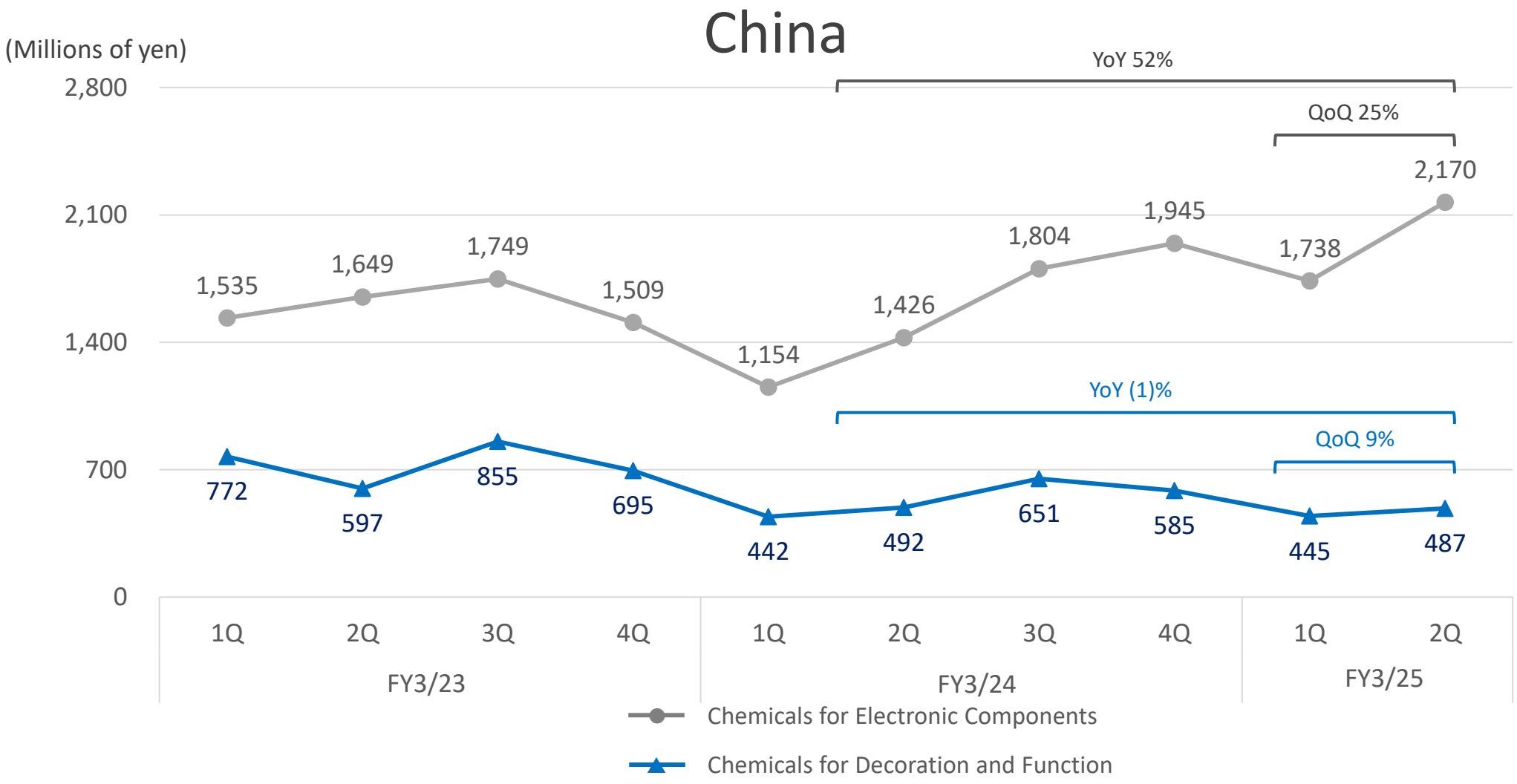


Quarterly Sales of Chemicals by Region

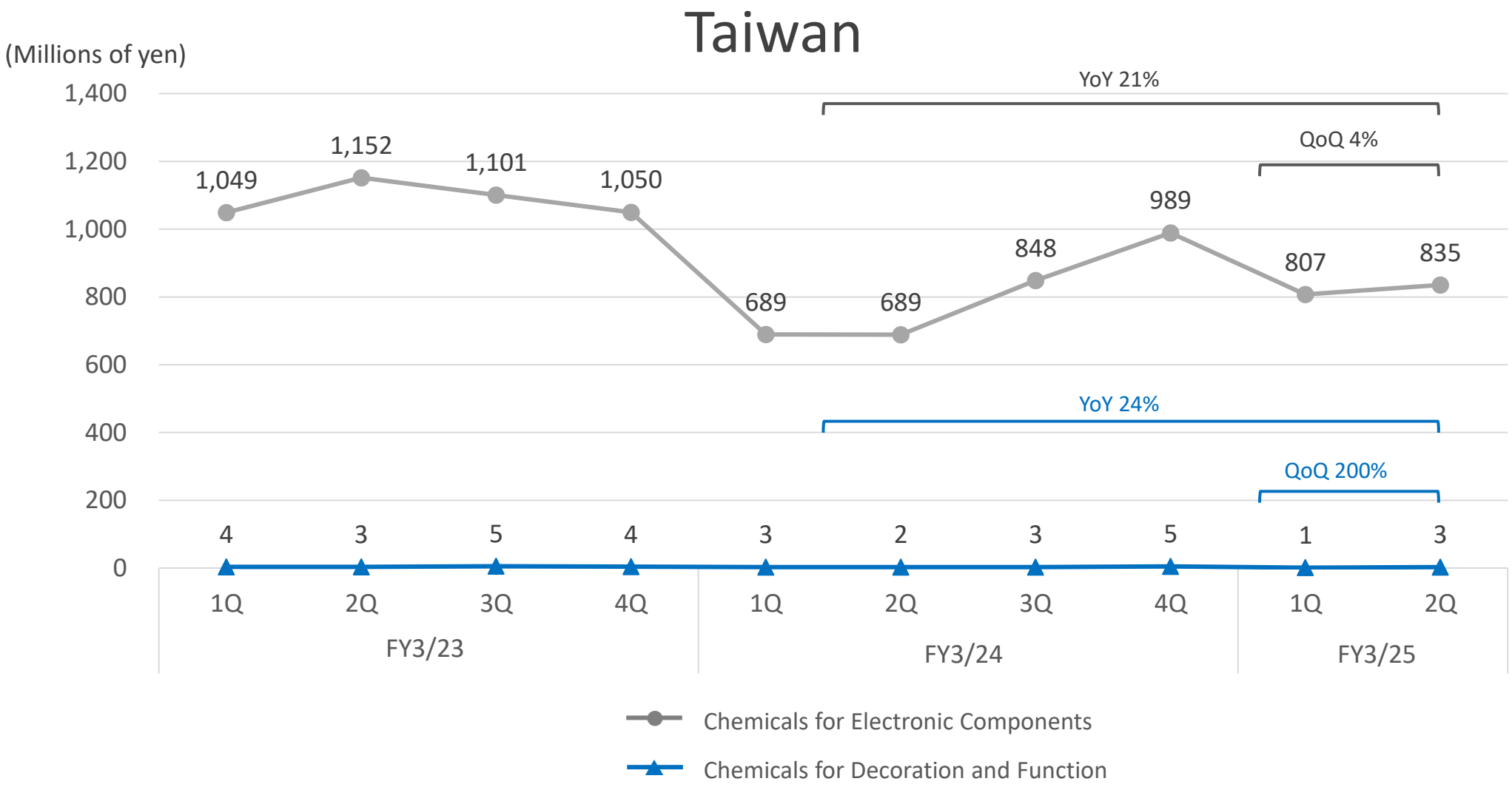
Overseas



Quarterly Sales of Chemicals by Region

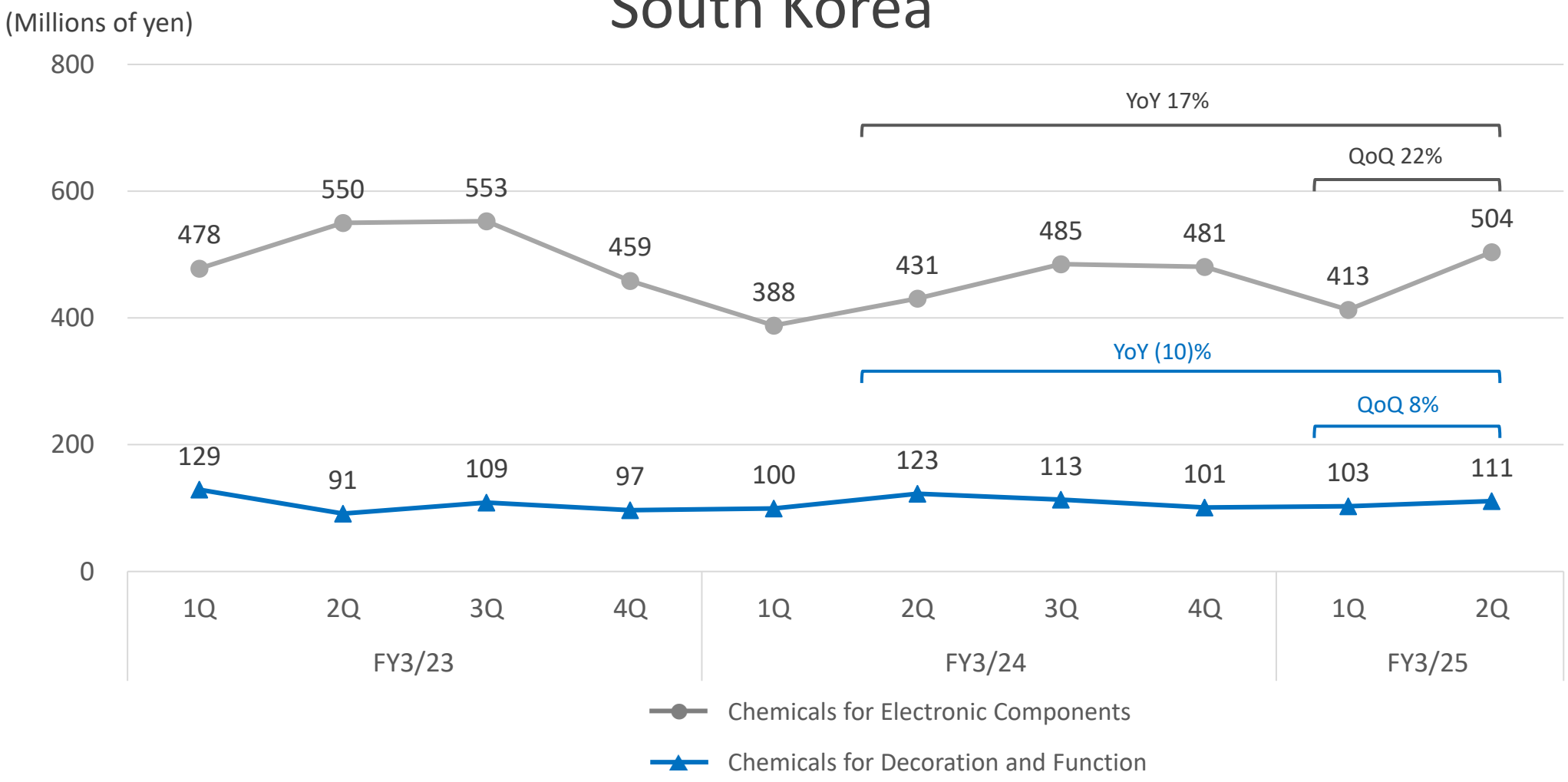


Quarterly Sales of Chemicals by Region



Quarterly Sales of Chemicals by Region

South Korea

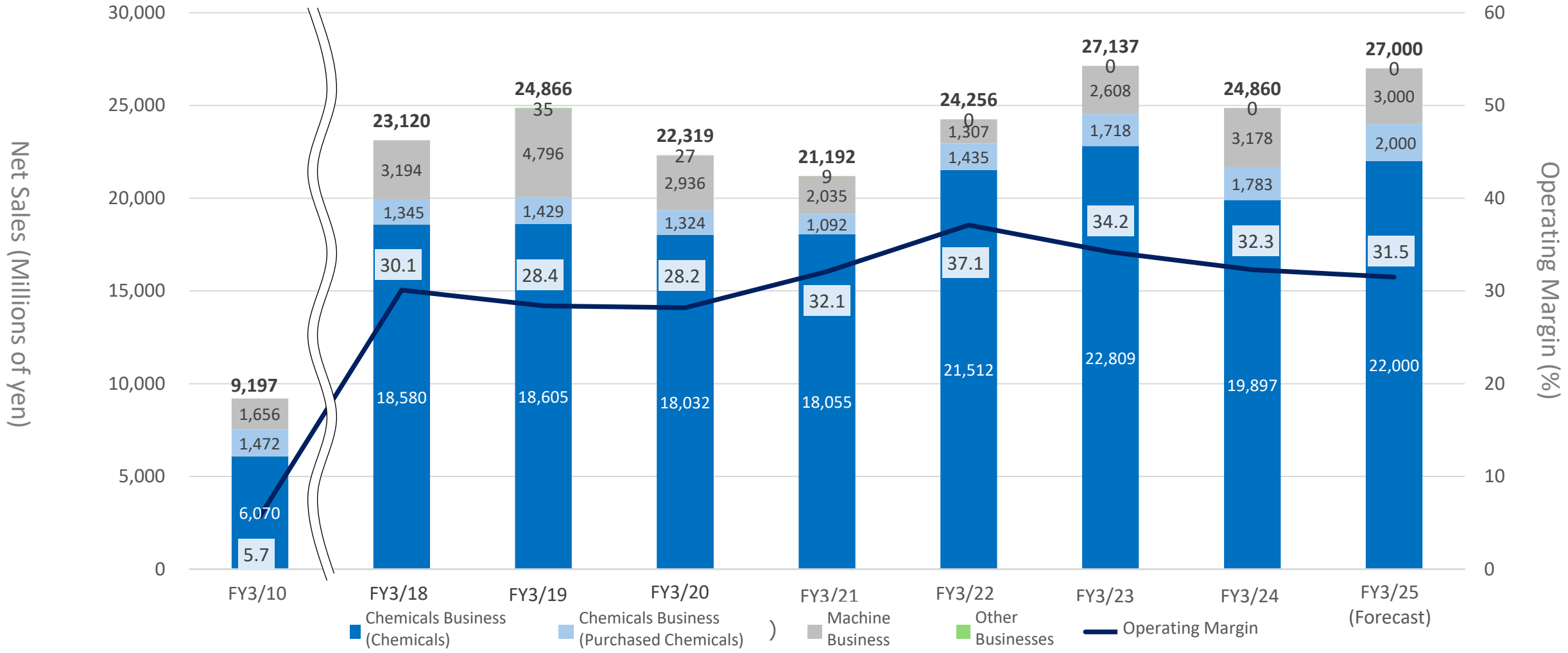


Forecasts for FY3/25

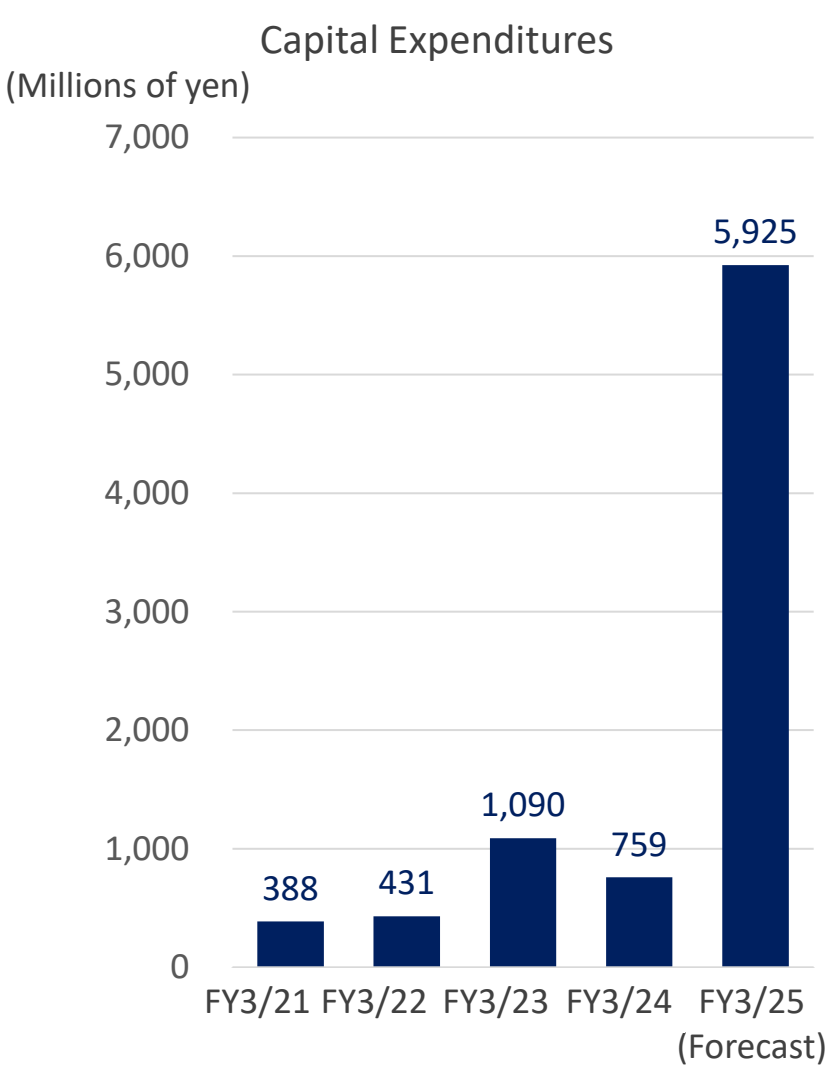
(Millions of yen)

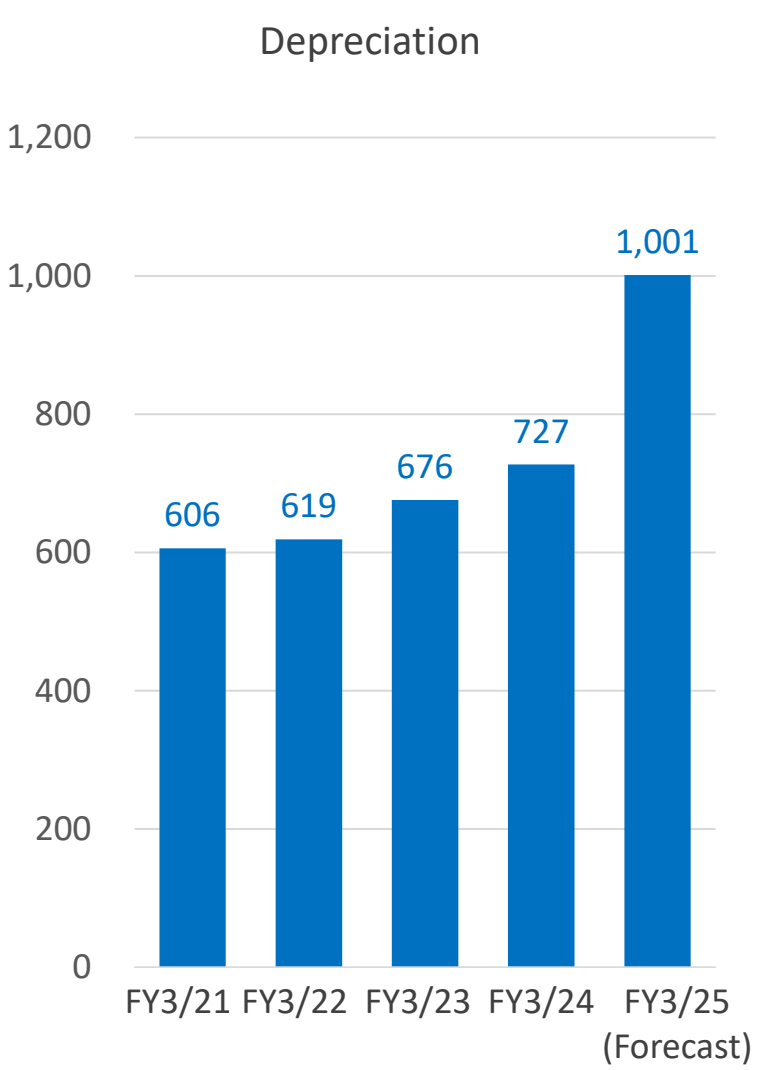
	FY3/24 Full year results	FY3/25 1H results	FY3/25 Full year forecasts	Progress rate against full-year forecast
Net sales	24,859	12,736	27,000	47.2%
Operating profit	8,041	4,665	8,500	54.9%
Ordinary profit	8,216	4,983	8,500	58.6%
Profit attributable to owners of parent	5,530	3,385	5,900	57.4%
Net income per share	216.95 yen	133.72 yen	232.90 yen	-

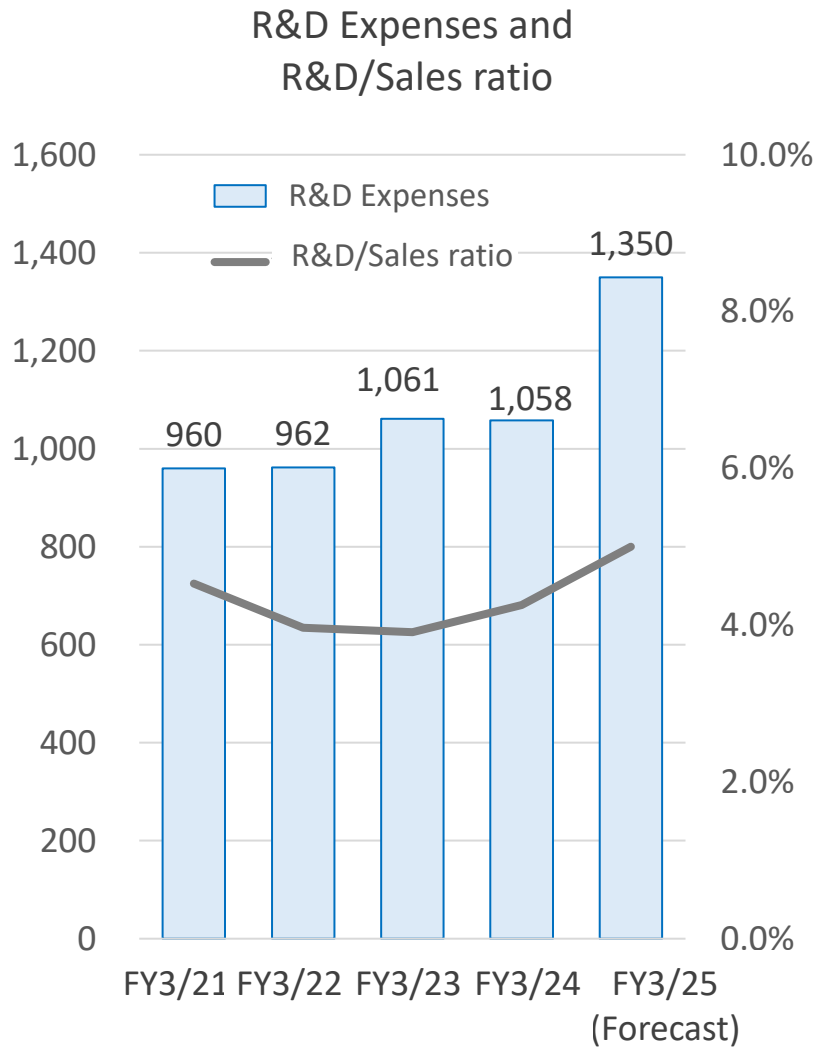
Annual Sales by Business (incl. Forecast)



Capital Expenditures, Depreciation and R&D Expenses



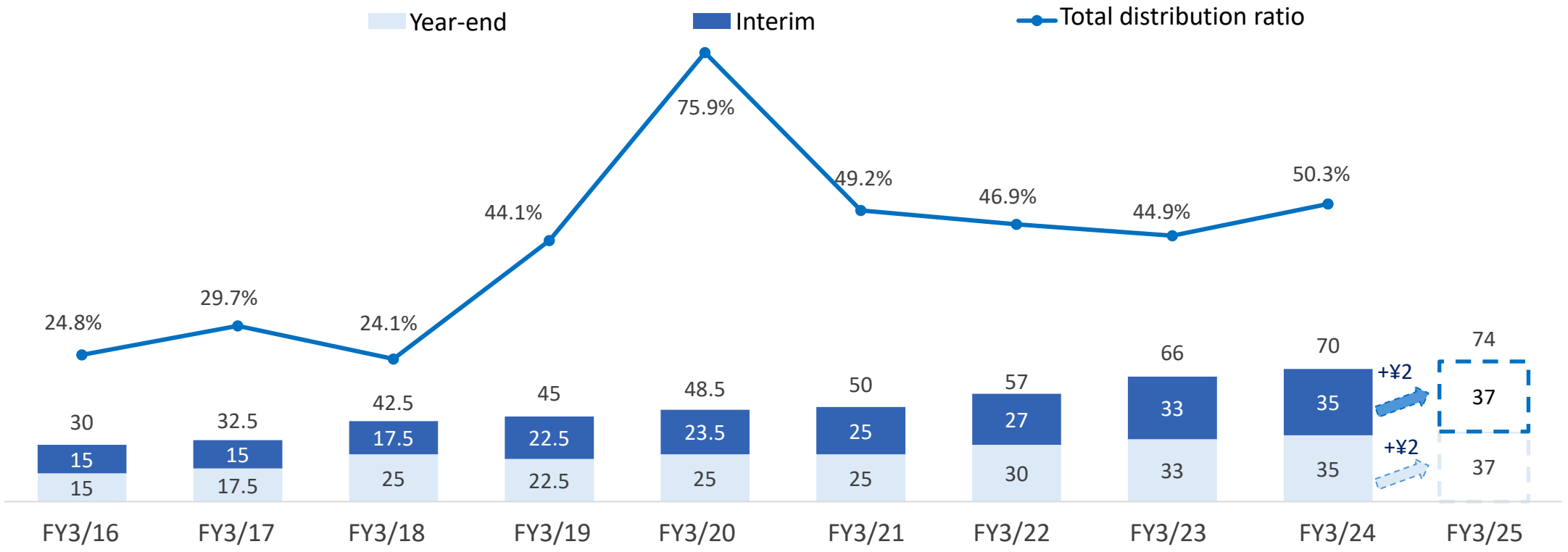




FY3/25 Equity Policy

Dividends per share (Forecasts)	Interim dividend: 37 yen Year-end dividend: 37 yen

Plans to increase dividends for 15 consecutive fiscal years



Basic policy

- Continue to make investments for sustainable growth while securing liquidity on hand and maintaining stable financial base
- Continue a consistent dividend increase
- Return profits to shareholders through well-timed repurchases of stock with total distribution ratio of about 50%

Efforts in Addressing ESG Challenges

JCU aims to become a global company that continues to grow in a sustainable fashion by addressing ESG challenges through its business activities.

Environment

Development of environmentally responsible products

- Chromic acid-free etching process
- Eco-friendly chemical nickel plating process
- Eco-friendly decorative copper sulfate plating process

CO2 emissions (non-consolidated)

1,005 tons of CO_2 (as of end-March 2024)

* Down 30.6% from those in FY3/14

ESG external rating

CDP climate change 2023: received a score of B

CDP DISCLOSER 2023

Social

Ratio of female managers (non-consolidated)

11.6% (as of end-March 2024)

ISO 9001 certified production sites in Japan and overseas

12 sites in 7 countries (as of end-March 2024)

* Japan, China, Taiwan, South Korea, Thailand, Vietnam, and Mexico

Governance

Corporate governance structure

- Number of Directors
  Internal: 6, Outside: 3 (including 1 female)
- Number of Audit & Supervisory Board Members
  Full-time: 1, Outside: 2 (including 1 female)

Reference

- Company Profile
- Surface Treatment Technology in Future
- Major Distribution Channels
- Usages of Chemicals and Typical Final Products

Company Profile

Founded in	:	December 1957
Established on	:	April 1, 1968
Capital stock	:	1,281 million yen
Annual sales	:	Non-consolidated: 13.8 billion yen / Consolidated: 24.8 billion yen (For the fiscal year ended March 31, 2024)
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 Akihisa Omori, President and COO
Employees	:	Non-consolidated: 235 / Consolidated: 538 (As of March 31, 2024)

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)

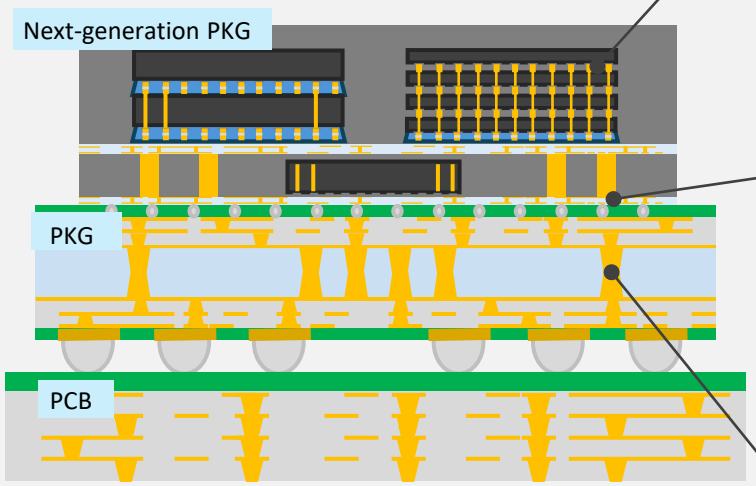
Surface Treatment Technology in Future —Electronic Components—

Target

Next-generation PKG boards for AI accelerators, data centers, high-performance electronic devices

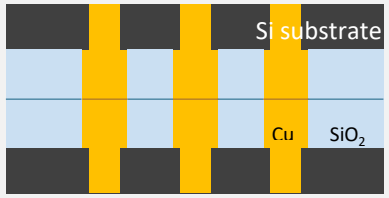
Surface treatment technology in future

2.xD/3D package



- Diversified packaging technology for high performance
- High-density mounting allows use of larger substrates
- Shorter connections between chips

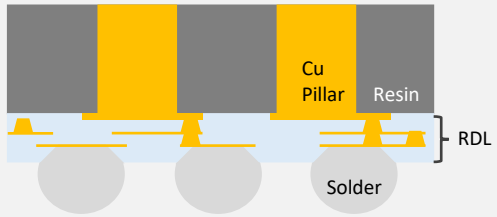
Hybrid bonding



Expected primary application
Memory

Performance required by surface treatment technology
Higher reliability for connectivity
Outstanding electrical properties

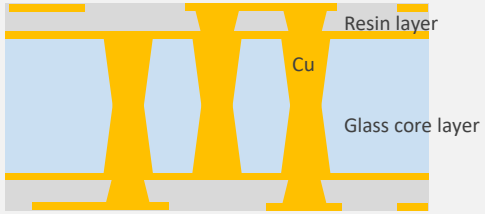
RDL (Redistribution layer)



Expected primary application
FO-WLP / PLP
RDL interposers

Performance required by surface treatment technology
Improve within wafer non-uniformity
Improve via filling for thin-film layer

TGV (Through-glass via)



Expected primary application
Glass core substrates (FC-BGA)
Glass interposers

Performance required by surface treatment technology
Void free
Improve via filling for thin-film layer

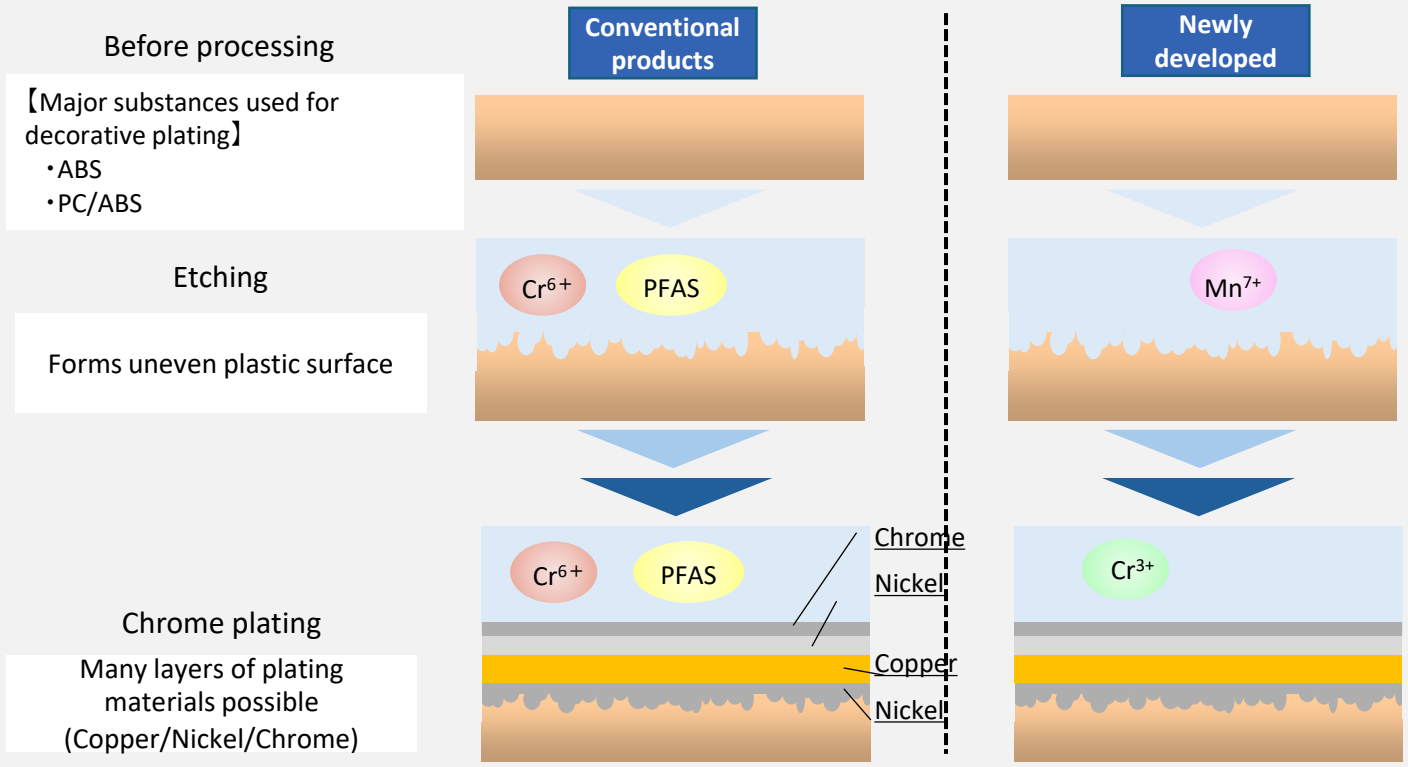
Surface Treatment Technology in Future —Decoration & Function—

Target	Automotive components (front grilles, door handles, emblems, etc.) Faucet parts (showerheads, drain plugs, etc.)

Surface treatment technology in future

Environmentally friendly surface treatment technology

Plating technology with no hexavalent chromium (Cr^{6+}) and no PFAS



Cross-sectional Image

Cr^{6+} free
PFAS free

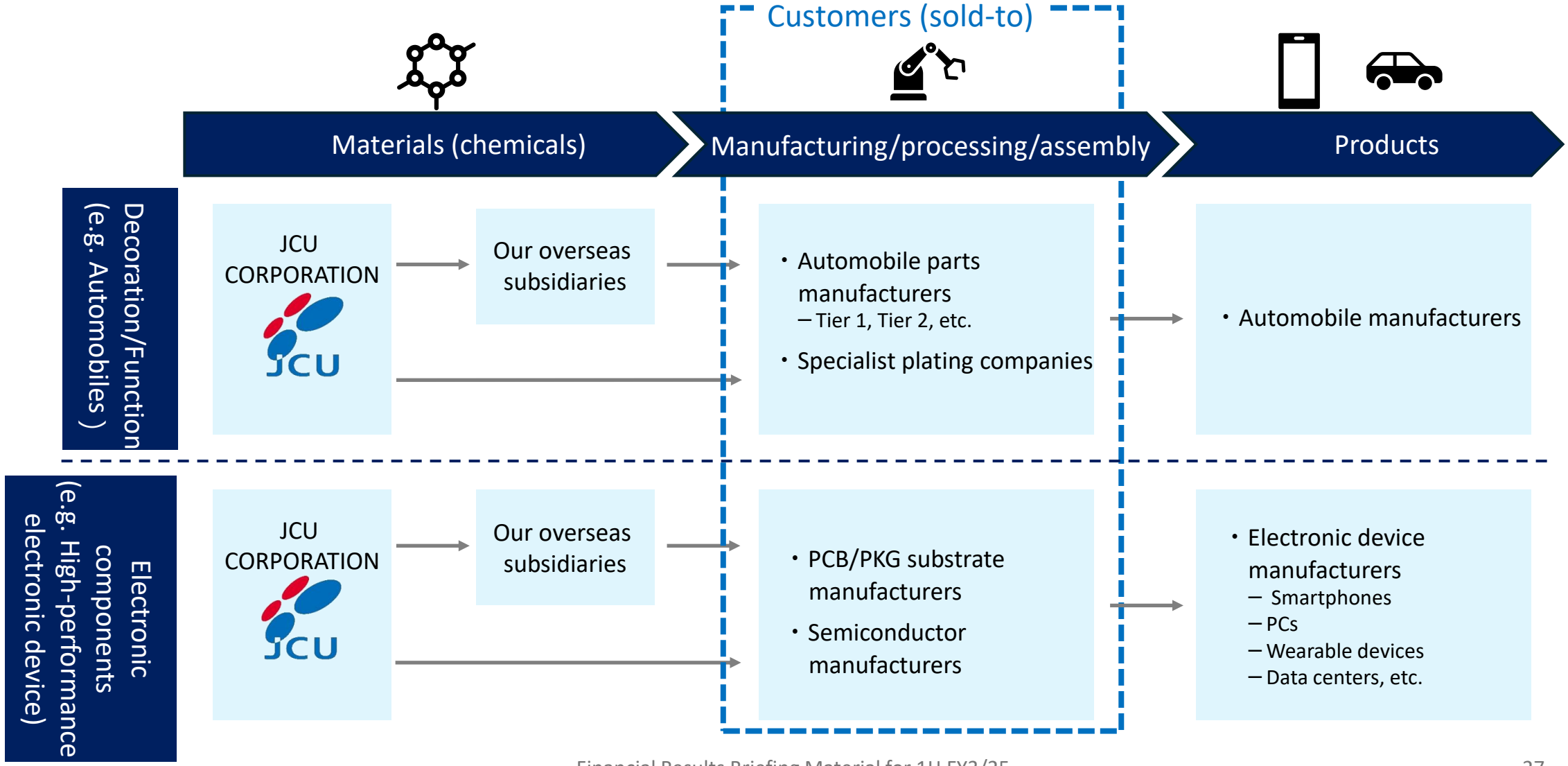
〇Conventional process

Uses environmentally harmful Cr^{6+} and PFAS in the first and last processes of decorative plating on plastic

〇Environmentally friendly process created by JCU

A comprehensive process with a low environmental impact due to the elimination of Cr^{6+} and PFAS from all processes

Major Distribution Channels



Usages of Chemicals and Typical Final Products

Description of term		Final products
Chemicals for function/decoration	Surface treatment chemicals for decorative and function purposes such as those for providing a metal appearance and preventing rust.	Automotive parts, faucet parts, construction materials, etc.
POP (Plating on Plastics) chemicals	Chemicals for metal coating on plastics (Examples) Etching chemicals, various kinds of plating chemicals (copper, nickel and chrome), etc.	(Automotive parts) Front grilles, emblems, etc. (Faucet parts) Showerheads, water faucet cocks, etc.
Other	Chemicals for metal coating on metallic materials such as copper and steel	(Construction materials) Screws, hinges, etc.
Chemicals for electronic components	Plating chemicals for manufacturing PWBs, such as a circuit for electronic signals and an electrical contact for electronic components	High-performance electronic devices, data centers and other infrastructures, communication related components, etc.
Via filling chemicals	Chemicals used for copper plating holes (via) to create electrical connections between different layers of PCB substrates and of semiconductor package substrates and other semiconductor components	(High-performance electronic devices) Smartphones, PCs, tablets, game consoles, etc. (Data centers and other infrastructures) PWBs for communication servers, etc. (Communication related components) Base stations, in-vehicle PWBs, smart home appliances, etc.
Etching chemicals	Chemicals used to create the required patterns in PCBs and in semiconductor substrates and other semiconductor components by using a chemical reaction to remove a thin film of copper that was formed on the surface of materials used during the fabrication process	
Other	Plating chemicals for connecters and lead frames	
Surface treatment related equipment	Equipment designed to fully utilize the properties of chemicals used for surface treatment processes	Examples of surface treatment related equipment
Fully-automated surface treatment equipment	Fully-automated equipment from input of materials to completion of the plating process	 Plasma surface treatment system  Automatic analytical control systems
Peripheral equipment	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 surface treatment system	Etching and washing devices for PWBs as part of pre-plating processes	

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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