

# Financial Results Briefing Material

for the Third Quarter of the Fiscal Year  
Ending March 2021

**JCU** CORPORATION

TSE First Section (Stock Code: 4975)

February 3, 2021

# Summary of Consolidated Financial Results for 3Q FY3/21

## Overview of Financial Results

Accounting Period of 3Q FY3/21

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

Overseas subsidiaries: January 1 to September 30

### For electronic components

- China: Despite the decreased number of smartphones sold, business remained solid with the generally unchanged demand for chemicals for PWBs for antennas used in the base stations for the 5G mobile communication system and PWBs for surveillance cameras compliant with 5G.
- Taiwan: Business remained strong with the increased demand for chemicals for PWBs for high-performance electronic devices and semiconductor package substrates for servers, along with the start of mass production for the launch of new smartphone models.
- Korea: Demand for chemicals declined slightly because an increase in demand for semiconductor package substrates was not large enough to offset the decline up to the second quarter.

### For automotive components

- Japan: Demand for chemicals declined because a recovery trend in the domestic automotive industry was not strong enough to offset the decline up to the second quarter.
- Overseas: Although production in automotive component manufacturers was on a recovery track in China, demand for chemicals remained stagnant due to adjustment to automotive component inventory.

### Machine Business

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

# Summary of Consolidated Financial Results for 3Q FY3/21

(Millions of yen)

	Same period of previous FY (3Q FY3/20)	3Q FY3/21	YoY % Change
Net sales	16,021	15,424	(3.7)%
Operating profit	4,701	4,951	5.3%
Ordinary profit	4,675	4,992	6.8%
Profit attributable to owners of parent	3,324	3,403	2.4%
Net income per share	122.96 yen	128.66 yen	-

# Foreign Exchange Rates

(Yen)

	FY3/20				FY3/21			YoY % Change in yen's relative strength
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	
Chinese yuan (CNY)	16.32	16.20	15.89	15.78	15.61	15.39	15.38	3.2% stronger
Taiwan dollar (TWD)	3.58	3.55	3.52	3.53	3.62	3.61	3.62	2.8% weaker
Korean won (KRW)	0.0980	0.0961	0.0940	0.0937	0.0914	0.0898	0.0897	4.5% stronger

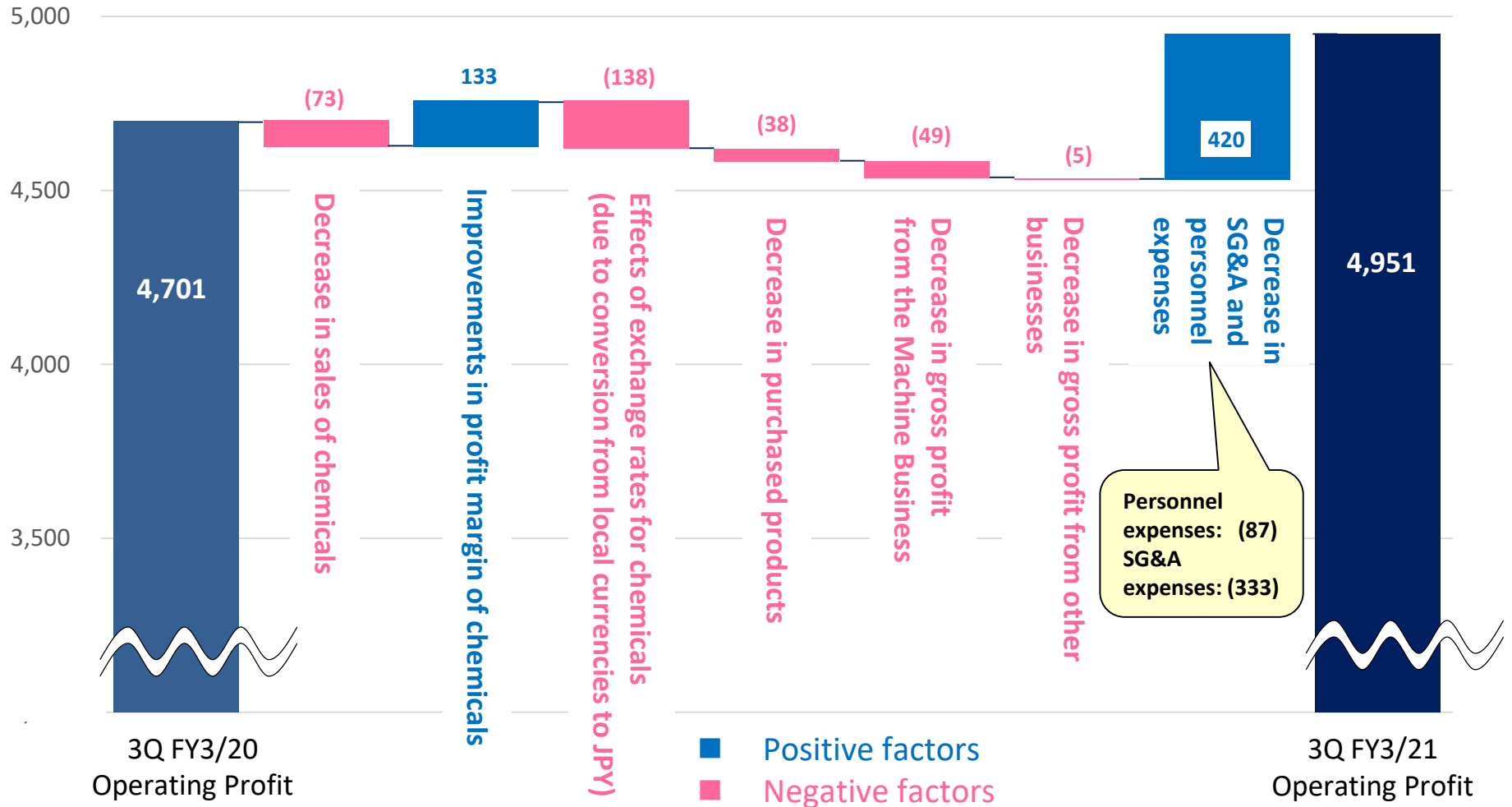
Note: The average rate for the period is used to translate Chinese yuan, Taiwan dollar and Korean won, our major foreign currencies, to Japanese yen.

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 3Q FY3/21

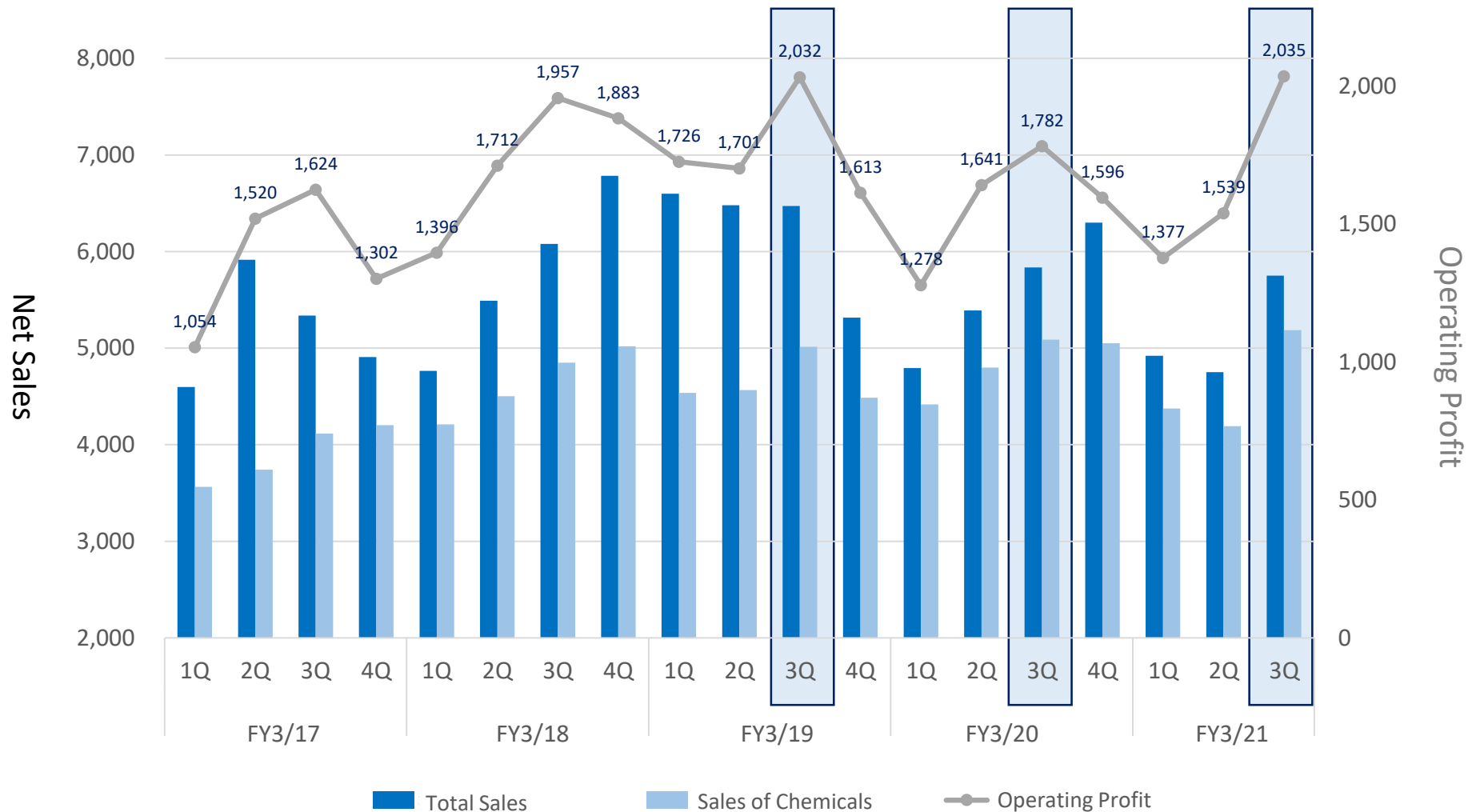
(Millions of yen)

(YoY change)  
**250**

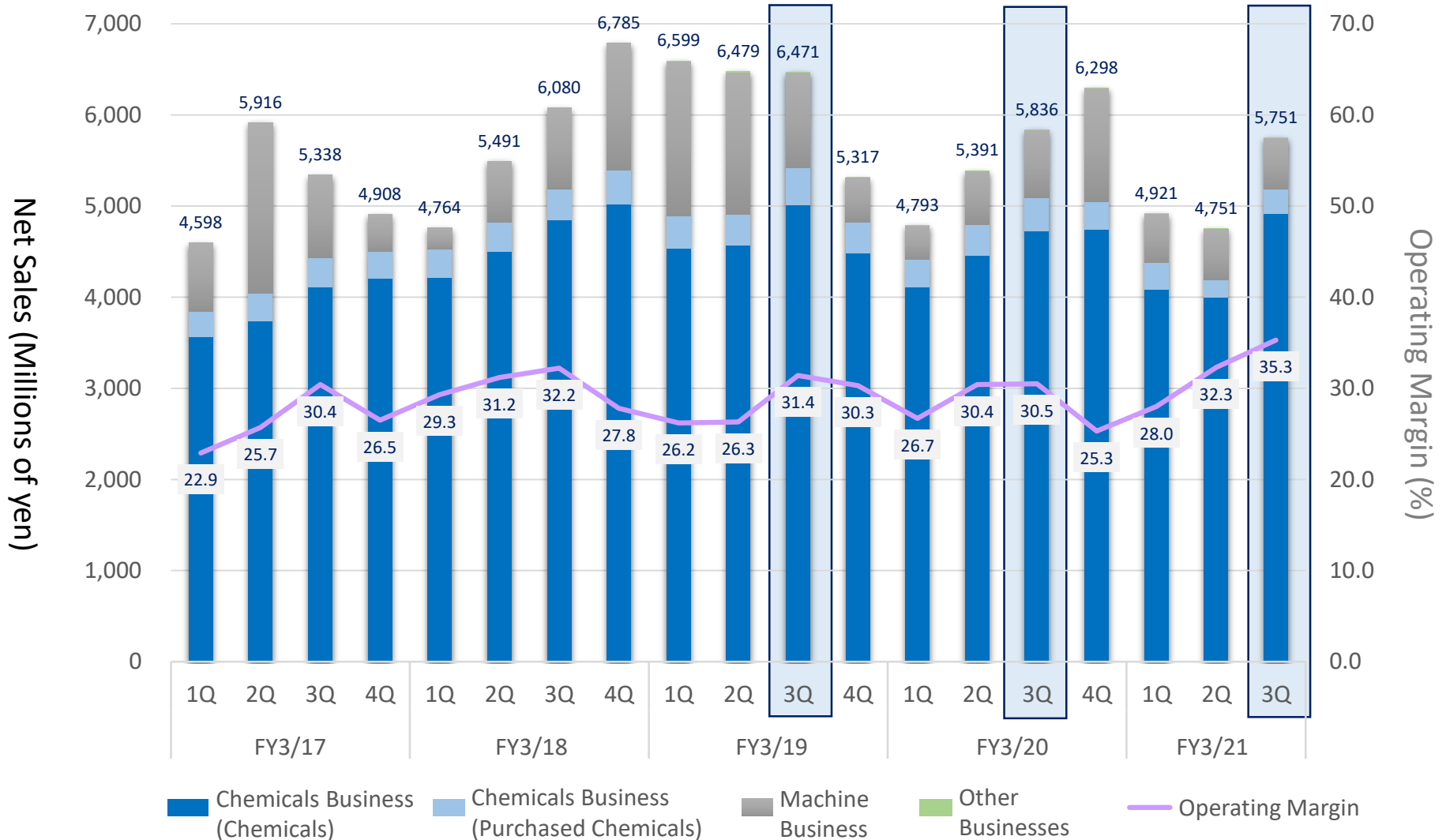


# Quarterly Consolidated Financial Results

(Millions of yen)

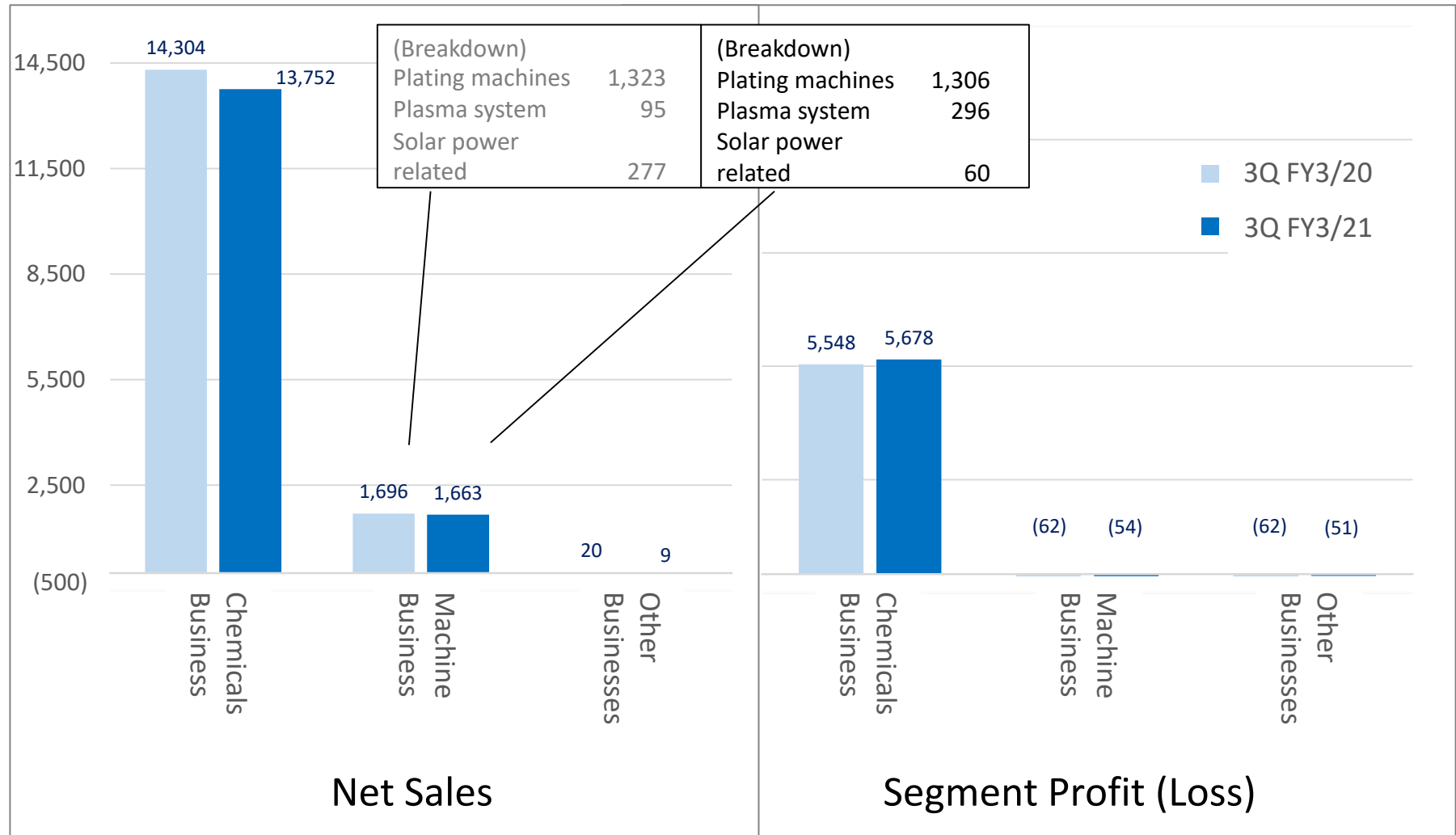


# Quarterly Consolidated Financial Results (By Segment)



# Consolidated Segment Results for 3Q FY3/21

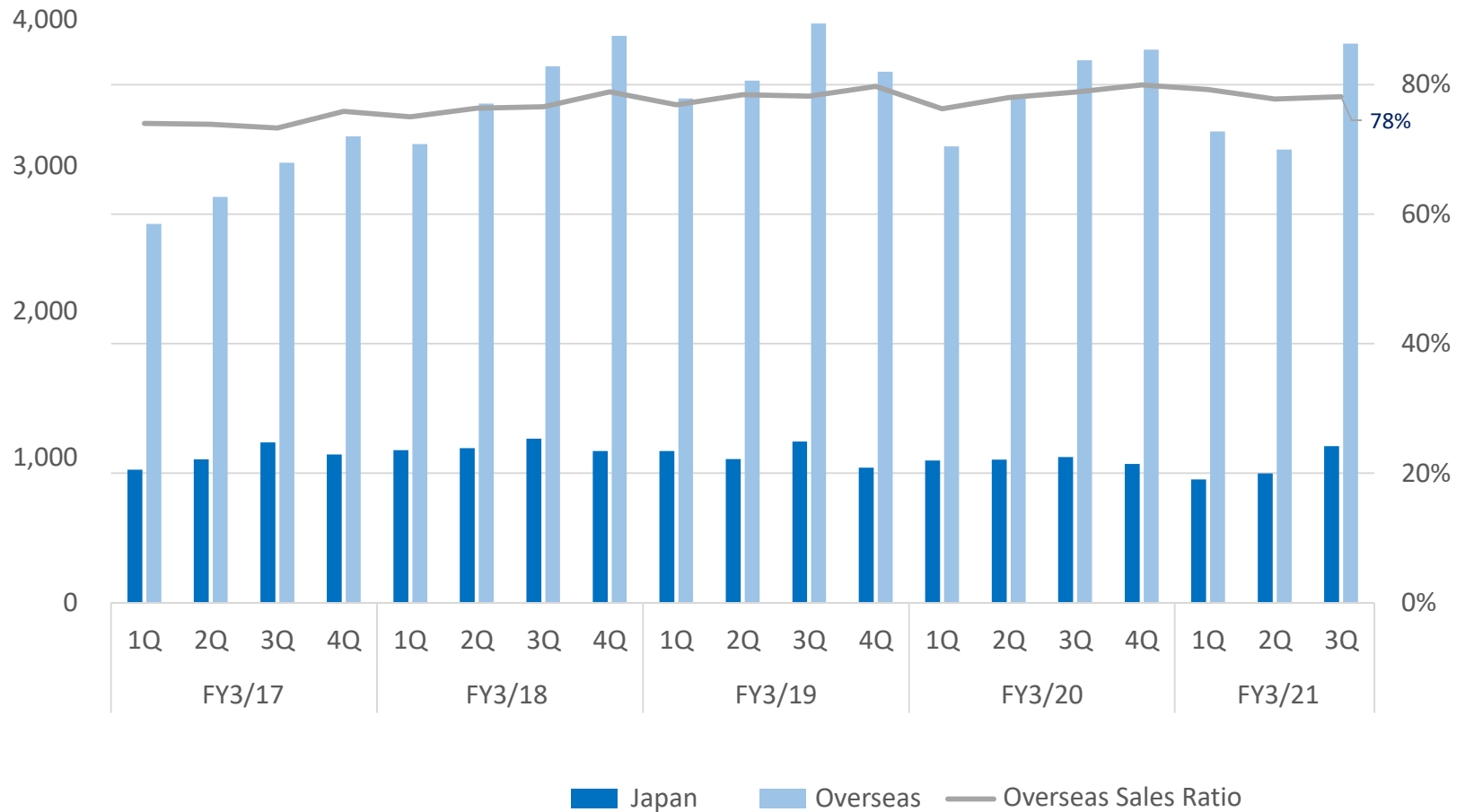
(Millions of yen)





# Quarterly Sales of Chemicals in Japan and Overseas

(Millions of yen)

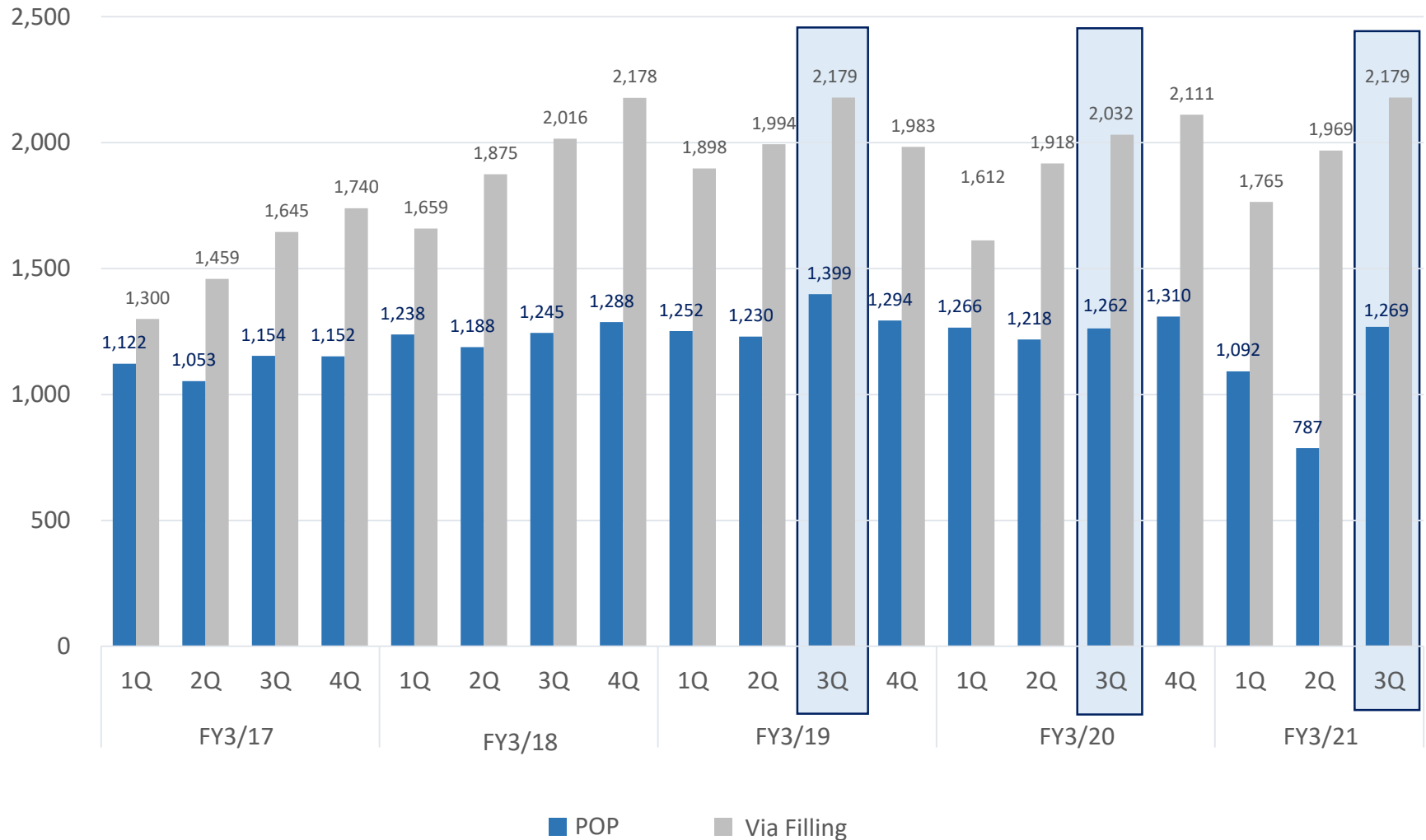


# Quarterly Sales of Chemicals for POP and Via Filling

POP: Planting on Plastics, mainly for automotive components

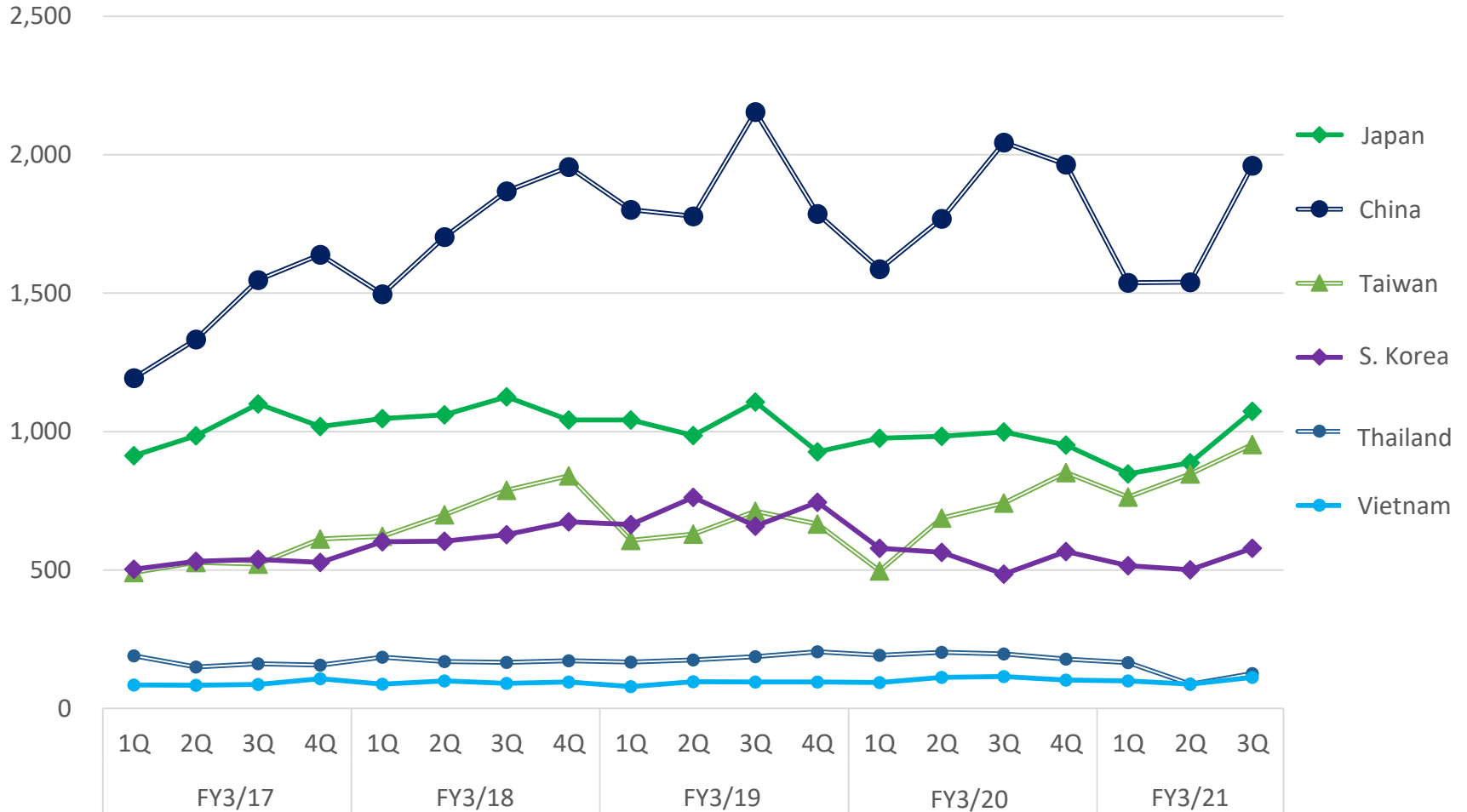
Via Filling: Additive for copper planting for PWBs, mainly for smartphones and PCs

(Millions of yen)



# Quarterly Sales of Chemicals by Region

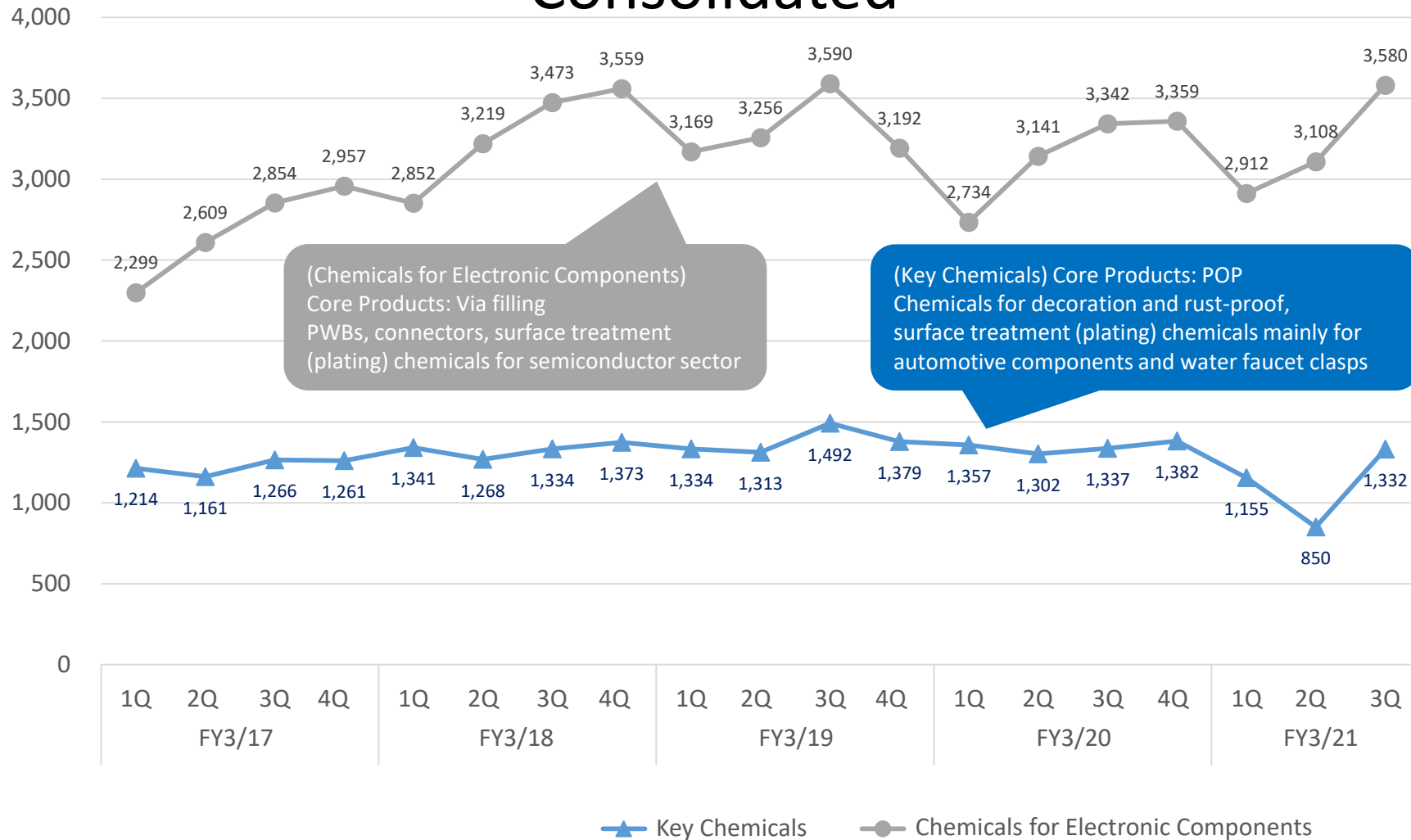
(Millions of yen)



# Quarterly Sales of Chemicals by Category

(Millions of yen)

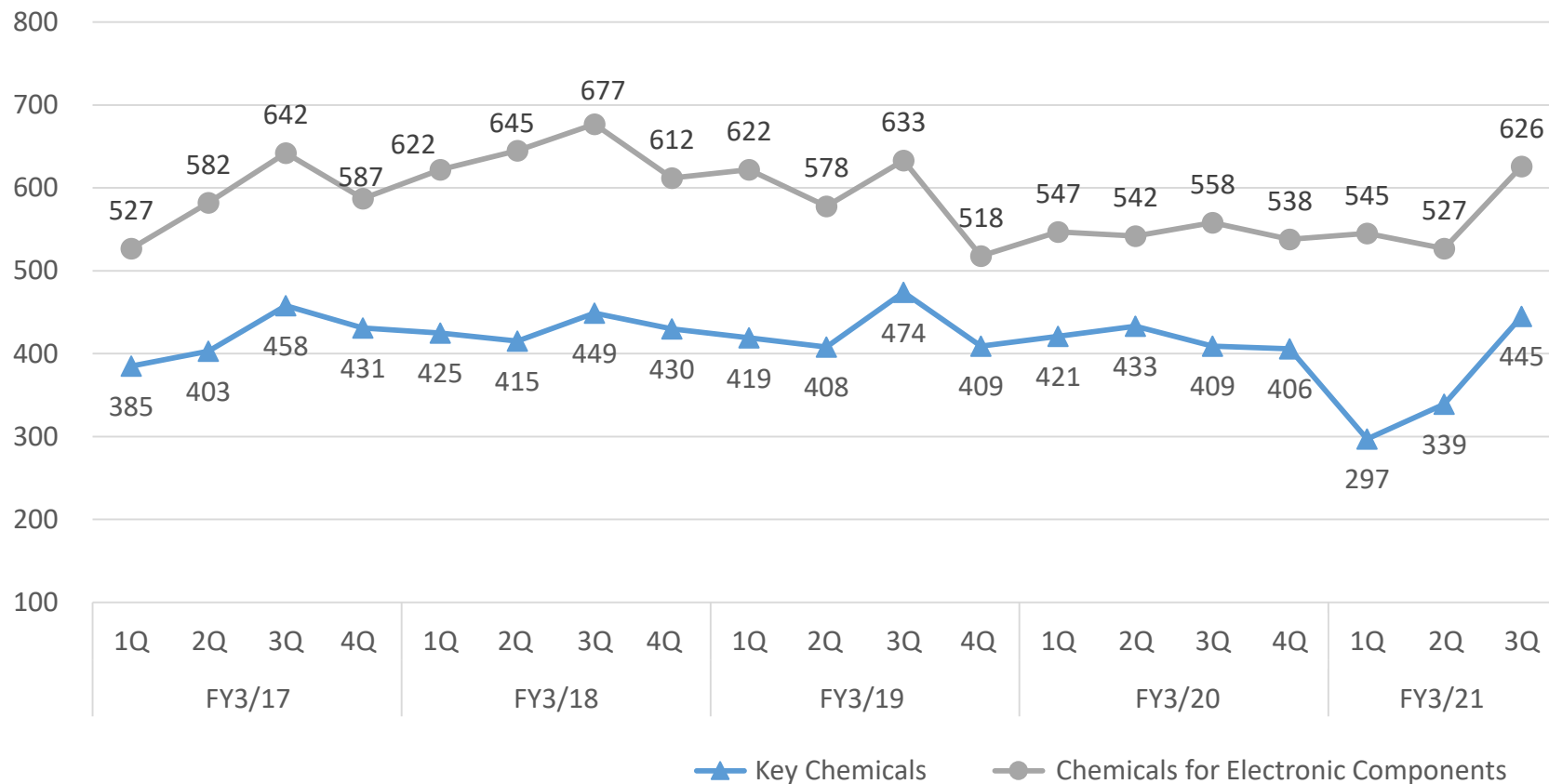
## Consolidated



# Quarterly Sales of Chemicals by Region

(Millions of yen)

## Japan



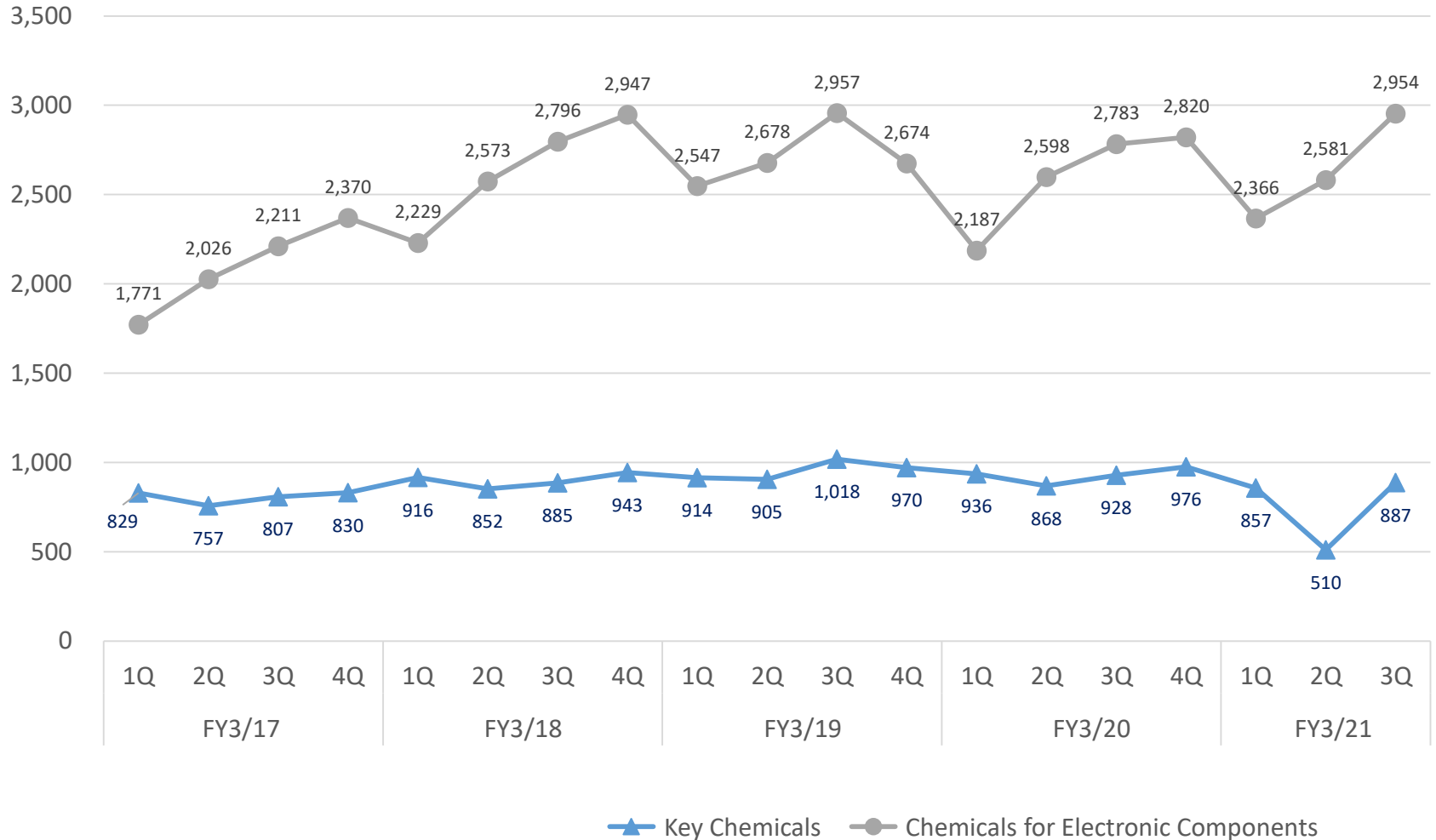
**Chemicals for Electronic Components**  
 Up 18% QoQ   Up 12% YoY   Up 3% vs. 1Q-3Q FY3/20

**Key Chemicals**  
 Up 31% QoQ   Up 8% YoY   Down 14% vs. 1Q-3Q FY3/20

# Quarterly Sales of Chemicals by Region

(Millions of yen)

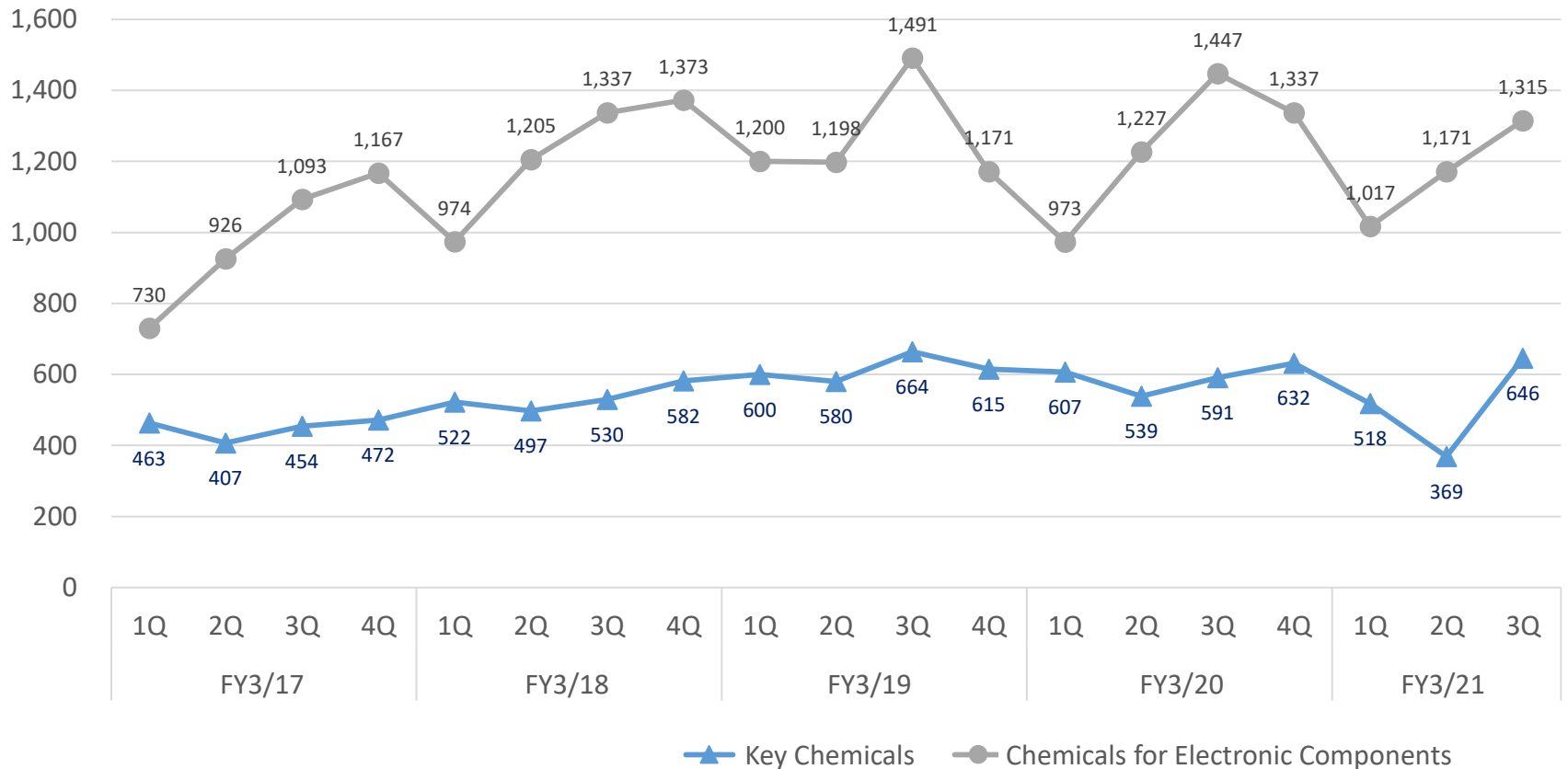
## Overseas



# Quarterly Sales of Chemicals by Region

(Millions of yen)

## China



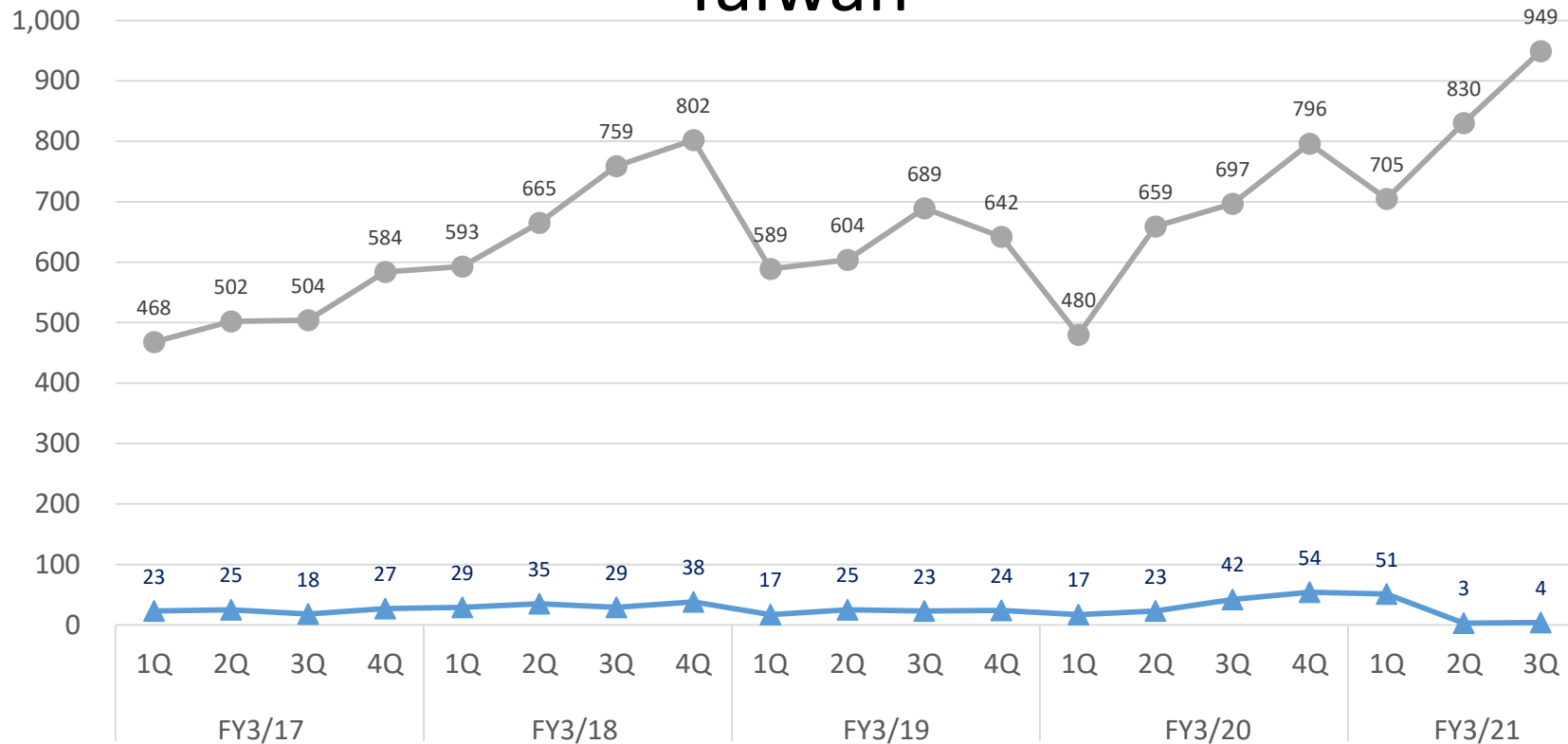
**Chemicals for Electronic Components**  
 Up 12% QoQ   Down 9% YoY   Down 3% vs. 1Q-3Q FY3/20

**Key Chemicals**  
 Up 75% QoQ   Up 9% YoY   Down 11% vs. 1Q-3Q FY3/20

# Quarterly Sales of Chemicals by Region

(Millions of yen)

## Taiwan



▲ Key Chemicals    ● Chemicals for Electronic Components

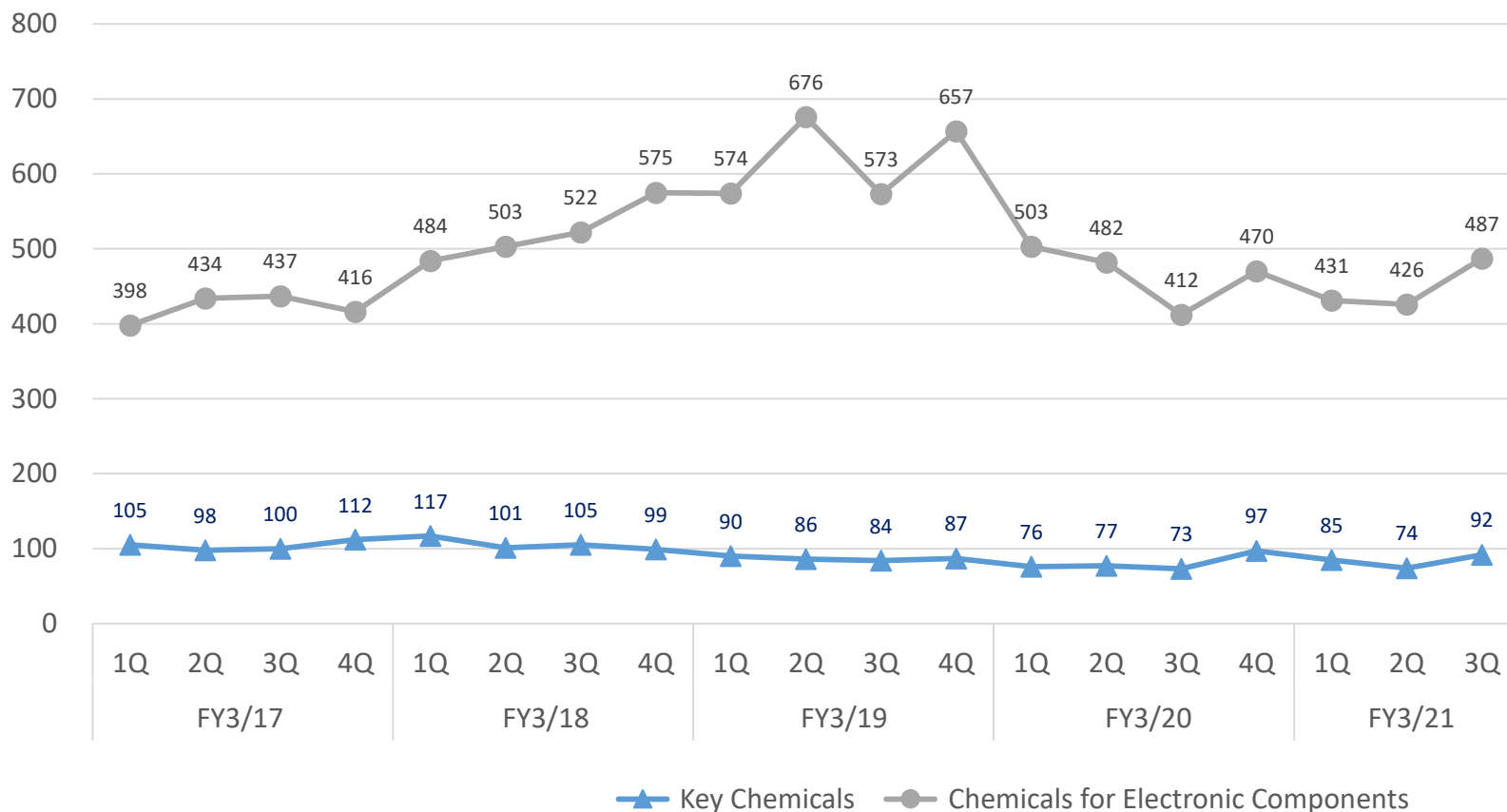
Chemicals for Electronic Components  
 Up 14% QoQ    Up 36% YoY    Up 35% vs. 1Q-3Q FY3/20



# Quarterly Sales of Chemicals by Region

(Millions of yen)

## South Korea



**Chemicals for Electronic Components**  
 Up 14% QoQ   Up 18% YoY   Down 3% vs. 1Q-3Q FY3/20

**Key Chemicals**  
 Up 24% QoQ   Up 26% YoY   Up 11% vs. 1Q-3Q FY3/20

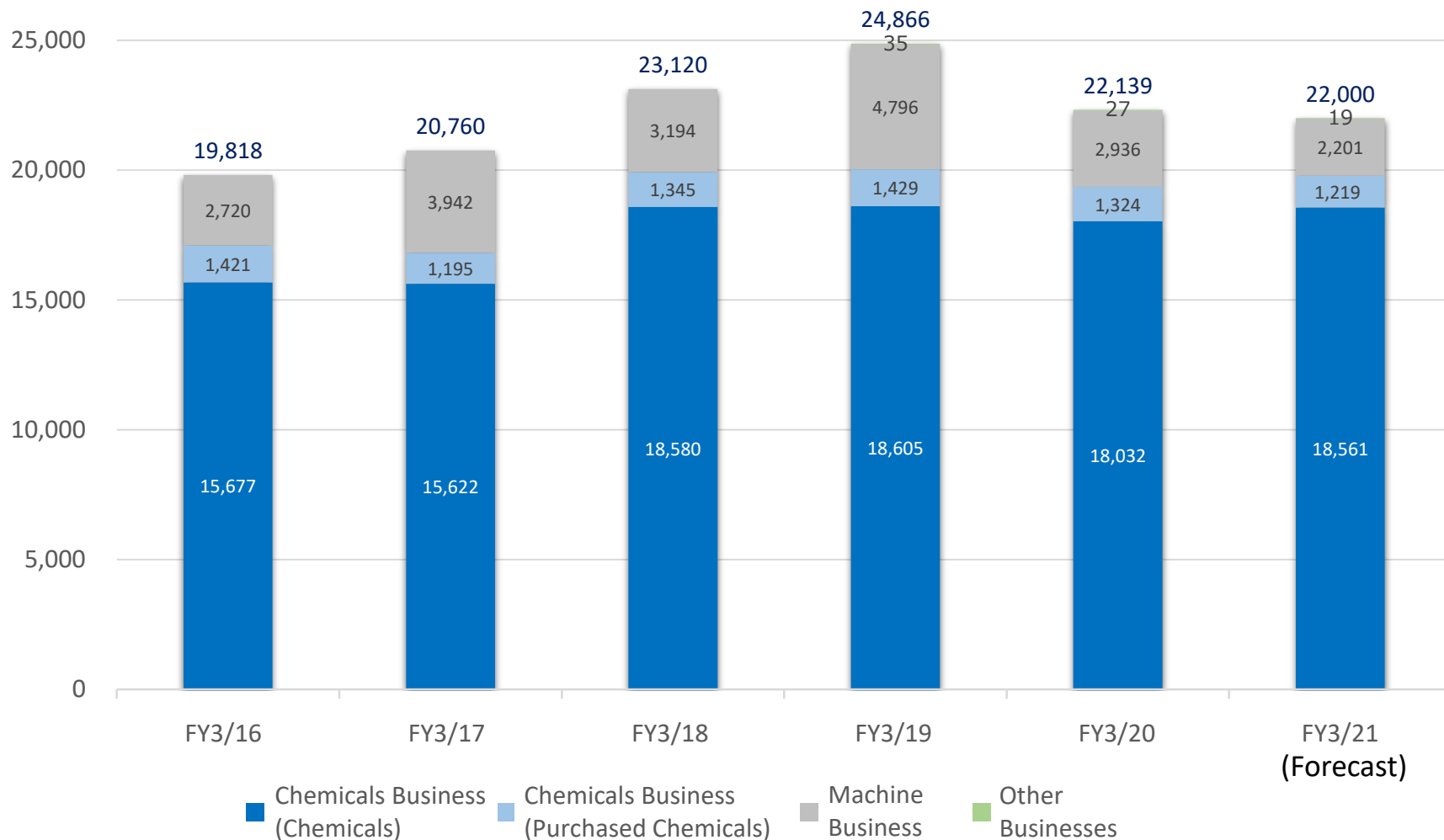
# Forecasts for FY3/21

(Millions of yen)

	FY3/20 Results	1Q-3Q FY3/21 Results	FY3/21 Forecasts	Progress rate against full- year forecast
Net sales	22,139	15,424	22,000	70.1%
Operating profit	6,297	4,951	6,400	77.3%
Ordinary profit	6,240	4,992	6,500	76.8%
Profit attributable to owners of parent	4,416	3,403	4,450	76.4%
Net income per share	163.97 yen	128.66 yen	167.68 yen	-

# Annual Sales by Business (incl. Forecast)

(Millions of yen)



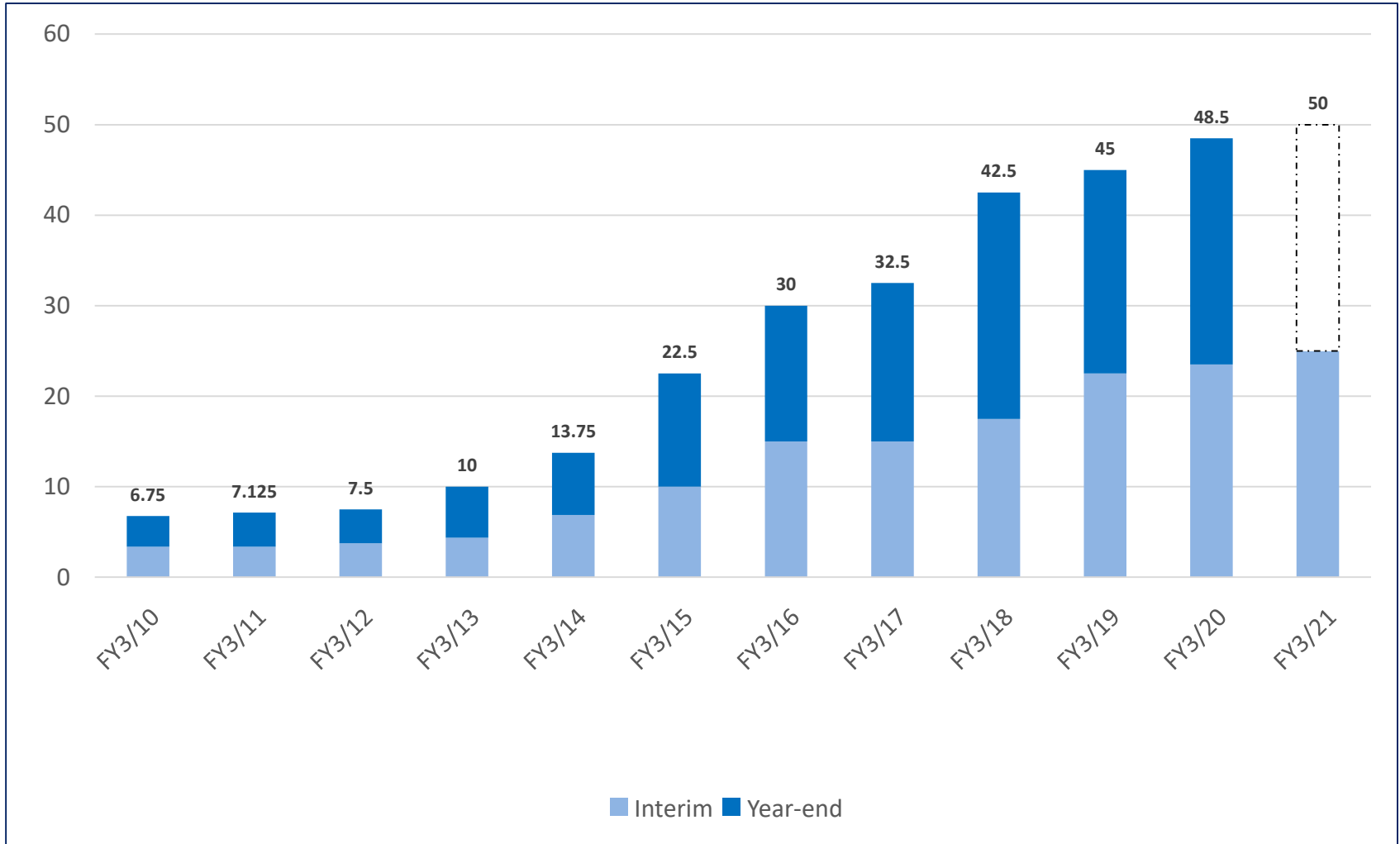
# Dividend Forecast

		FY3/19	FY3/20	FY3/21 (Forecasts)
Dividends per share	Interim	22.5 yen	23.5 yen	25.0 yen (an increase of 1.5 yen per share)
	Year-end	22.5 yen	25.0 yen	25.0 yen
	Annual	45 yen	48.5 yen	50.0 yen (an increase of 1.5 yen per share)

We will continue to make investments for sustainable growth while securing liquidity on hand and maintaining stable financial base. Our basic policy is to pay dividends with a target payout ratio of 25% with an aim for stable dividend growth.

# Dividends

(Yen)



# 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: 12.2 billion yen / Consolidated: 22.3 billion yen  
(For the fiscal year ended March 31, 2020)

**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** : Keiji Ozawa, Chairman and CEO  
Masashi Kimura, President and COO

**Employees** : Non-consolidated: 257 / Consolidated: 580  
(As of March 31, 2020)

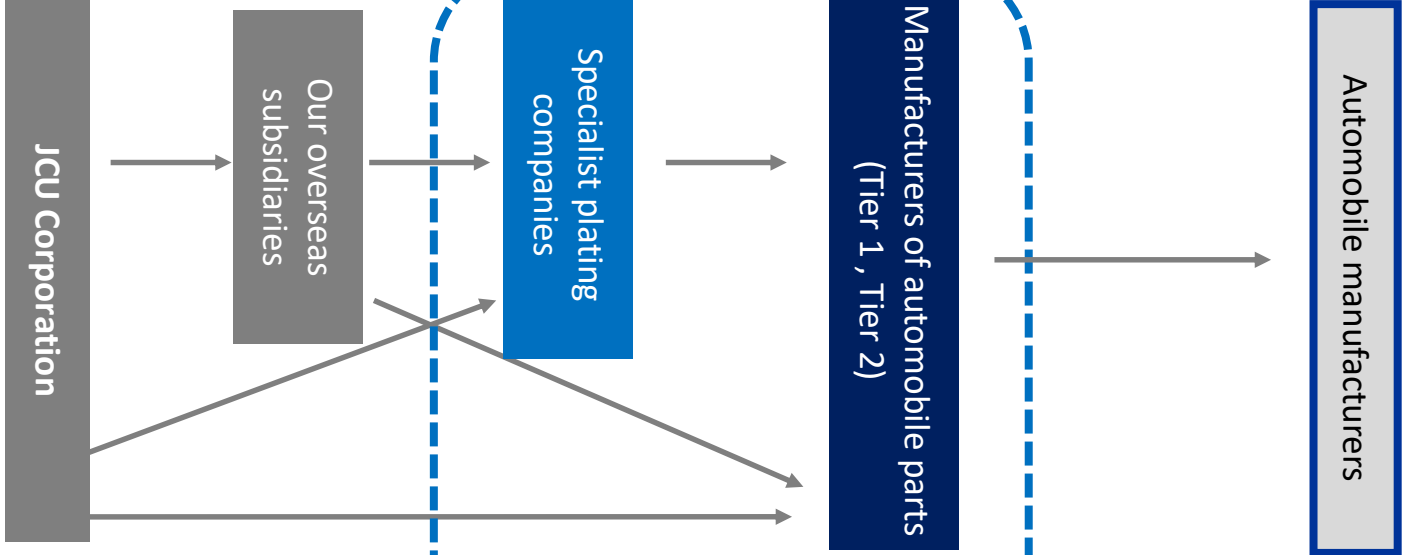
## ISO Certificates

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)

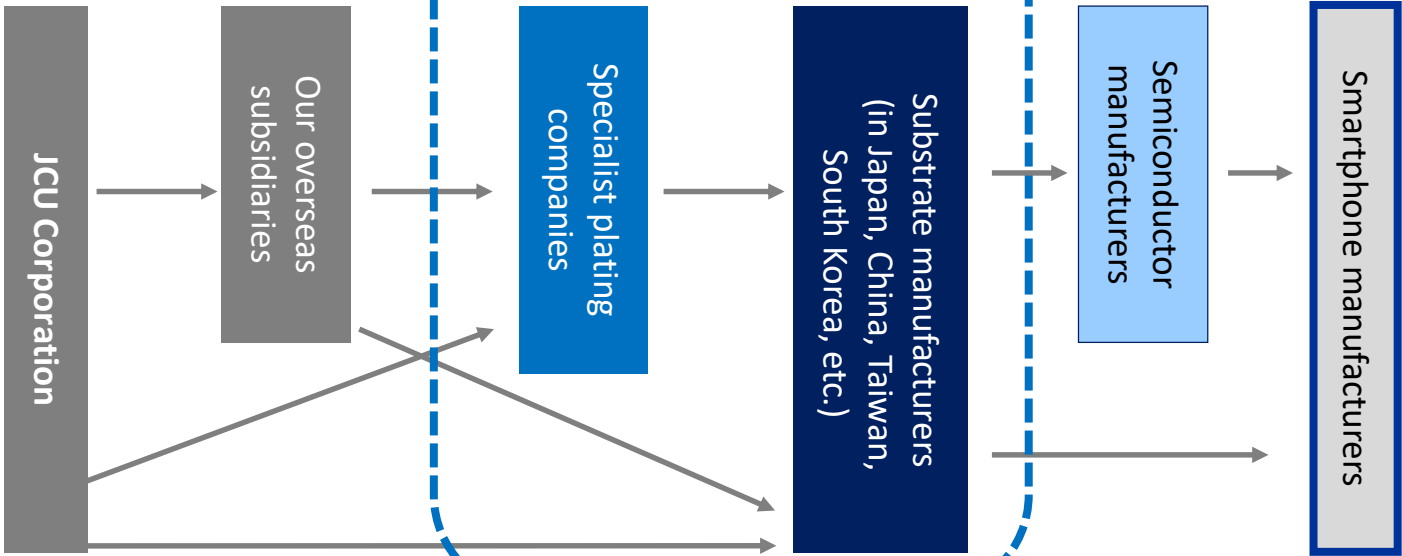
# Major Distribution Channels

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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