
FYE12/2018 Q2

Financial Announcement

(From January 1, 2018 to June 30, 2018)

Presentation

August 9, 2018 - HQ

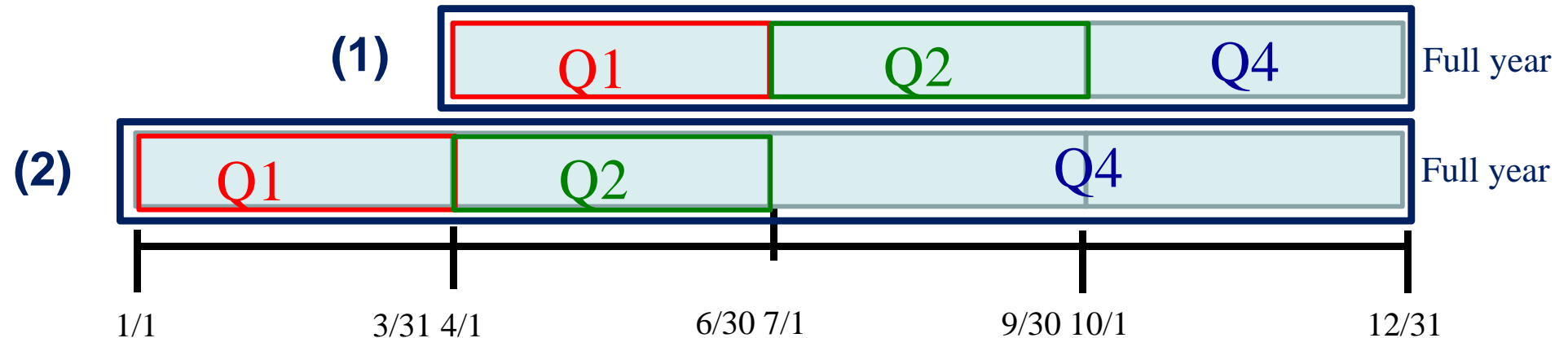
August 10, 2018 - Tokyo

MEC COMPANY LTD.

Securities Code: 4971

Change of fiscal year-end

- MEC's fiscal year-end has been changed from March 31 to December 31 since FYE12/2017 (49th)
- Consolidated period of the 49th term which is the transitional period.
 - (1) Japan alone: 9 months
(From April 1, 2017 to December 31, 2017)
 - (2) Overseas subsidiaries: 12 months
(From January 1, 2017 to December 31, 2017)



- In this document, the results for Q2 FYE12/2018 under review are compared with the results (reference values) of the same period (from January 1, 2017 to June 30, 2017) of the previous year.

Topics of FYE12/2018 Q2

1

Exchange rate.

(JPY to USD) Assumed rate: 113.00 yen / Actual rate: 109.10 yen (previous year was 112.72 yen)

(JPY to NTD) Assumed rate: 3.70 yen / Actual rate: 3.67 yen (previous year was 3.66 yen)

(JPY to RMB) Assumed rate: 17.00 yen / Actual rate: 17.04 yen (previous year was 16.41 yen)

3

Exchange impact compared with the same period last year. *

Sales: UP 77 million yen, Operating income: Up 37 million yen.

*Comparison period: From January to June 2017 vs. From January to June 2018

2

Chemicals compared with the previous year. *

Sales: Up 11.8%, Shipments: Up 11.3%.

*Comparison period: From January to June 2017 vs. From January to June 2018

Points of FYE12/2018 Q2

| | January - June 2017 | FYE12/2018 Q2 | Increase/Decrease |
|---|-----------------------------|-----------------------------|----------------------------|
| 1) Net sales | ¥ 4,960 million | ¥ 5,499 million | + 10.9 % |
| Operating income | ¥ 912 million | ¥ 1,039 million | + 13.8 % |
| Ordinary income | ¥ 910 million | ¥ 1,042 million | + 14.5 % |
| Net income | ¥ 665 million | ¥ 889 million | + 33.6 % |
| 2) Chemical sales (Ratio of Net sales) | ¥ 4,819 million (97.2 %) | ¥ 5,386 million (97.9 %) | +11.8 % (+ 0.7 points) |
| 3) Overseas sales ratio | 55.7 % | 55.0 % * | - 0.7 points |
| 4) CZ series sales (Ratio of chemical sales) | ¥ 2,452 million (50.9 %) | ¥ 2,835 million (52.6 %) | + 15.6 % (+ 1.7 points) |
| 5) Gross profit | 64.2 % | 63.5 % | - 0.7 points |

* If the overseas chemical sales achieved by domestic agents is added to the overseas sales, the ratio becomes 74.3 %. (Same period of the previous year: 72.3 %)

Impact of change in exchange rate: Net sales + ¥ 77 million, Operating income + ¥ 37 million.

Net sales①

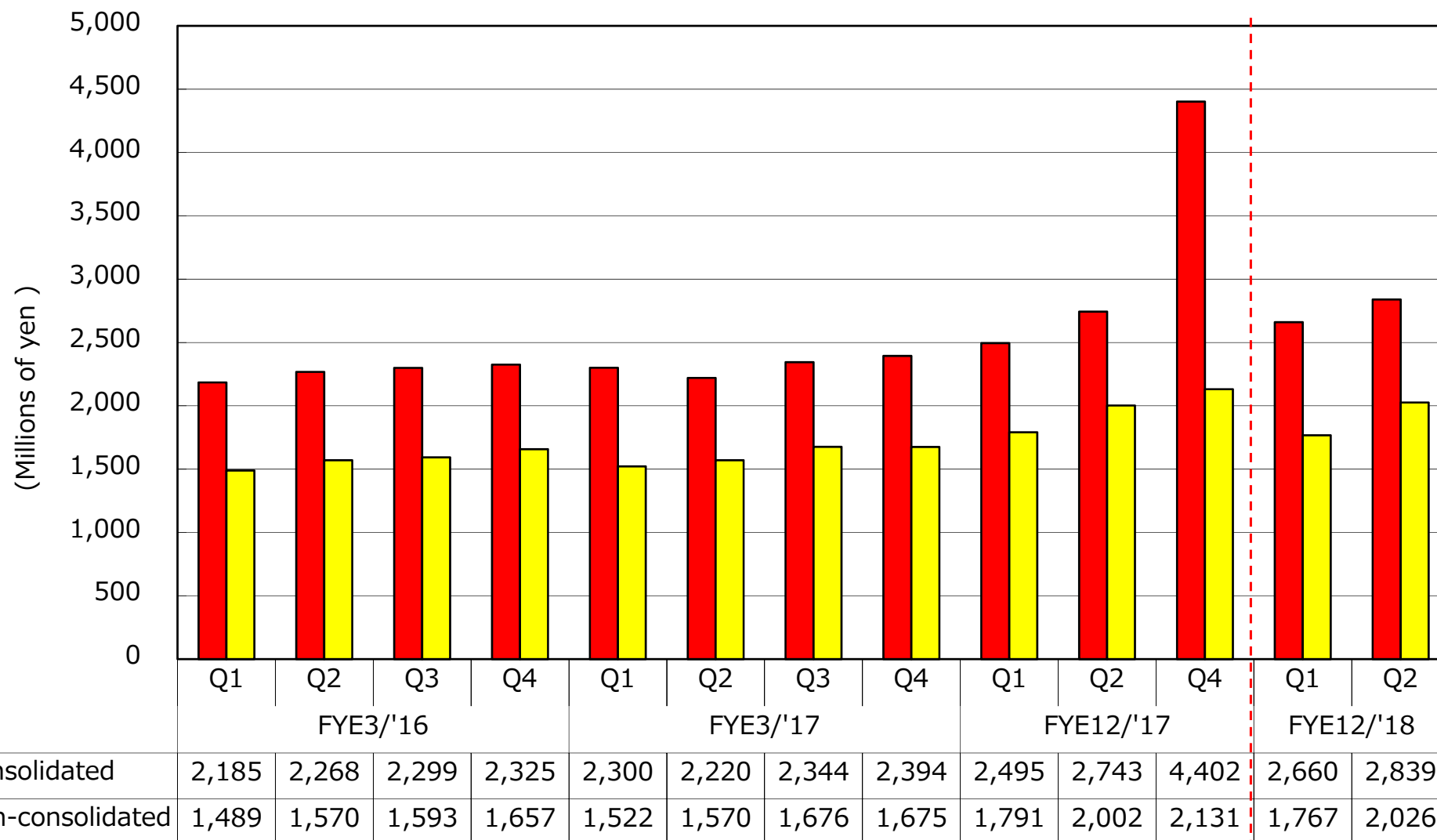
*FYE12/2017 Irregular account settlement Full year (Japan : Apr. - Dec, Overseas subsidiaries: Jan.- Dec.)

Q4 (Japan : Oct.- Dec., Overseas subsidiaries: Jul.- Dec.)

*FYE12/2018 or later

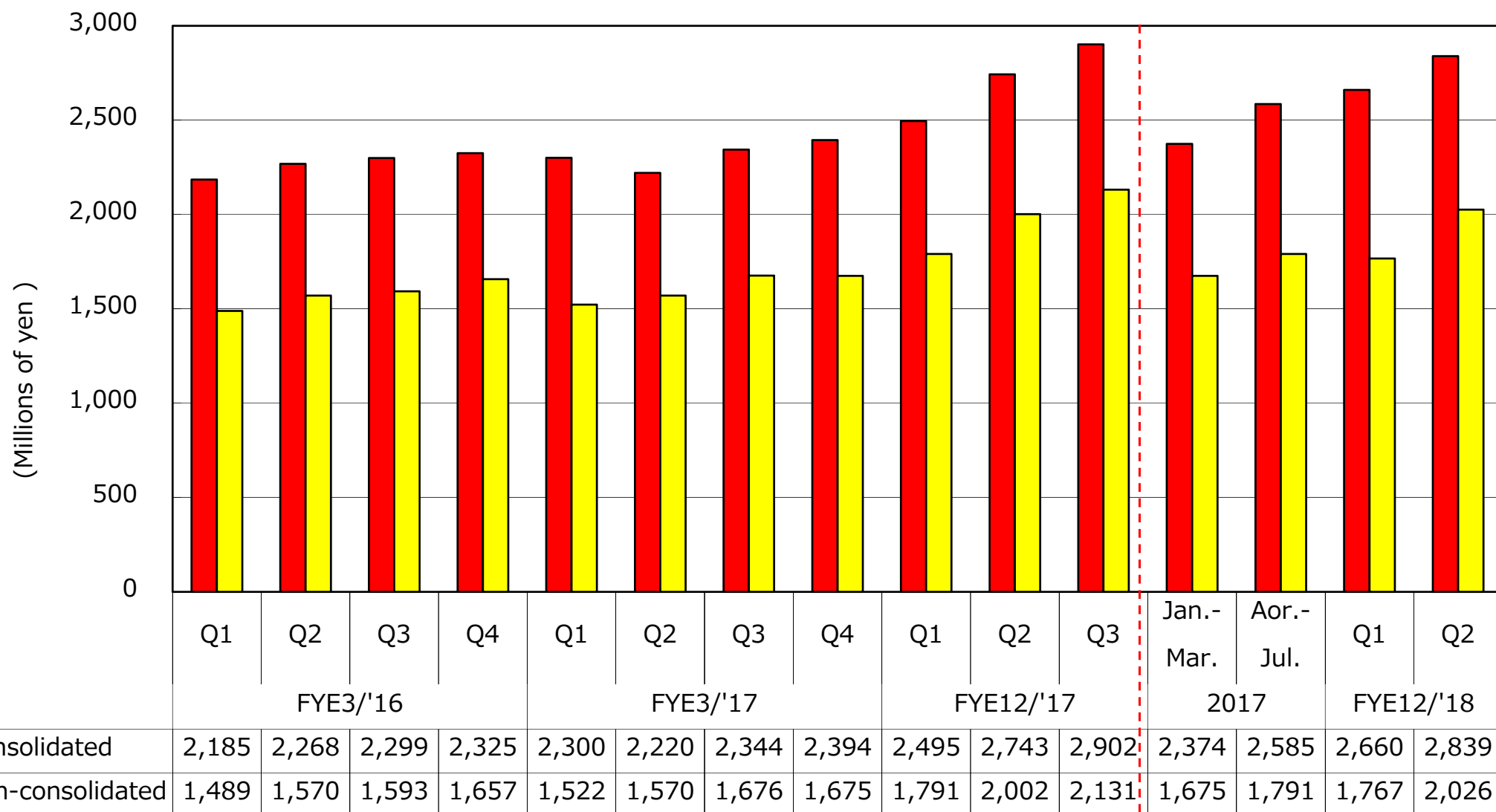
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Full year (Japan and Overseas subsidiaries : Jan.- Dec.)

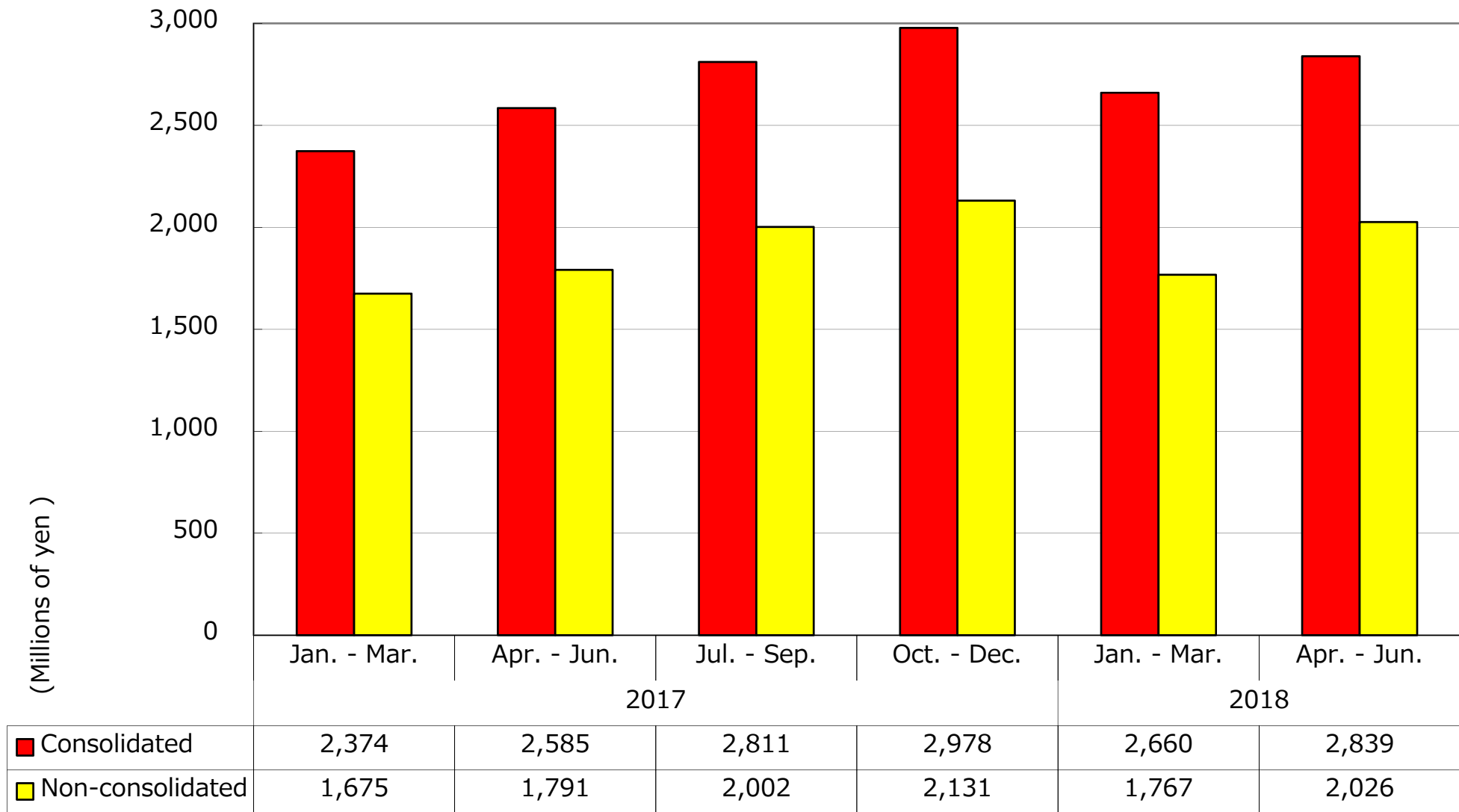


Net sales②

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Net sales③



Operating income①

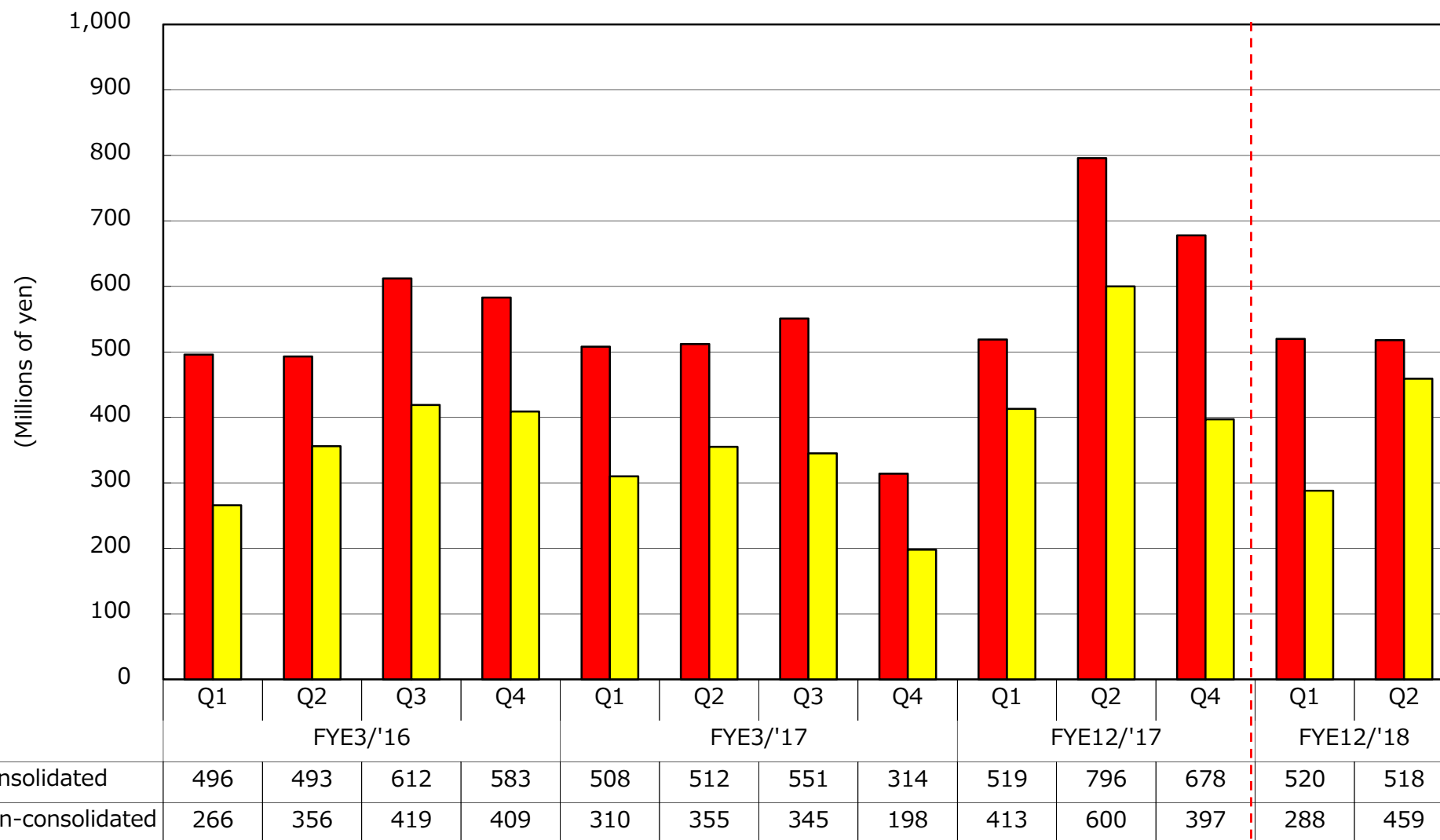
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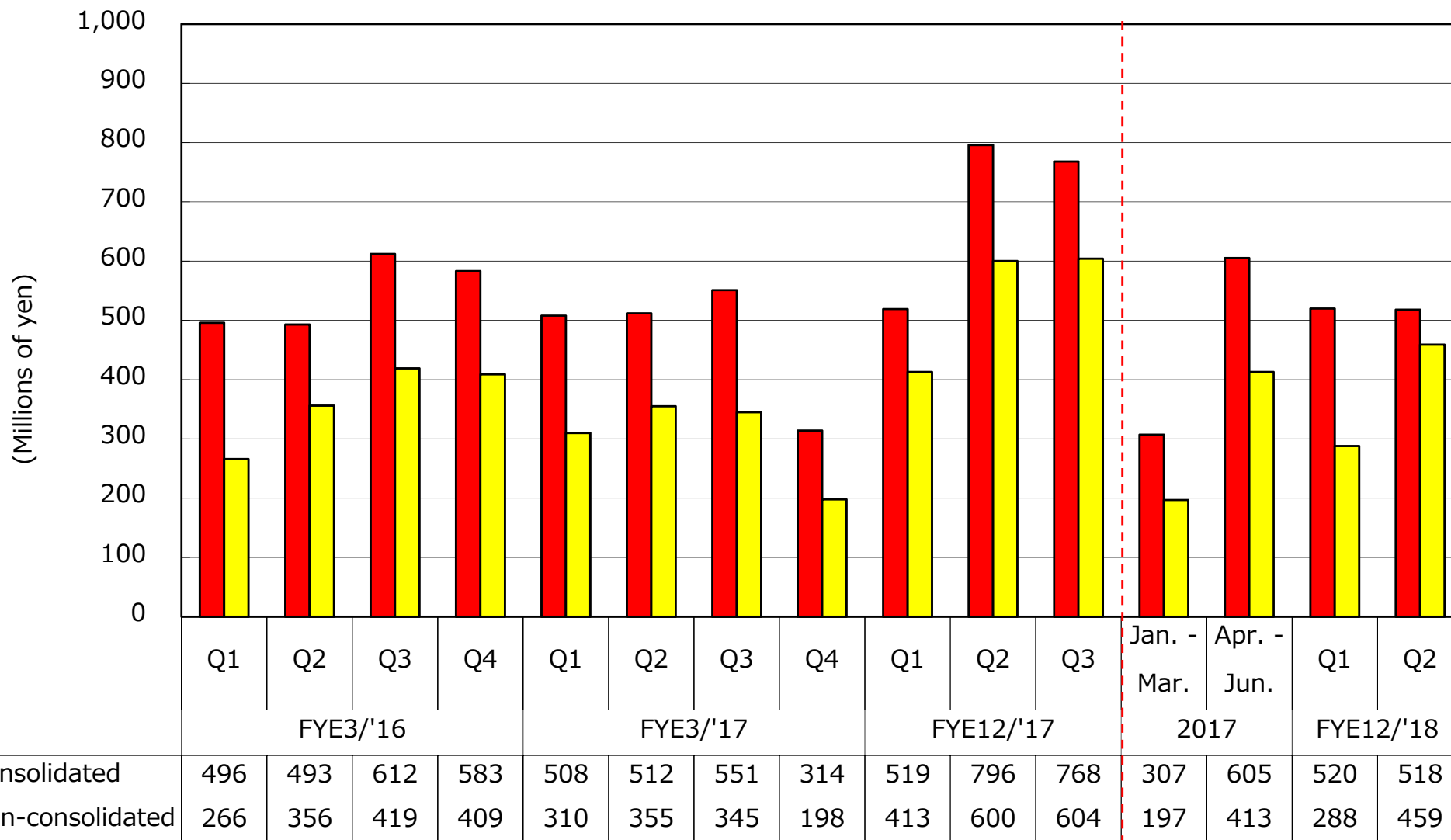
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Full year (Japan and Overseas subsidiaries : Jan.- Dec.)

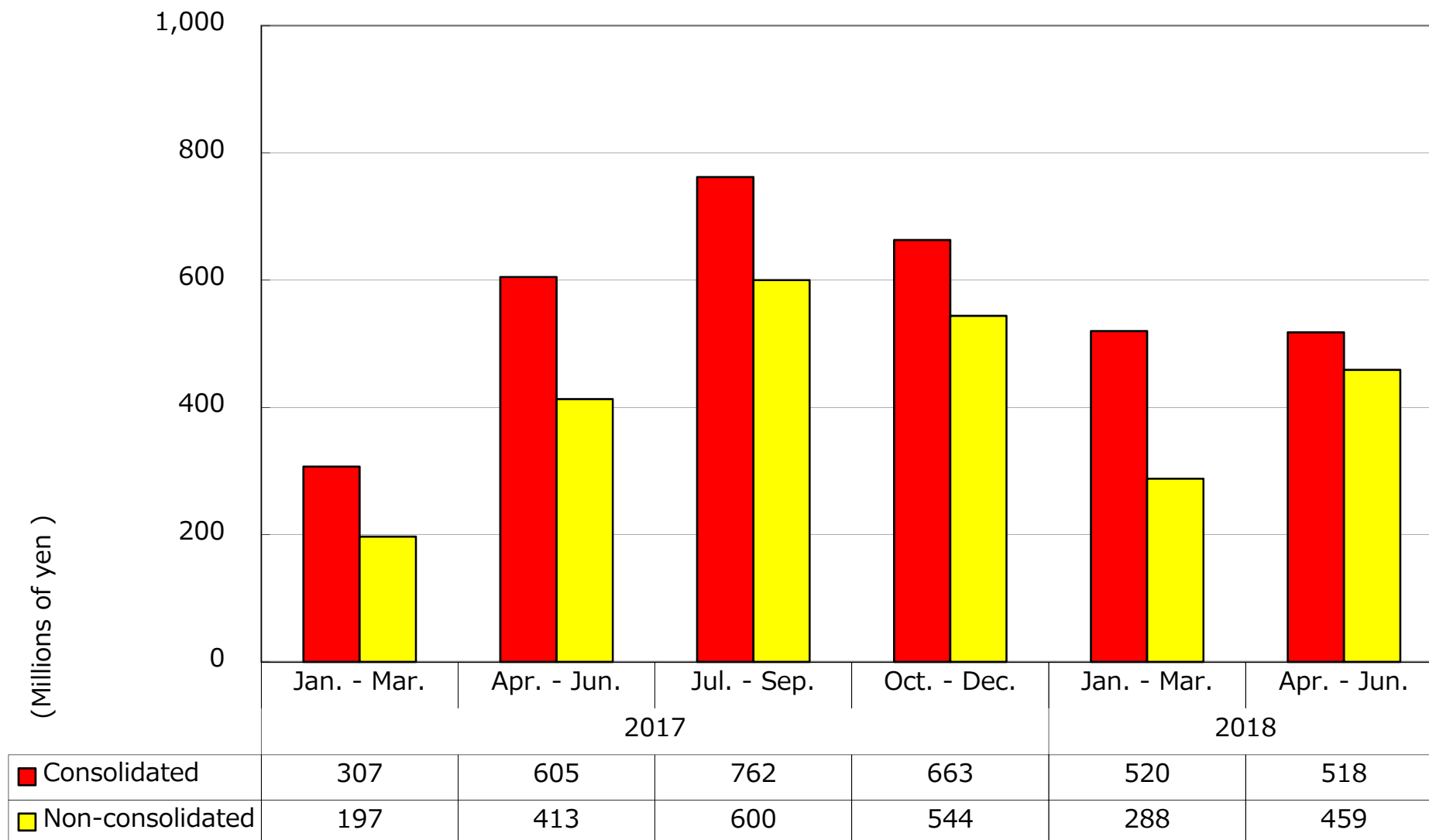


Operating income②

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Operating income^③



Ordinary income①

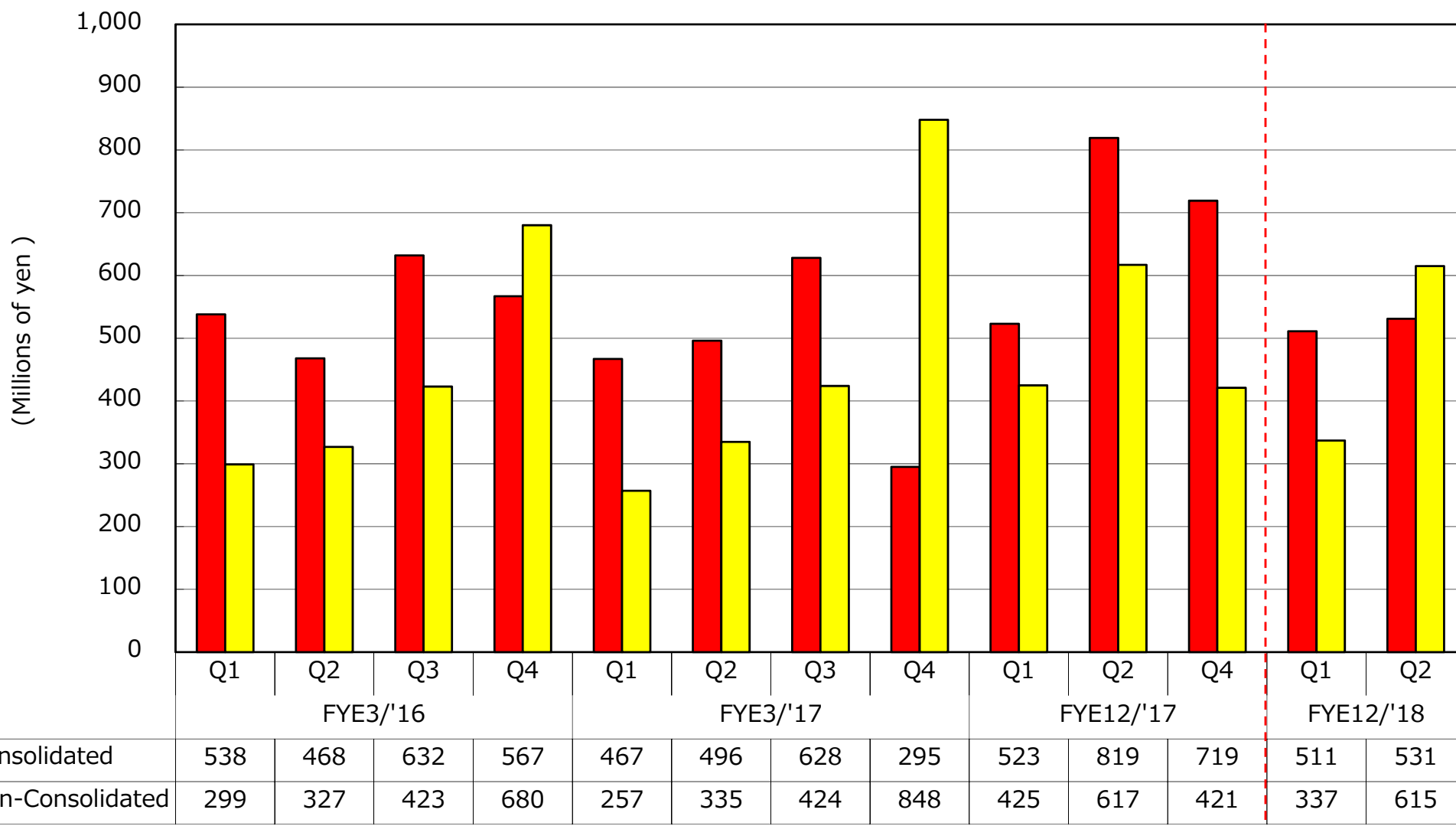
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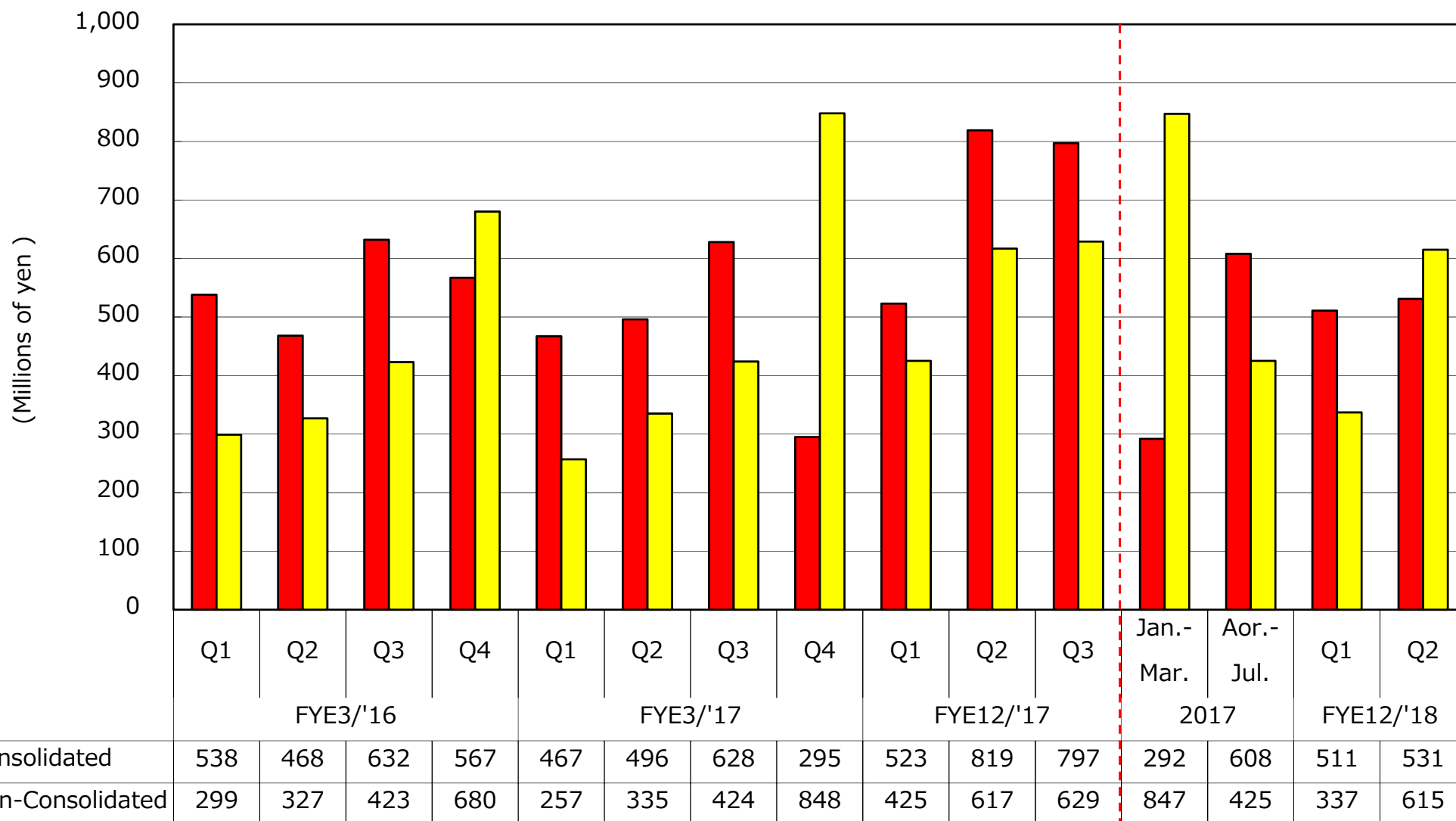
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Full year (Japan and Overseas subsidiaries : Jan.- Dec.)

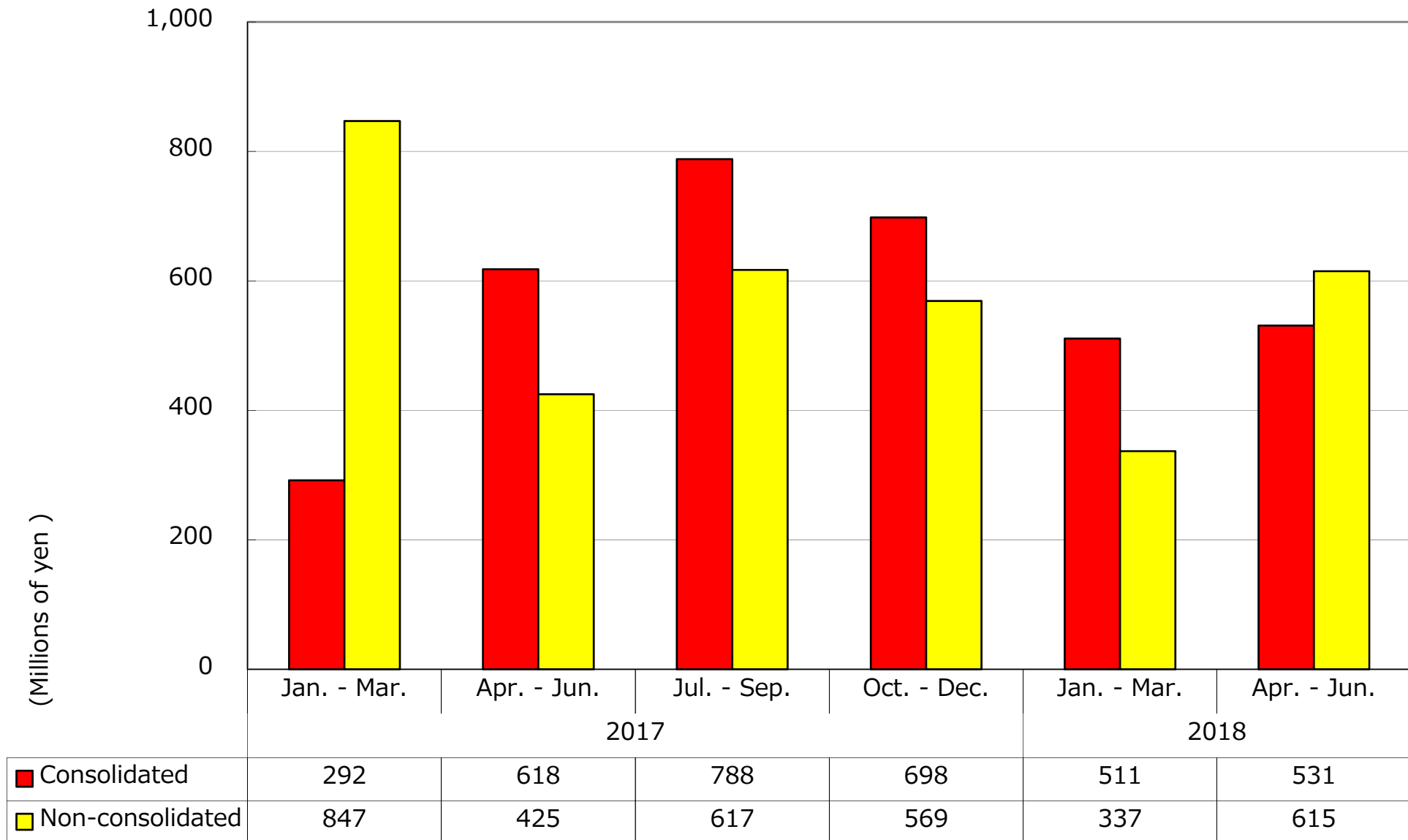


Ordinary income②

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Ordinary income③



Net income①

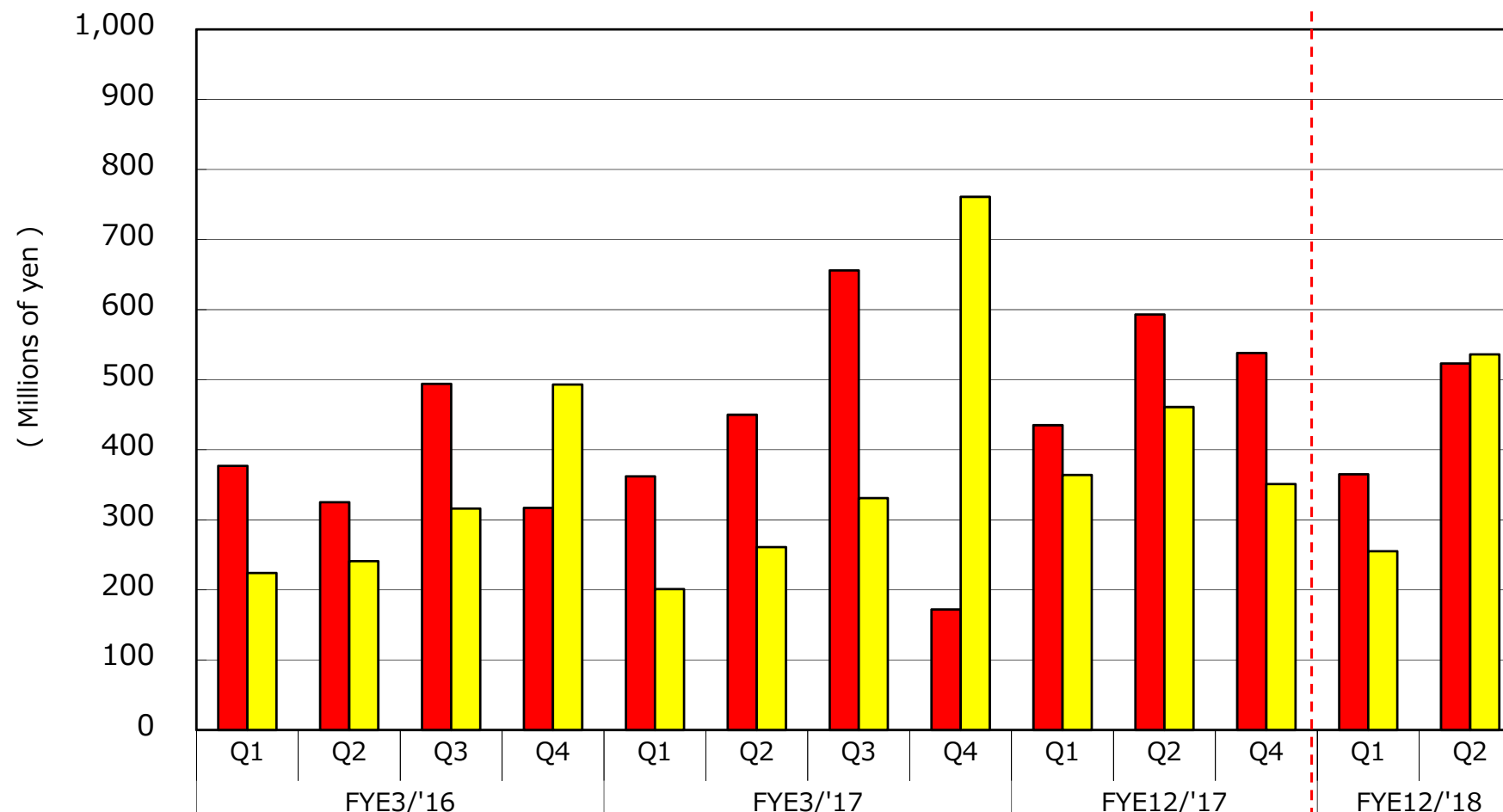
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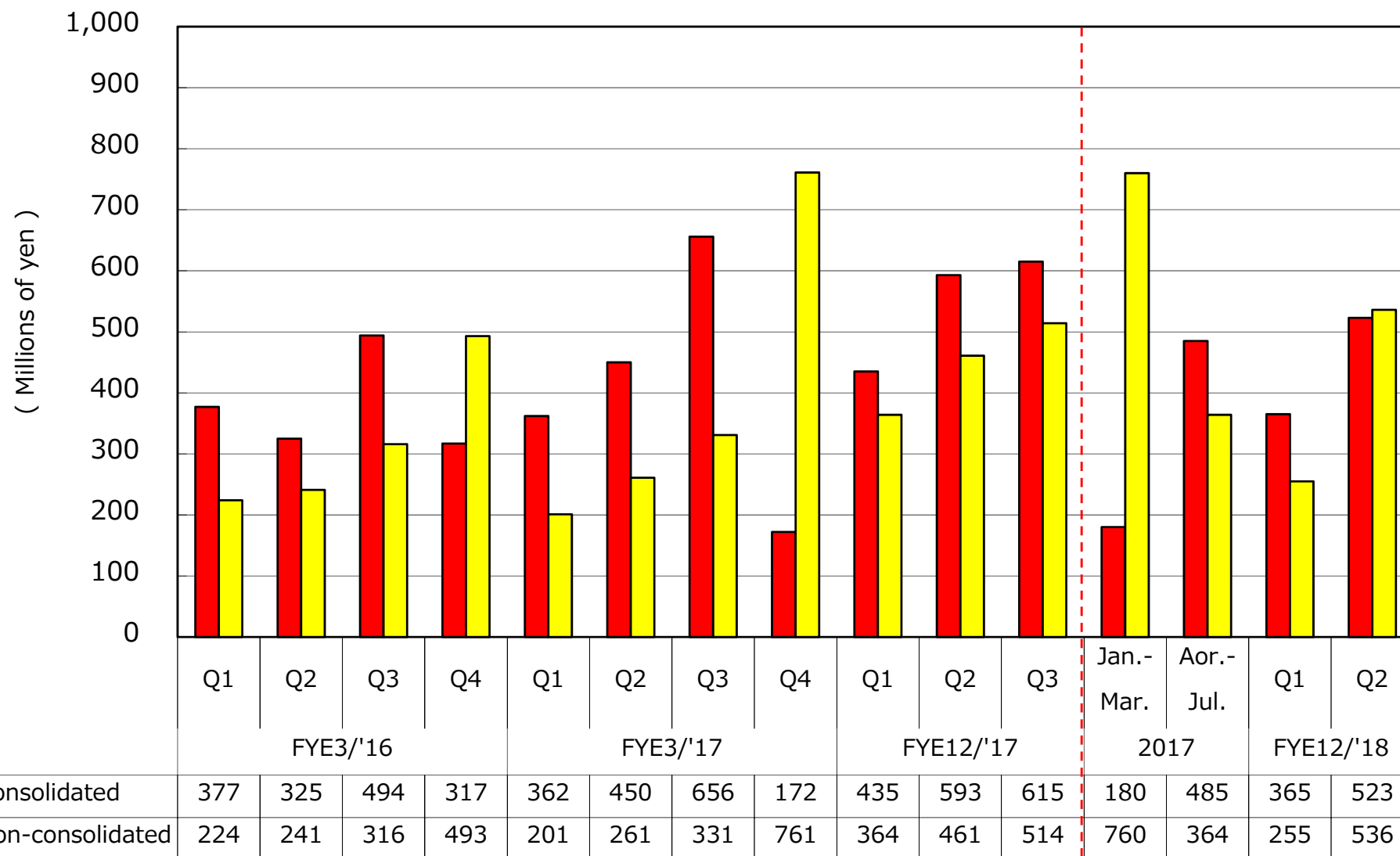
Full year (Japan and Overseas subsidiaries : Jan.- Dec.)



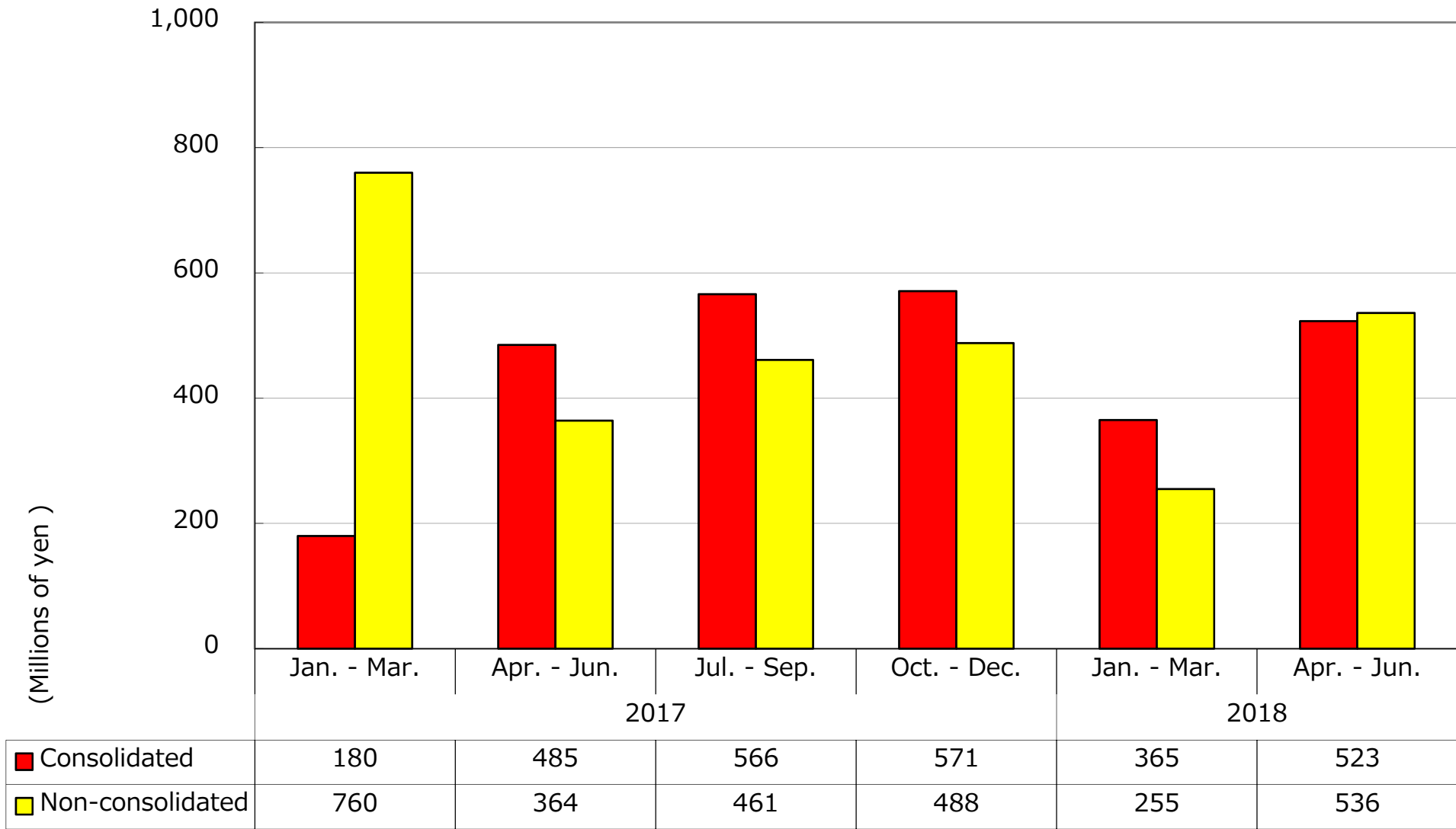
| | | | | | | | | | | | | | |
|--------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| ■ Consolidated | 377 | 325 | 494 | 317 | 362 | 450 | 656 | 172 | 435 | 593 | 538 | 365 | 523 |
| ■ Non-consolidated | 224 | 241 | 316 | 493 | 201 | 261 | 331 | 761 | 364 | 461 | 351 | 255 | 536 |

Net income②

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Net income③



Sales by product – Consolidated①

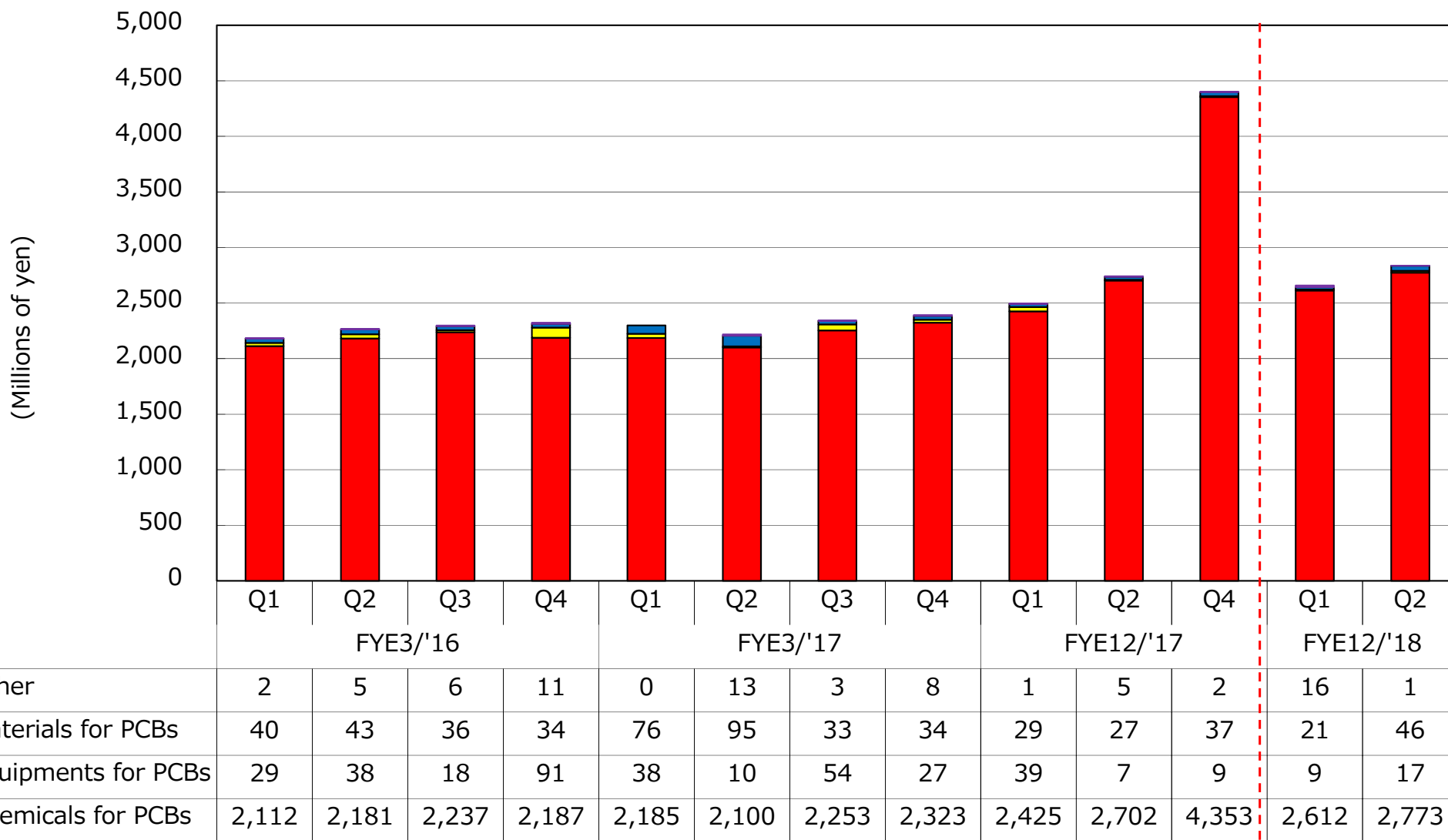
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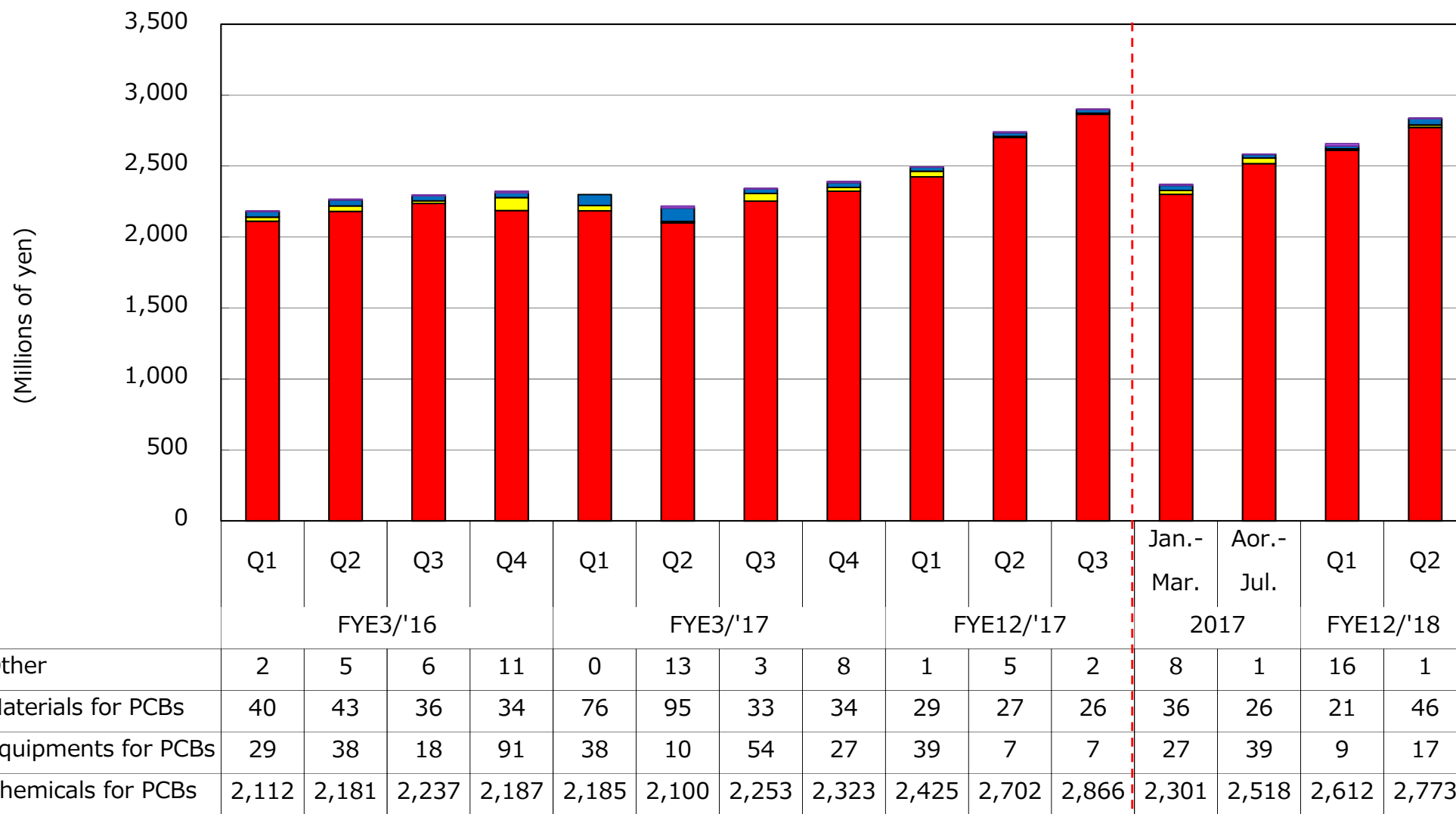
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Full year (Japan and Overseas subsidiaries : Jan.- Dec.)

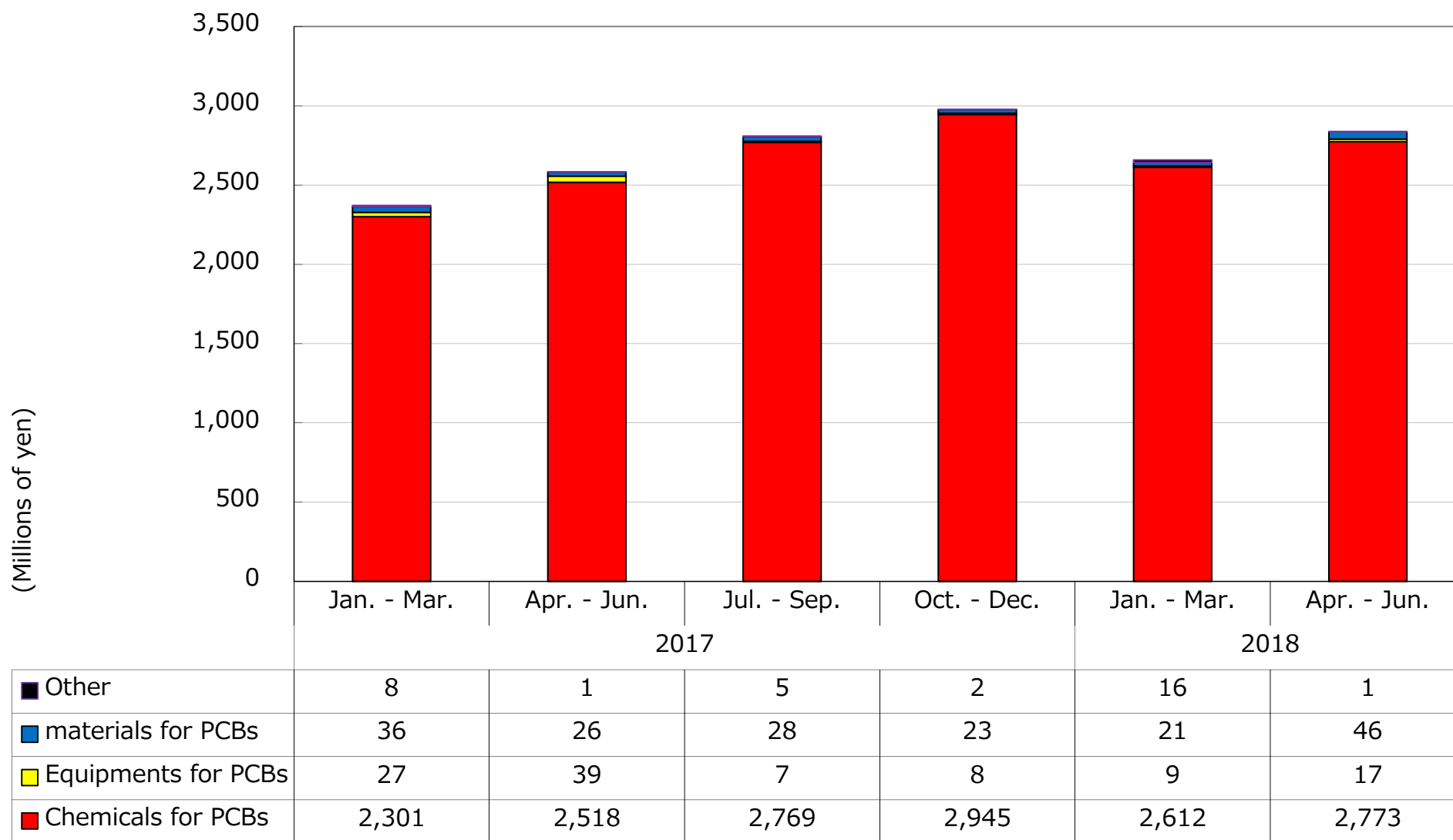


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Sales by product – Consolidated③



Chemical sales – Consolidated 1-①

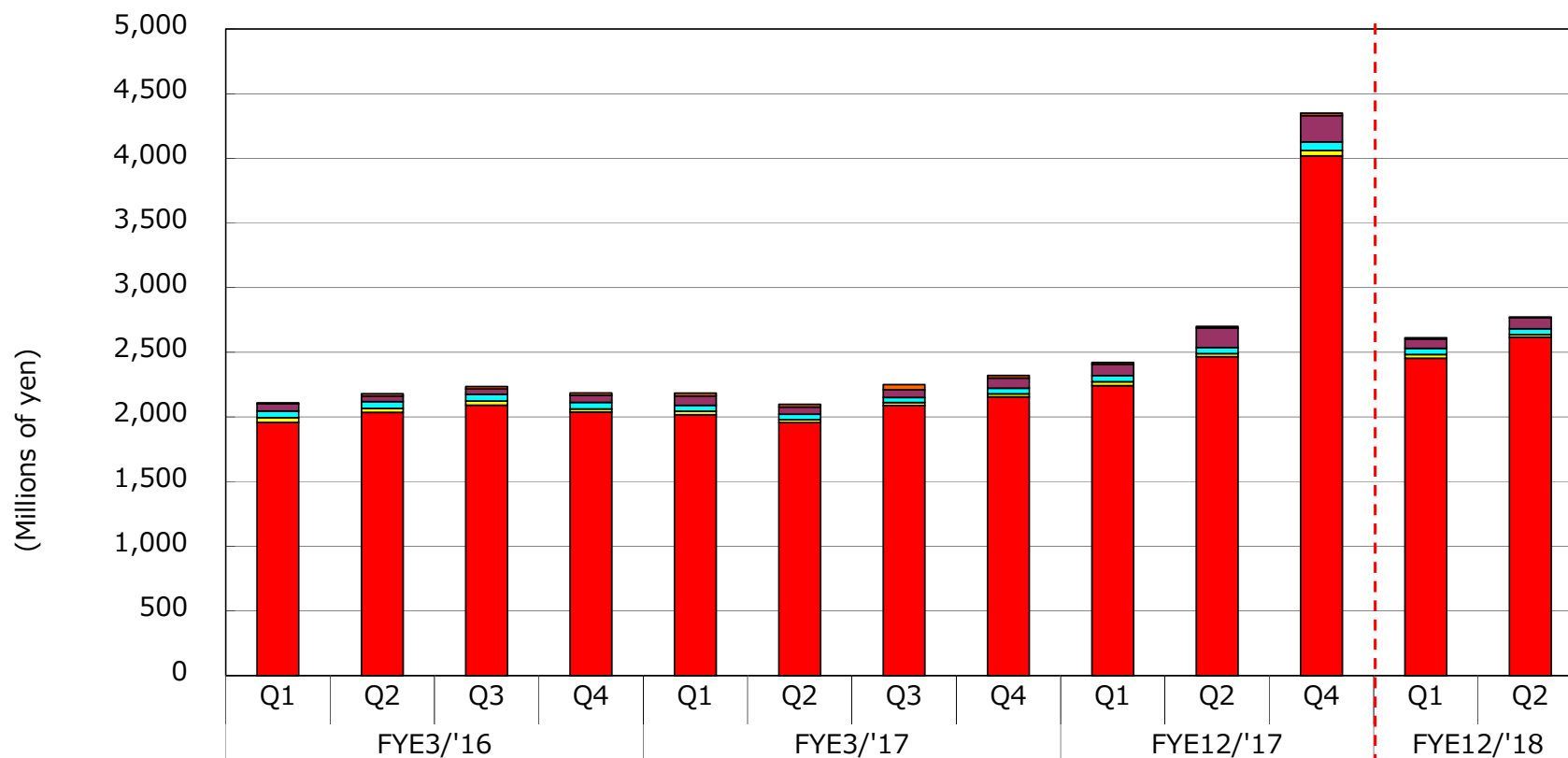
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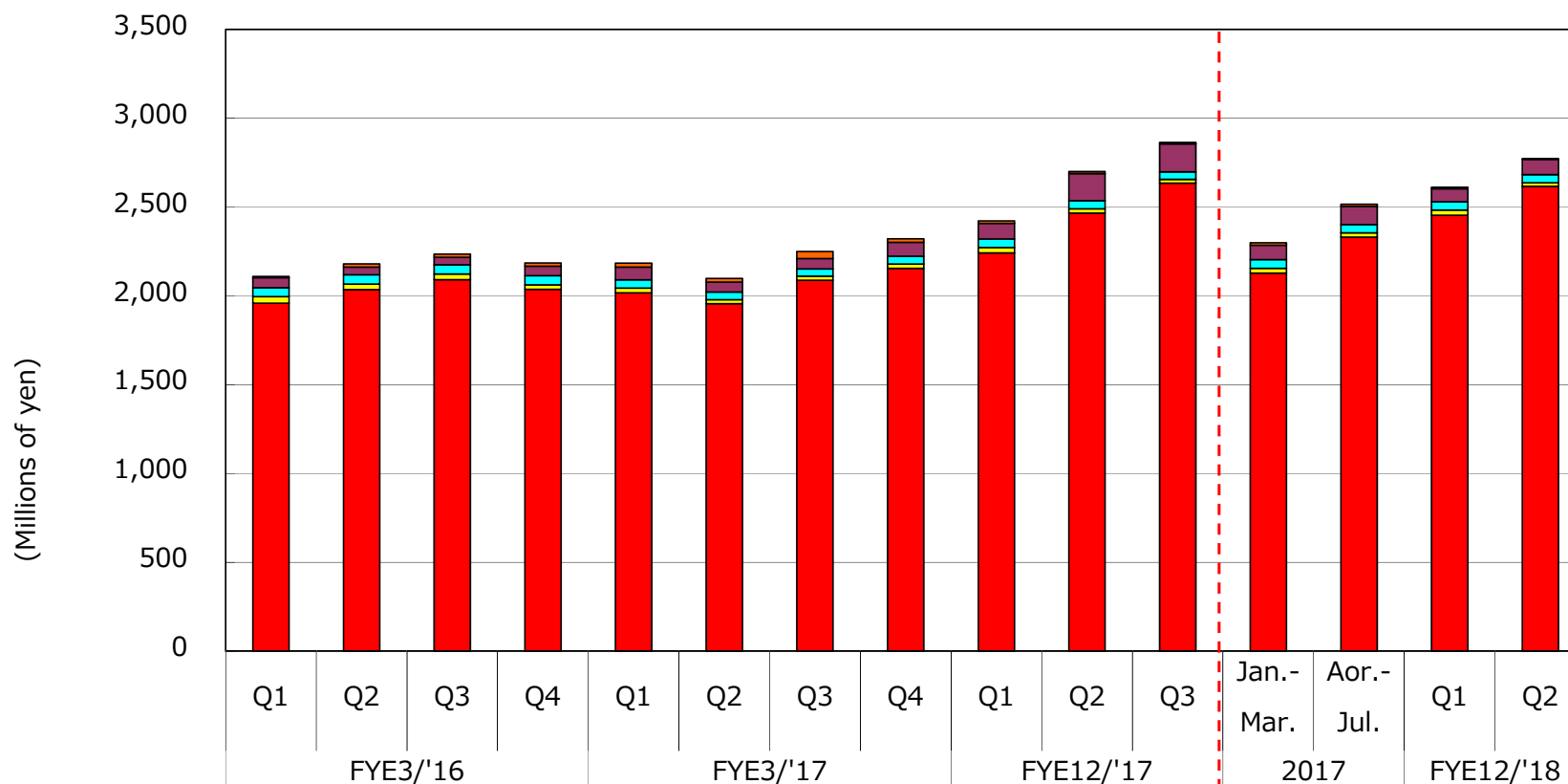
Full year (Japan and Overseas subsidiaries : Jan.- Dec.)



| | | | | | | | | | | | | | |
|----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Other | 7 | 18 | 18 | 18 | 22 | 21 | 40 | 20 | 14 | 12 | 19 | 9 | 3 |
| Stripper | 57 | 43 | 42 | 54 | 72 | 56 | 59 | 78 | 88 | 152 | 205 | 73 | 87 |
| Flux | 50 | 53 | 52 | 51 | 46 | 43 | 40 | 44 | 48 | 46 | 66 | 47 | 45 |
| Anti-ternish | 37 | 31 | 32 | 25 | 27 | 22 | 23 | 24 | 30 | 24 | 41 | 29 | 20 |
| Copper surface preparation | 1,958 | 2,035 | 2,091 | 2,037 | 2,017 | 1,956 | 2,088 | 2,155 | 2,242 | 2,466 | 4,019 | 2,454 | 2,617 |

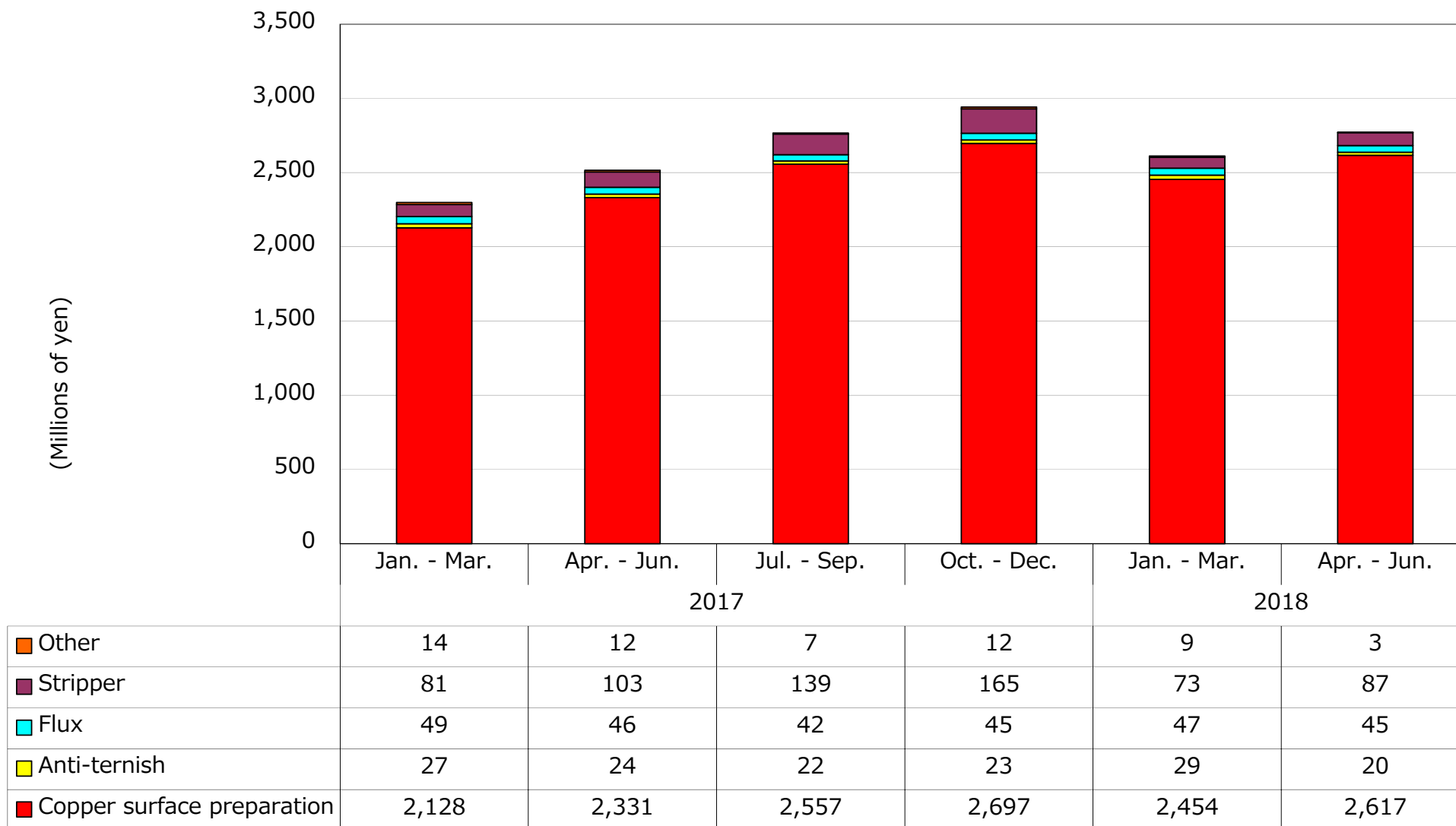
Chemical sales – Consolidated 1-②

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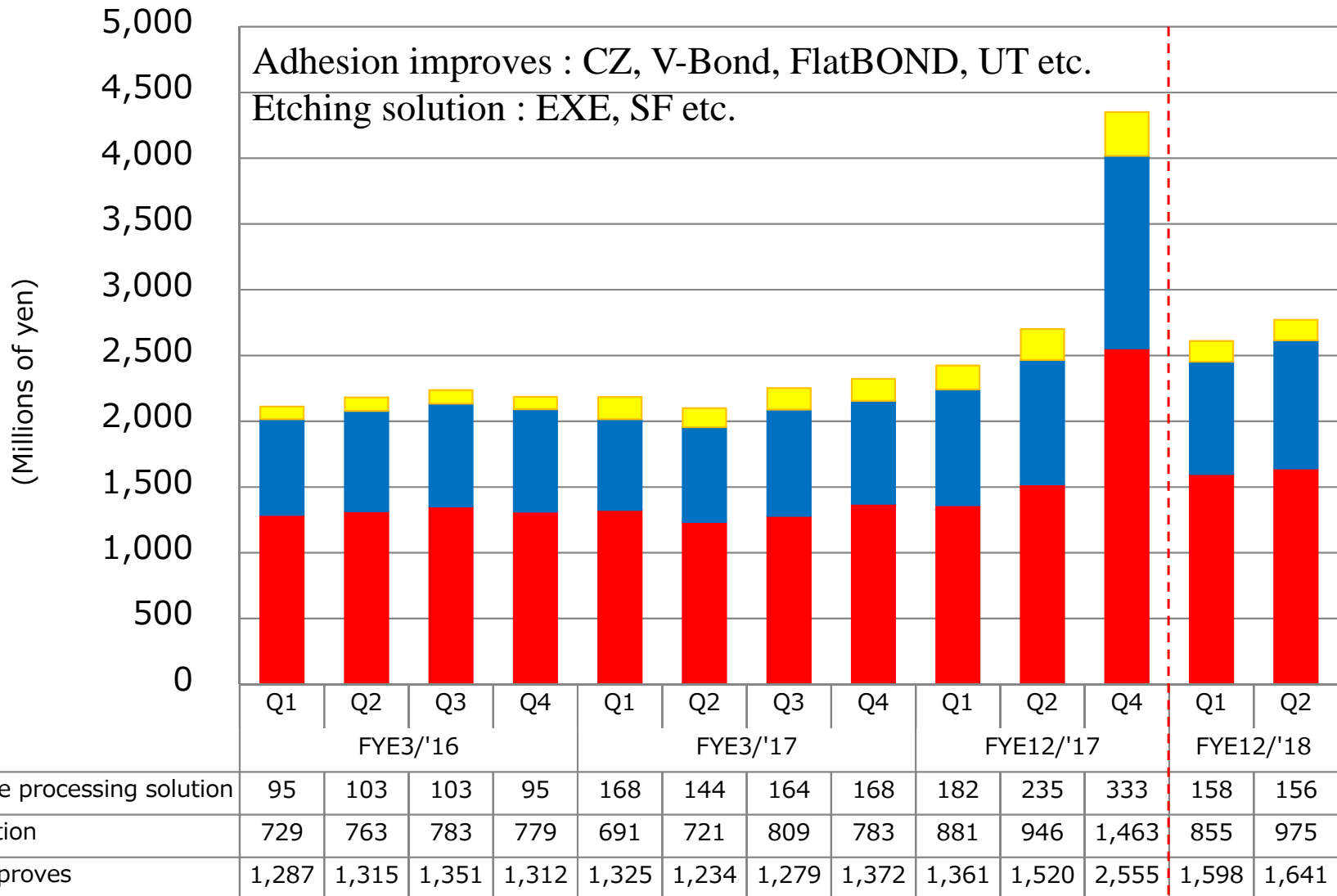
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|----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Other | 7 | 18 | 18 | 18 | 22 | 21 | 40 | 20 | 14 | 12 | 7 | 14 | 12 | 9 | 3 |
| Stripper | 57 | 43 | 42 | 54 | 72 | 56 | 59 | 78 | 88 | 152 | 158 | 81 | 103 | 73 | 87 |
| Flux | 50 | 53 | 52 | 51 | 46 | 43 | 40 | 44 | 48 | 46 | 42 | 49 | 46 | 47 | 45 |
| Anti-ternish | 37 | 31 | 32 | 25 | 27 | 22 | 23 | 24 | 30 | 24 | 21 | 27 | 24 | 29 | 20 |
| Copper surface preparation | 1,958 | 2,035 | 2,091 | 2,037 | 2,017 | 1,956 | 2,088 | 2,155 | 2,242 | 2,466 | 2,635 | 2,128 | 2,331 | 2,454 | 2,617 |

Chemical sales – Consolidated 1-③



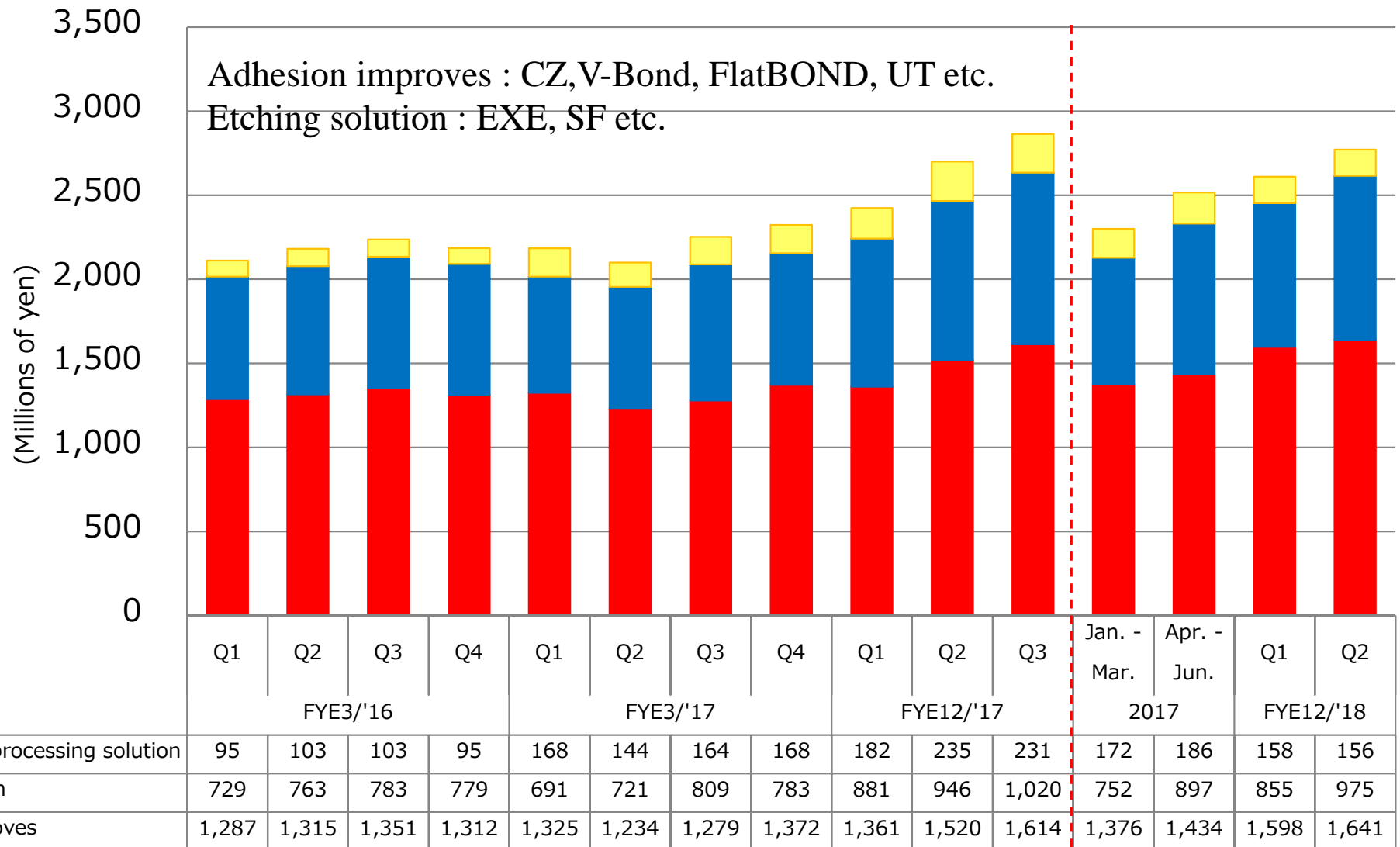
Chemical sales – Consolidated 2-①

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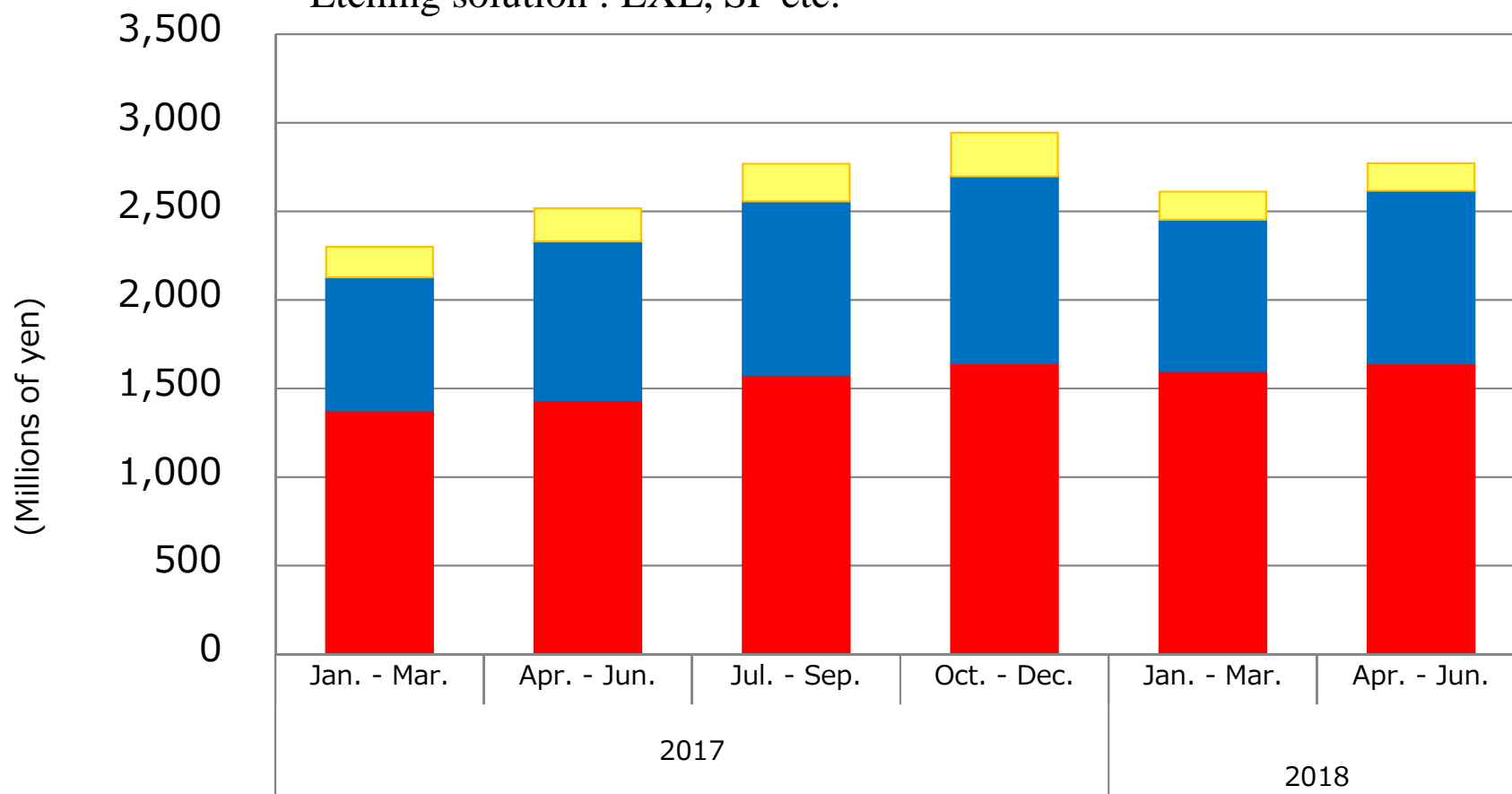
Chemical sales – Consolidated 2-②

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Chemical sales – Consolidated 2-③

Adhesion improves : CZ, V-Bond, FlatBOND, UT etc.
Etching solution : EXE, SF etc.



Chemical sales(quantity) – Consolidated①

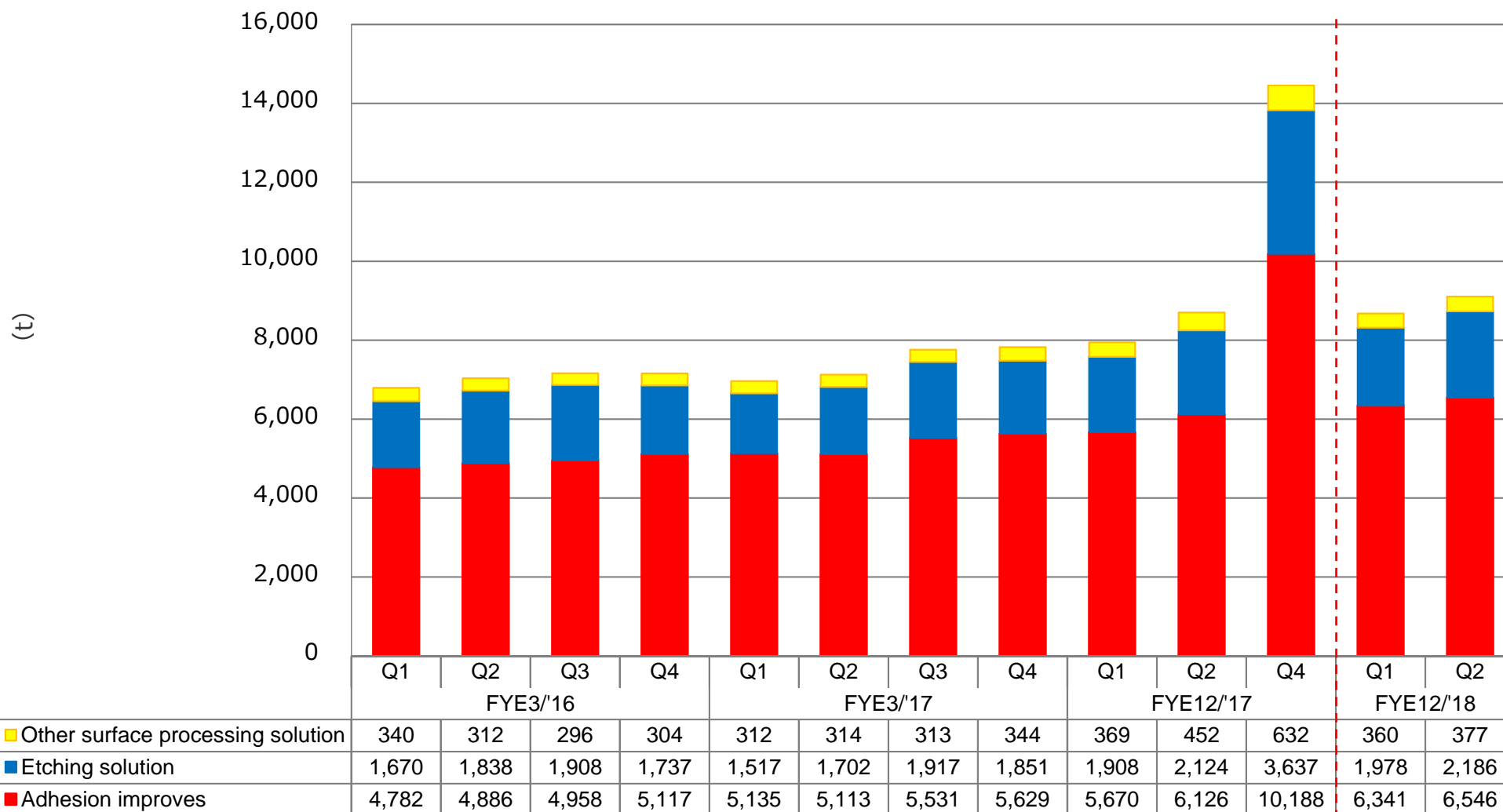
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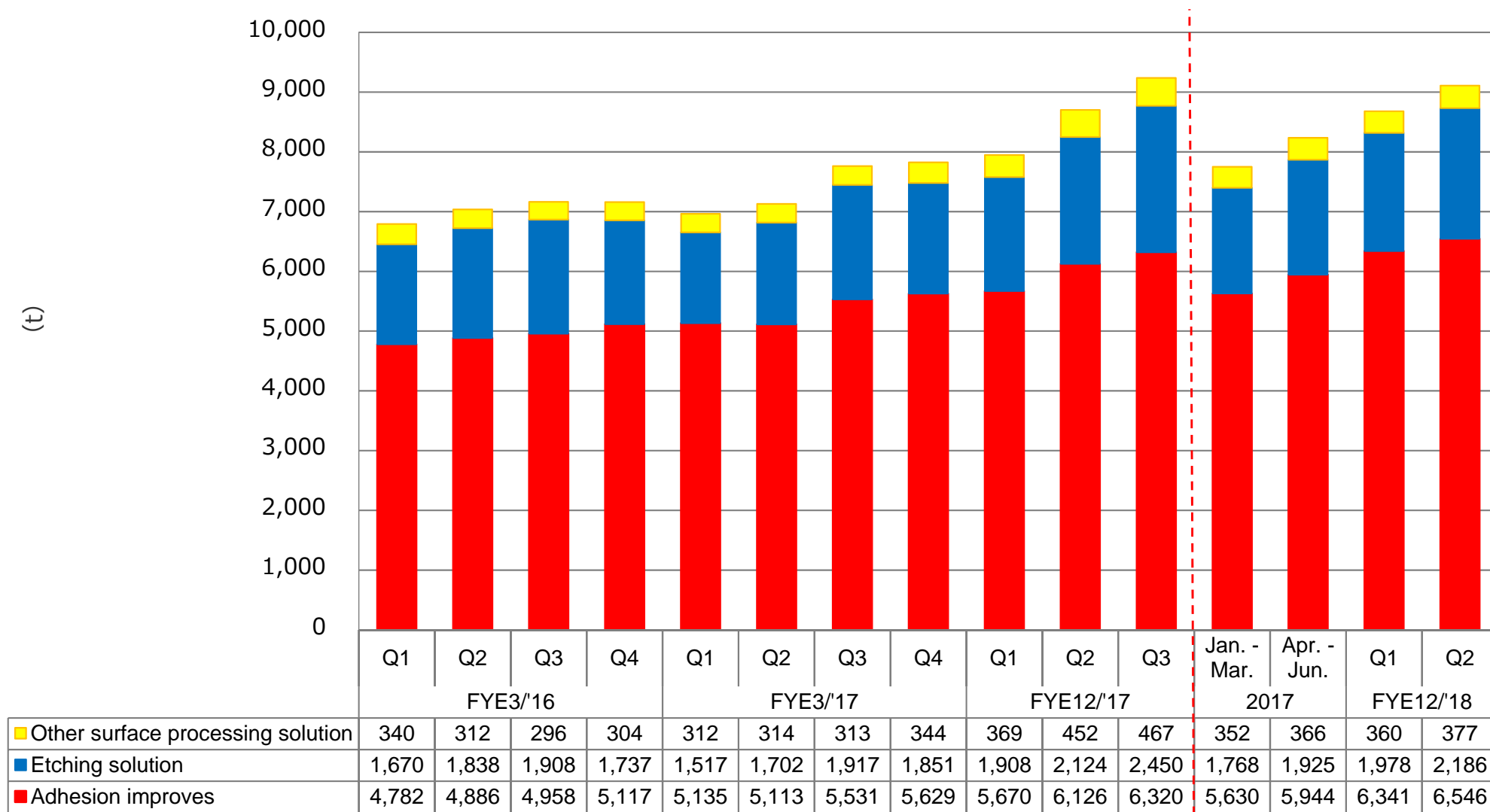
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Full year (Japan and Overseas subsidiaries : Jan.- Dec.)

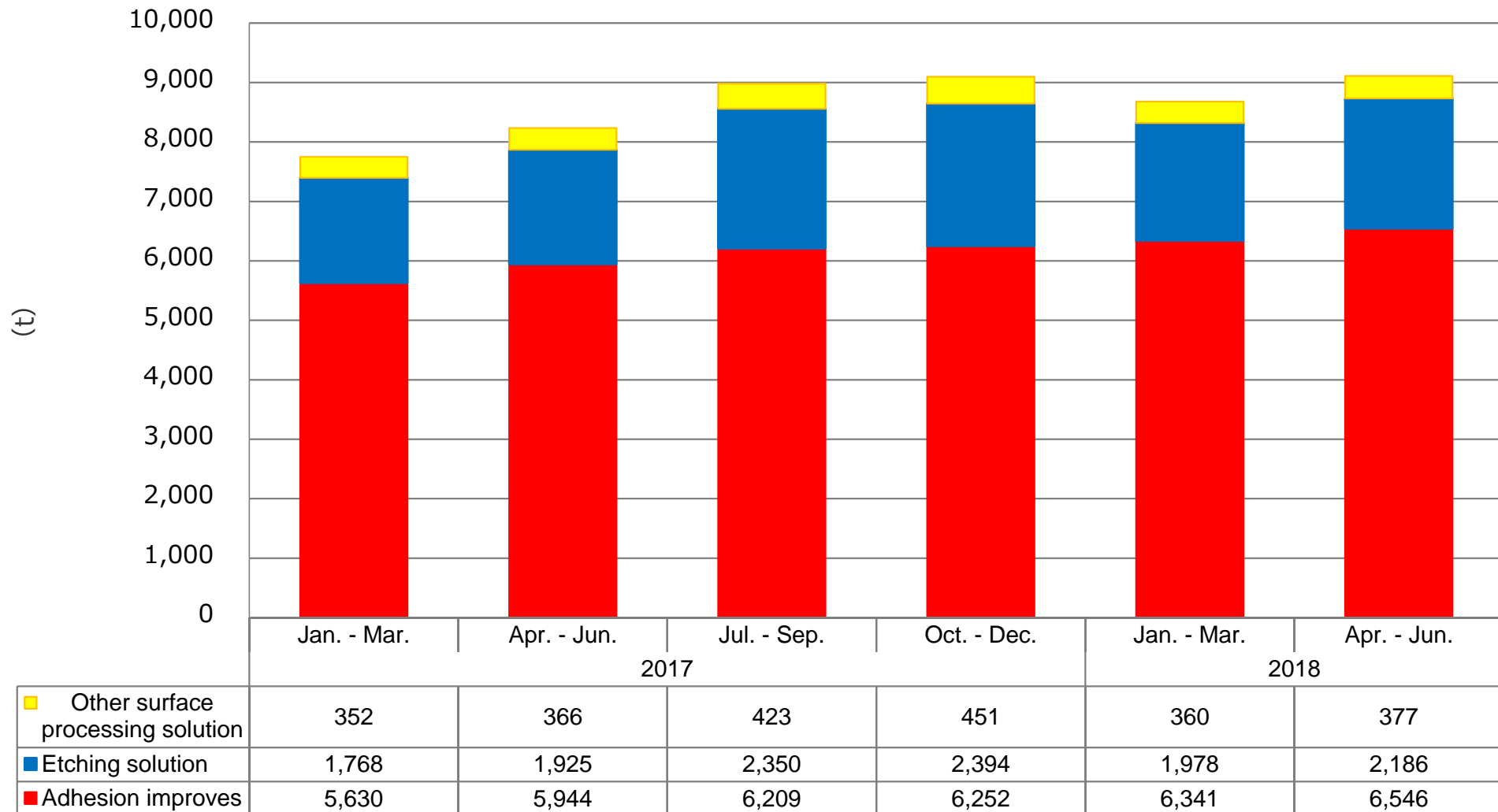


Chemical sales(quantity) – Consolidated②

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Chemical sales(quantity) – Consolidated③



CZ Series sales①

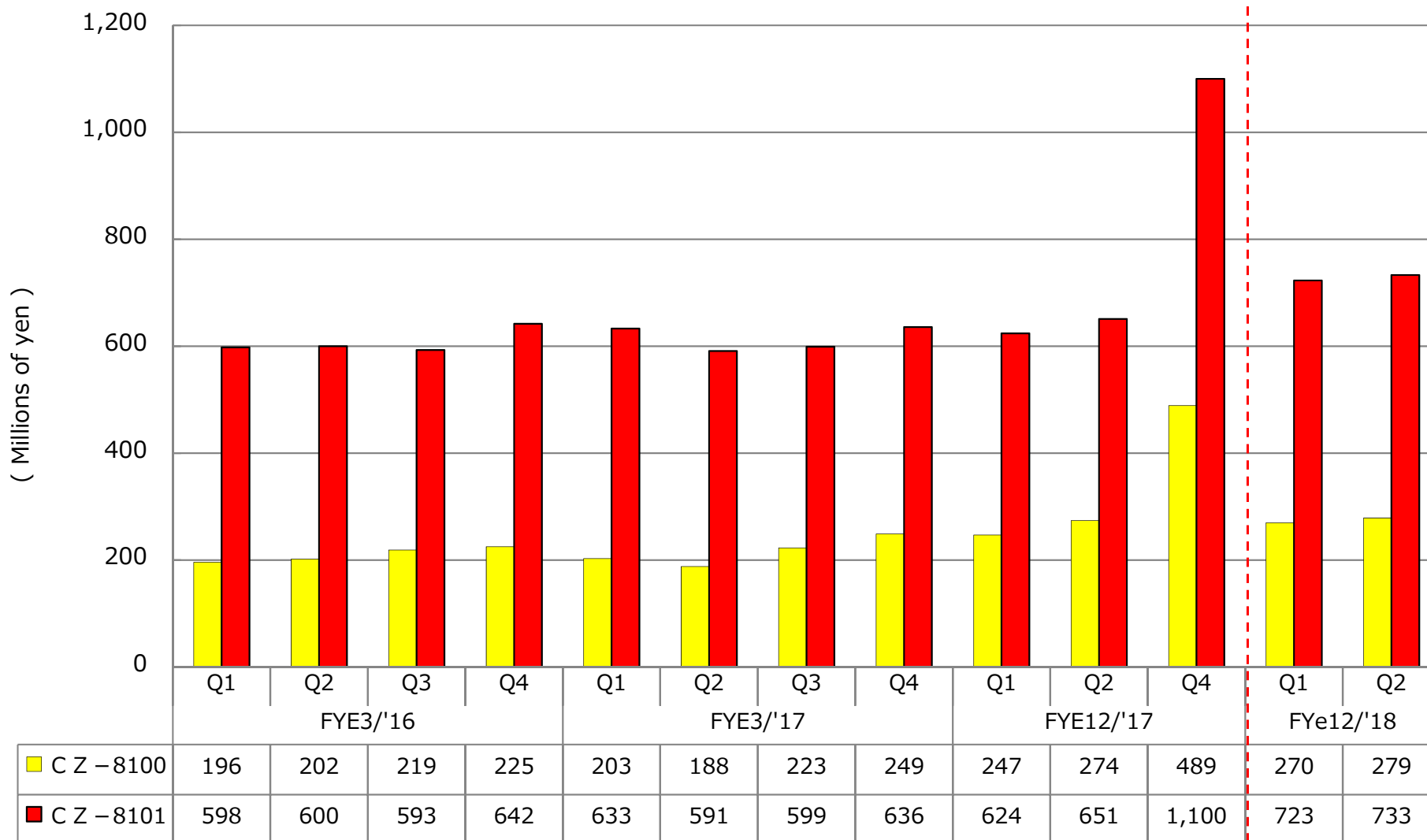
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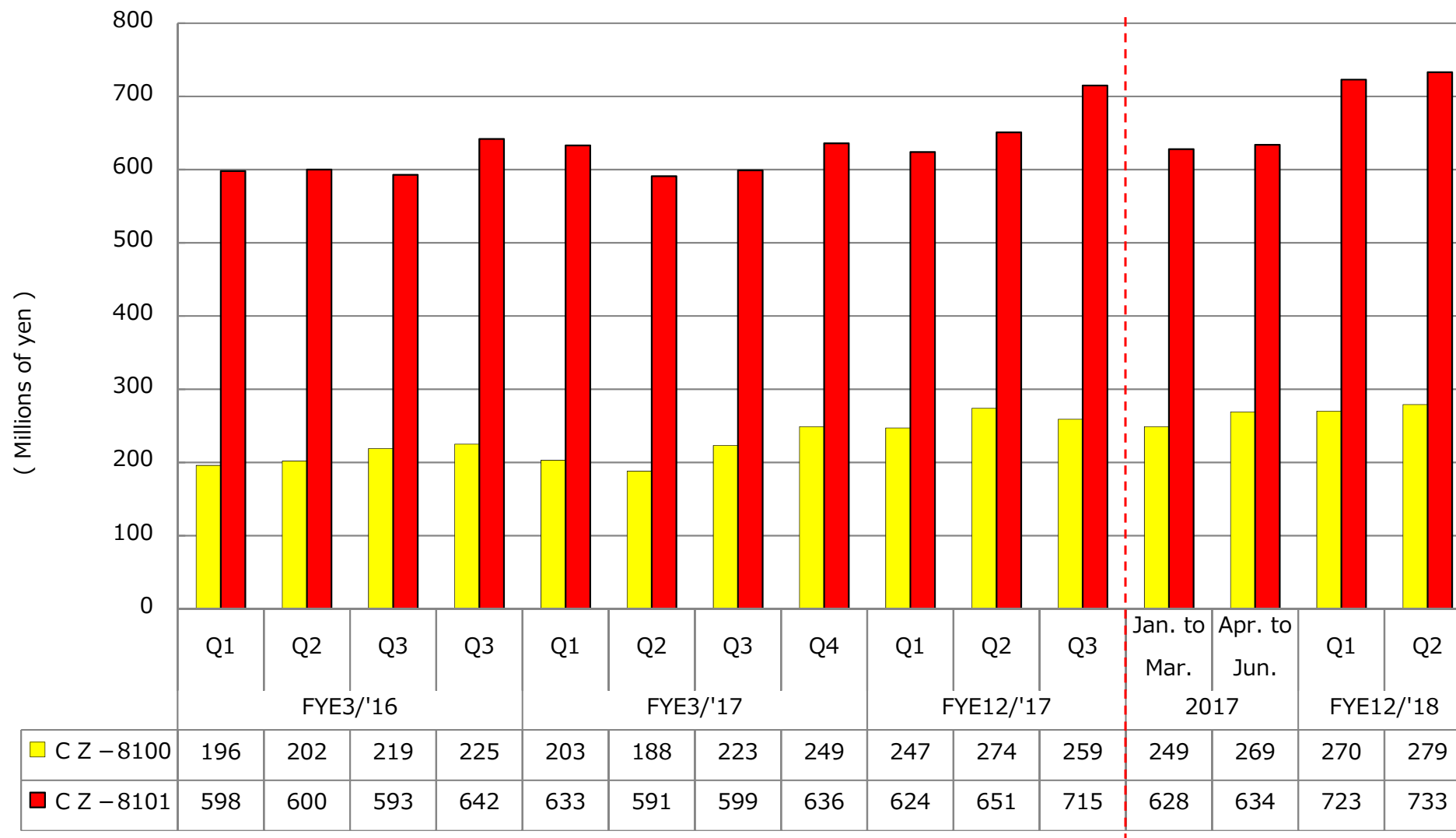
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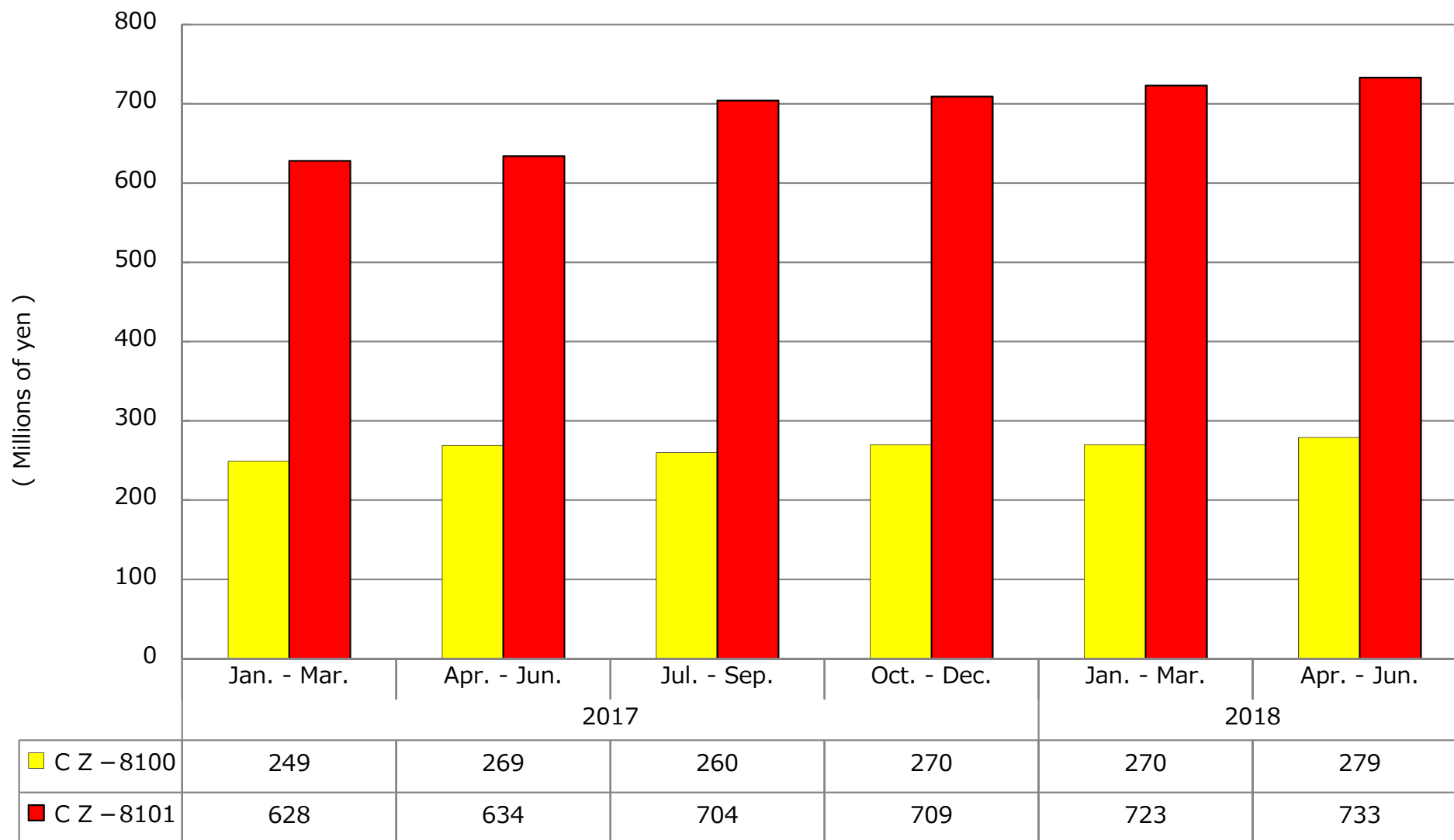


CZ Series sales②

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CZ Series sales③



Sales by region & foreign sales ratio①

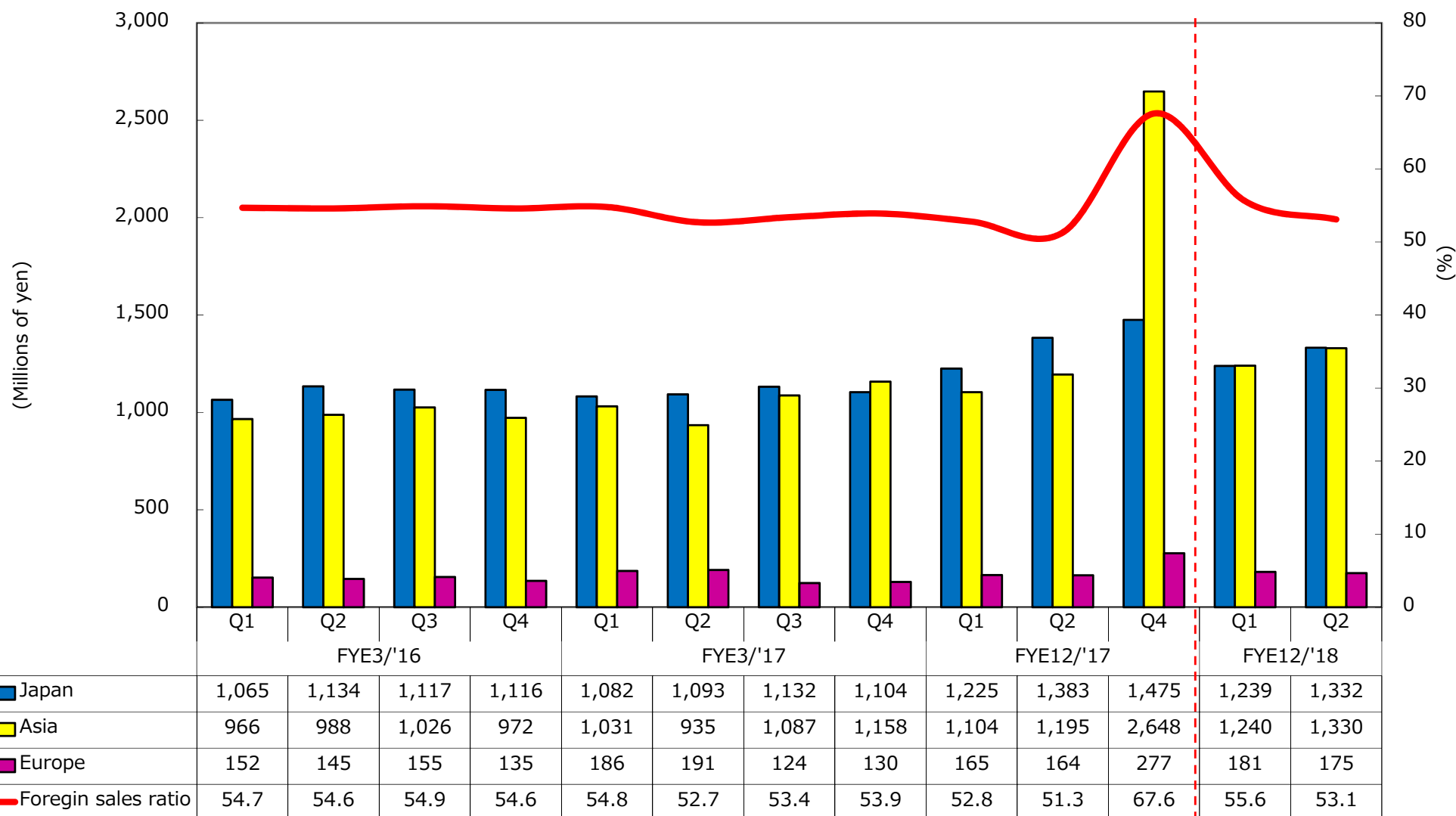
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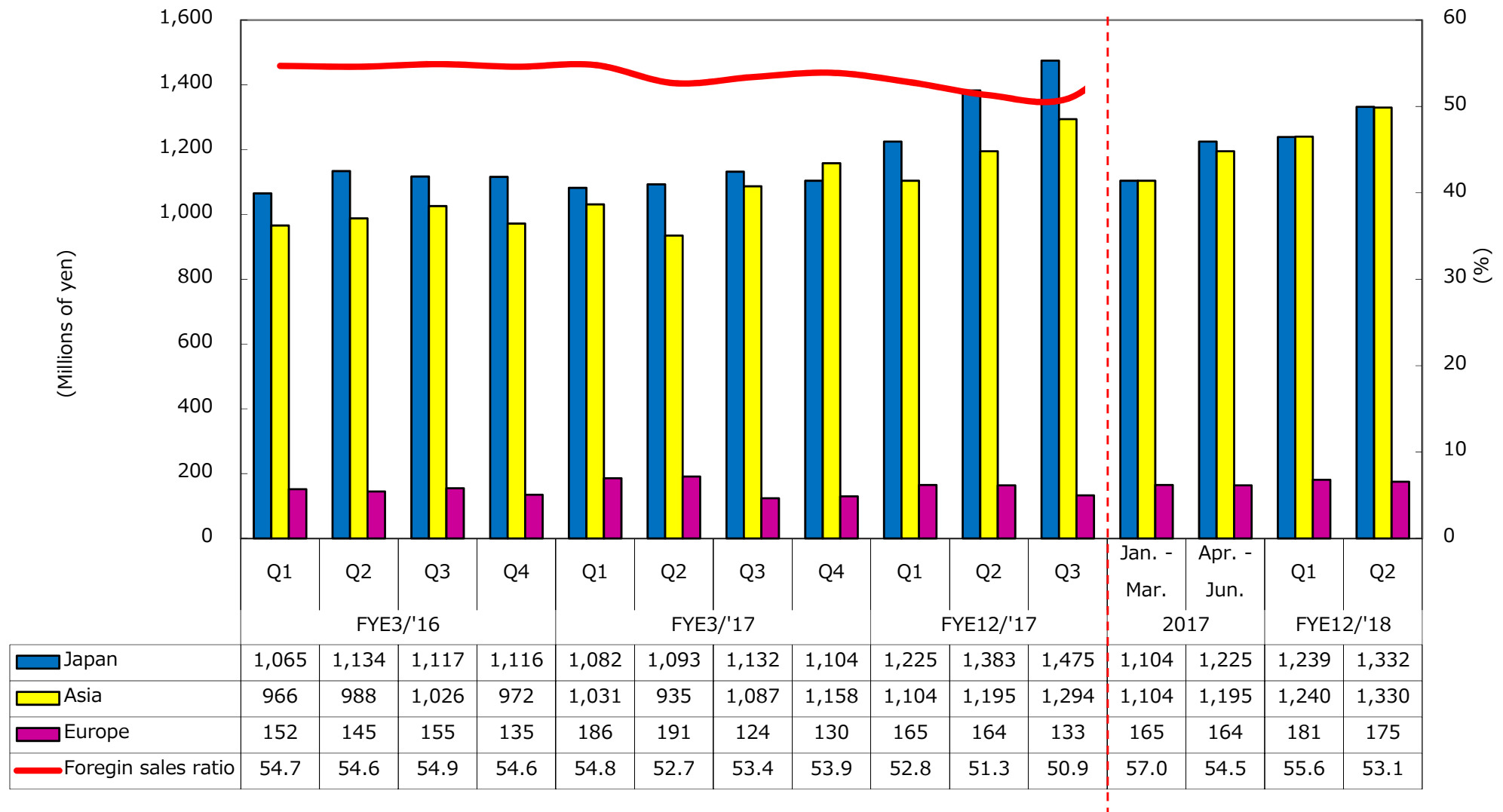
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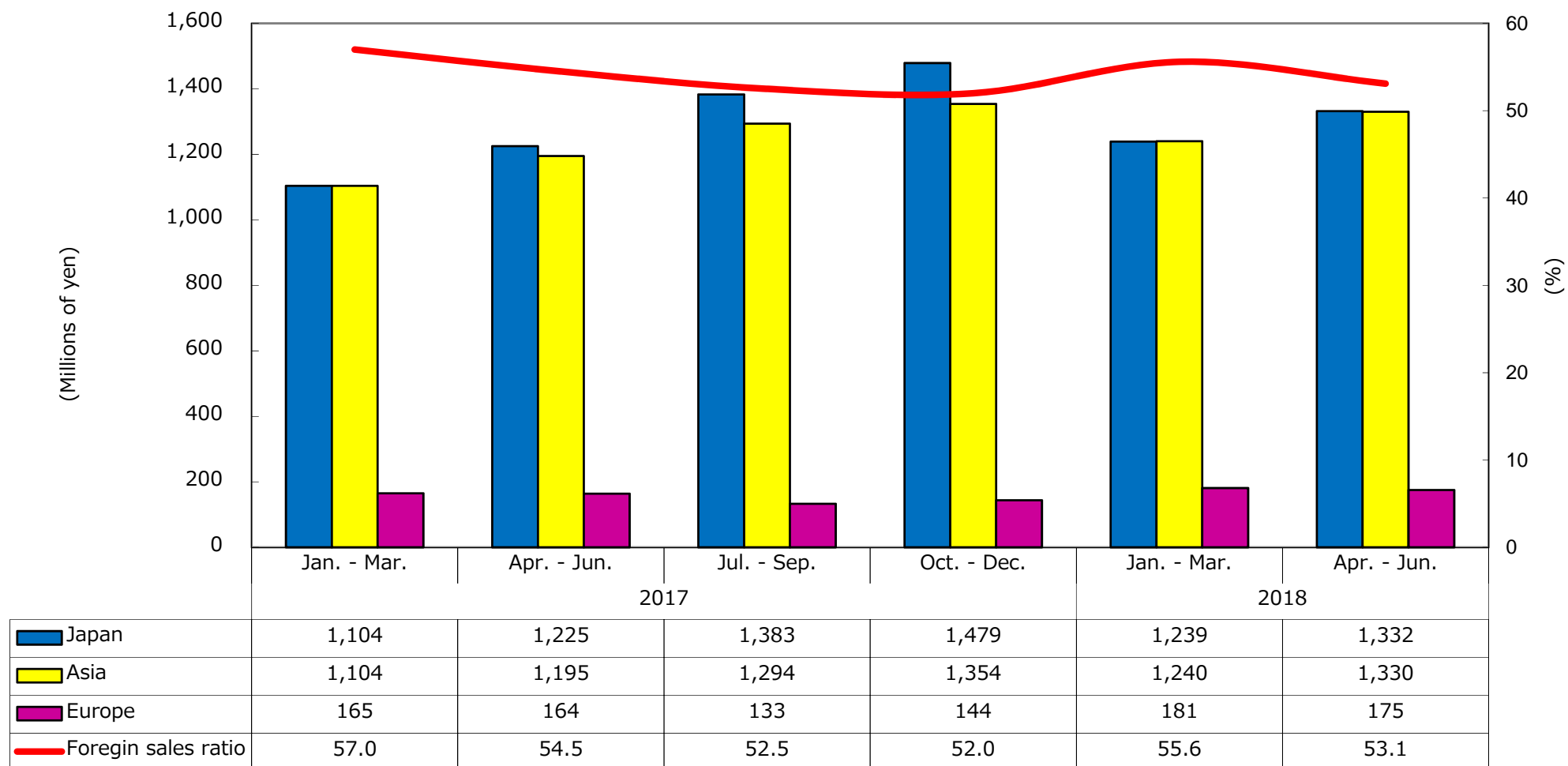


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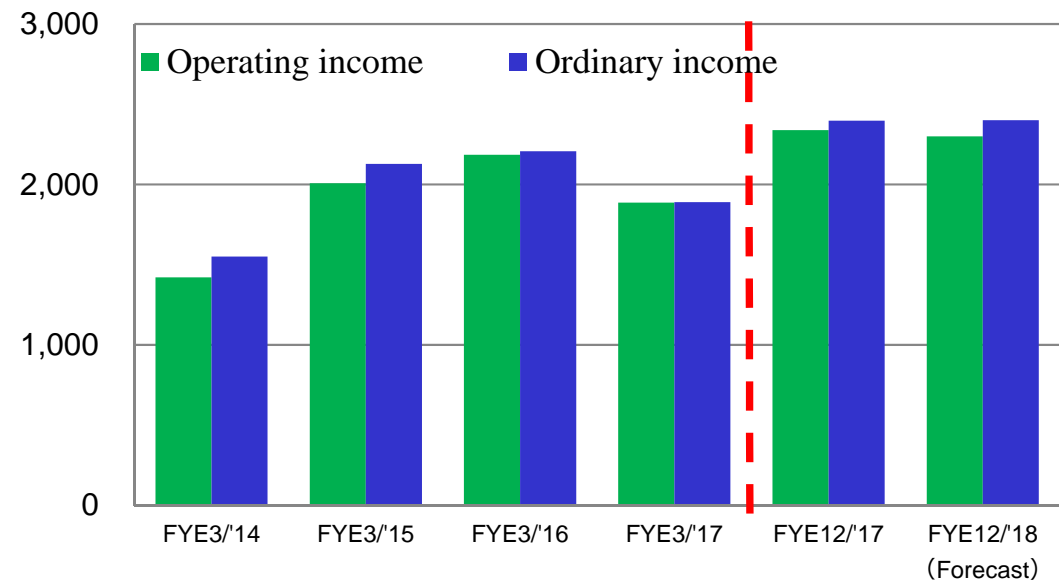
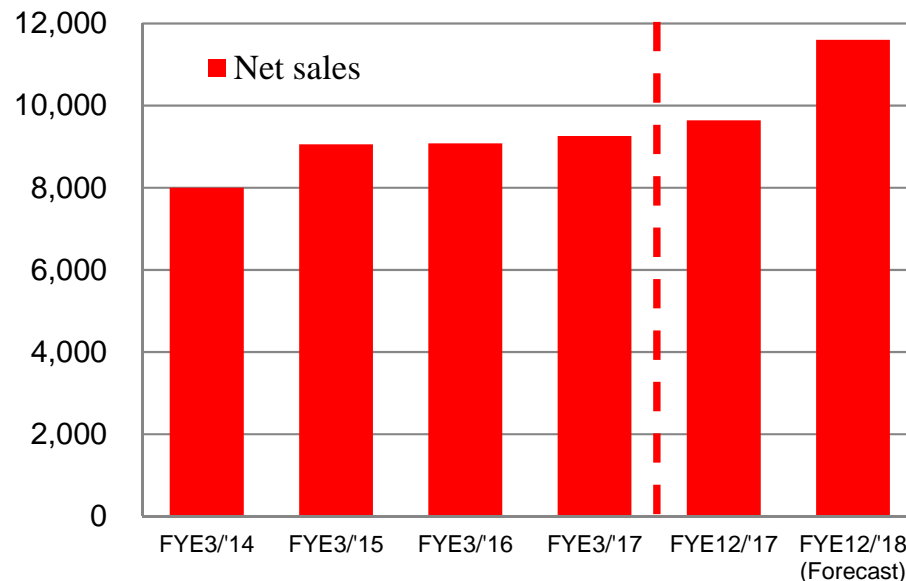
Sales by region & foreign sales ratio③



Full-year consolidated financial forecasts

| | FYE3/2017 (49th Term) | | FYE12/2017 (49th Term, replacement) | | FYE12/2018 (50th Term) | | |
|-------------------------|-----------------------------|---------------------|--|---------------------|-----------------------------|---------------------|--|
| | Amount (Millions of yen) | Profit ratio (%) | Amount (Millions of yen) | Profit ratio (%) | Amount (Millions of yen) | Profit ratio (%) | Compared with previous period* (%) |
| Net sales | 9,641 | - | 10,749 | - | 11,600 | - | 7.9 |
| Operating income | 1,993 | 20.7 | 2,339 | 21.8 | 2,300 | 19.8 | -1.7 |
| Ordinary income | 2,063 | 21.4 | 2,397 | 22.3 | 2,400 | 20.7 | 0.1 |
| Net income | 1,567 | 16.3 | 1,803 | 16.8 | 1,750 | 15.1 | -3.0 |

* Comparison with the 49th Term (replacement)



(Millions of yen)