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# Financial Results Briefing for Q3 FYE 12/2018

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November 13, 2018: HQ  
November 19, 2018: Tokyo



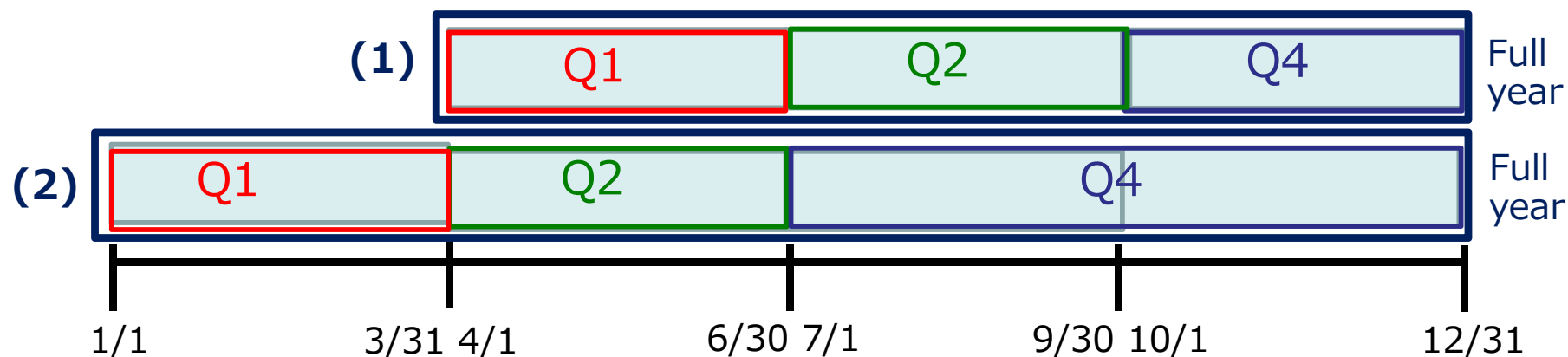
**MEC COMPANY LTD.**

Securities code: 4971

<http://www.mec-co.com/en/>

# Change of fiscal year-end

- In FYE 12/2017, MEC's fiscal year-end changed from March 31 to December 31
- Consolidated period of the 49th term (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)



- Year by year (YOY) comparisons for Q3 (January 1 to September 30, 2018) indicate change from the equivalent period of the previous year (January 1 to September 30, 2017)

# Q3 FYE 12/2018 Key factors

1

## Assumed/actual exchange rate

JPY to USD Assumed rate: 113.00 yen / Actual rate: 109.90 yen (previous year was 112.25 yen)  
JPY to NTD Assumed rate: 3.70 yen / Actual rate: 3.66 yen (previous year was 3.66 yen)  
JPY to RMB Assumed rate: 17.00 yen / Actual rate: 16.82 yen (previous year was 16.50 yen)

2

## Exchange rate impact (YOY change)\*

Sales: Up 63 million yen,  
Operating income: Up 31 million yen.

\*YOY comparison: From January to September 2017 vs. From January to September 2018











3

## Chemicals YOY change\*

Sales: Up 9.2%, Shipments: Up 9.1%

\* YOY comparison: From January to September 2017 vs. From January to September 2018

# Q3 FYE 12/2018 Results

	January – September 2017 (converted figures)	FYE12/2018 Q3	Increase/ Decrease
Net sales	¥7,771 million	¥8,432 million	8.5% 
Operating income	¥1,675 million	¥1,747 million	4.3% 
Ordinary income	¥1,699 million	¥1,763 million	3.8% 
Net income	¥1,232 million	¥1,429 million	16.0% 
Chemical sales	¥7,589 million	¥8,284 million	9.2% 
(Ratio of net sales)	(97.7%)	(98.2%)	0.5Pt 
Overseas sales ratio	54.5%	54.7%	0.2Pt 
CZ series sales	¥3,781 million	¥4,222 million	11.7% 
(Ratio of net sales)	(49.8%)	(51.0%)	1.2Pt 
Gross profit	64.7%	64.2%	0.5pt 

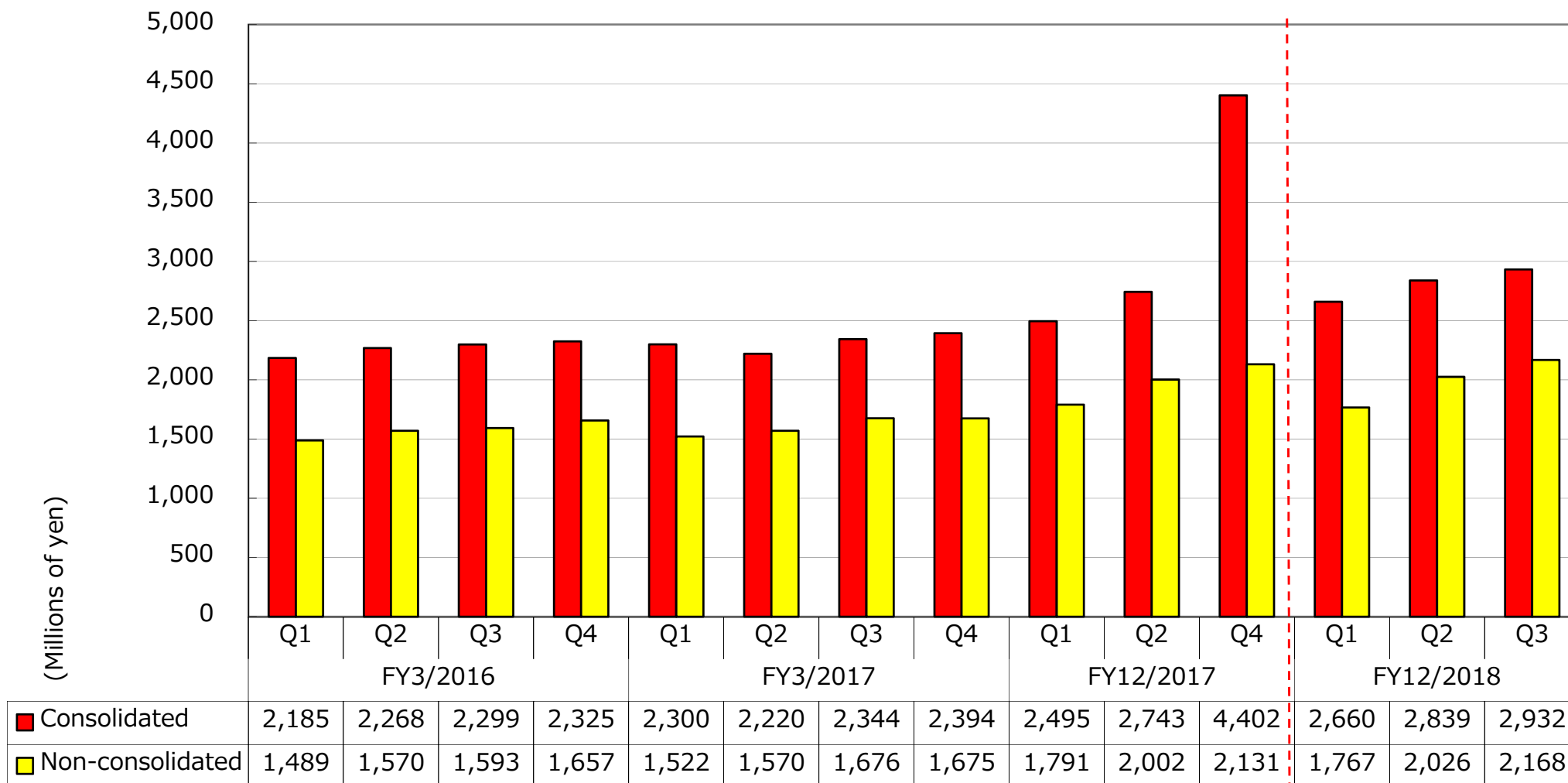
(1) Overseas sales ratio is 73.5% (same period of the previous year: 71.8%) if domestic agents' overseas chemical sales are included

(2) Exchange rate impact: Net sales ¥63 million, operating income ¥31 million.

# Quarterly net sales (1)

\*FYE 12/2017 (Irregular/transitional settlement): Full-year = Apr-Dec (non-consolidated), Jan-Dec (overseas subsidiaries)  
 Q4 = Oct-Dec (non-consolidated), Jul-Dec (overseas subsidiaries)

\*FYE 12/2018: Full-year = Jan-Dec



# Quarterly net sales (2)

\*FYE 12/2017 (Irregular/transitional settlement): Period = Apr-Dec (non-consolidated), Jan-Dec (subsidiaries)

FYE 12/2018: Consolidated period = Jan-Dec

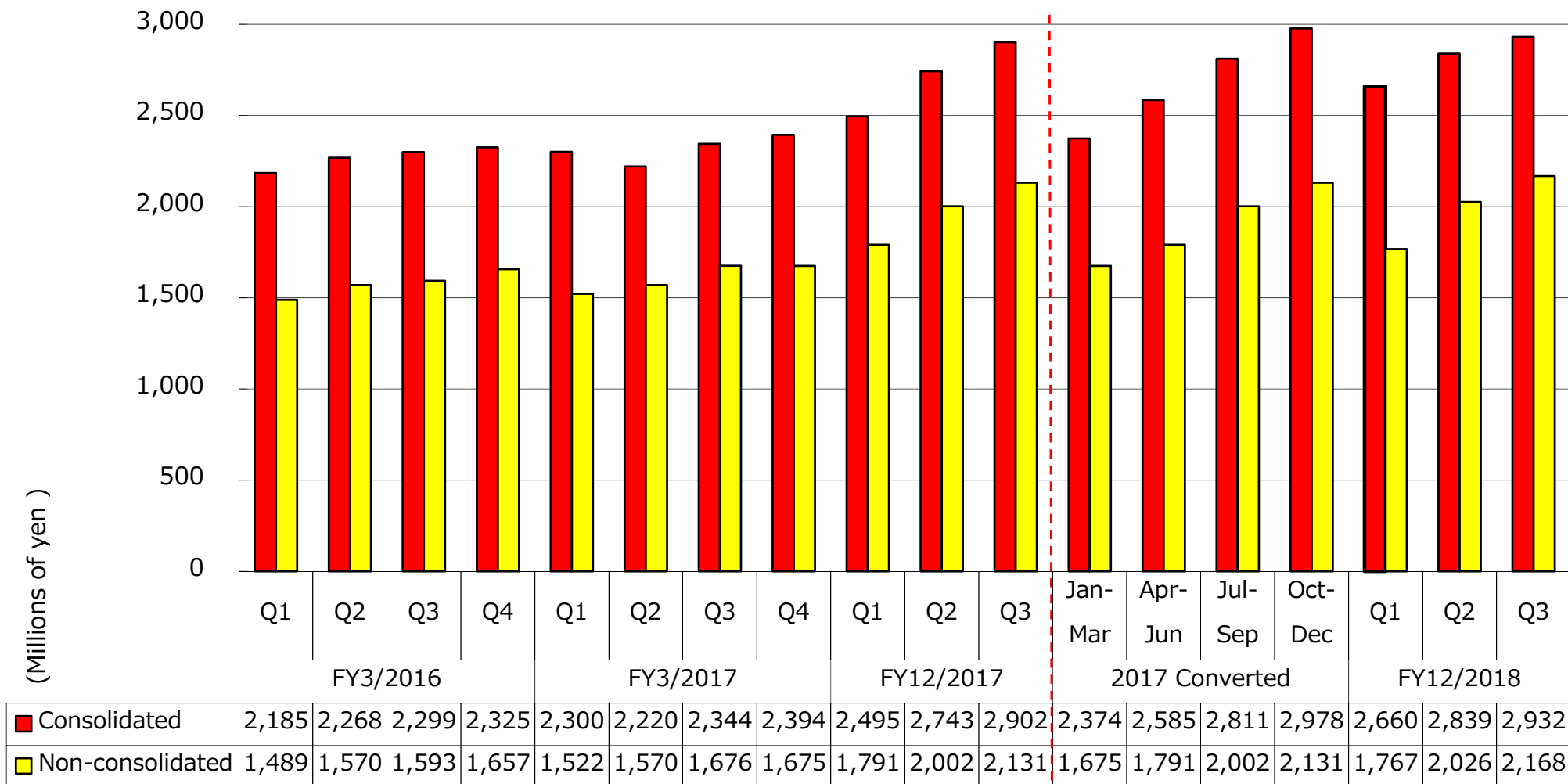
Consolidated (up to and including Q3 12/2017)

1Q = Apr-Jun (non-consolidated), Jan-Mar (subsidiaries)

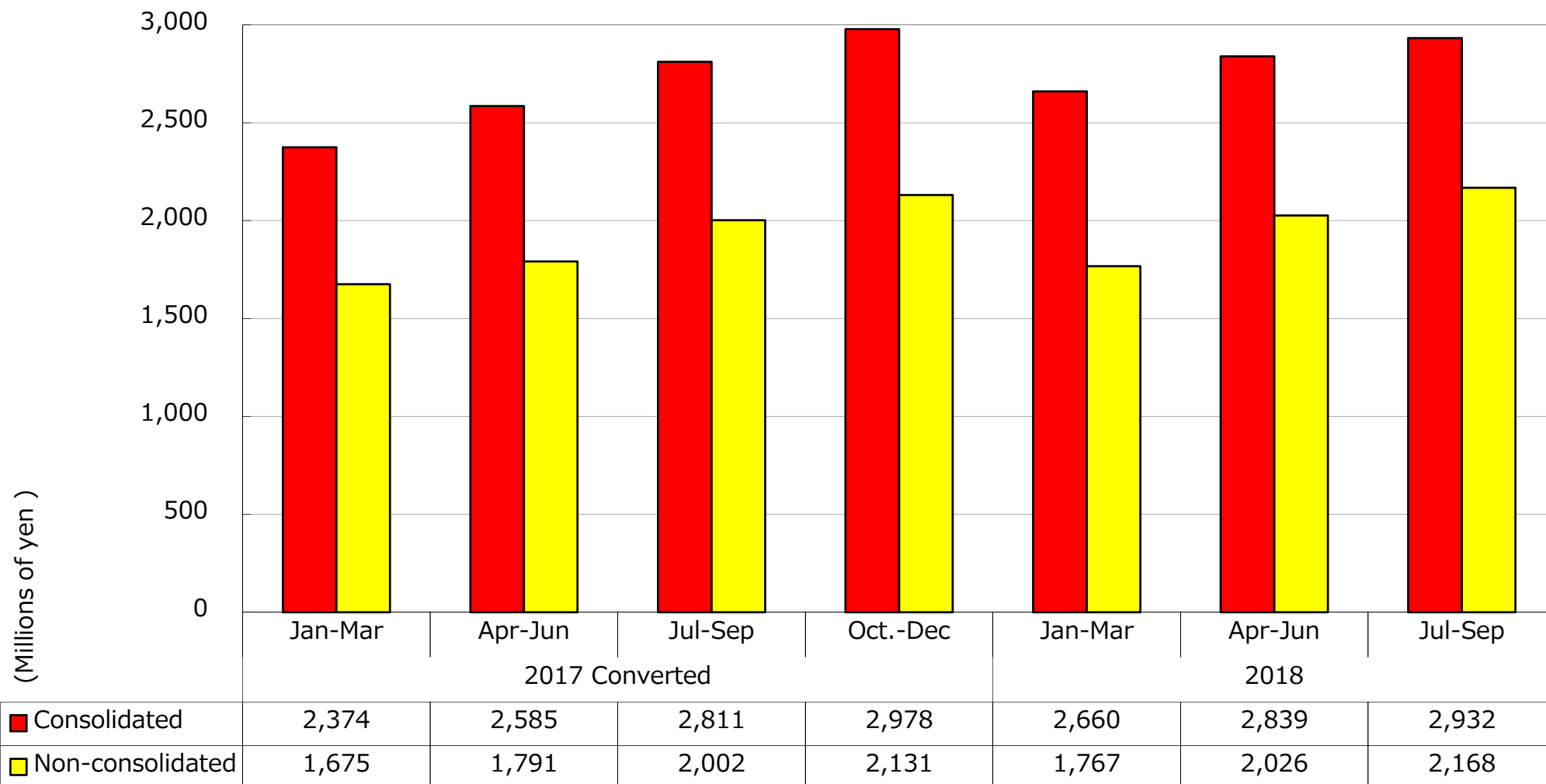
2Q = Jul-Sep (non-consolidated), Apr-Jun (subsidiaries)

3Q = Oct-Dec (non-consolidated), Jul-Sep (subsidiaries)

4Q = Jan-Mar (non-consolidated), Oct-Dec (subsidiaries)



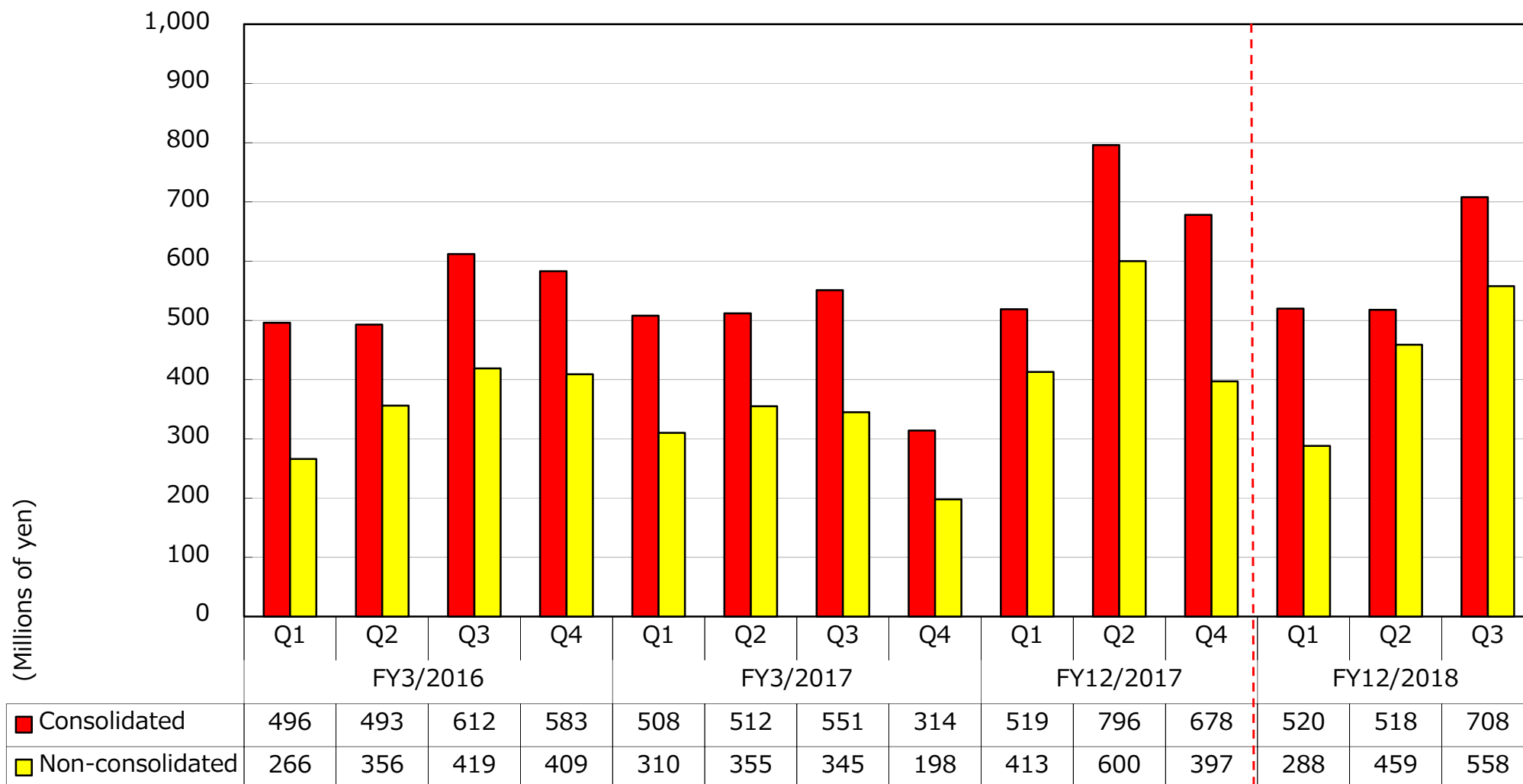
# Quarterly net sales (3)



# Quarterly operating income (1)

\*FYE 12/2017 (Irregular/transitional settlement): Full-year = Apr-Dec (non-consolidated), Jan-Dec (overseas subsidiaries)  
 Q4 = Oct-Dec (non-consolidated), Jul-Dec (overseas subsidiaries)

\*FYE 12/2018:  
 Full-year = Jan-Dec





# Quarterly operating income (2)

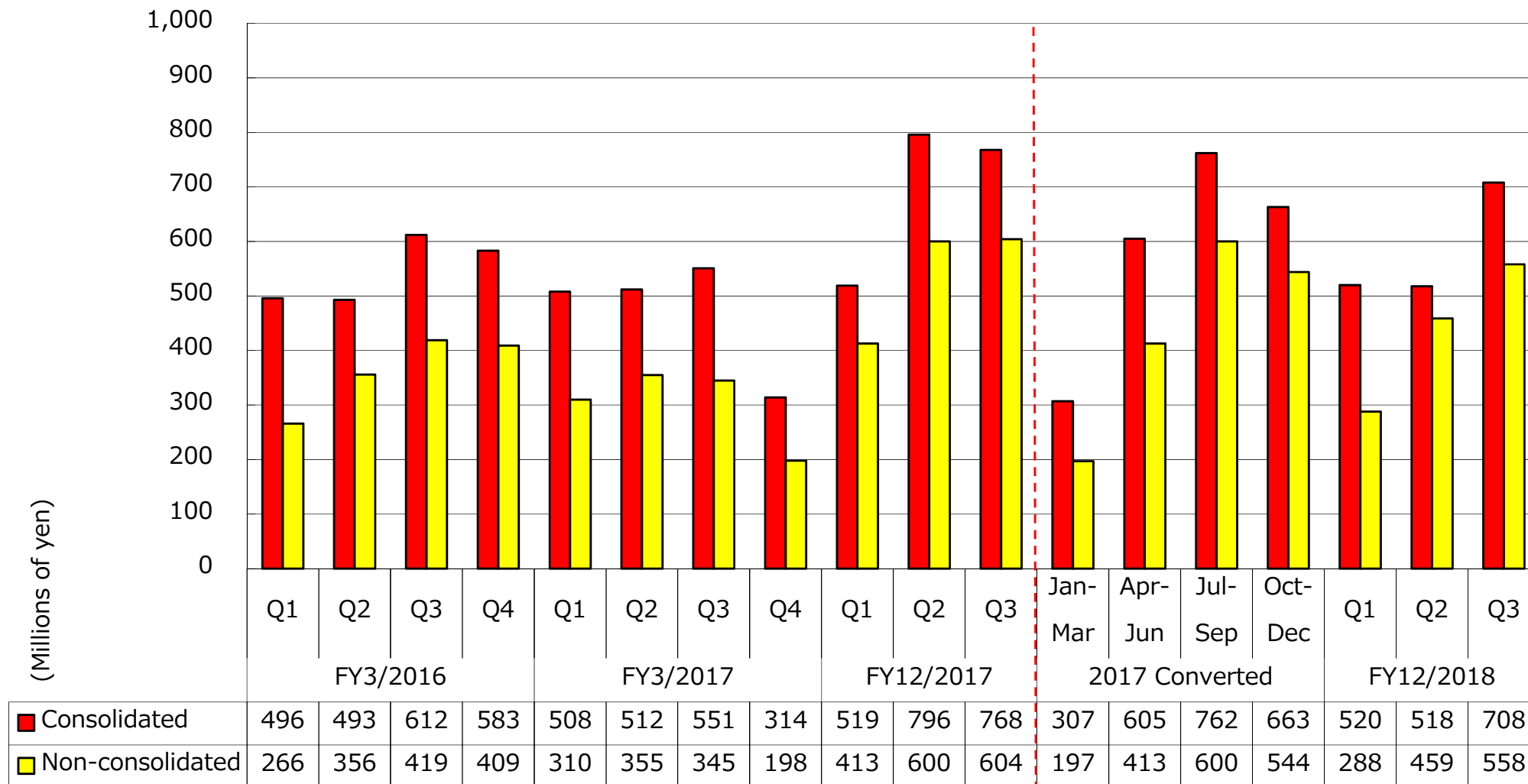
\*FYE 12/2017 (Irregular/transitional settlement): Period = Apr-Dec (non-consolidated), Jan-Dec (subsidiaries)

FYE 12/2018: Consolidated period = Jan-Dec

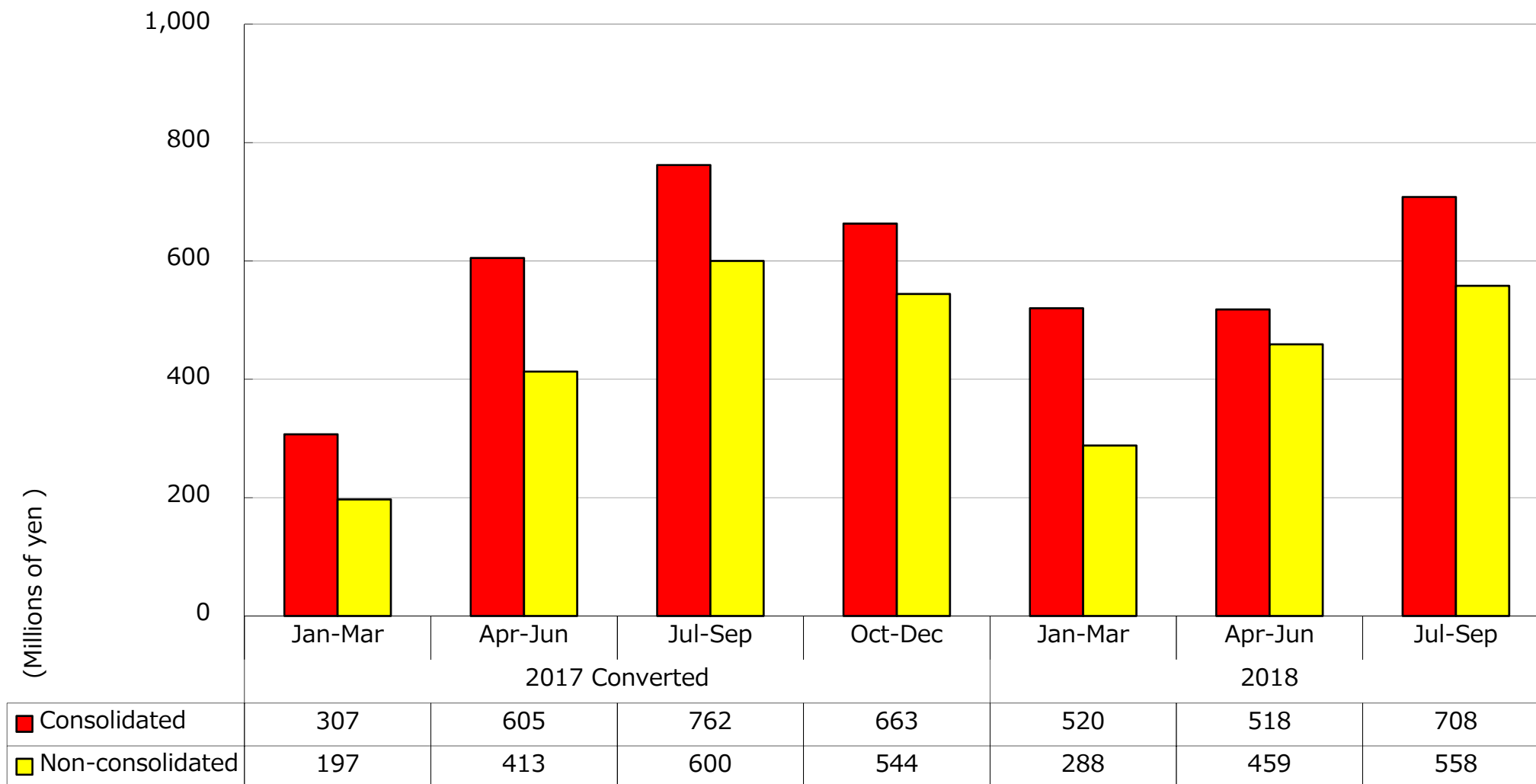
Consolidated (up to and including Q3 12/2017)

1Q = Apr-Jun (non-consolidated), Jan-Mar (subsidiaries)    2Q = Jul-Sep (non-consolidated), Apr-Jun (subsidiaries)

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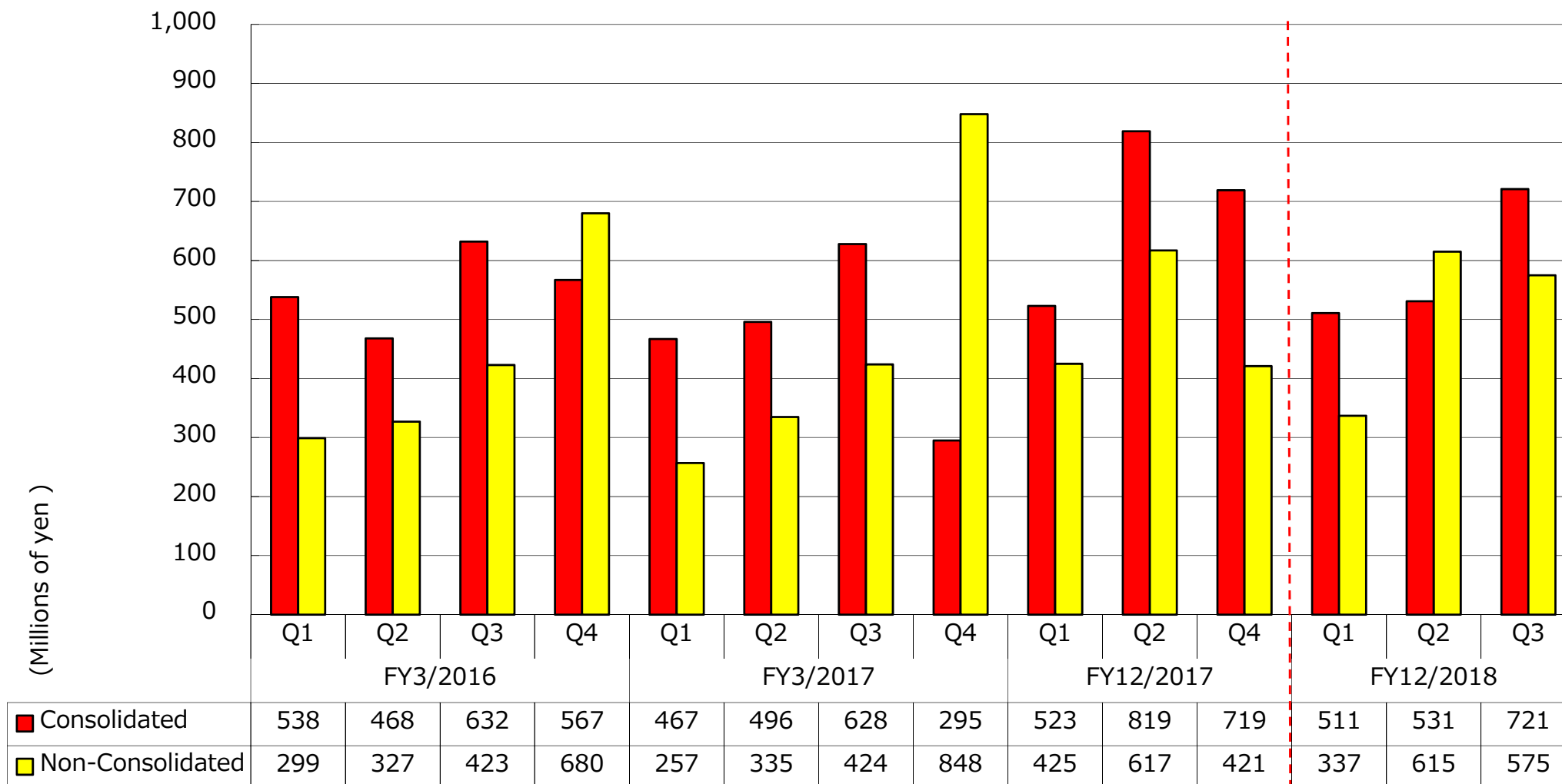
# Quarterly operating income (3)



# Quarterly ordinary income (1)

\*FYE 12/2017 (Irregular/transitional settlement): Full-year = Apr-Dec (non-consolidated), Jan-Dec (overseas subsidiaries)  
 Q4 = Oct-Dec (non-consolidated), Jul-Dec (overseas subsidiaries)

\*FYE 12/2018:  
 Full-year = Jan-Dec



# Quarterly ordinary income (2)

\*FYE 12/2017 (Irregular/transitional settlement): Period = Apr-Dec (non-consolidated), Jan-Dec (subsidiaries)

FYE 12/2018: Consolidated period = Jan-Dec

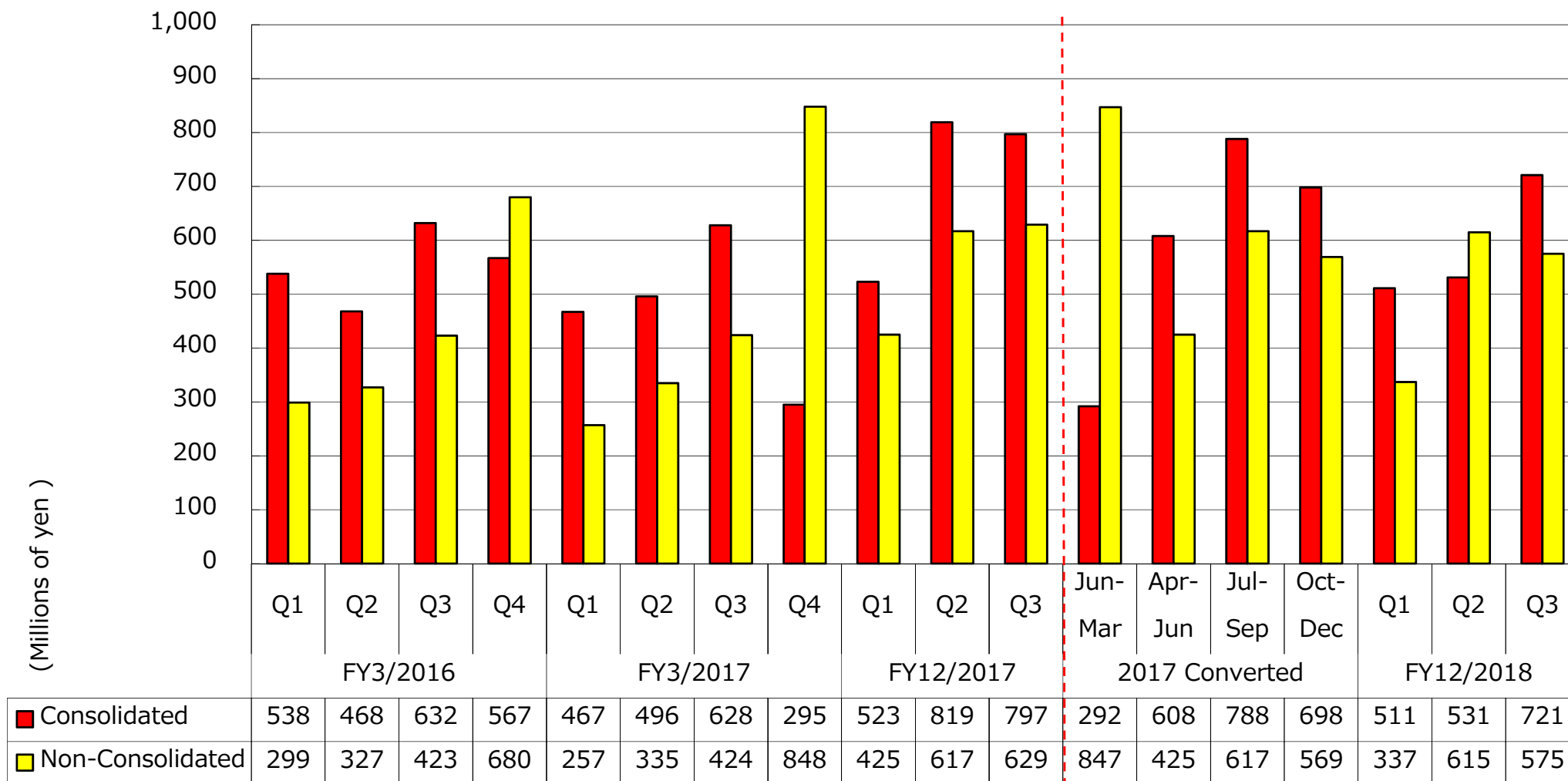
Consolidated (up to and including Q3 12/2017)

1Q = Apr-Jun (non-consolidated), Jan-Mar (subsidiaries)

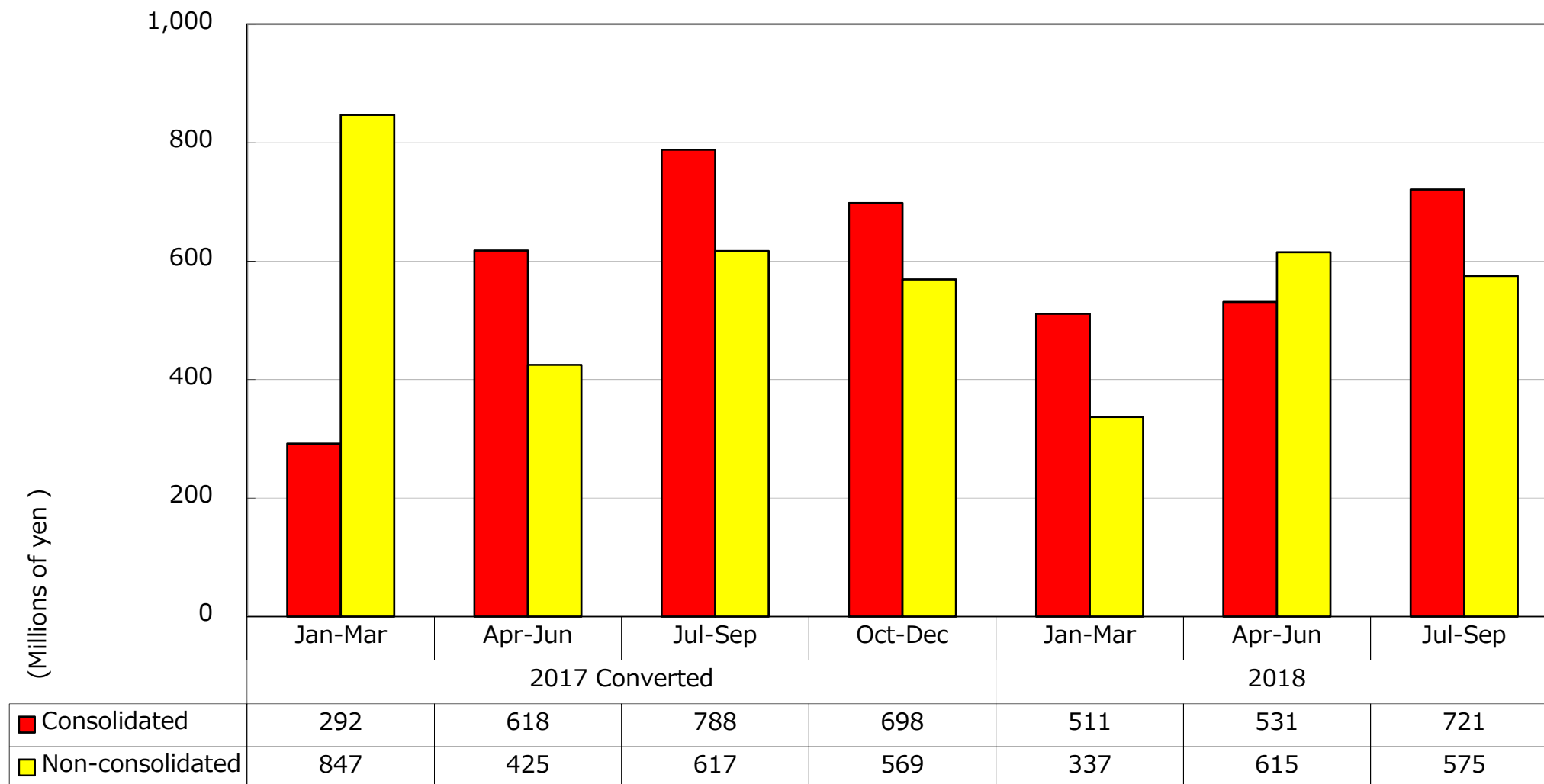
2Q = Jul-Sep (non-consolidated), Apr-Jun (subsidiaries)

3Q = Oct-Dec (non-consolidated), Jul-Sep (subsidiaries)

4Q = Jan-Mar (non-consolidated), Oct-Dec (subsidiaries)



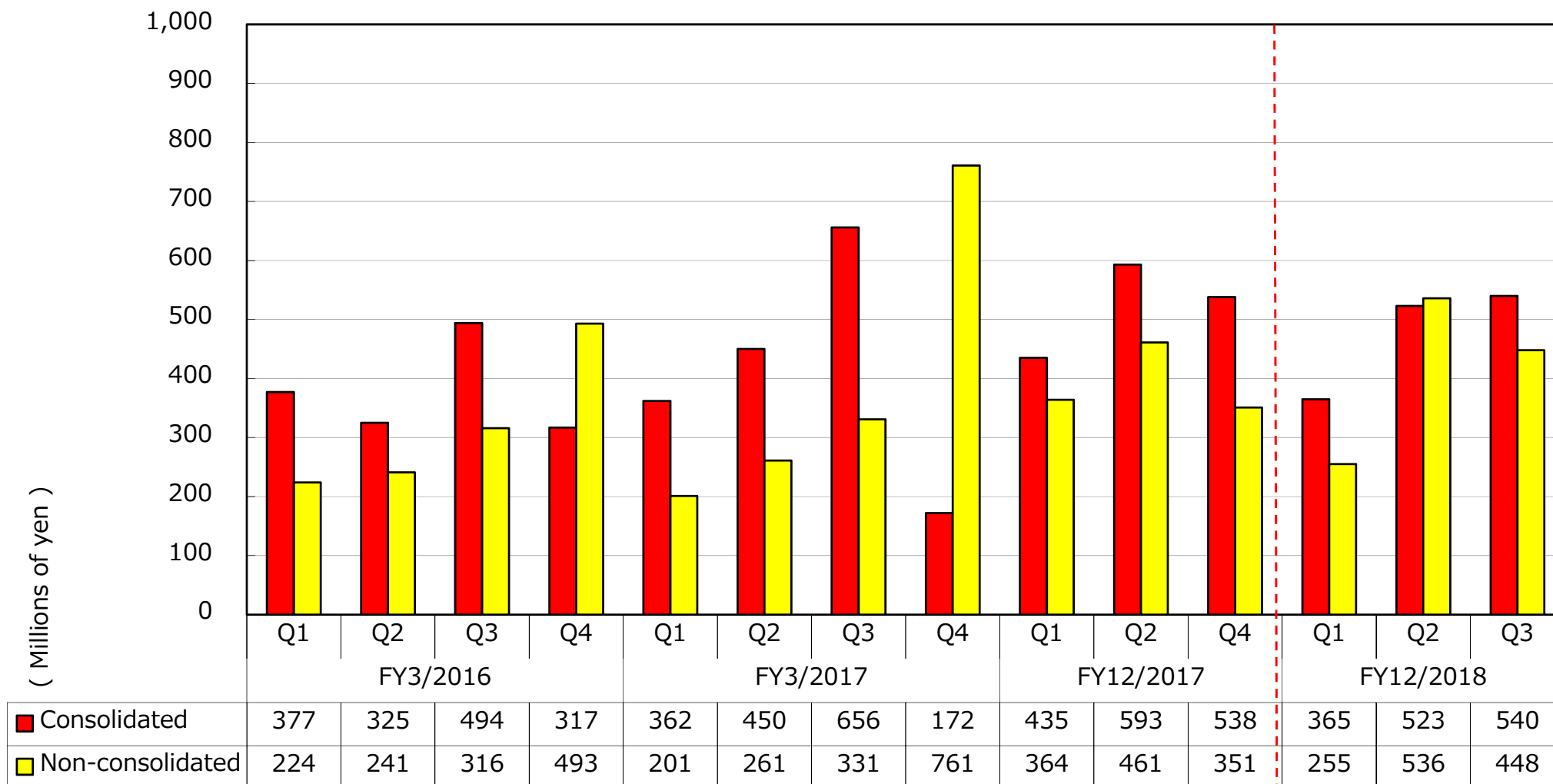
# Quarterly ordinary income (3)



# Quarterly net income (1)

\*FYE 12/2017 (Irregular/transitional settlement): Full-year = Apr-Dec (non-consolidated), Jan-Dec (overseas subsidiaries)  
 Q4 = Oct-Dec (non-consolidated), Jul-Dec (overseas subsidiaries)

\*FYE 12/2018: Full-year = Jan-Dec



# Quarterly net income (2)

\*FYE 12/2017 (Irregular/transitional settlement): Period = Apr-Dec (non-consolidated), Jan-Dec (subsidiaries)

FYE 12/2018: Consolidated period = Jan-Dec

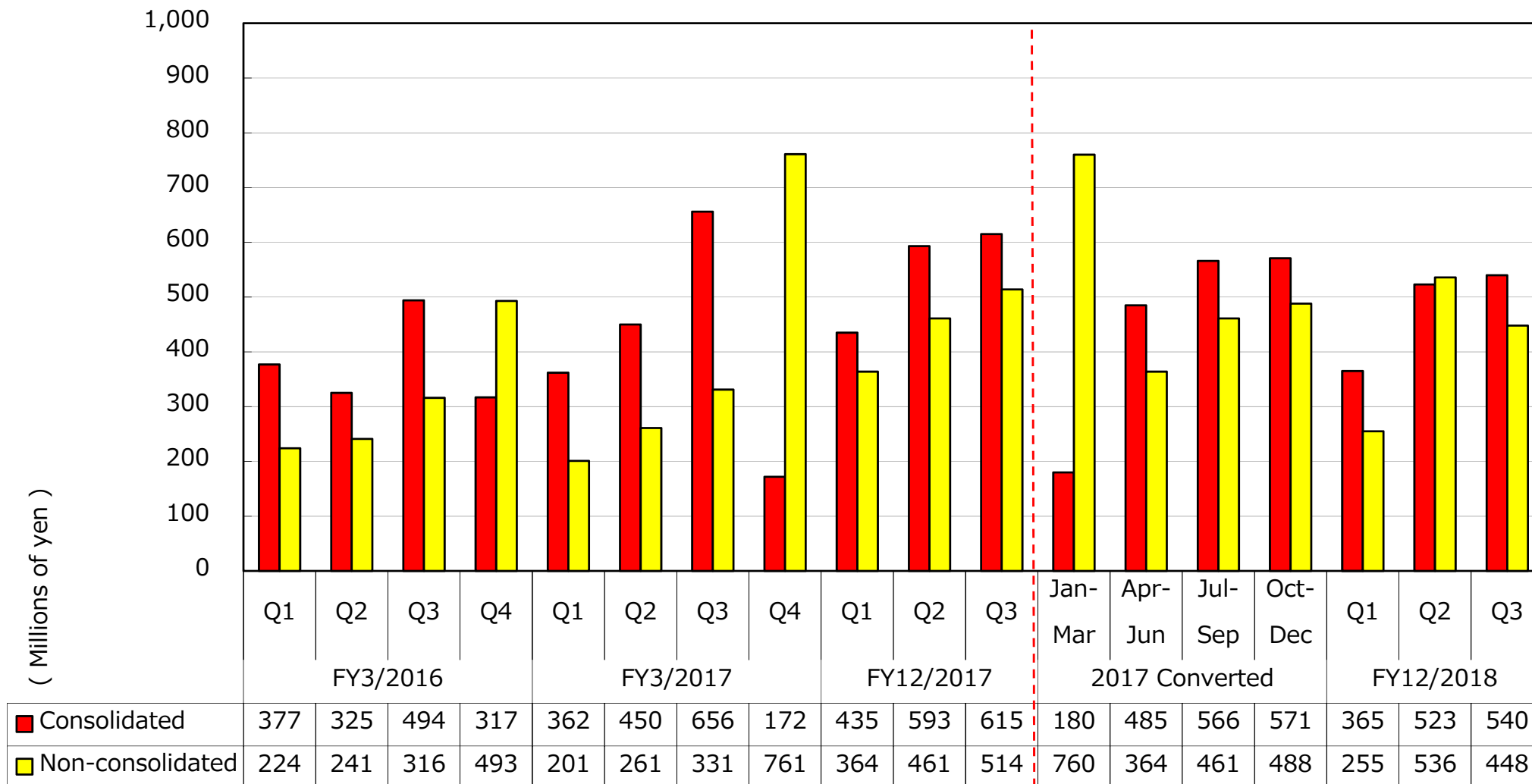
Consolidated (up to and including Q3 12/2017)

1Q = Apr-Jun (non-consolidated), Jan-Mar (subsidiaries)

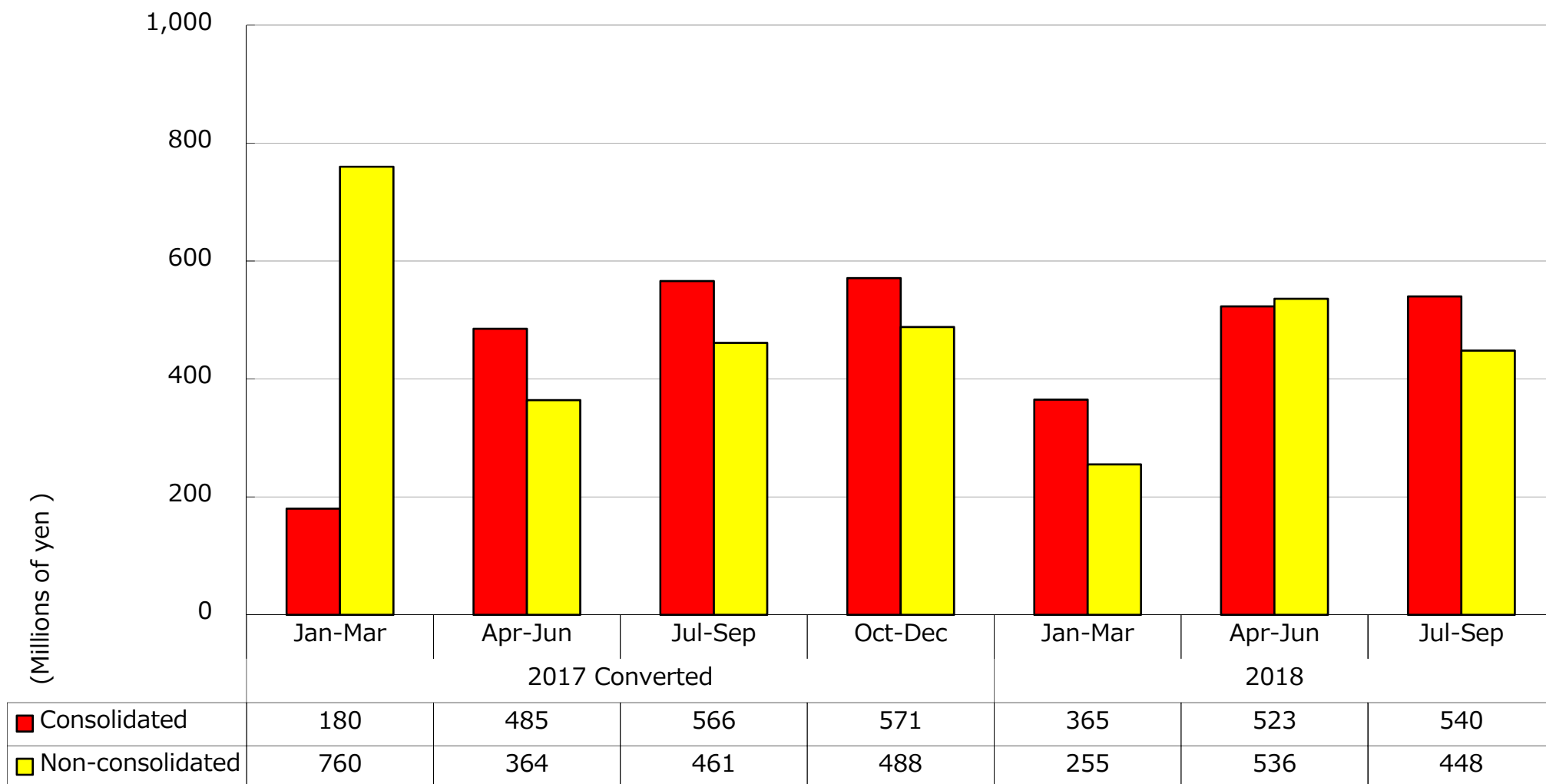
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3Q = Oct-Dec (non-consolidated), Jul-Sep (subsidiaries)

4Q = Jan-Mar (non-consolidated), Oct-Dec (subsidiaries)



# Quarterly net income (3)

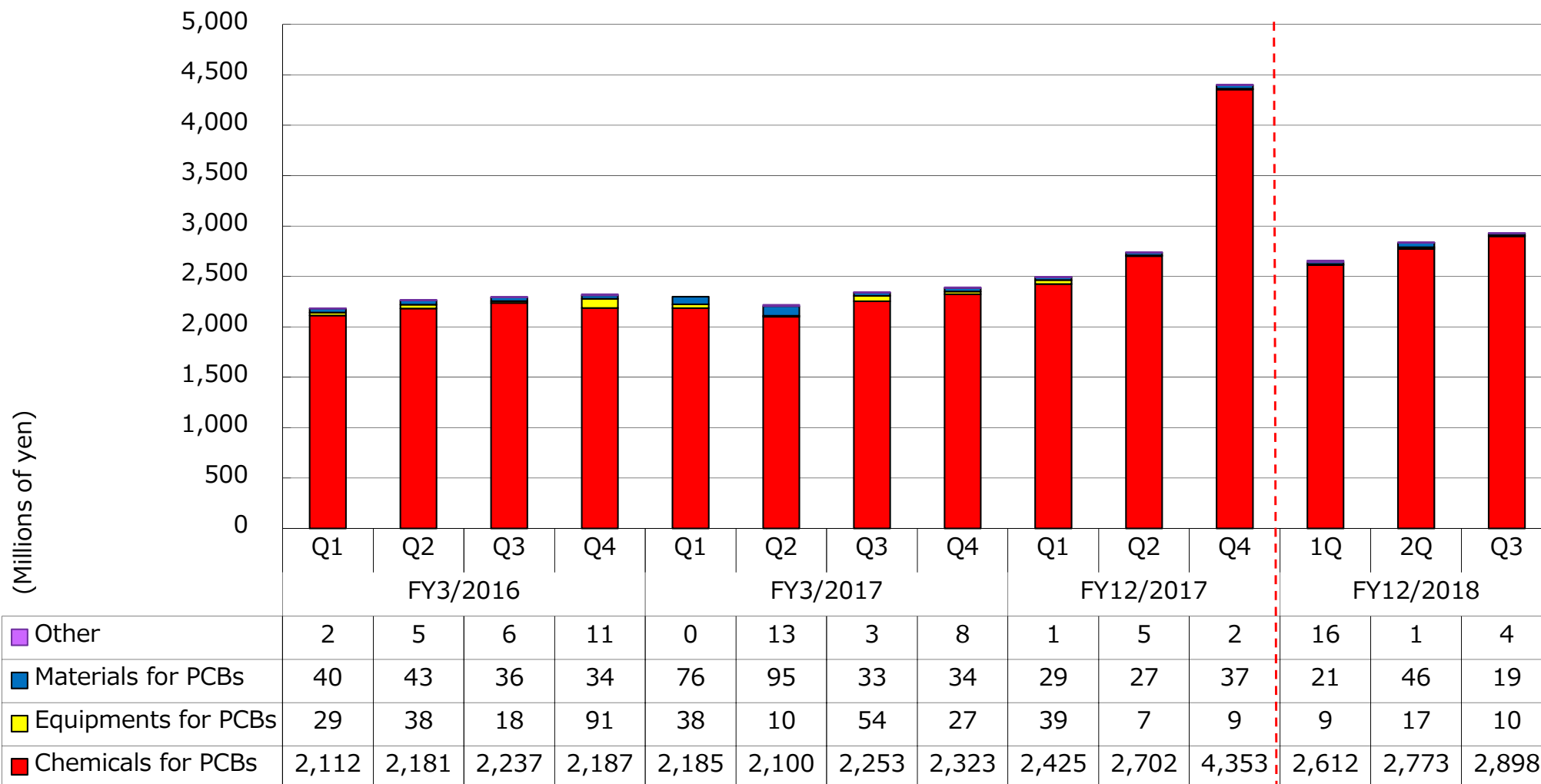




# Product-specific quarterly sales (consolidated) (1)

\*FYE 12/2017 (Irregular/transitional settlement): Full-year = Apr-Dec (non-consolidated), Jan-Dec (overseas subsidiaries)  
 Q4 = Oct-Dec (non-consolidated), Jul-Dec (overseas subsidiaries)

\*FYE 12/2018: Full-year = Jan-Dec



# Product-specific quarterly sales (consolidated) (2)

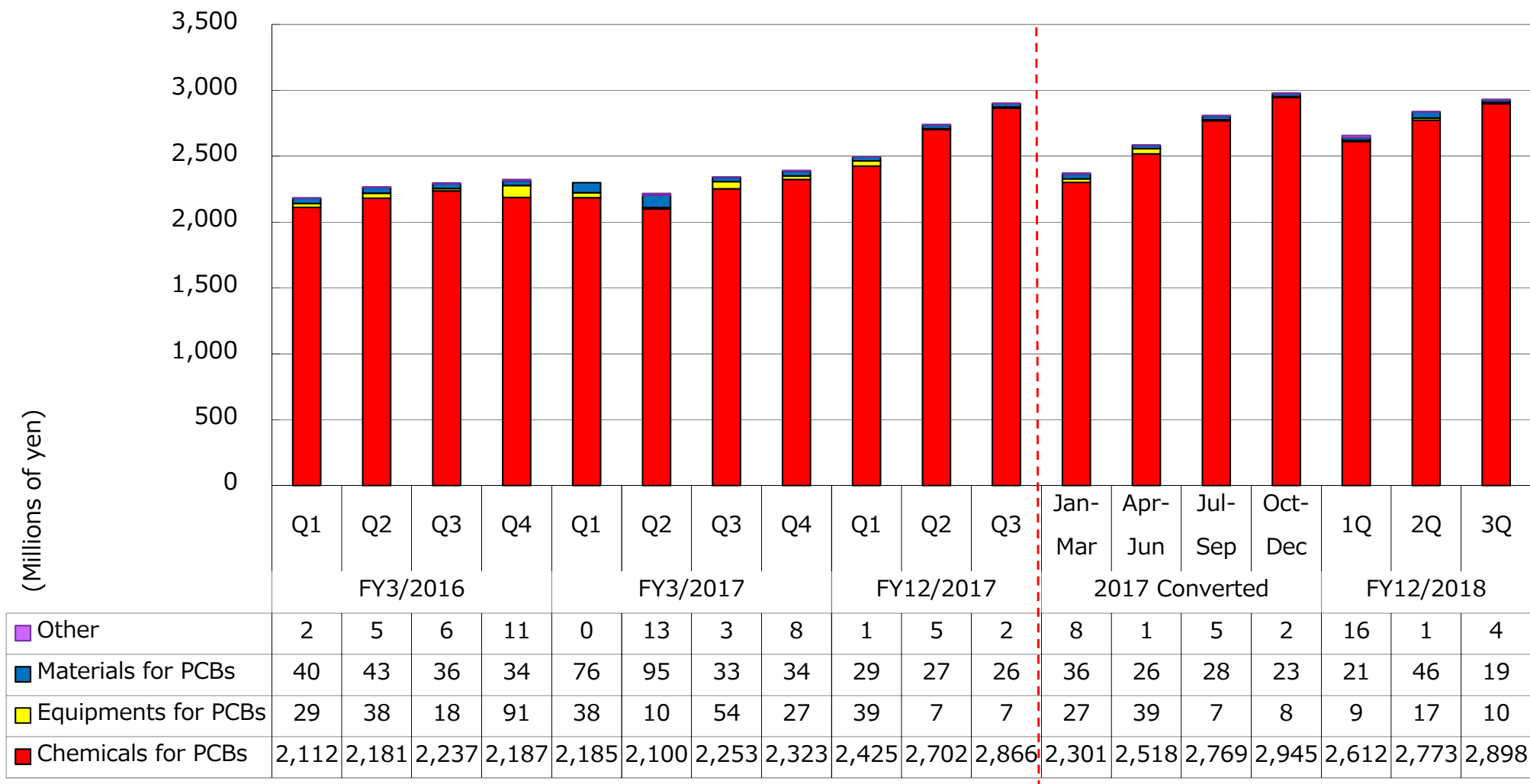
\*FYE 12/2017 (Irregular/transitional settlement): Period = Apr-Dec (non-consolidated), Jan-Dec (subsidiaries)

FYE 12/2018: Consolidated period = Jan-Dec

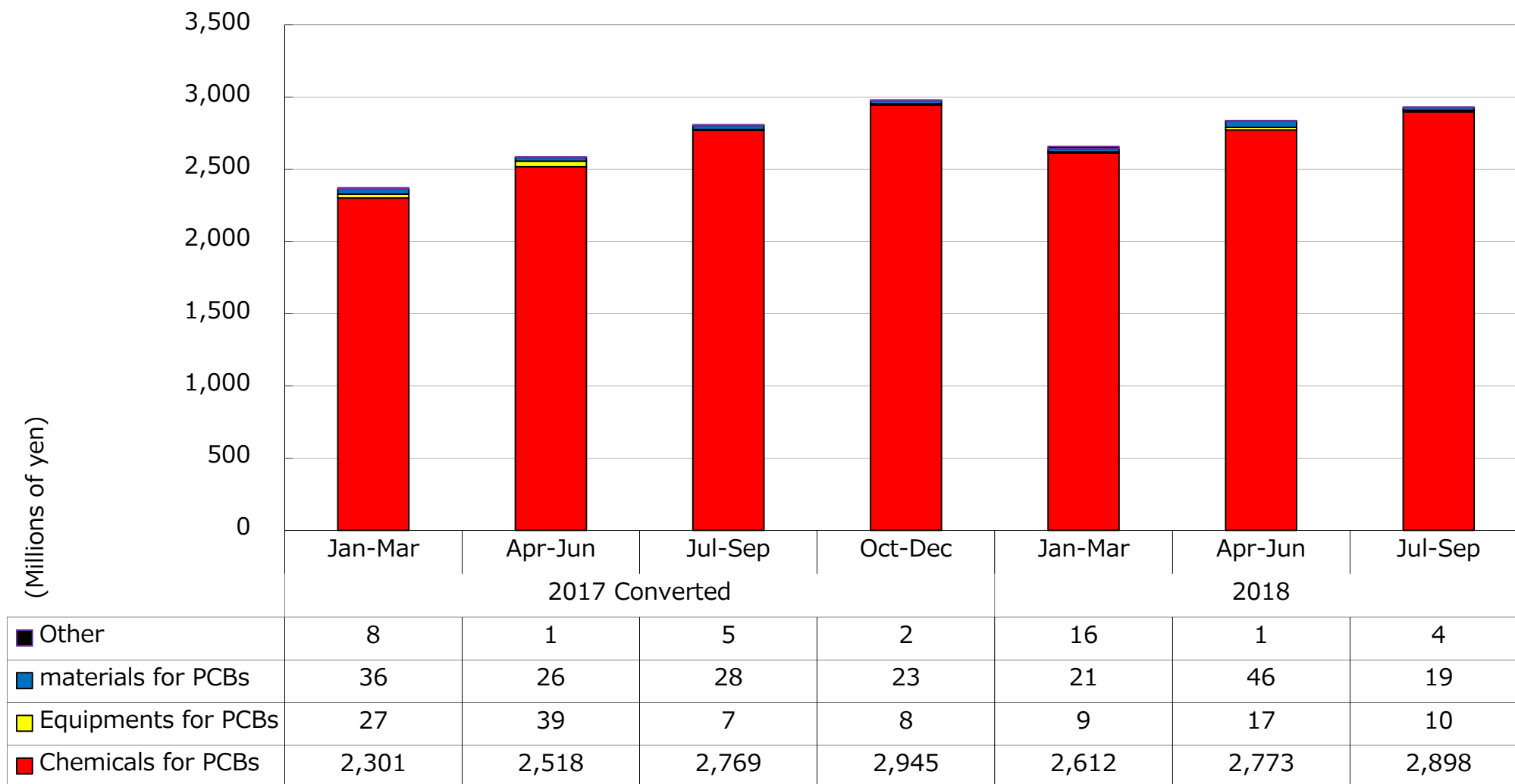
Consolidated (up to and including Q3 12/2017)

1Q = Apr-Jun (non-consolidated), Jan-Mar (subsidiaries)    2Q = Jul-Sep (non-consolidated), Apr-Jun (subsidiaries)

3Q = Oct-Dec (non-consolidated), Jul-Sep (subsidiaries)    4Q = Jan-Mar (non-consolidated), Oct-Dec (subsidiaries)



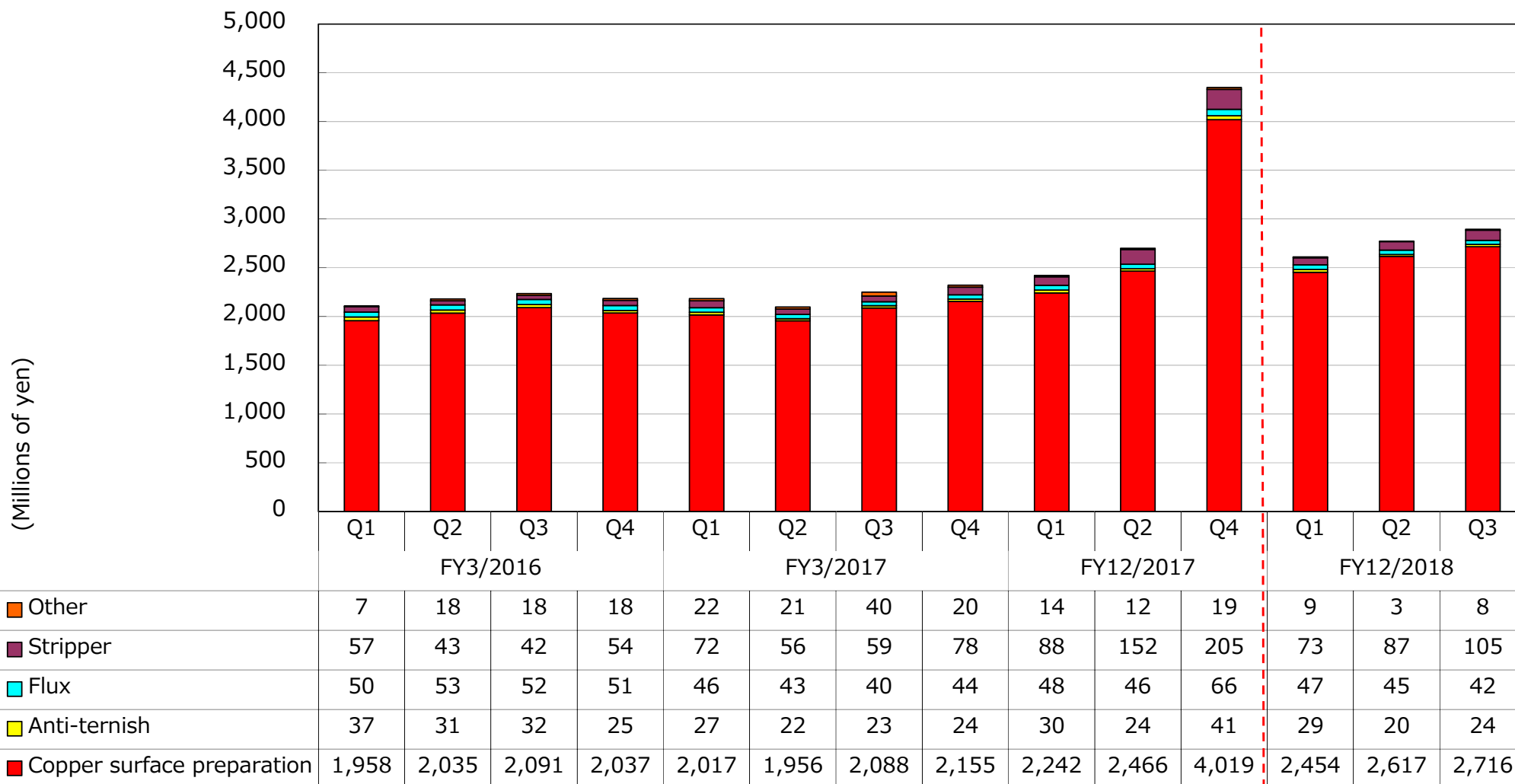
# Product-specific quarterly sales (consolidated) (3)



# Quarterly chemical sales (consolidated) (1.1)

\*FYE 12/2017 (Irregular/transitional settlement): Full-year = Apr-Dec (non-consolidated), Jan-Dec (overseas subsidiaries)  
 Q4 = Oct-Dec (non-consolidated), Jul-Dec (overseas subsidiaries)

\*FYE 12/2018: Full-year = Jan-Dec



# Quarterly chemical sales (consolidated) (1.2)

\*FYE 12/2017 (Irregular/transitional settlement): Period = Apr-Dec (non-consolidated), Jan-Dec (subsidiaries)

FYE 12/2018: Consolidated period = Jan-Dec

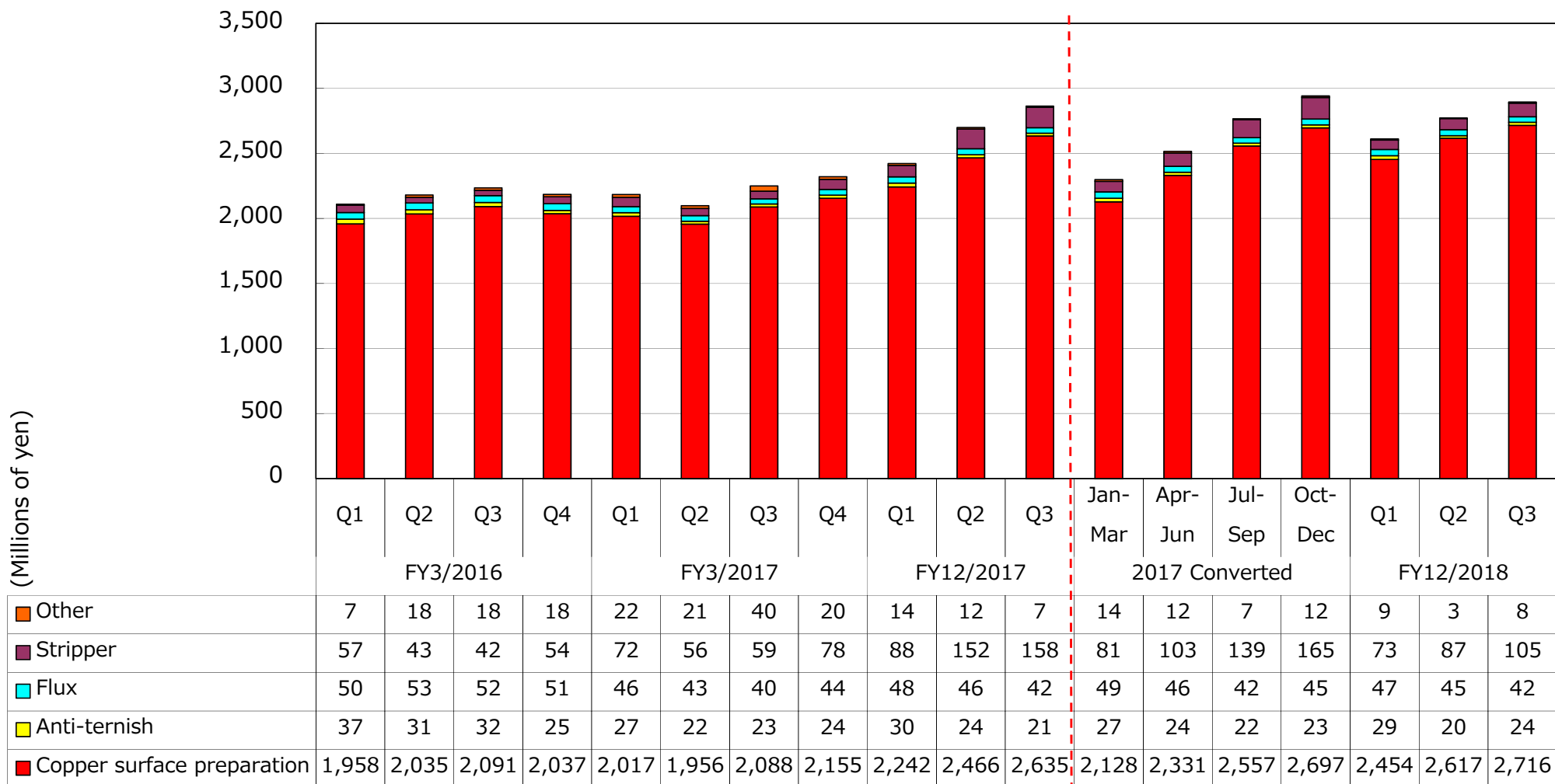
Consolidated (up to and including Q3 12/2017)

1Q = Apr-Jun (non-consolidated), Jan-Mar (subsidiaries)

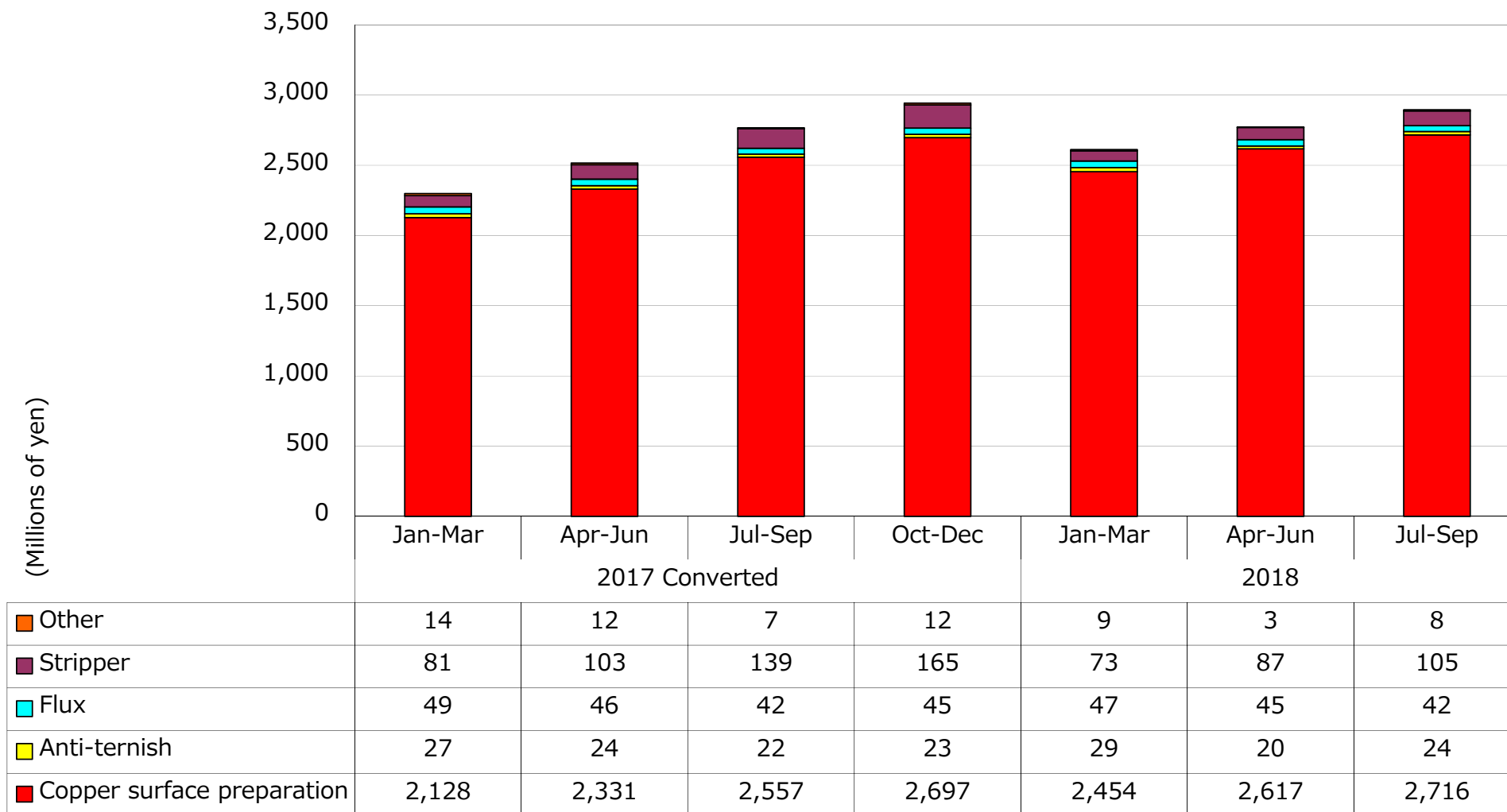
2Q = Jul-Sep (non-consolidated), Apr-Jun (subsidiaries)

3Q = Oct-Dec (non-consolidated), Jul-Sep (subsidiaries)

4Q = Jan-Mar (non-consolidated), Oct-Dec (subsidiaries)



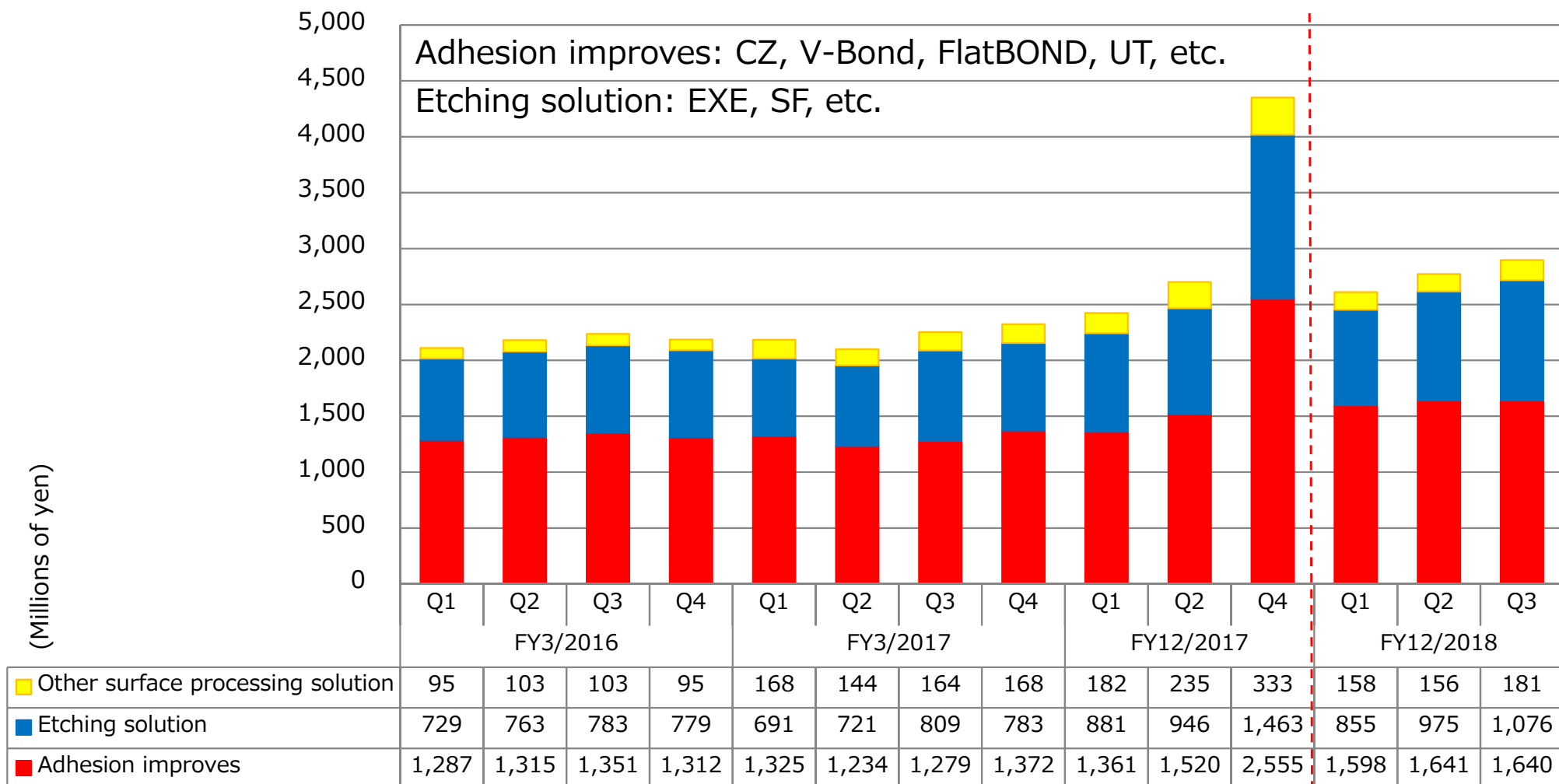
# Quarterly chemical sales (consolidated) (1.3)



# Quarterly chemical sales (consolidated) (2.1)

\*FYE 12/2017 (Irregular/transitional settlement): Full-year = Apr-Dec (non-consolidated), Jan-Dec (overseas subsidiaries)  
 Q4 = Oct-Dec (non-consolidated), Jul-Dec (overseas subsidiaries)

\*FYE 12/2018: Full-year = Jan-Dec



# Quarterly chemical sales (consolidated) (2.2)

\*FYE 12/2017 (Irregular/transitional settlement): Period = Apr-Dec (non-consolidated), Jan-Dec (subsidiaries)

FYE 12/2018: Consolidated period = Jan-Dec

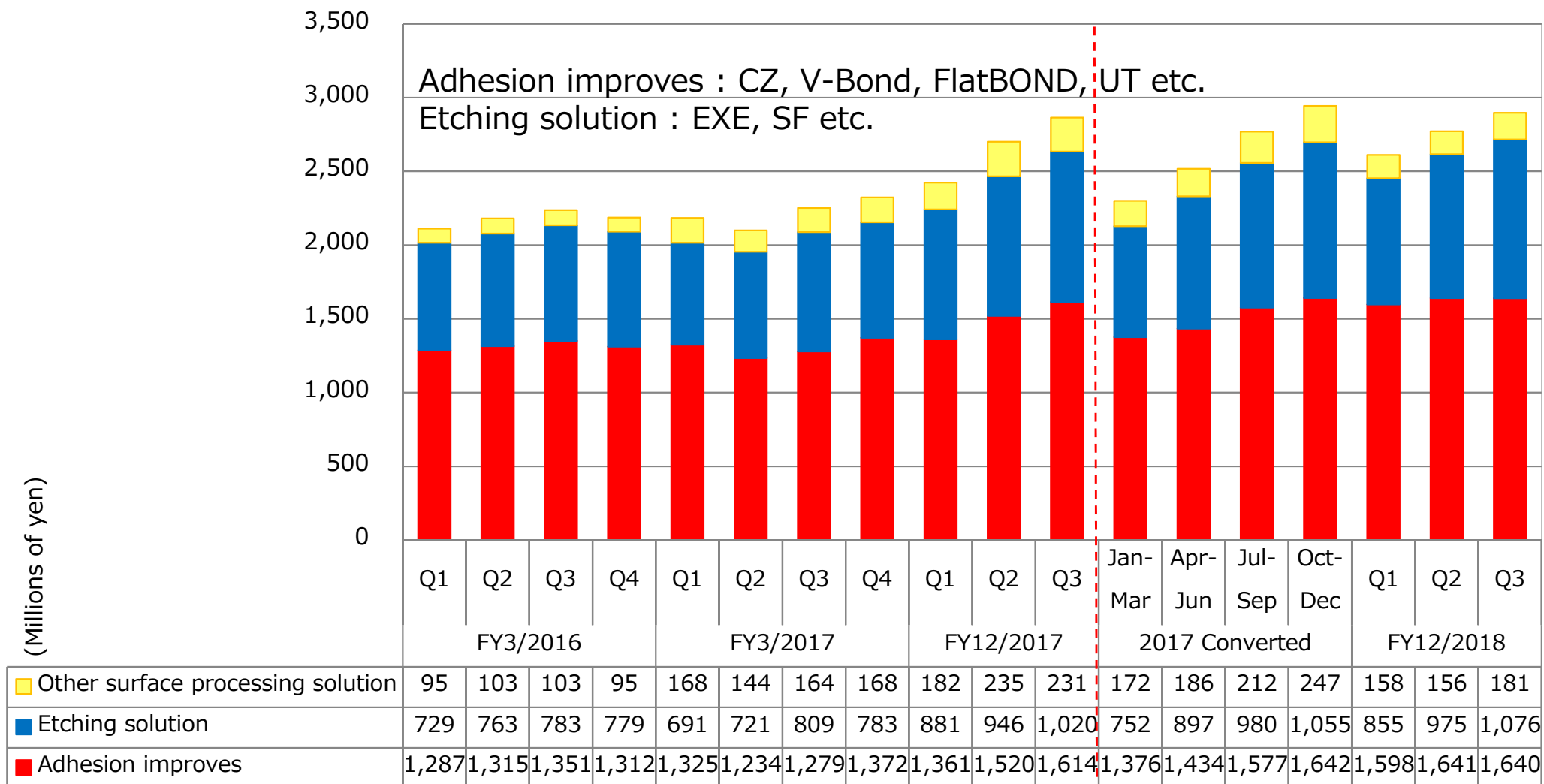
Consolidated (up to and including Q3 12/2017)

1Q = Apr-Jun (non-consolidated), Jan-Mar (subsidiaries)

2Q = Jul-Sep (non-consolidated), Apr-Jun (subsidiaries)

3Q = Oct-Dec (non-consolidated), Jul-Sep (subsidiaries)

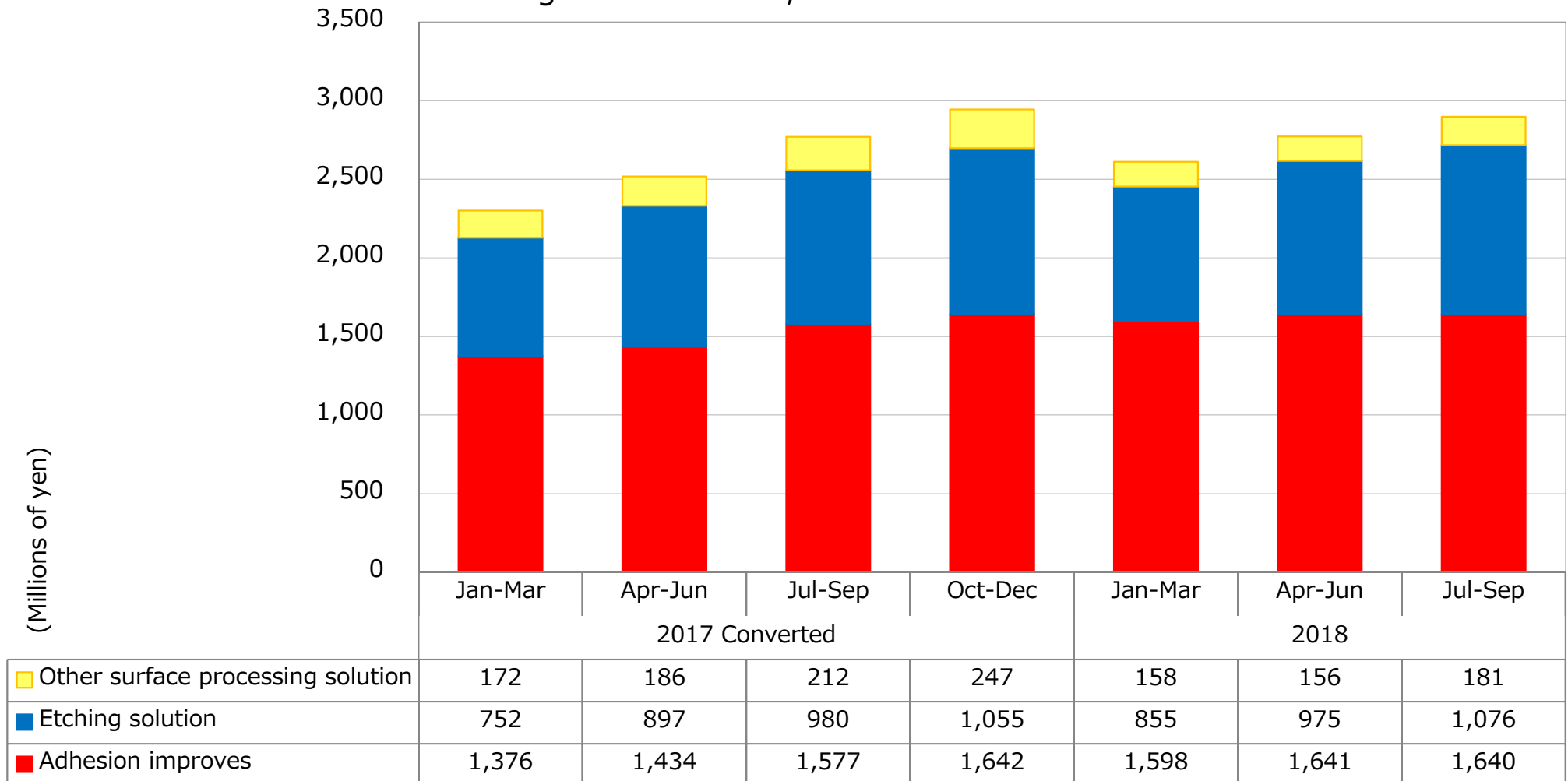
4Q = Jan-Mar (non-consolidated), Oct-Dec (subsidiaries)





# Quarterly chemical sales (consolidated) (2.3)

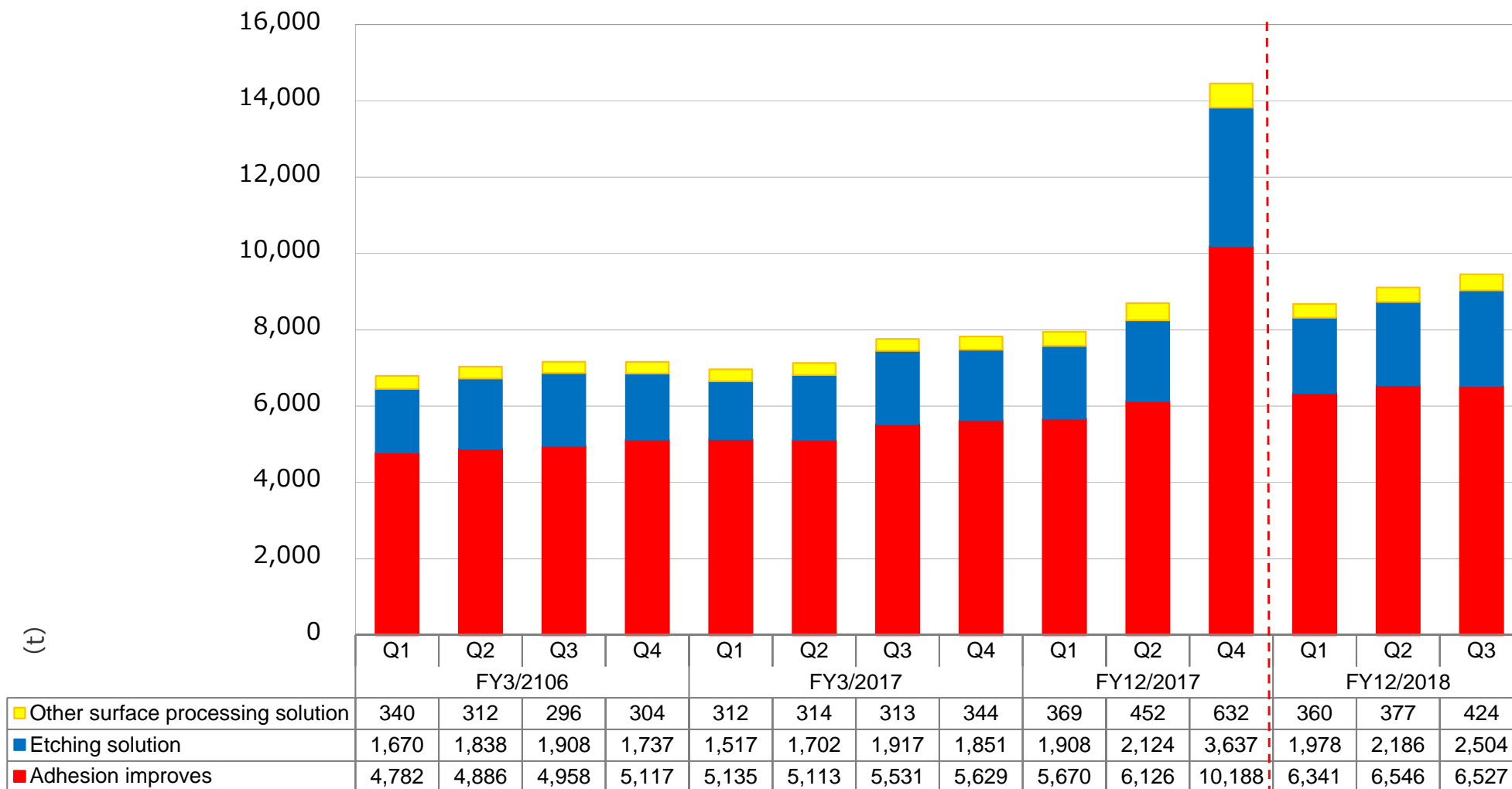
Adhesion improves : CZ, V-Bond, FlatBOND, UT etc.  
Etching solution : EXE, SF etc.



# Chemical shipment volume (consolidated) (1)

\*FYE 12/2017 (Irregular/transitional settlement): Full-year = Apr-Dec (non-consolidated), Jan-Dec (overseas subsidiaries)  
 Q4 = Oct-Dec (non-consolidated), Jul-Dec (overseas subsidiaries)

\*FYE 12/2018: Full-year = Jan-Dec



# Chemical shipment volume (consolidated) (2)

\*FYE 12/2017 (Irregular/transitional settlement): Period = Apr-Dec (non-consolidated), Jan-Dec (subsidiaries)

FYE 12/2018: Consolidated period = Jan-Dec

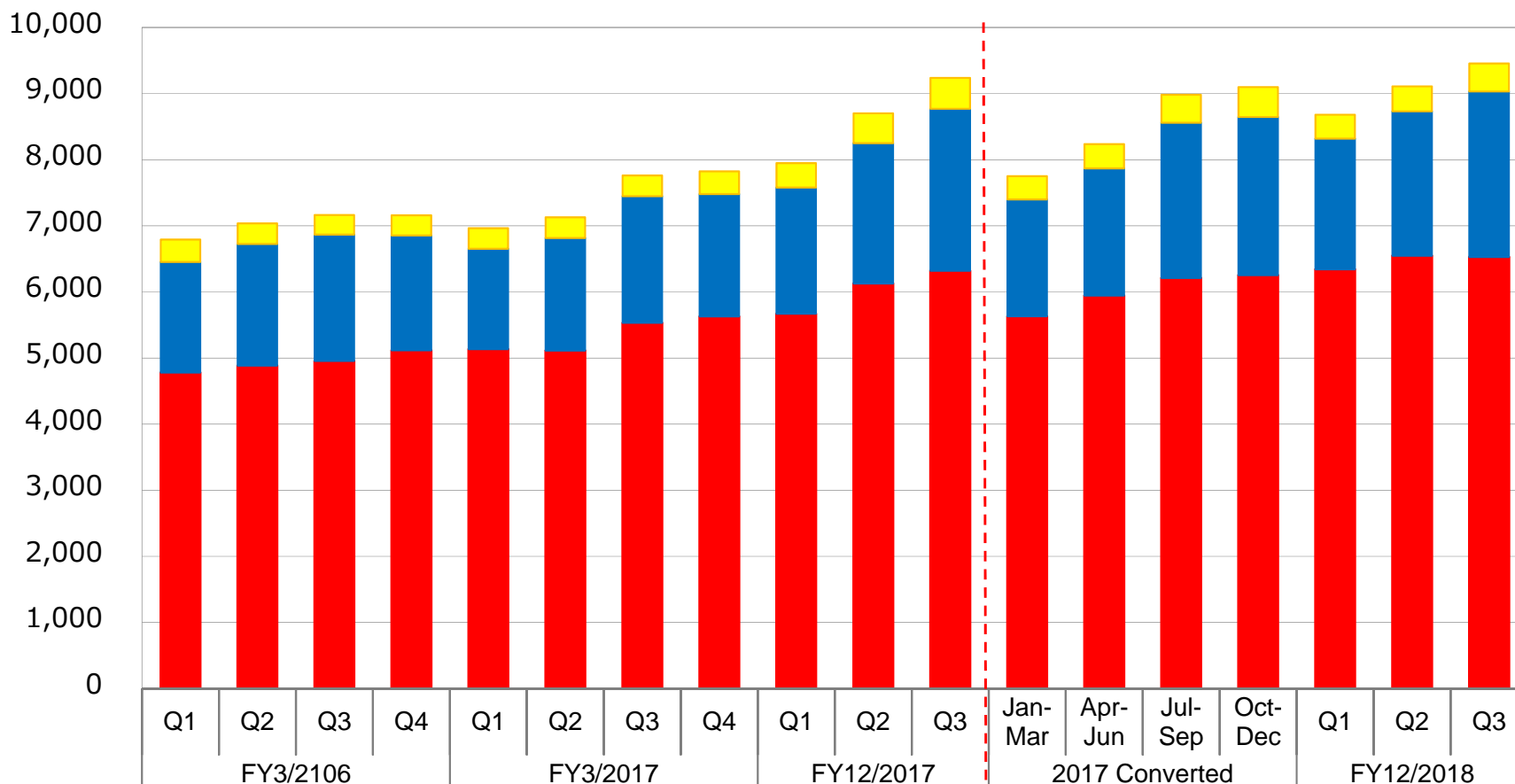
Consolidated (up to and including Q3 12/2017)

1Q = Apr-Jun (non-consolidated), Jan-Mar (subsidiaries)

2Q = Jul-Sep (non-consolidated), Apr-Jun (subsidiaries)

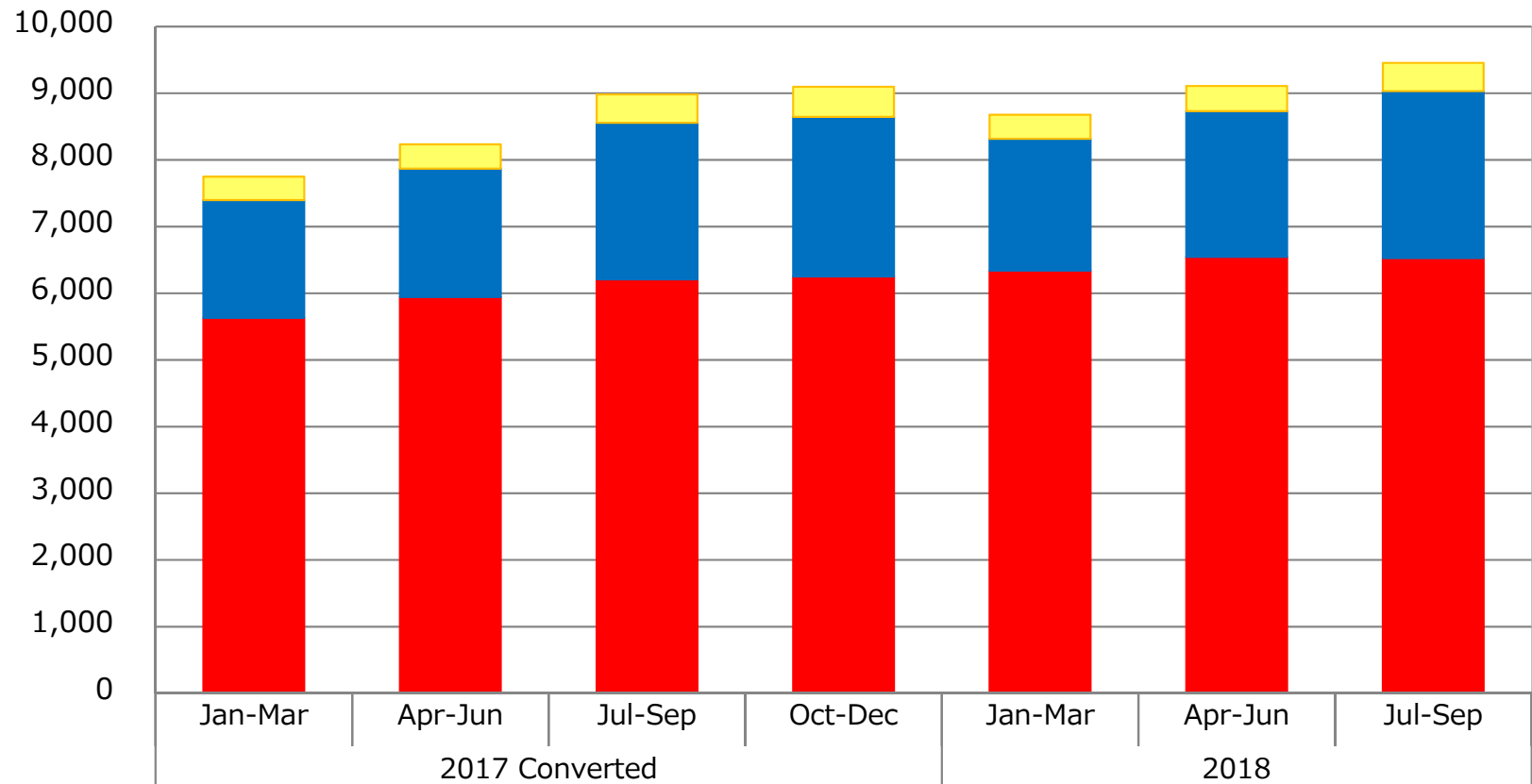
3Q = Oct-Dec (non-consolidated), Jul-Sep (subsidiaries)

4Q = Jan-Mar (non-consolidated), Oct-Dec (subsidiaries)



(t)																		
■ Other surface processing solution	340	312	296	304	312	314	313	344	369	452	467	352	366	423	451	360	377	424
■ Etching solution	1,670	1,838	1,908	1,737	1,517	1,702	1,917	1,851	1,908	2,124	2,450	1,768	1,925	2,350	2,394	1,978	2,186	2504
■ Adhesion improves	4,782	4,886	4,958	5,117	5,135	5,113	5,531	5,629	5,670	6,126	6,320	5,630	5,944	6,209	6,252	6,341	6,546	6527

# Chemical shipment volume (consolidated) (3)



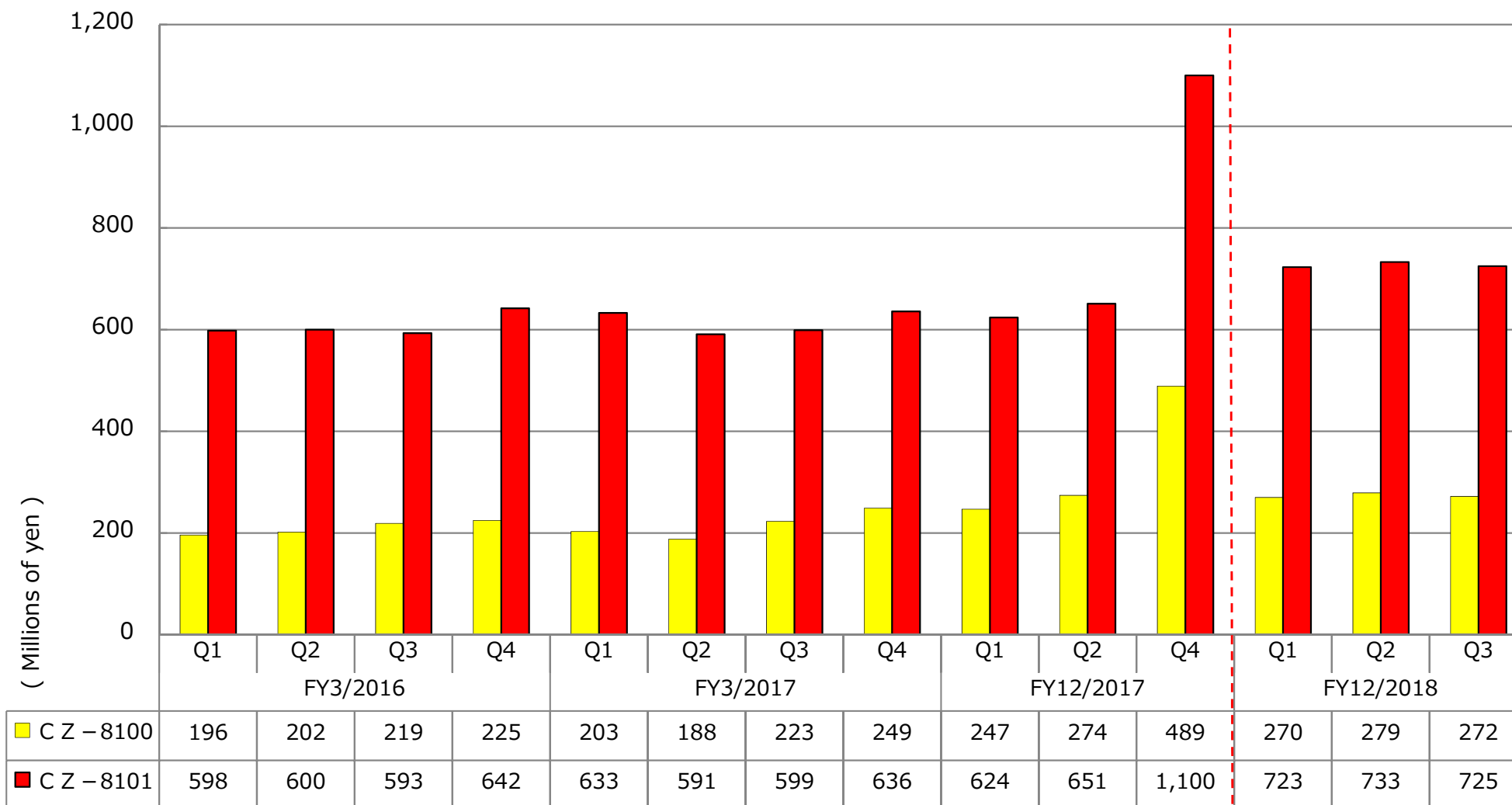
(1)

Other surface processing solution	352	366	423	451	360	377	424
Etching solution	1,768	1,925	2,350	2,394	1,978	2,186	2,504
Adhesion improves	5,630	5,944	6,209	6,252	6,341	6,546	6,527

# CZ series sales(1)

\*FYE 12/2017 (Irregular/transitional settlement): Full-year = Apr-Dec (non-consolidated), Jan-Dec (overseas subsidiaries)  
 Q4 = Oct-Dec (non-consolidated), Jul-Dec (overseas subsidiaries)

\*FYE 12/2018: Full-year = Jan-Dec



# CZ series sales(2)

\*FYE 12/2017 (Irregular/transitional settlement): Period = Apr-Dec (non-consolidated), Jan-Dec (subsidiaries)

FYE 12/2018: Consolidated period = Jan-Dec

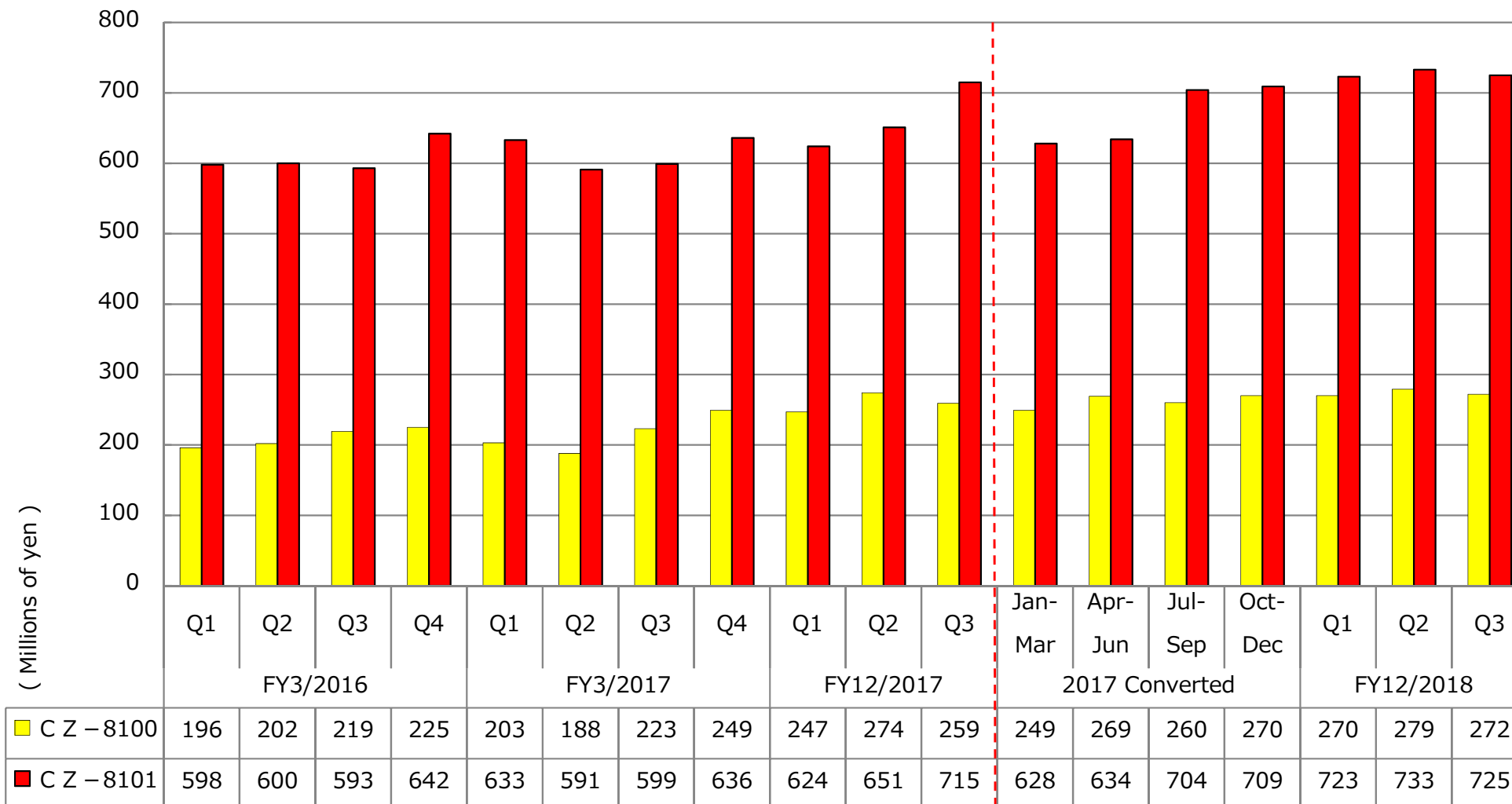
Consolidated (up to and including Q3 12/2017)

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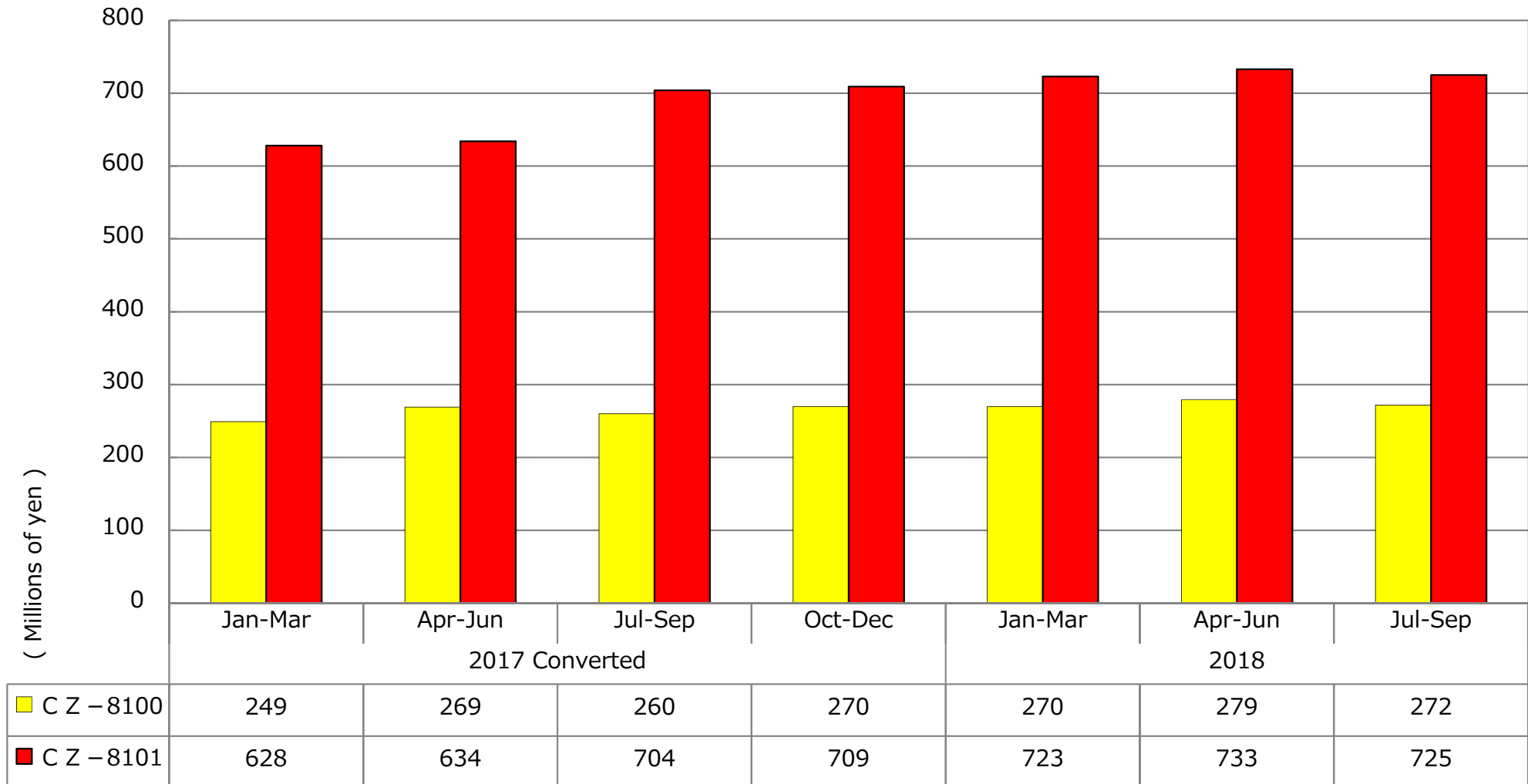
2Q = Jul-Sep (non-consolidated), Apr-Jun (subsidiaries)

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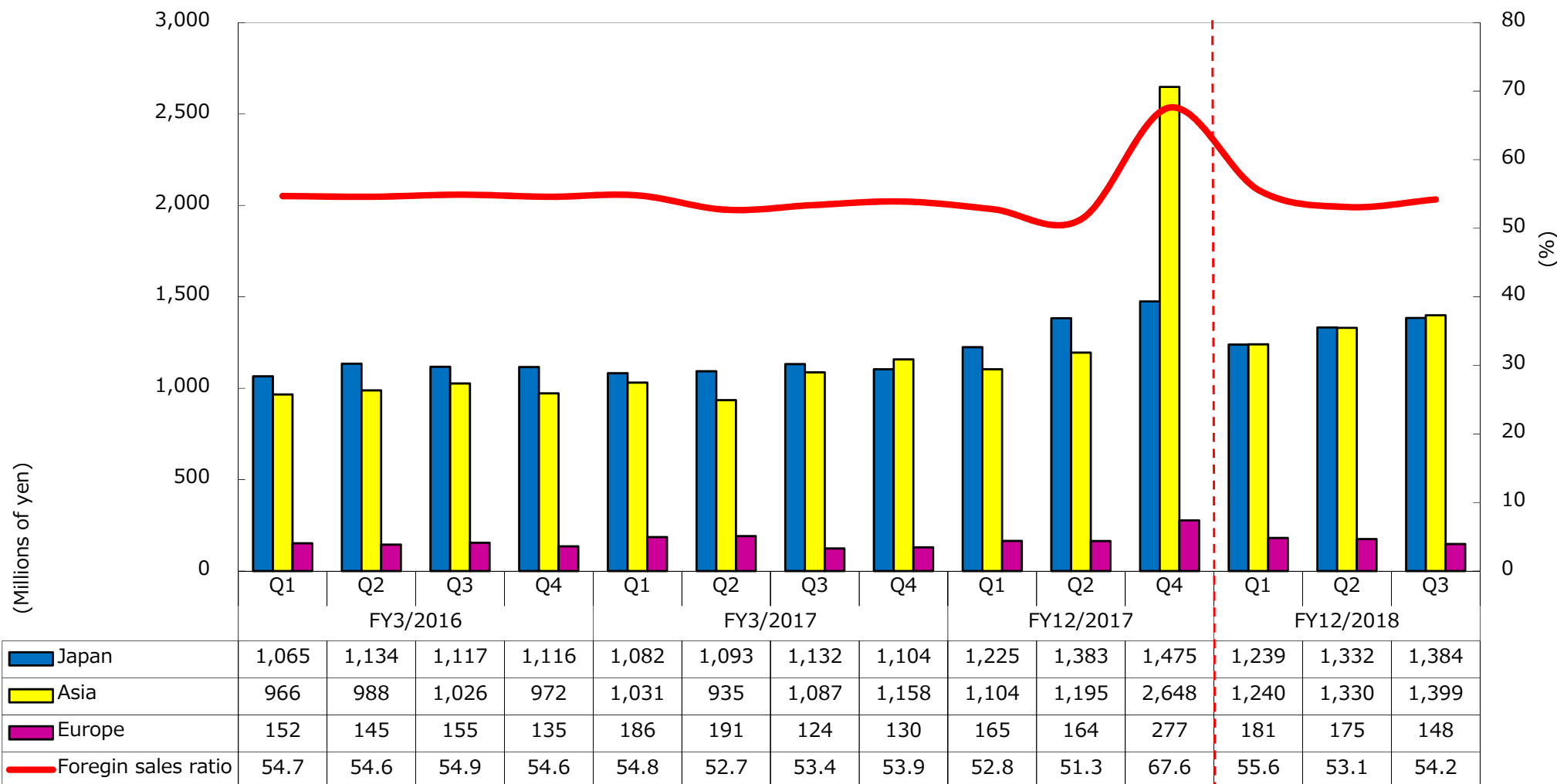
# CZ series sales(3)



# Region-specific sales and overseas sales ratio (1)

\*FYE 12/2017 (Irregular/transitional settlement): Full-year = Apr-Dec (non-consolidated), Jan-Dec (overseas subsidiaries)  
 Q4 = Oct-Dec (non-consolidated), Jul-Dec (overseas subsidiaries)

\*FYE 12/2018: Full-year = Jan-Dec





# Region-specific sales and overseas sales ratio (2)

\*FYE 12/2017 (Irregular/transitional settlement): Period = Apr-Dec (non-consolidated), Jan-Dec (subsidiaries)

FYE 12/2018: Consolidated period = Jan-Dec

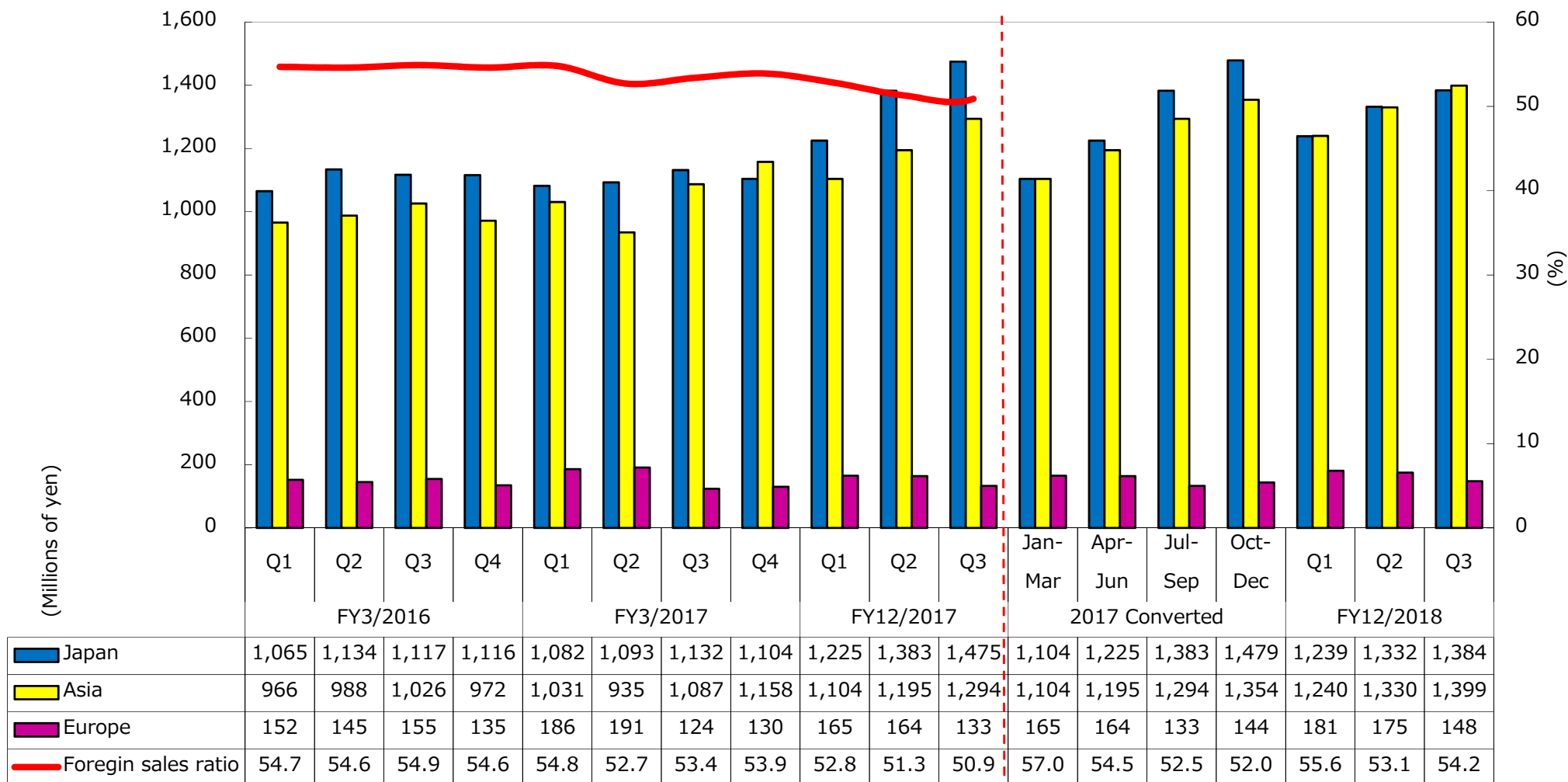
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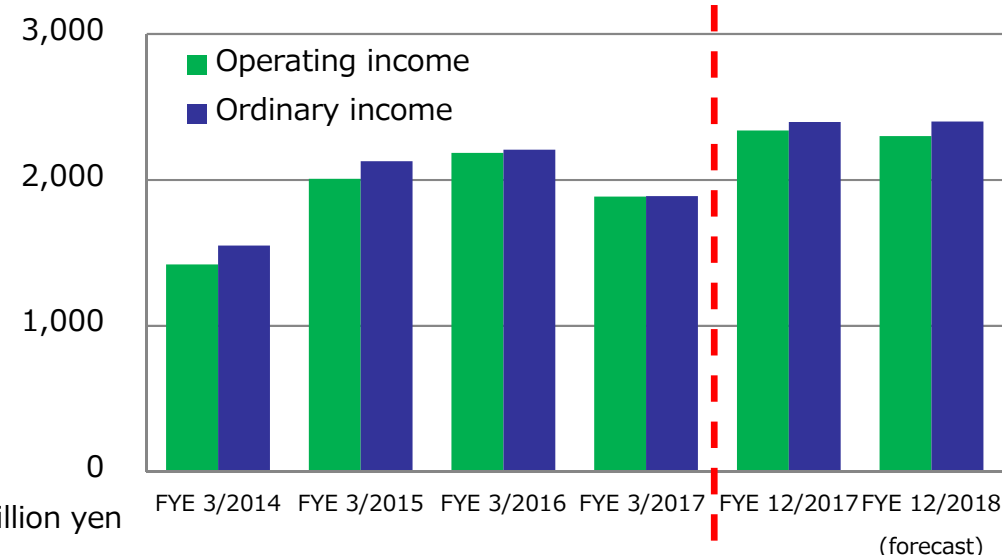
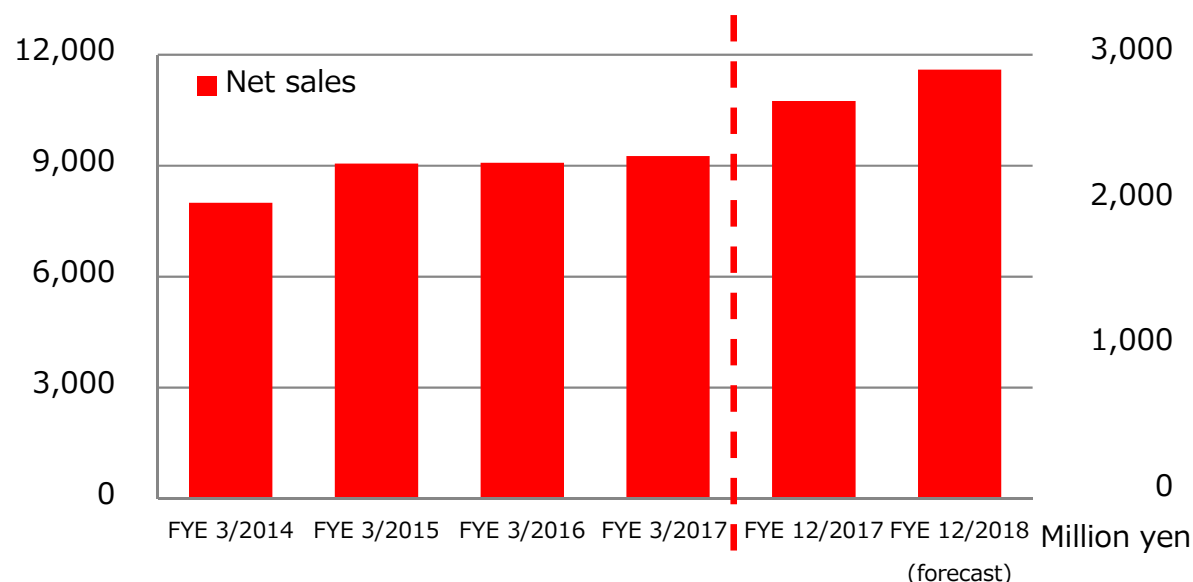
# Region-specific sales and overseas sales ratio ( 3 )



# FYE 12/2018 Full-year forecasts

	FYE 3/2017 (49th term)		FYE 12/2017 (converted 49th term)		FYE 12/2018 (50th term)		
	Amount (million yen)	Profit ratio (%)	Amount (million yen)	Profit ratio (%)	Amount (million yen)	Profit ratio (%)	YOY change* (%)
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

\*Compared with converted 49th term



FYE 12/2017 & FYE 12/2018: Full-year = Jan-Dec