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# Financial Results Briefing for FYE 12/2018

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February 13, 2019: HQ  
February 18, 2019: Tokyo



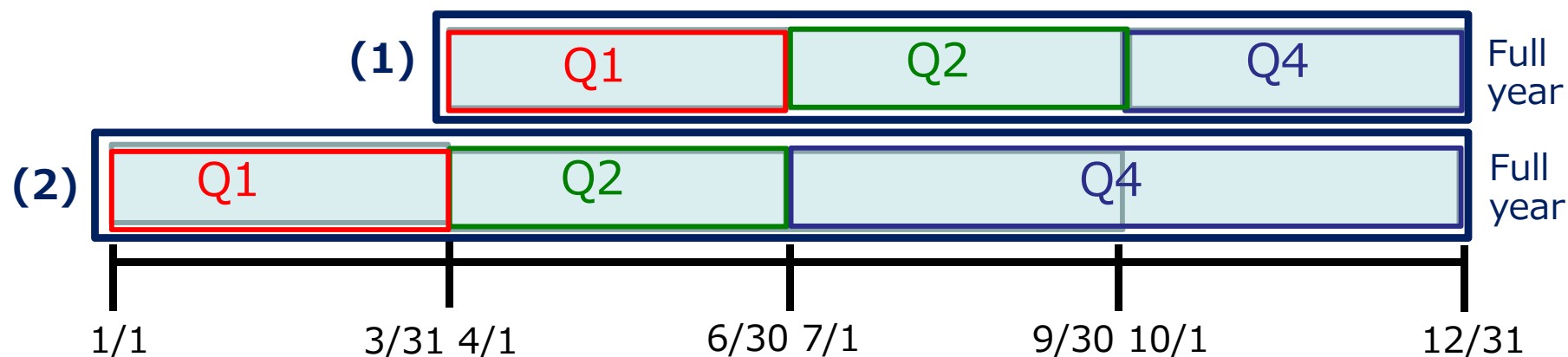
**MEC COMPANY LTD.**

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 Q4 (January 1 to December 31, 2018) indicate change from the equivalent period of the previous year (January 1 to December 31, 2017)

# FYE 12/2018 Key factors

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## Assumed/actual exchange rate

JPY to USD Assumed rate: 113.00 yen / Actual rate: 110.53 yen (previous year was 112.25 yen)  
JPY to NTD Assumed rate: 3.70 yen / Actual rate: 3.66 yen (previous year was 3.68 yen)  
JPY to RMB Assumed rate: 17.00 yen / Actual rate: 16.69 yen (previous year was 16.64 yen)

2

## Exchange rate impact (YOY change)\*

Sales: Up 9 million yen,  
Operating income: Up 2 million yen.

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

3

## Chemicals YOY change\*

Sales: Up 5.7%, Shipments: Up 6.8%

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

# FYE 12/2018 Results - 1

	January-December 2017 (converted figures)		FYE12/2018		vs. same period		vs. forecasts	
	Amount (million yen)	Profit ratio (%)	Amount (million yen)	Profit ratio (%)	Amount (million yen)	YOY change* (%)	Amount (million yen)	Ratio (%)
Net sales	10,749	-	11,328	-	578	5.4	-271	97.7
Operating income	2,339	21.8	2,222	19.6	-116	-5.0	-77	96.7
Ordinary income	2,397	22.3	2,236	19.7	-161	-6.7	-163	93.2
Net income	1,803	16.8	1,778	15.7	-25	-1.4	28	101.6
EPS (¥)	93.87	-	92.85	-	-	-	-	-

Exchange rate impact (YOY change)\*

Sales: Up 9 million yen, Operating income: Up 2 million yen.

# FYE 12/2018 Results - 2

	January- December 2017 (converted figures)	FYE12/2018	vs. same period	
	Amount (million yen)	Amount (million yen)	Amount (million yen)	YOY change* (%)
Chemical sales	10,534	11,131	597	5.7
Ratio of net sales (%)	98.0	98.3	-	0.3pt
CZ series sales	5,199	5,571	372	7.2
Ratio of net sales (%)	49.4	50.0	-	0.6pt
Overseas sales ratio (%)	53.8	54.4	-	0.6pt
Gross profit (%)	64.5	63.9	-	-0.6pt

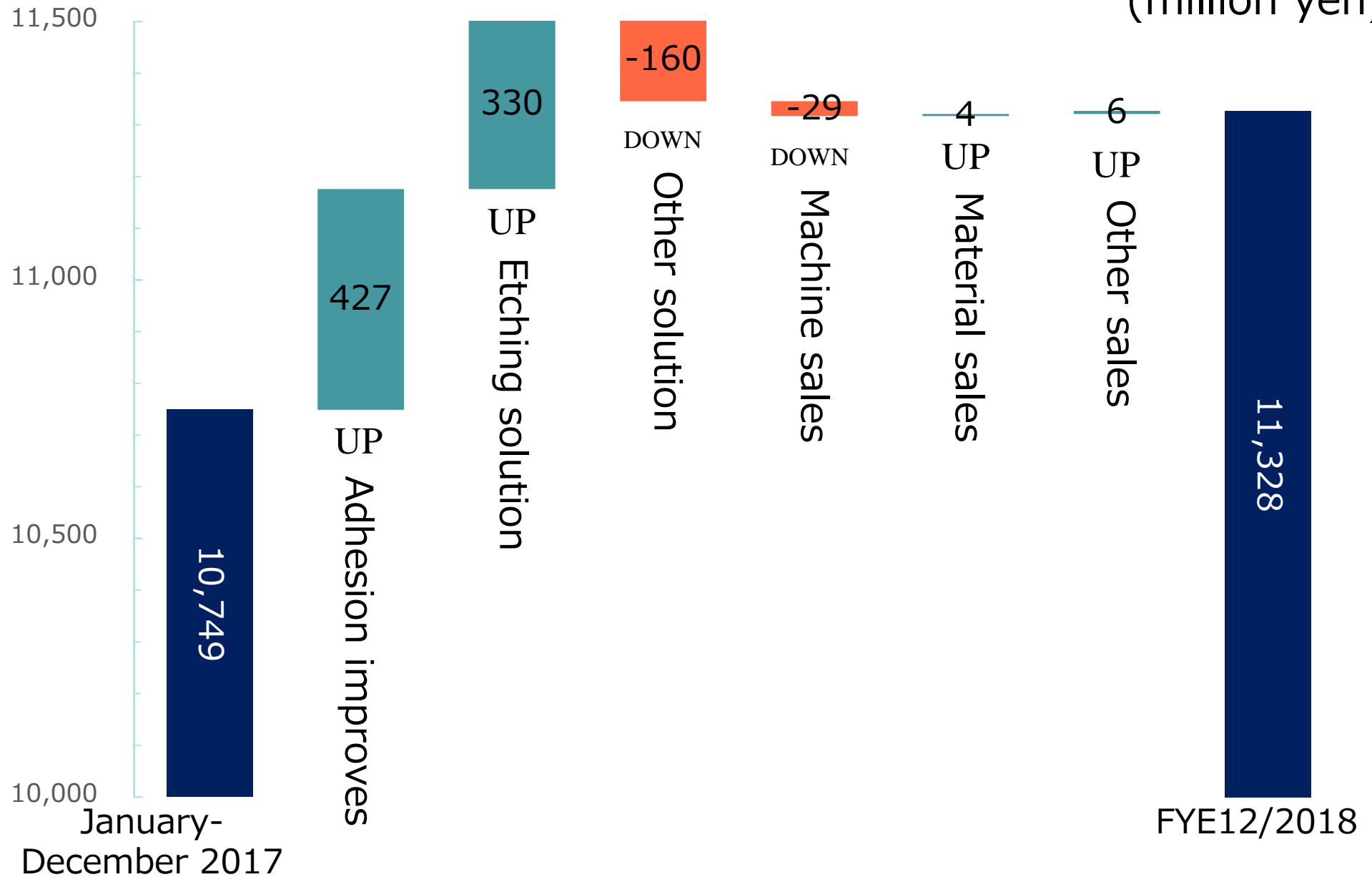
Overseas sales ratio is 72.8%

(same period of the previous year: 71.4%)

if domestic agents' overseas chemical sales are included

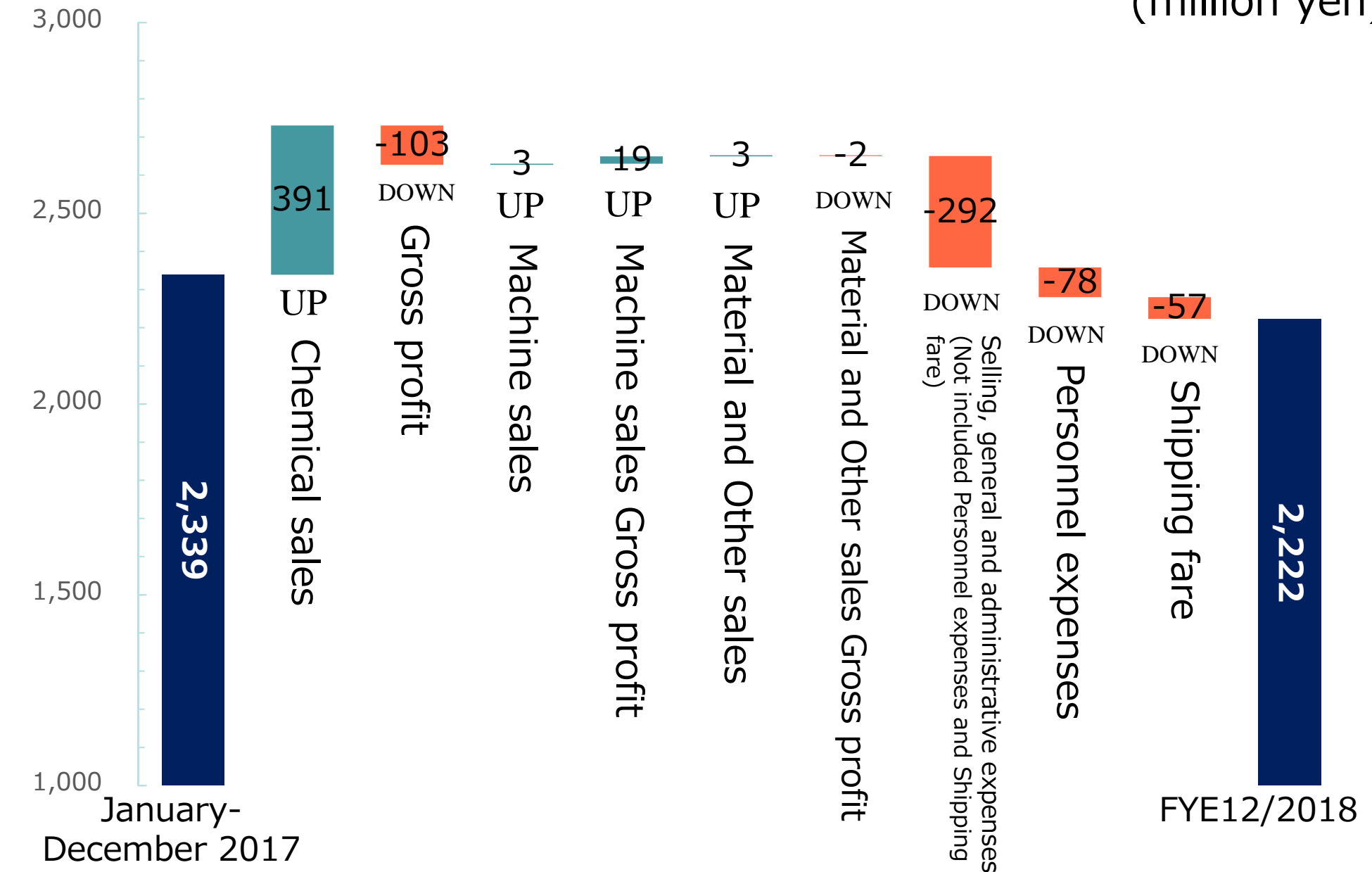
# Net sales YOY

(million yen)



# Operating income YOY

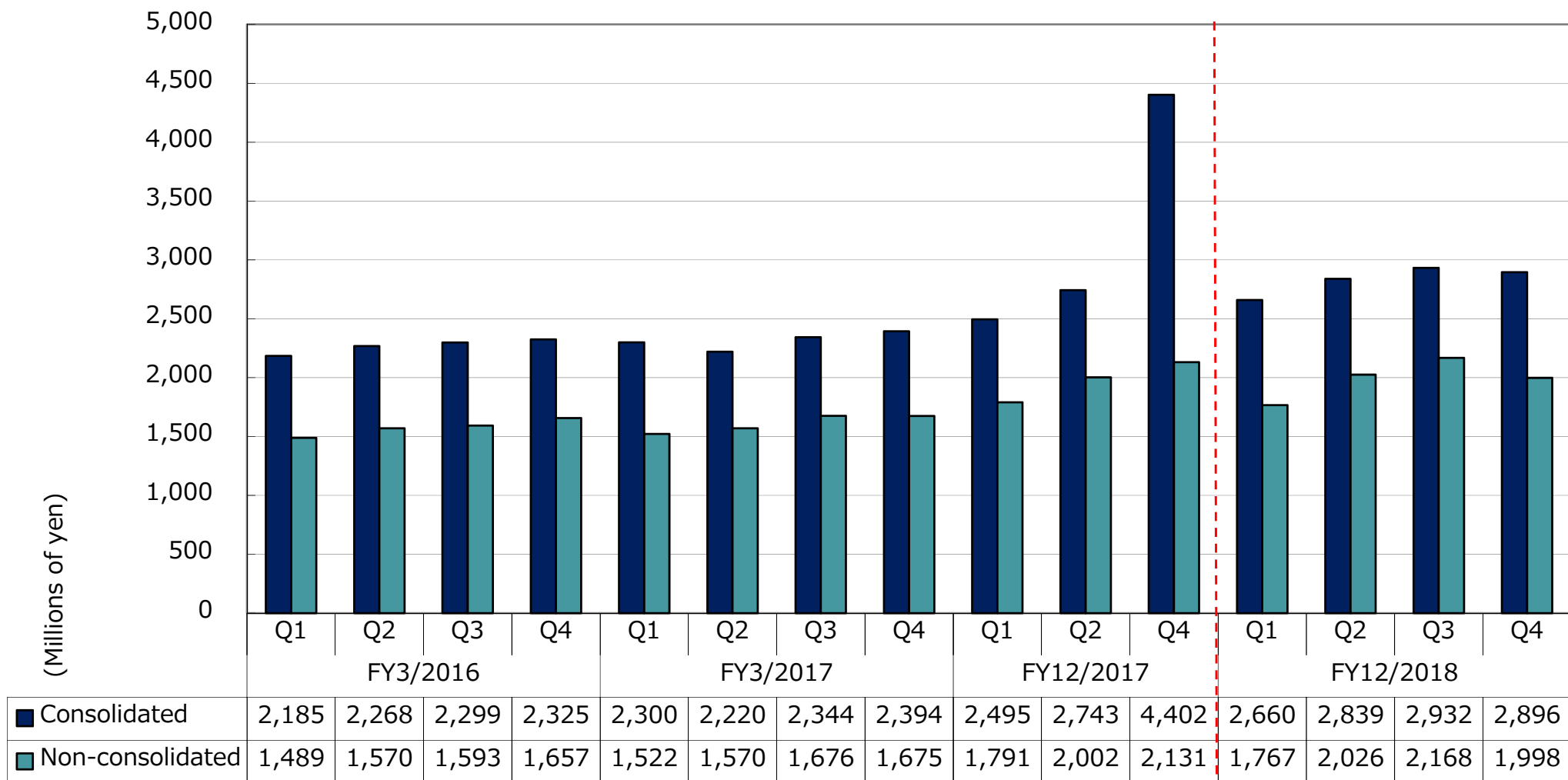
(million yen)



# 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

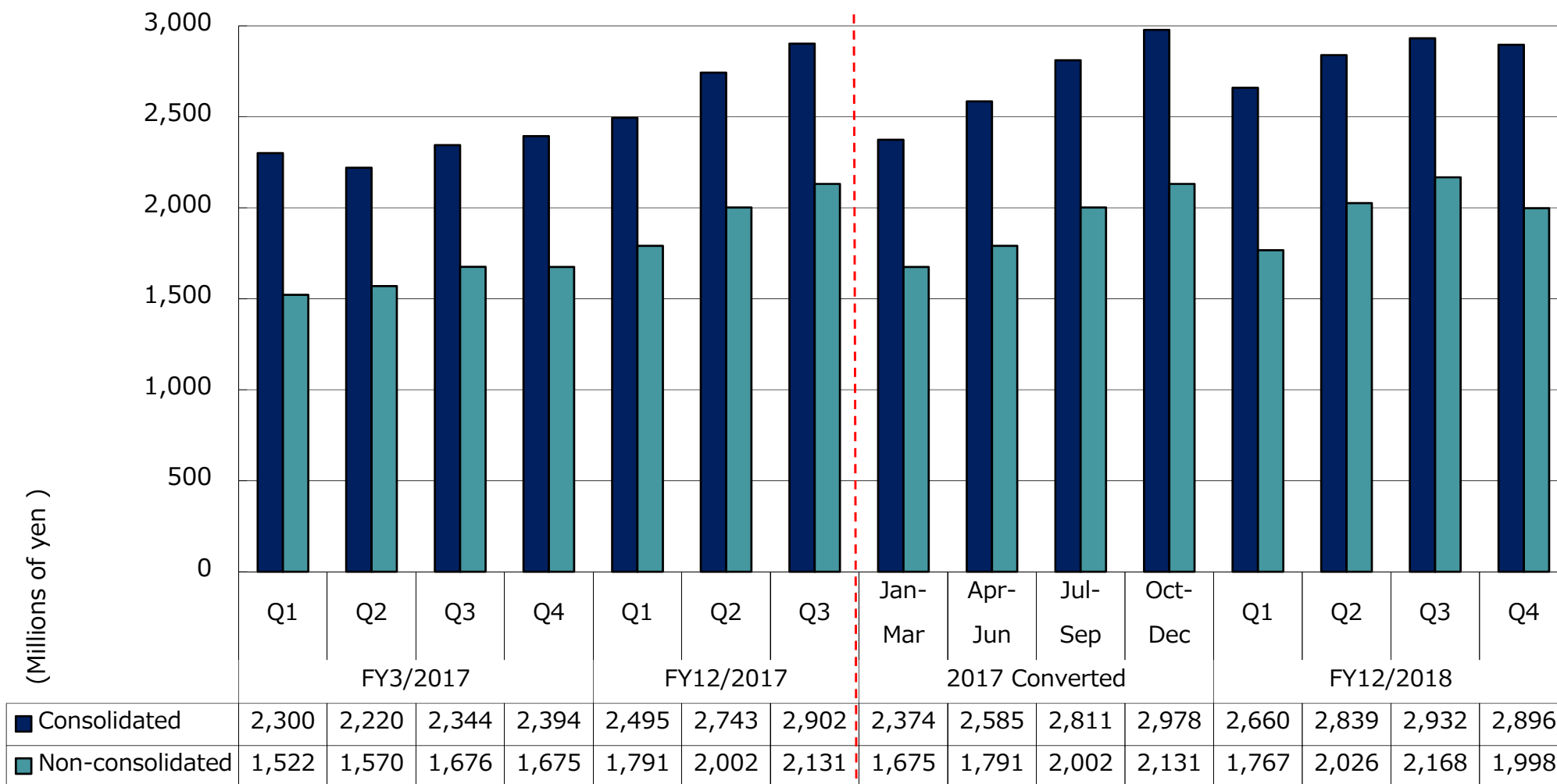
Consolidated (up to and including Q3 12/2017)

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

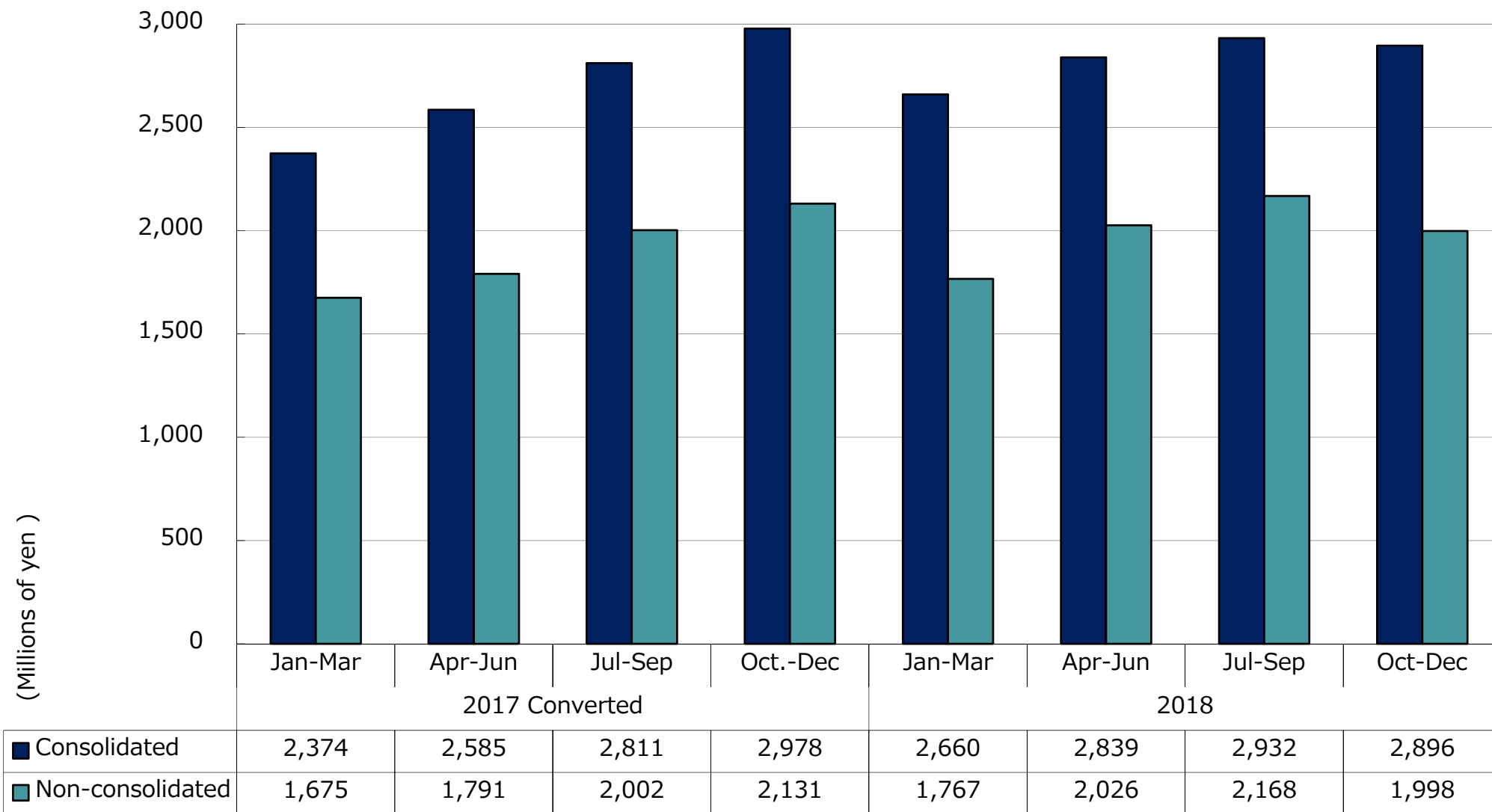
2Q = Jul-Sep (non-consolidated), Apr-Jun (subsidiaries)

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

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



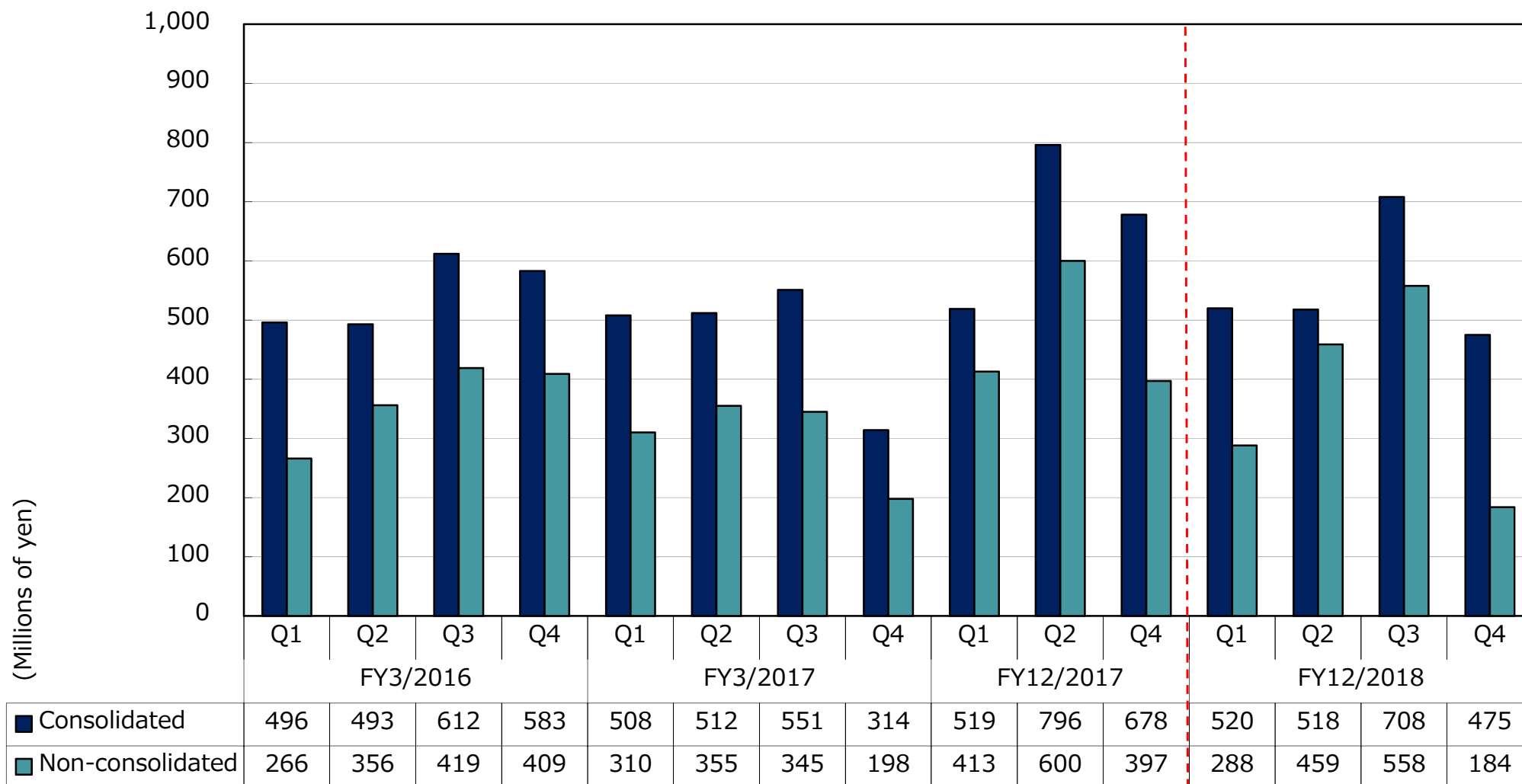
# Quarterly net sales (3)



# 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)

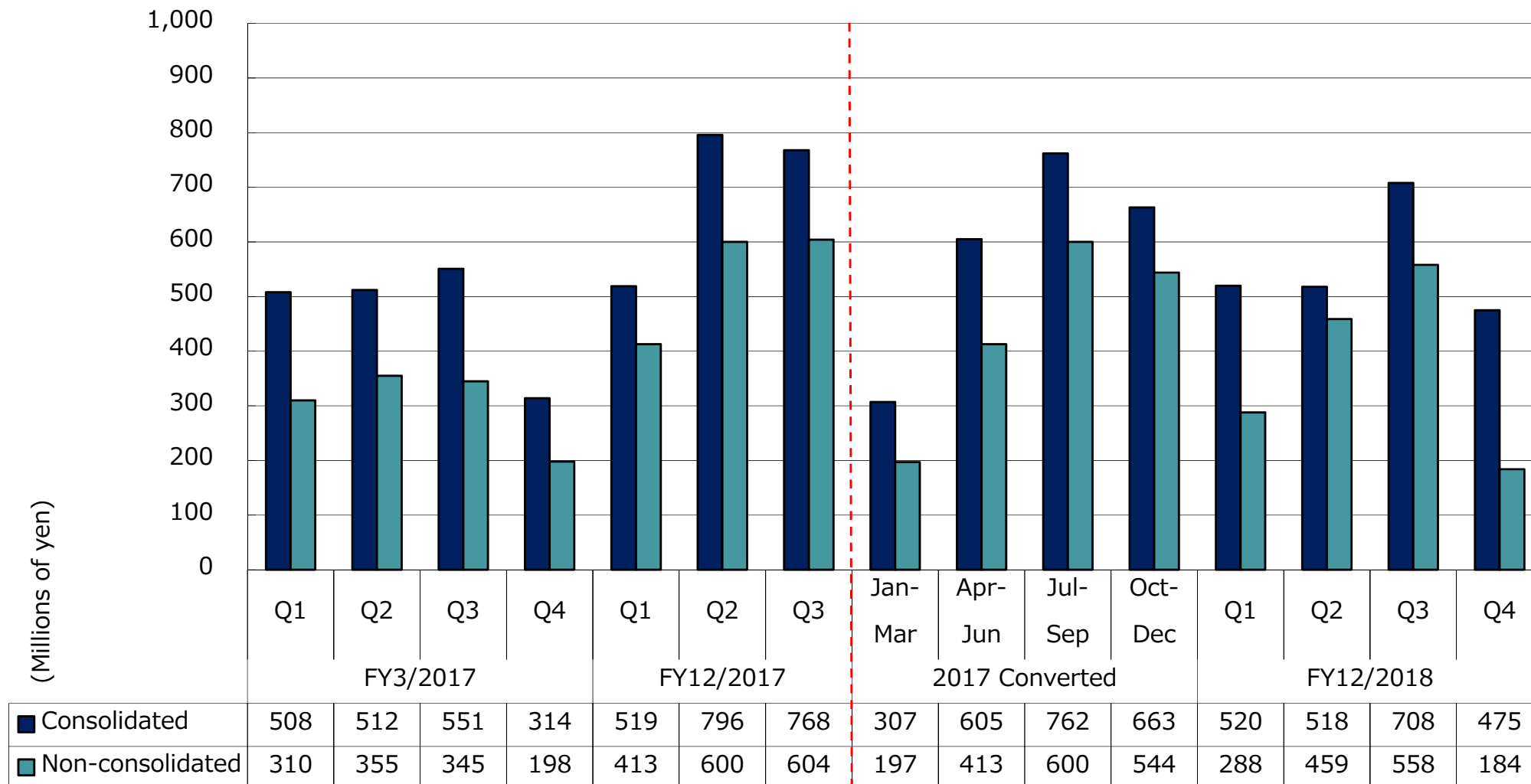
\*FYE 12/2017 (Irregular/transitional settlement): Period = Apr-Dec (non-consolidated), Jan-Dec (subsidiaries)

FYE 12/2018: Consolidated period = Jan-Dec

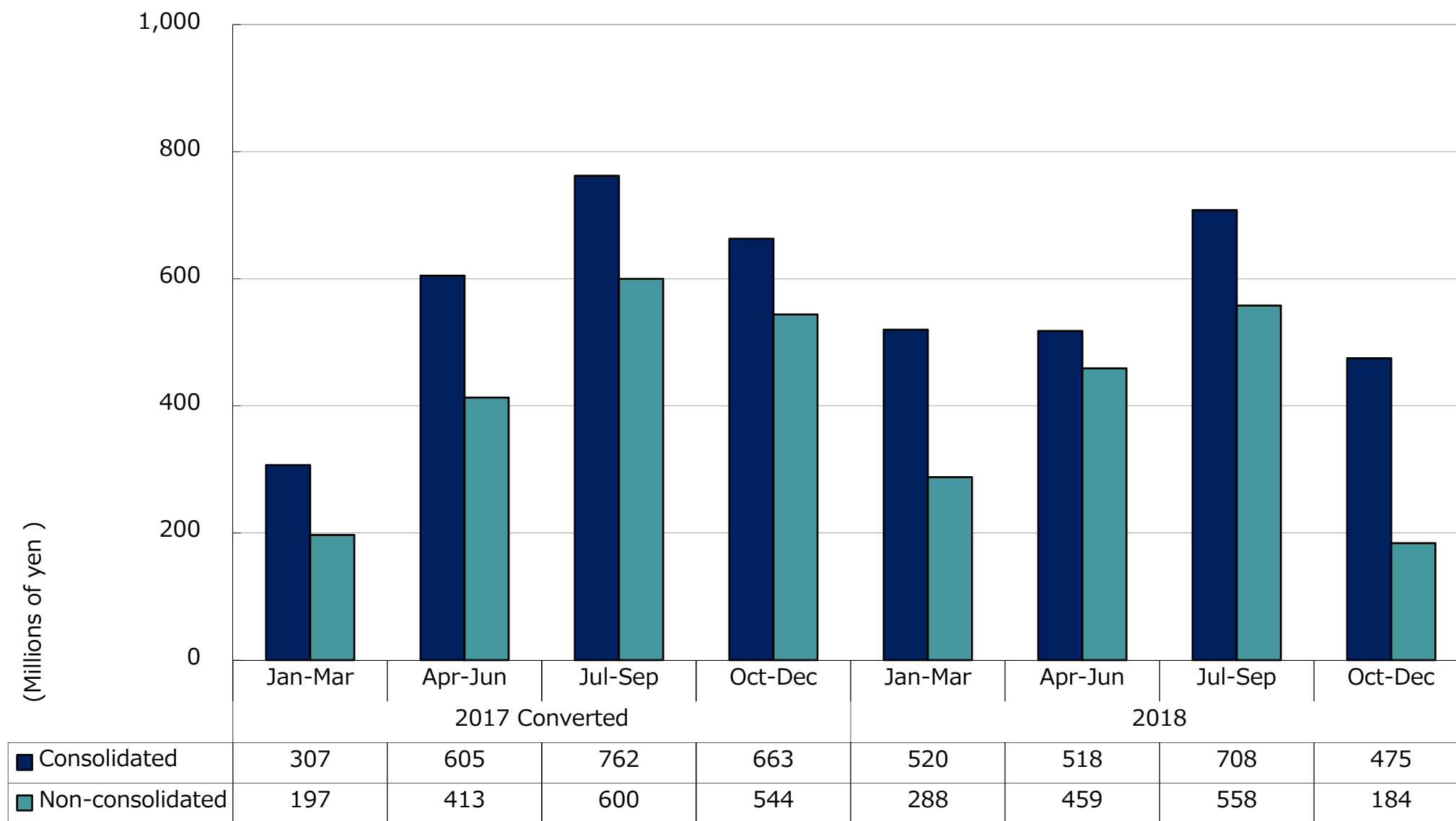
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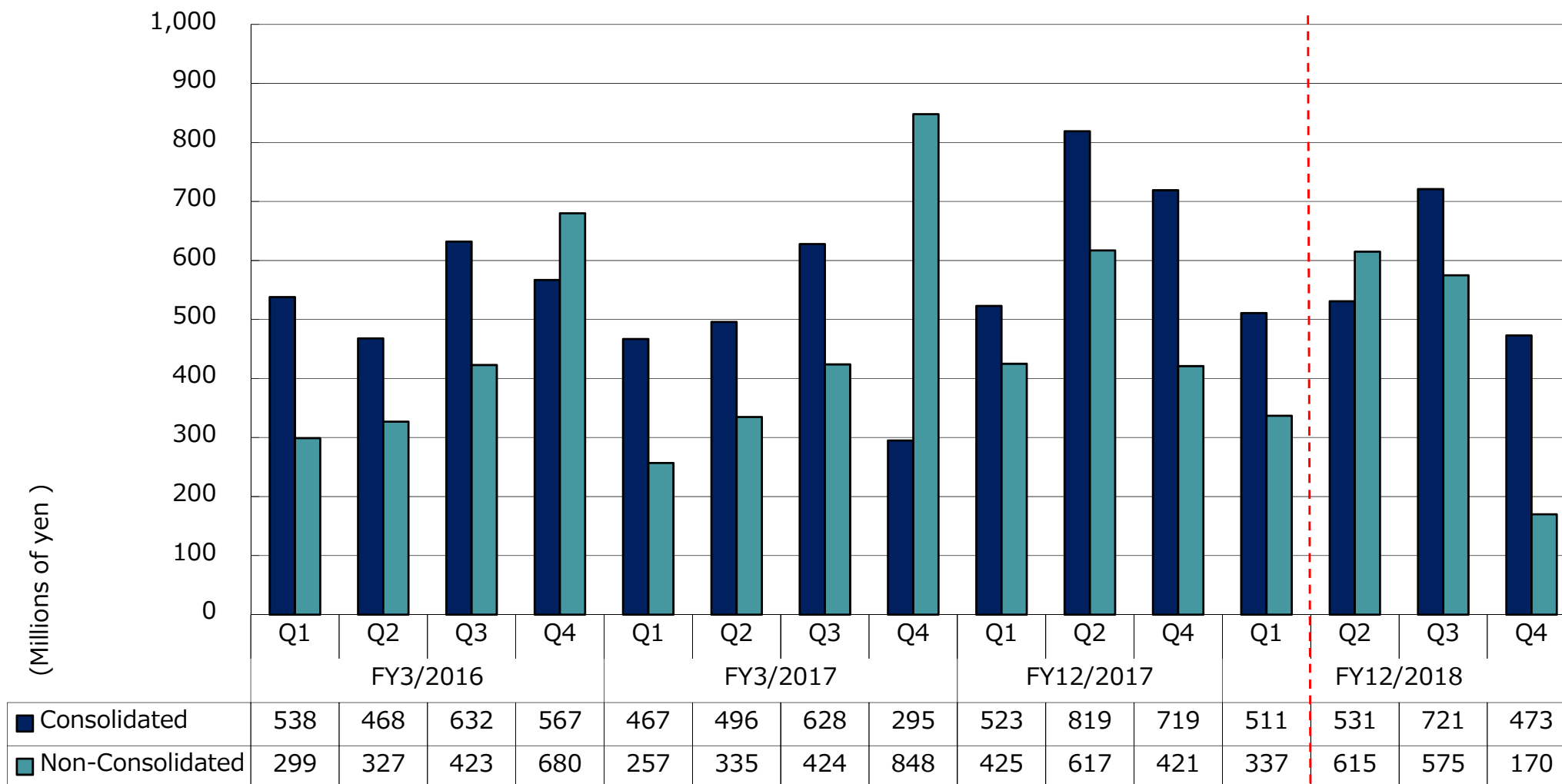
# Quarterly operating income (3)



# 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)

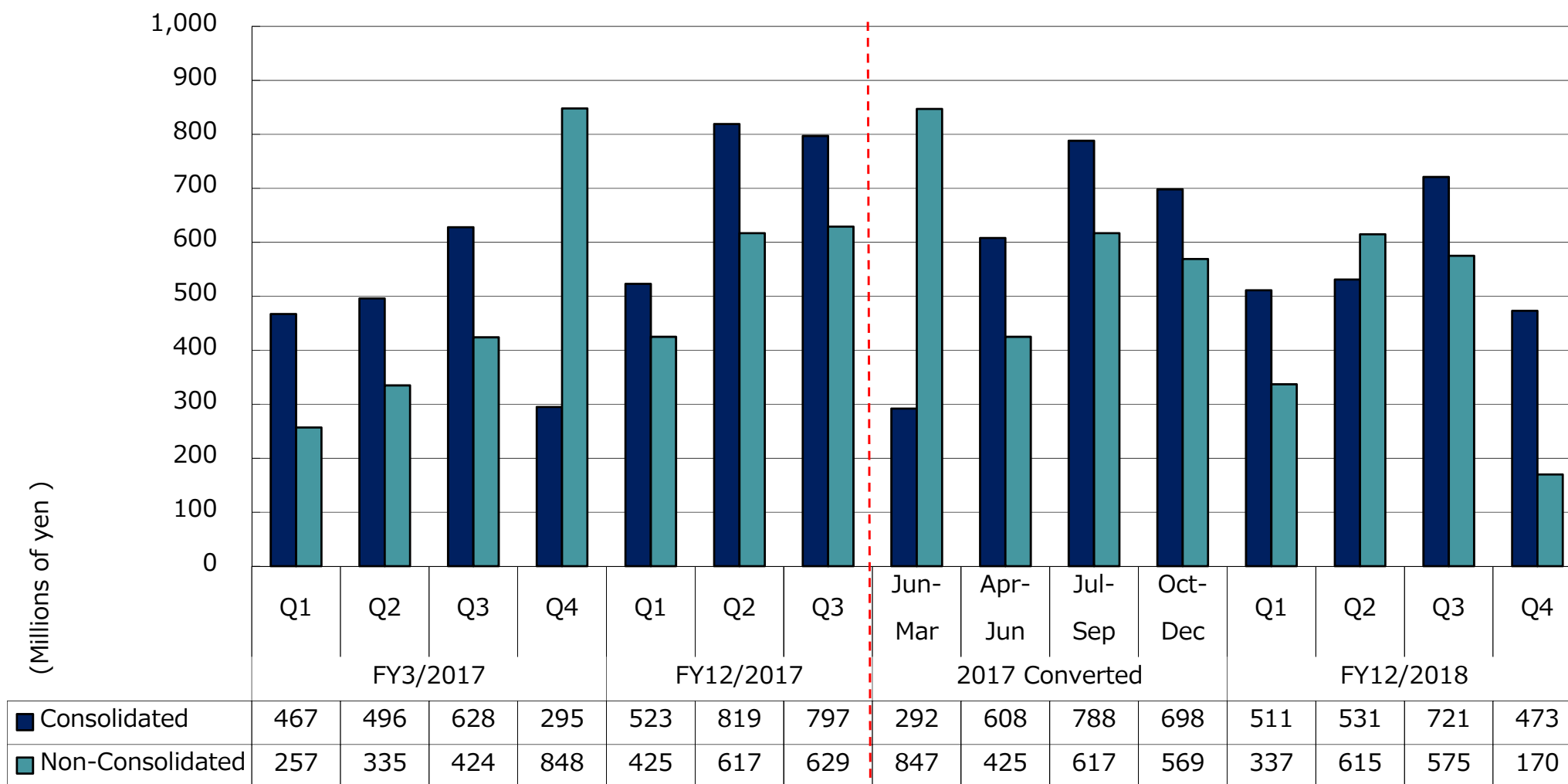
\*FYE 12/2017 (Irregular/transitional settlement): Period = Apr-Dec (non-consolidated), Jan-Dec (subsidiaries)

FYE 12/2018: Consolidated period = Jan-Dec

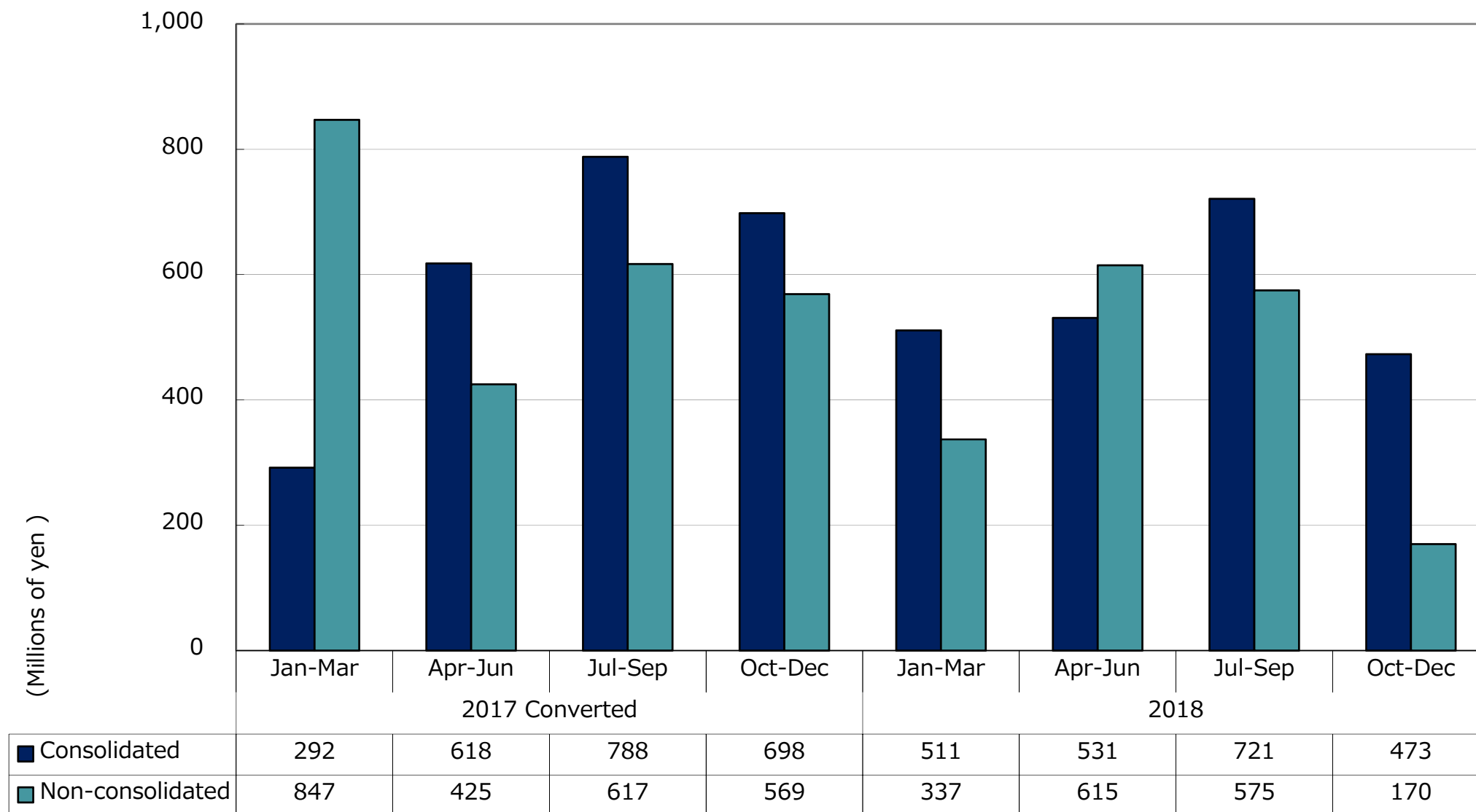
Consolidated (up to and including Q3 12/2017)

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



# Quarterly ordinary income (3)

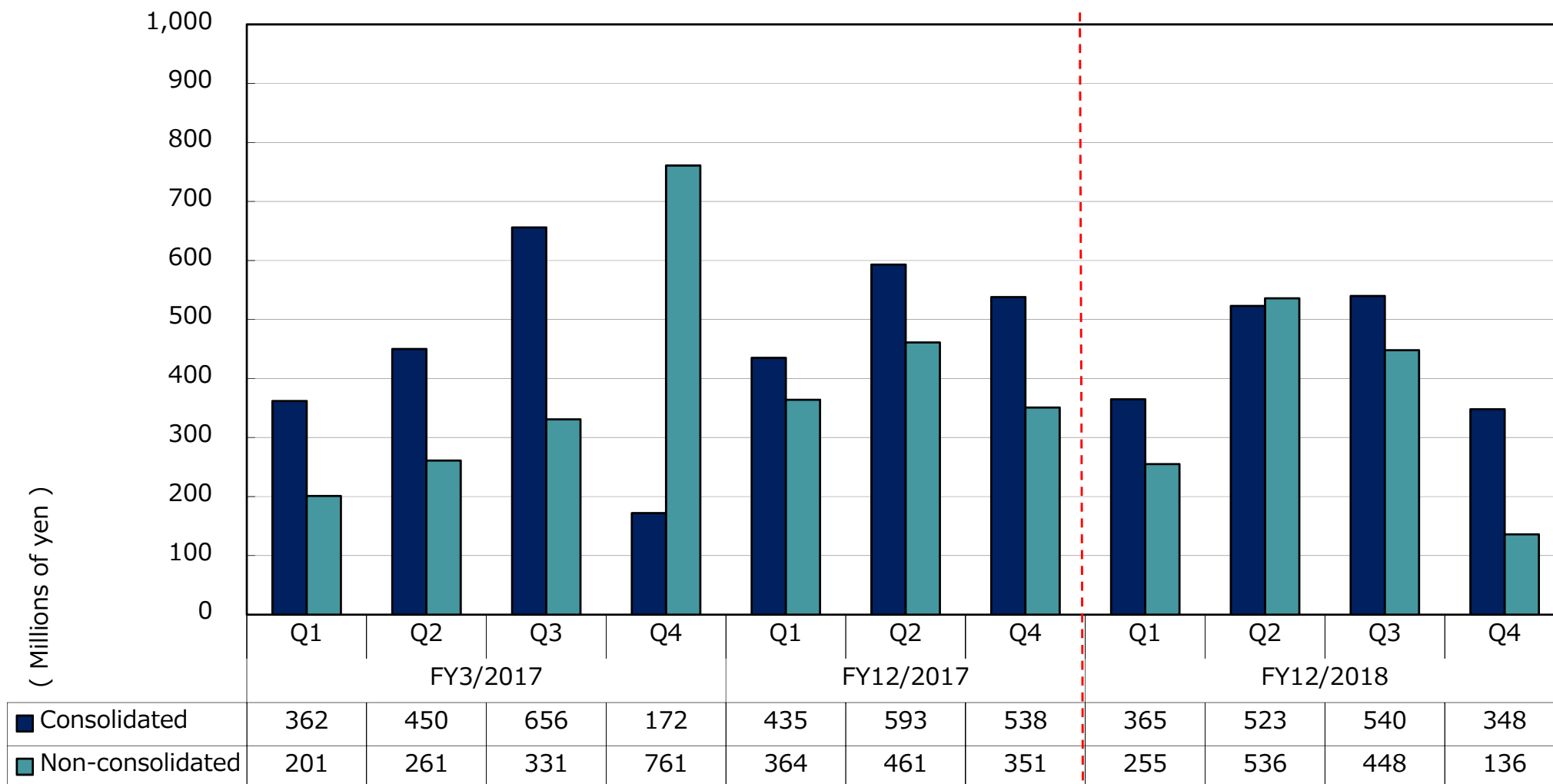




# Quarterly net income (1)

\*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

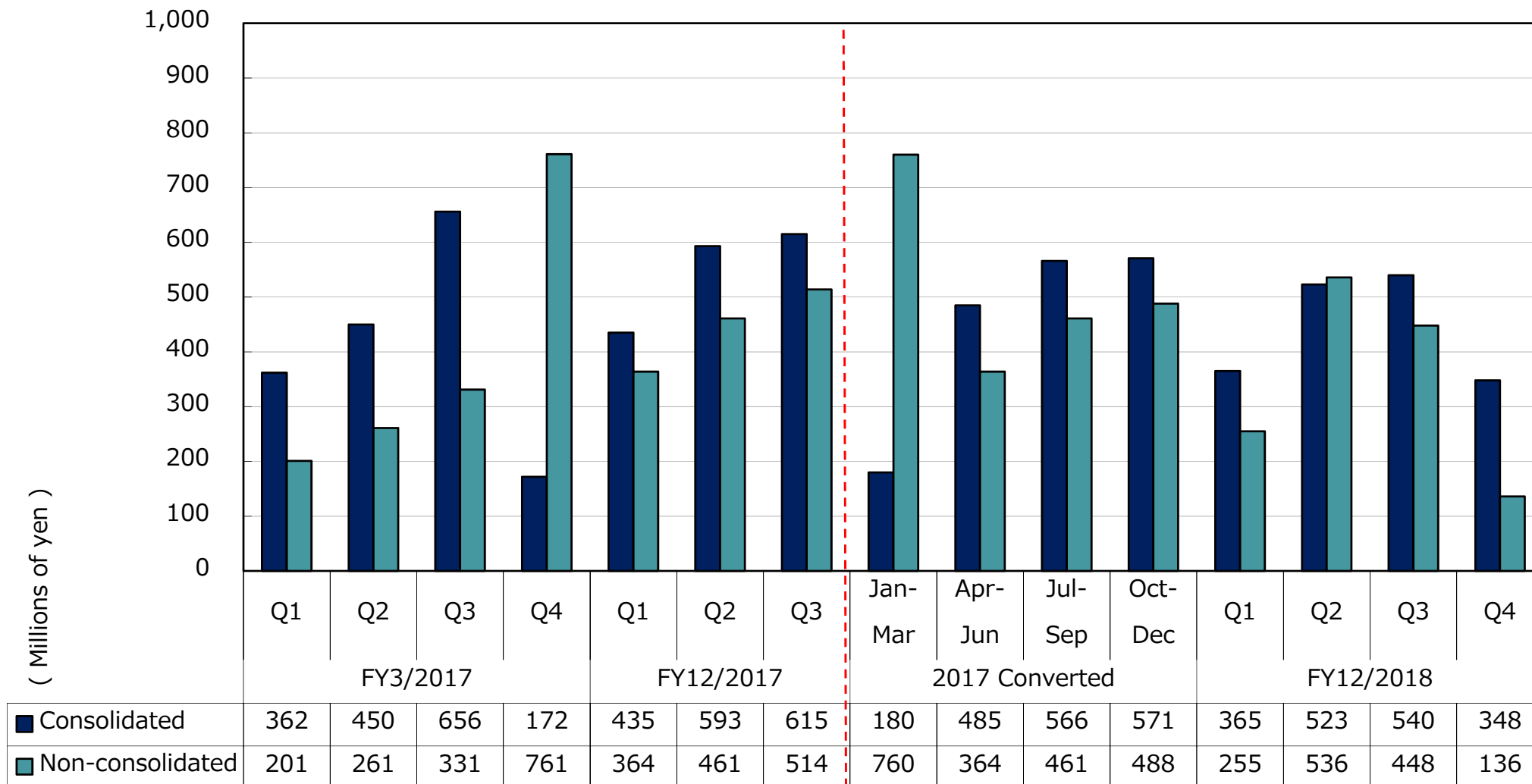
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1Q = Apr-Jun (non-consolidated), Jan-Mar (subsidiaries)

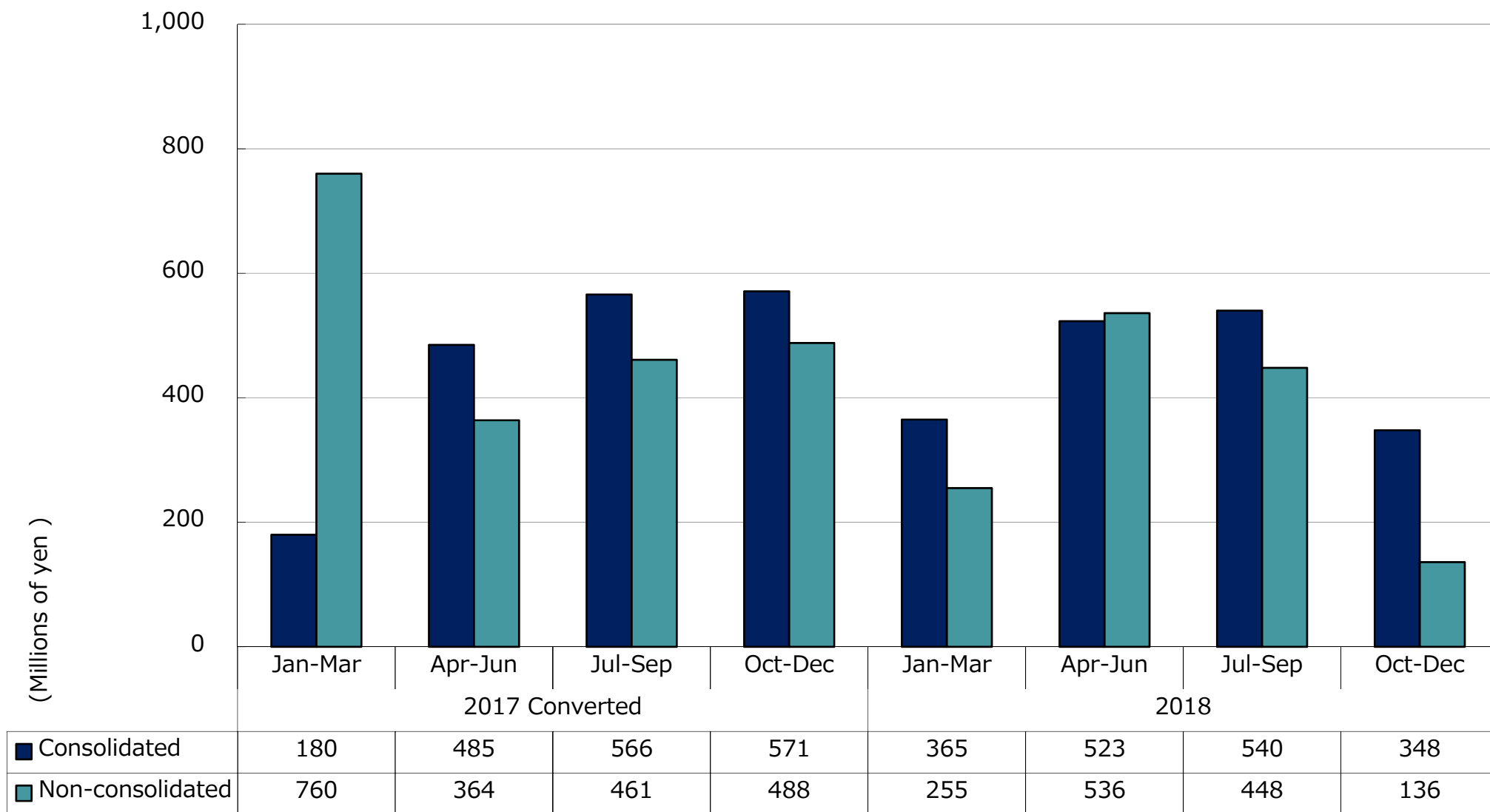
2Q = Jul-Sep (non-consolidated), Apr-Jun (subsidiaries)

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



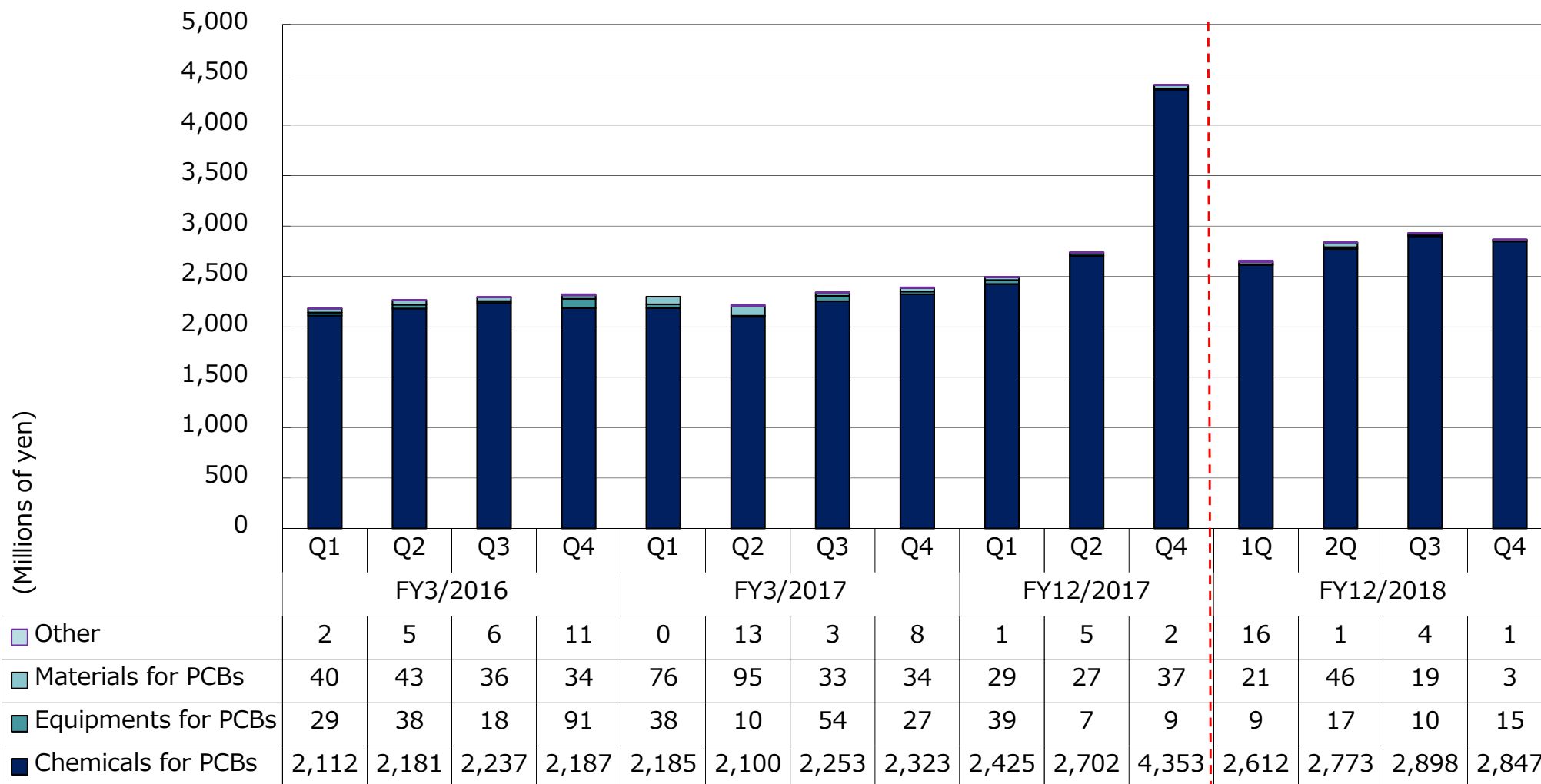
# Quarterly net income (3)



# 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)

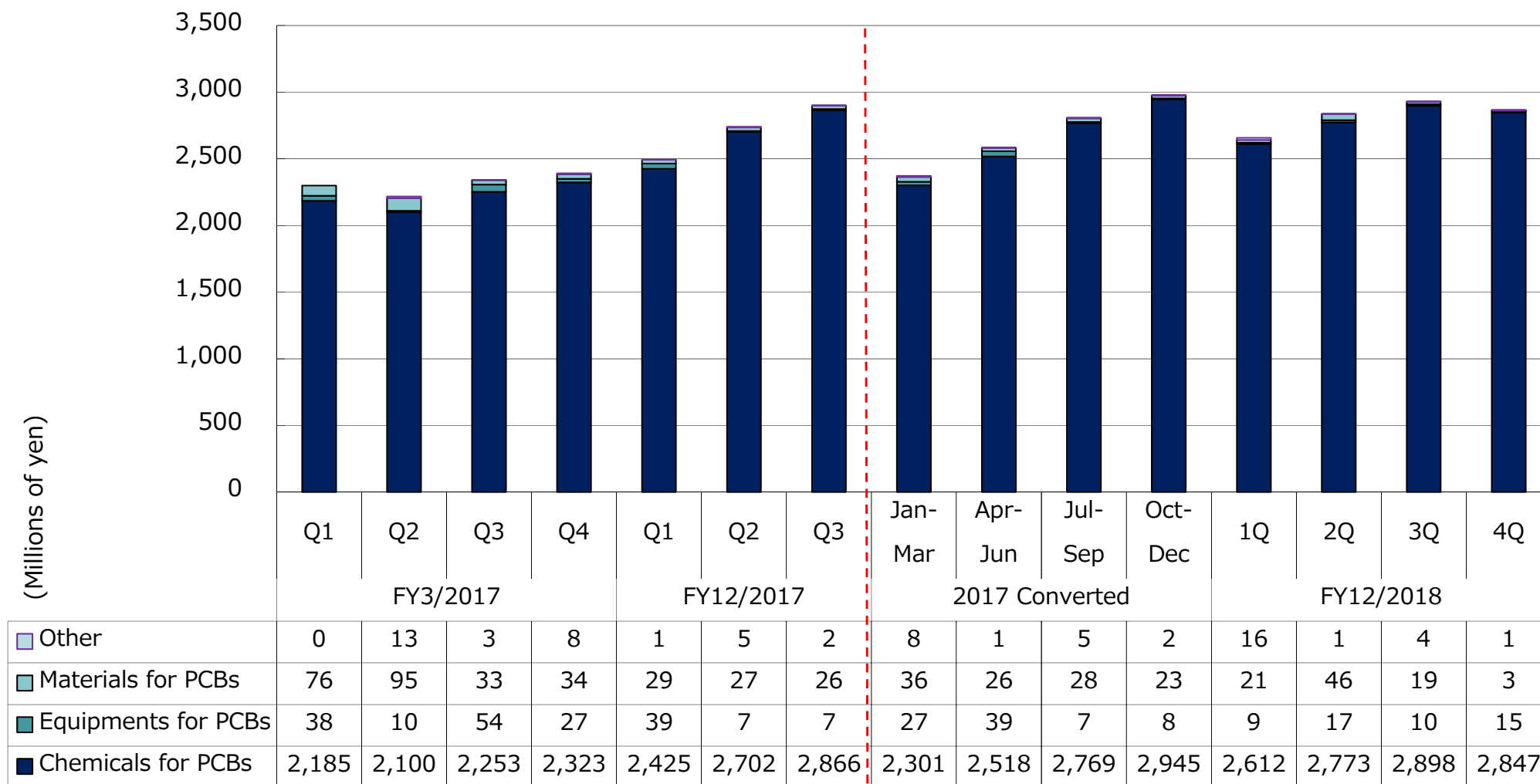
\*FYE 12/2017 (Irregular/transitional settlement): Period = Apr-Dec (non-consolidated), Jan-Dec (subsidiaries)

FYE 12/2018: Consolidated period = Jan-Dec

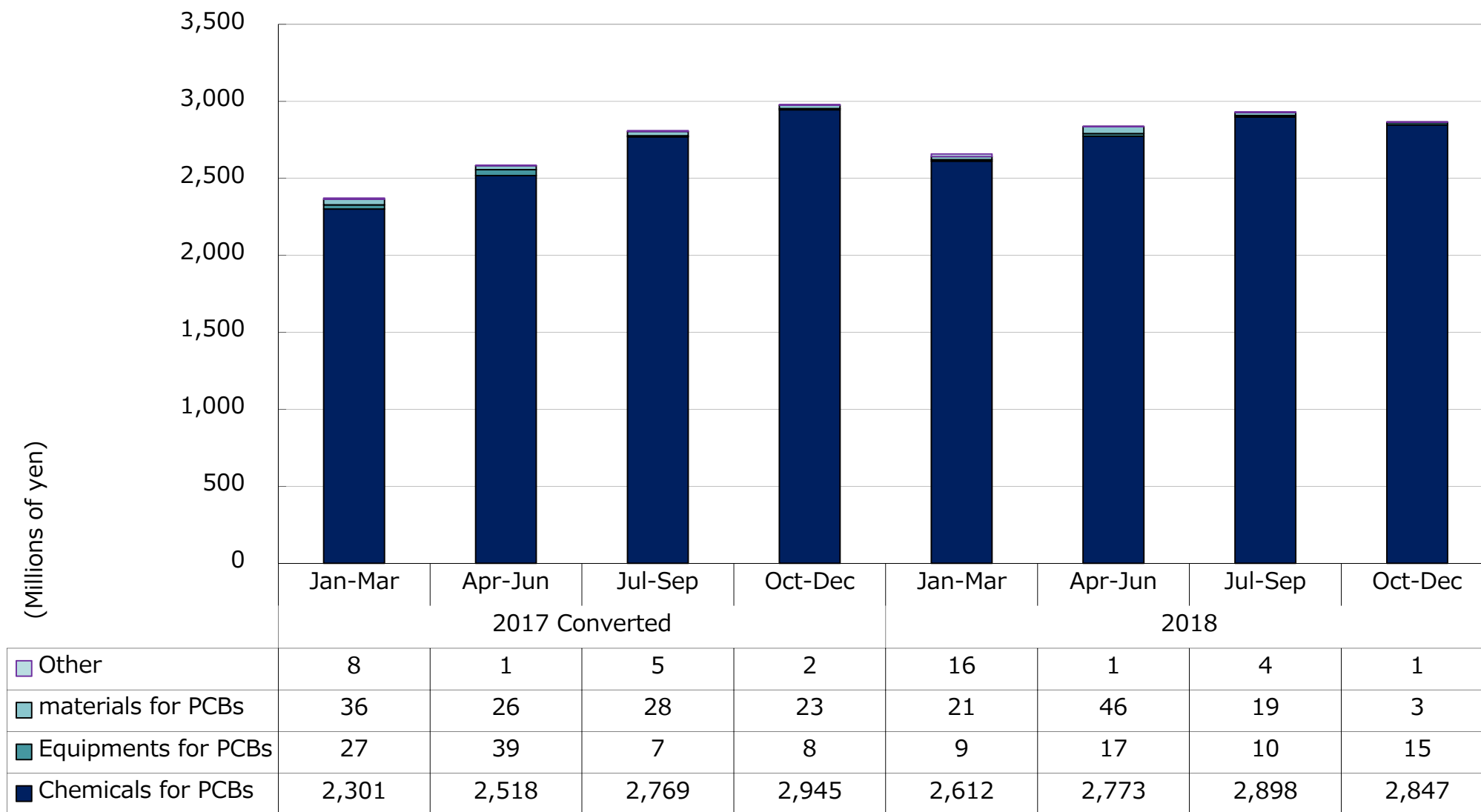
Consolidated (up to and including Q3 12/2017)

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)



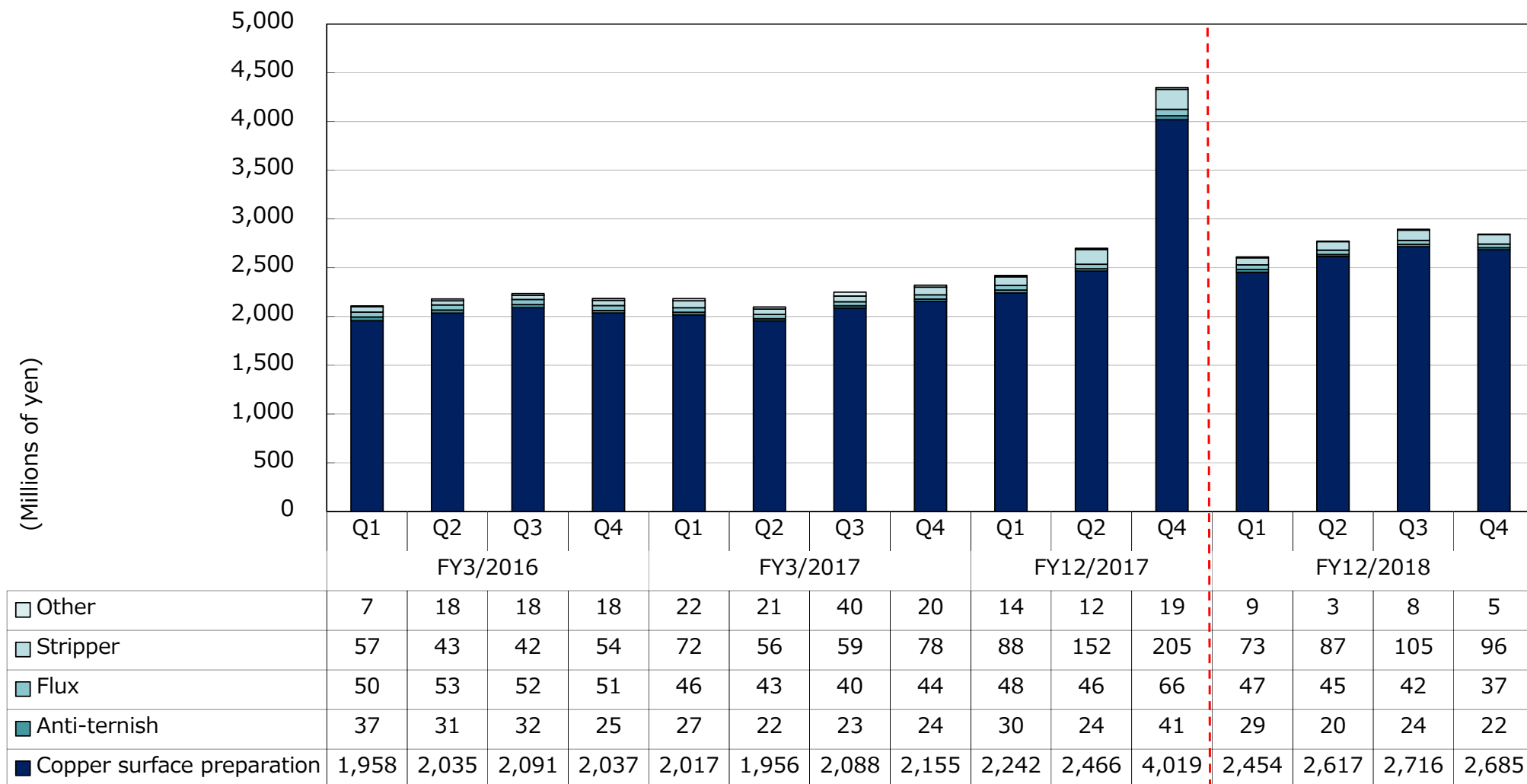
# Product-specific quarterly sales (consolidated) (3)



# 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

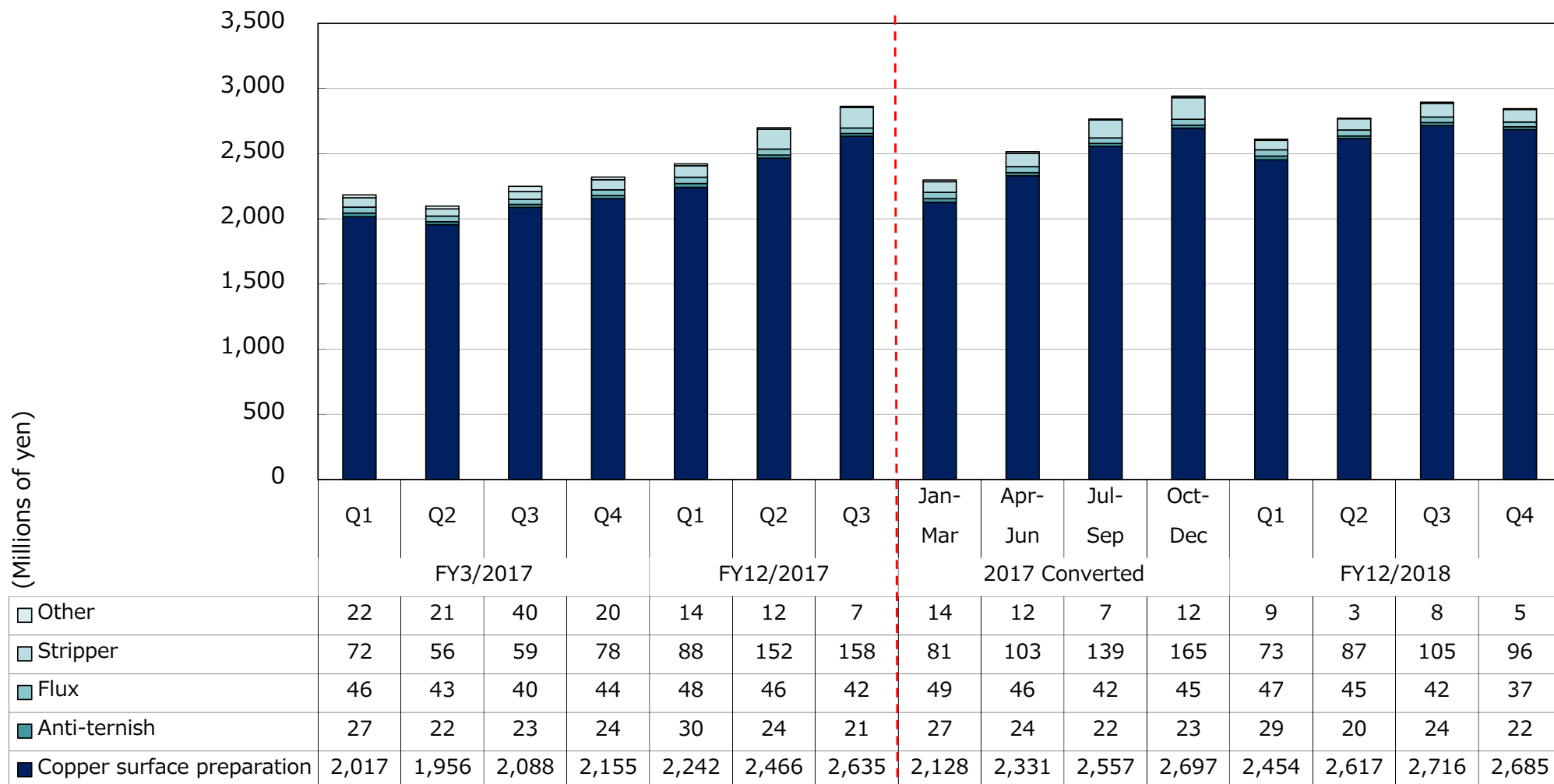
Consolidated (up to and including Q3 12/2017)

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

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

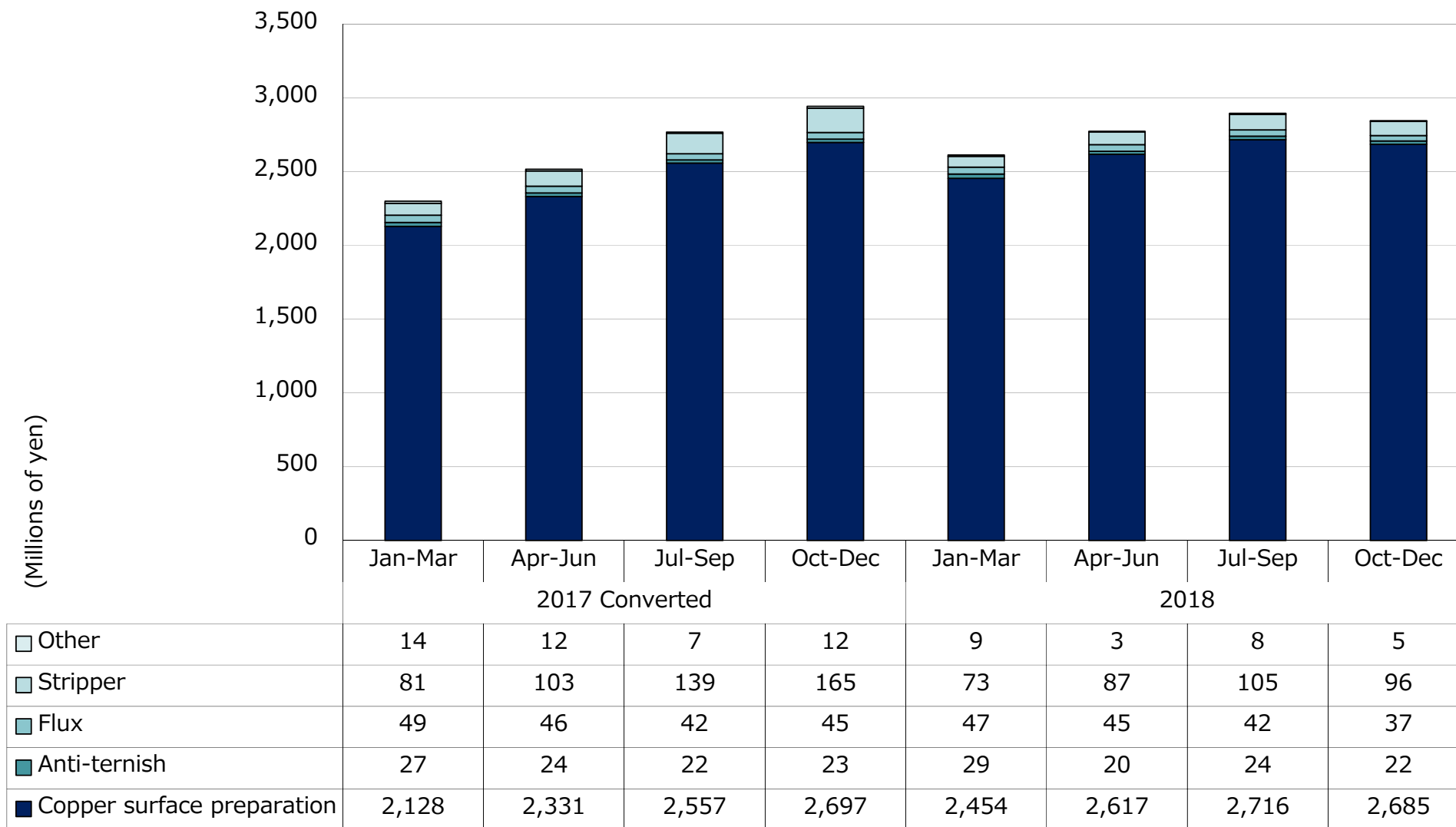
3Q = Oct-Dec (non-consolidated), Jul-Sep (subsidiaries)

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





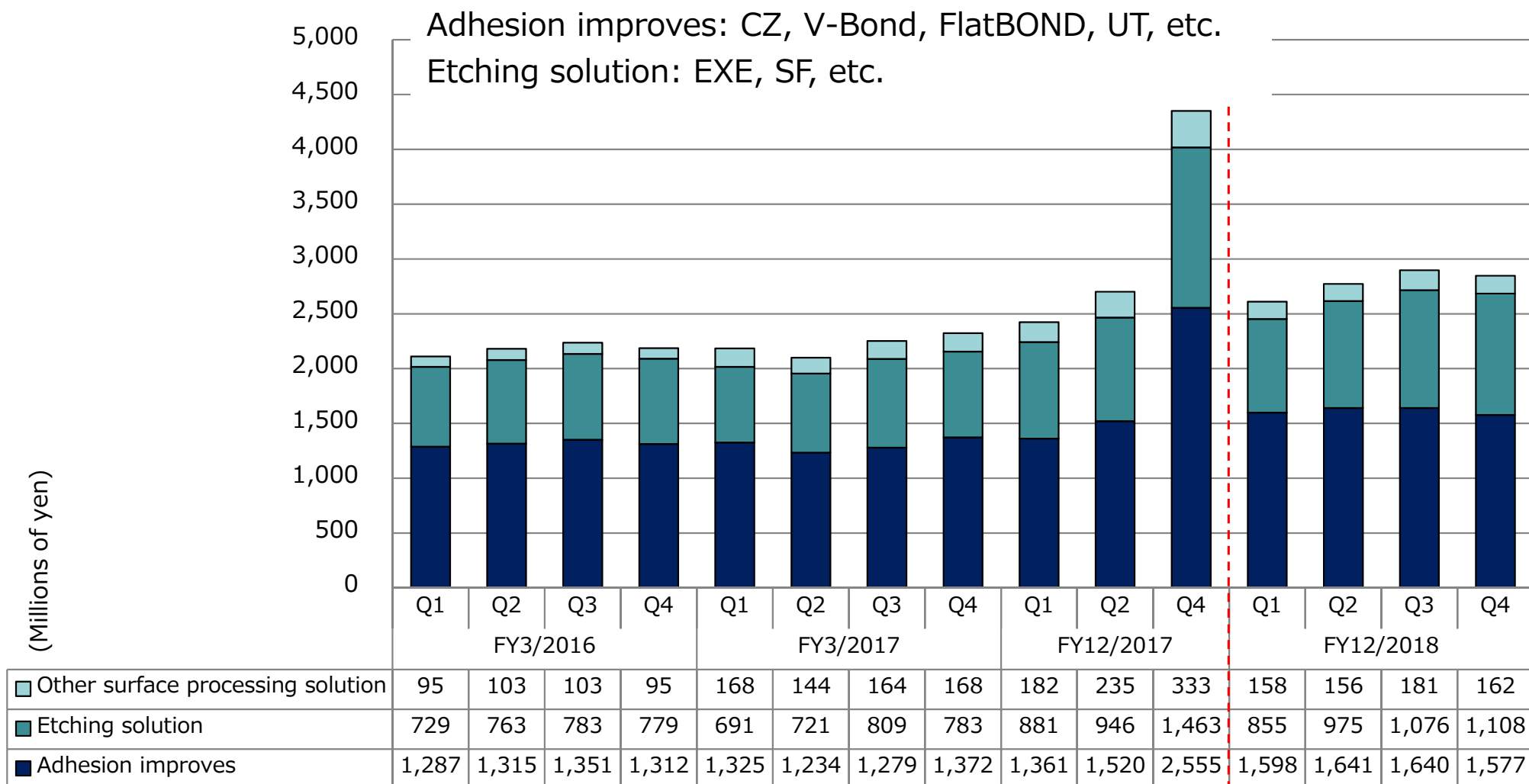
# Quarterly chemical sales (consolidated) (1.3)



# 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

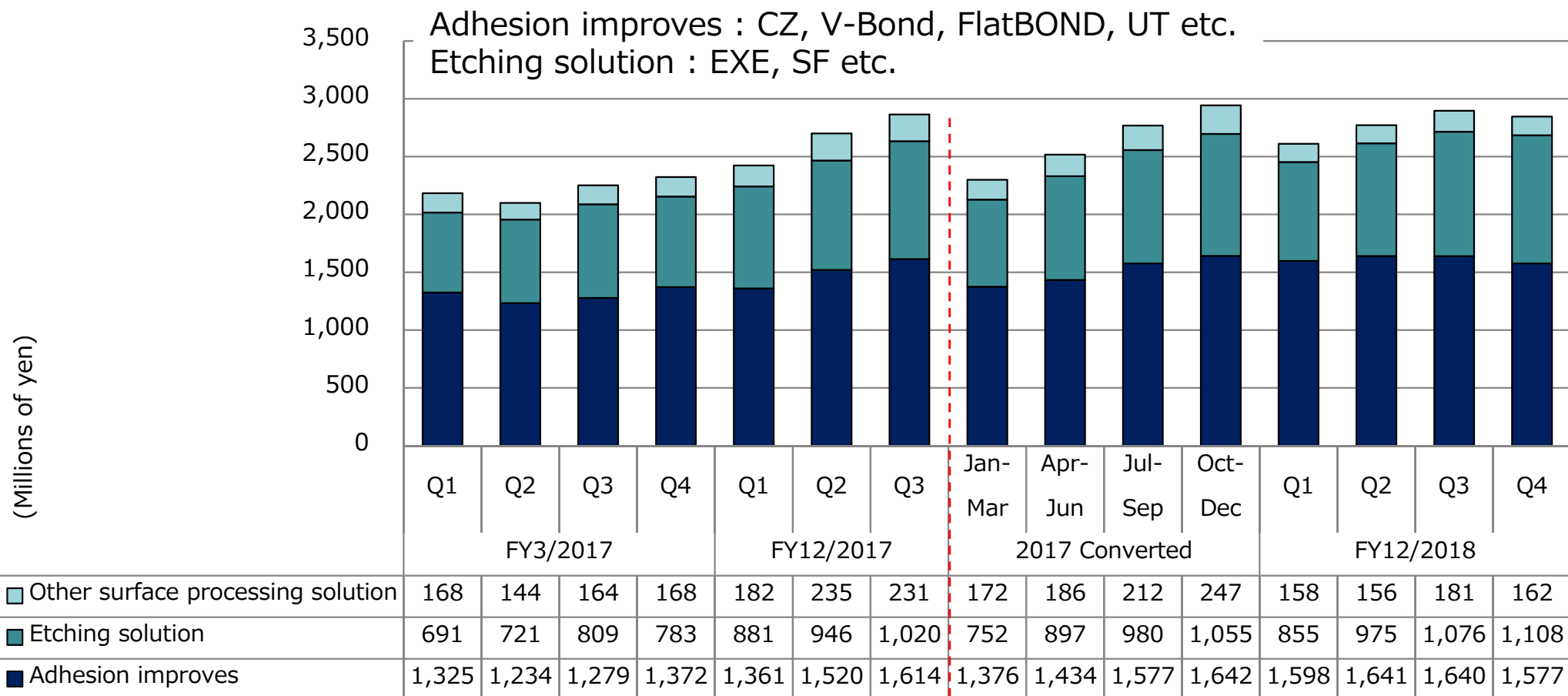
Consolidated (up to and including Q3 12/2017)

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

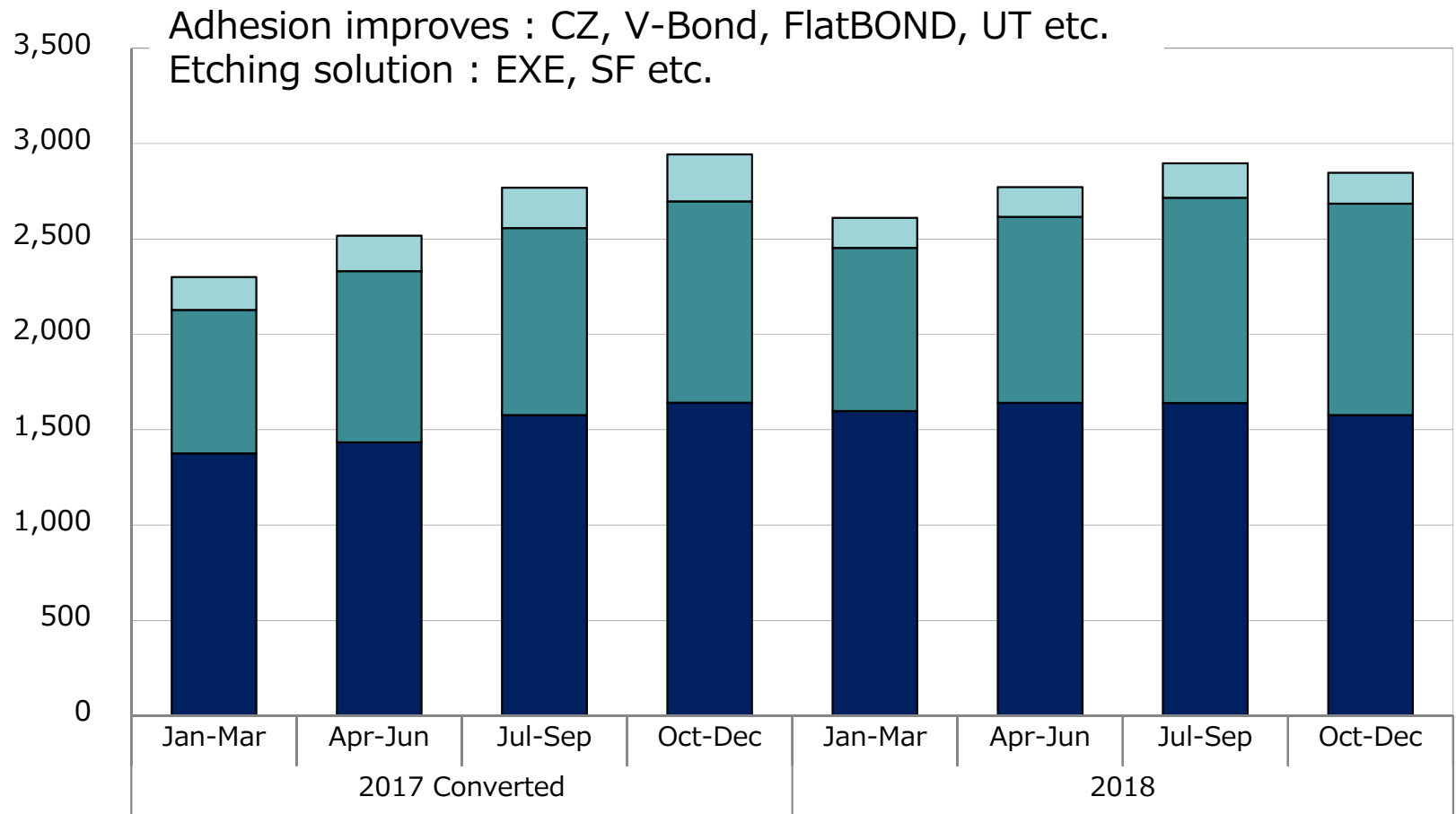
2Q = Jul-Sep (non-consolidated), Apr-Jun (subsidiaries)

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

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



# Quarterly chemical sales (consolidated) (2.3)

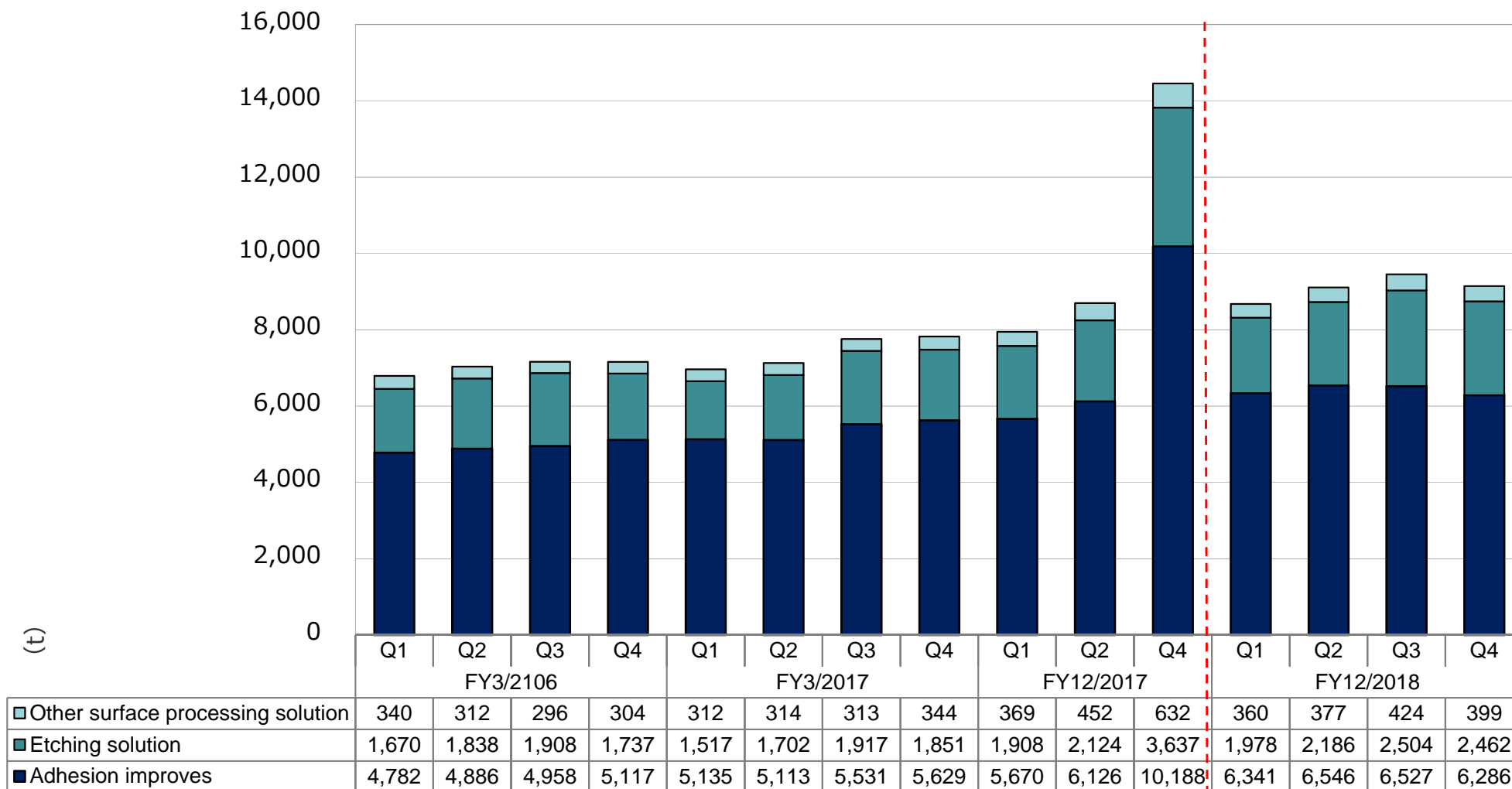


Other surface processing solution	172	186	212	247	158	156	181	162
Etching solution	752	897	980	1,055	855	975	1,076	1,108
Adhesion improves	1,376	1,434	1,577	1,642	1,598	1,641	1,640	1,577

# 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

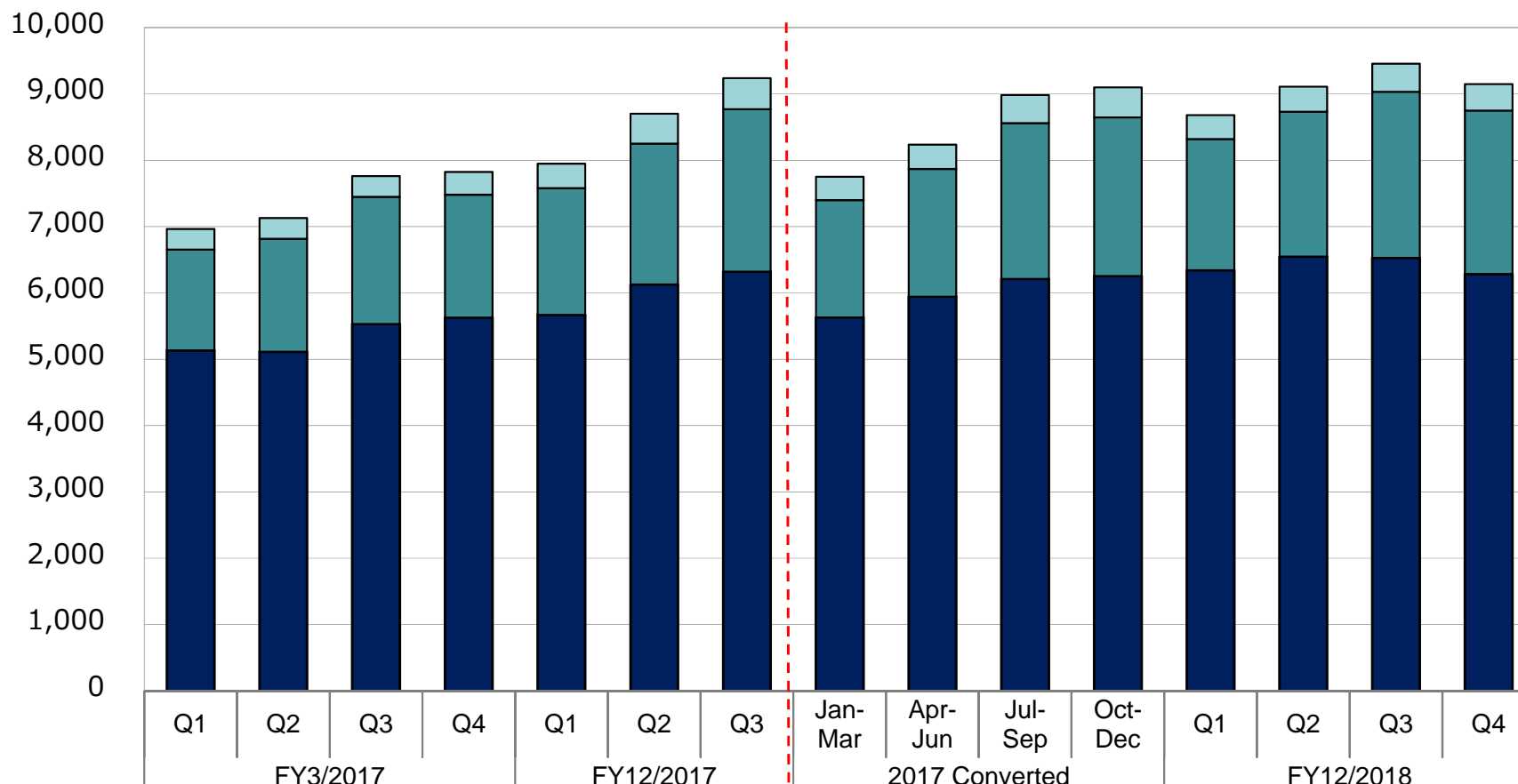
Consolidated (up to and including Q3 12/2017)

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

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

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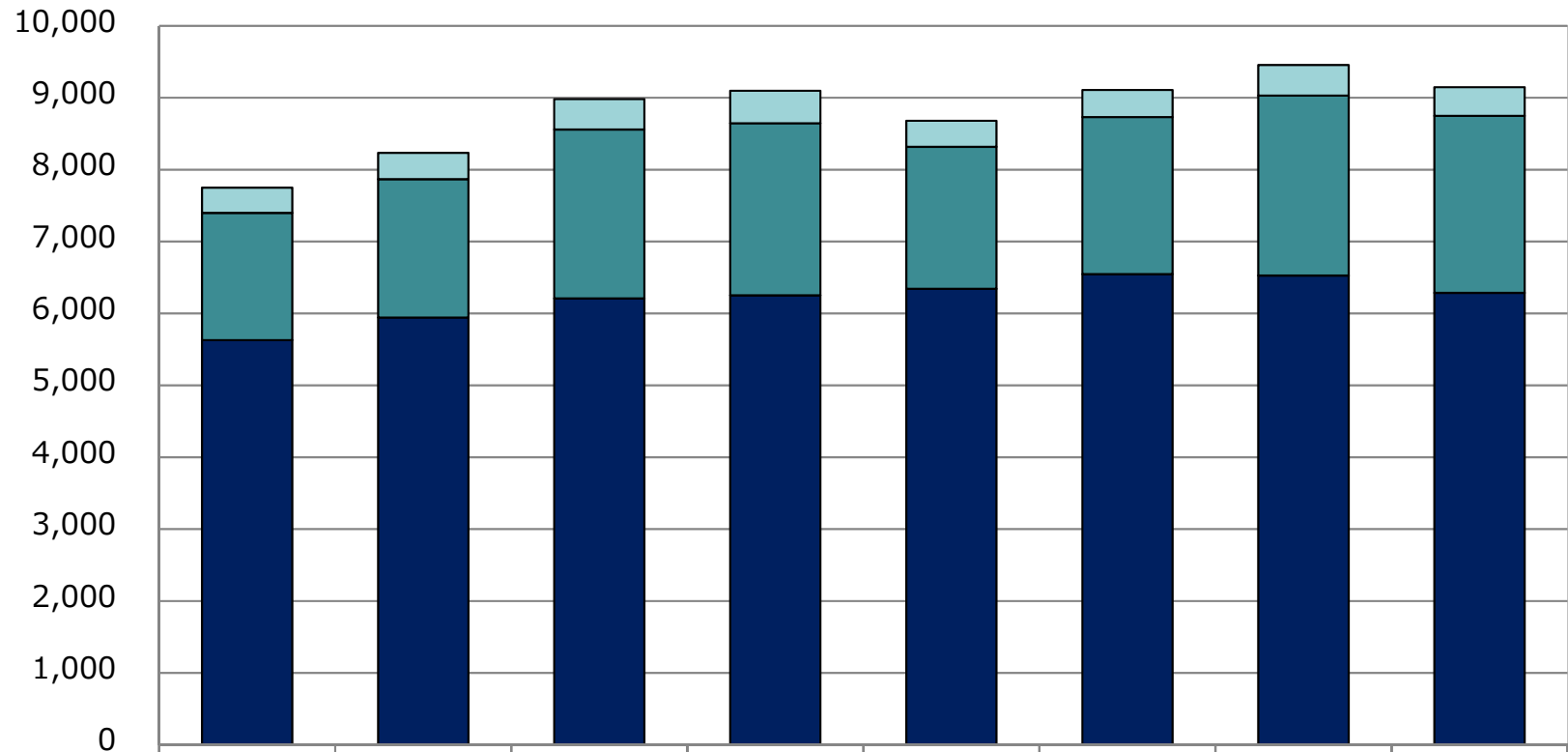
4Q = Jan-Mar (non-consolidated), Oct-Dec (subsidiaries)



	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Q1	Q2	Q3	Q4
	FY3/2017				FY12/2017			2017 Converted				FY12/2018			
■ Other surface processing solution	312	314	313	344	369	452	467	352	366	423	451	360	377	424	399
■ Etching solution	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	2462
■ Adhesion improves	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	6286

(t)

# Chemical shipment volume (consolidated) (3)



(1)

	2017 Converted				2018			
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Other surface processing solution	352	366	423	451	360	377	424	399
Etching solution	1,768	1,925	2,350	2,394	1,978	2,186	2,504	2,462
Adhesion improves	5,630	5,944	6,209	6,252	6,341	6,546	6,527	6,286

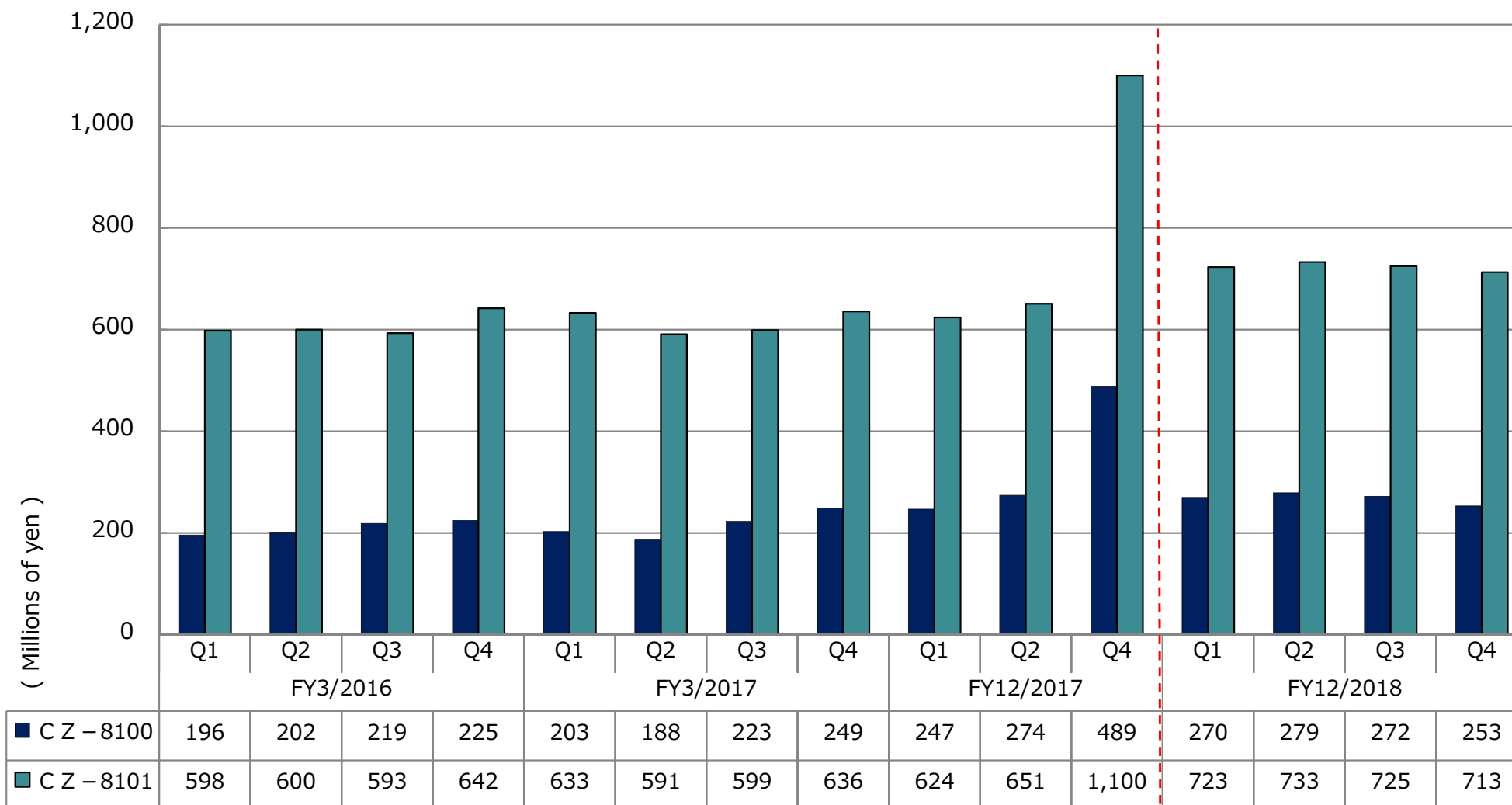
# CZ series sales(1)

\*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

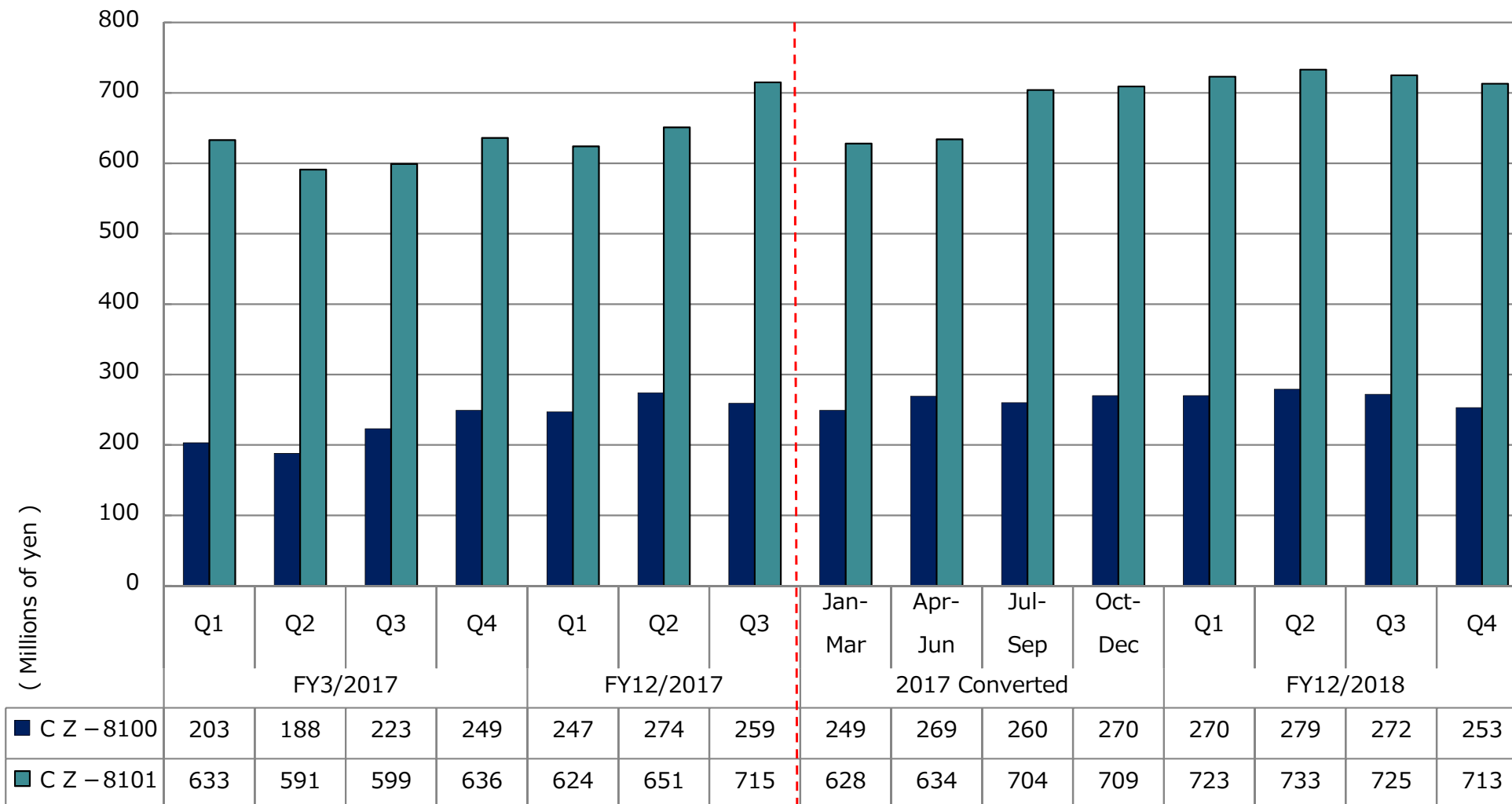
Consolidated (up to and including Q3 12/2017)

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

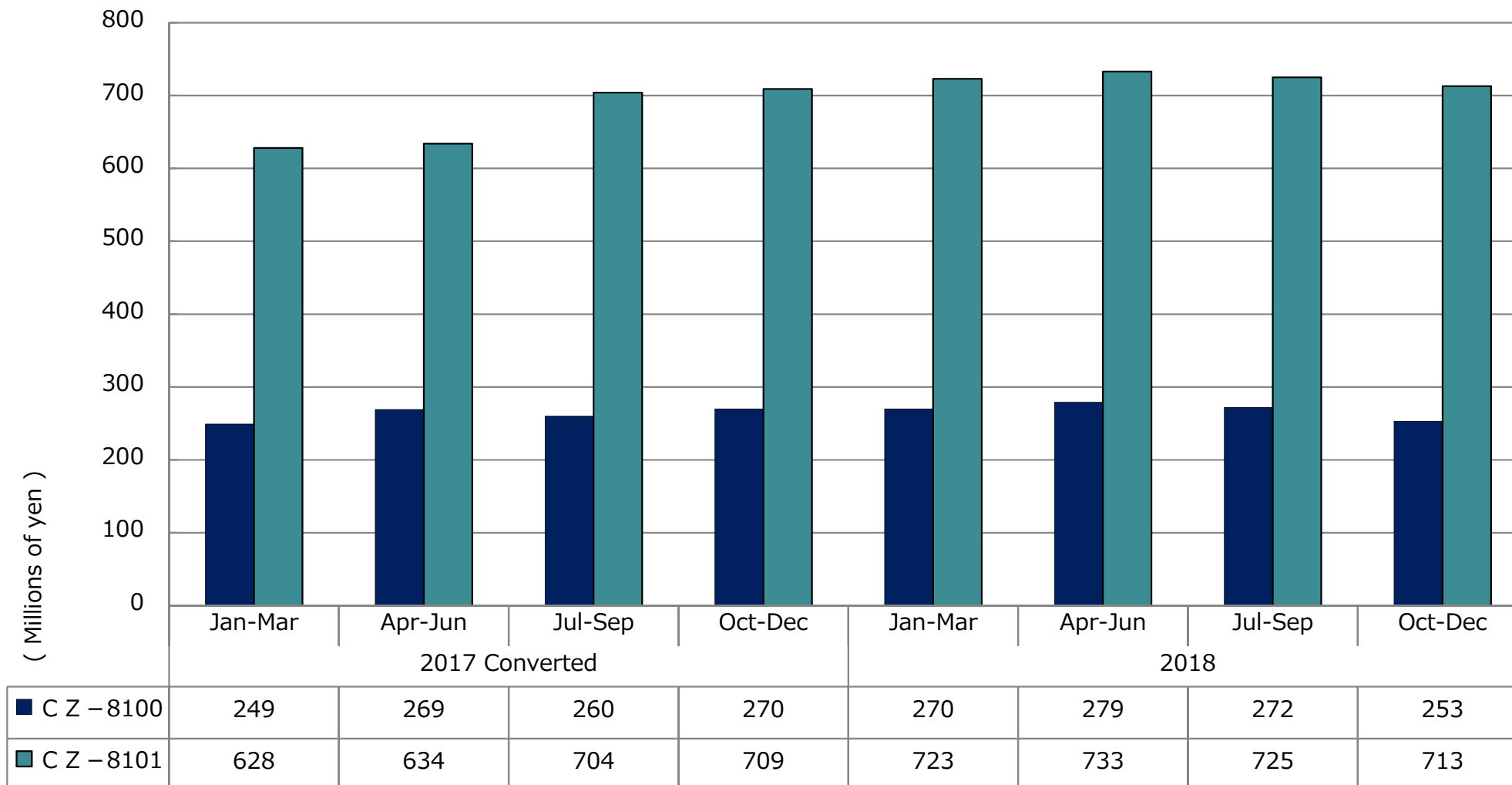
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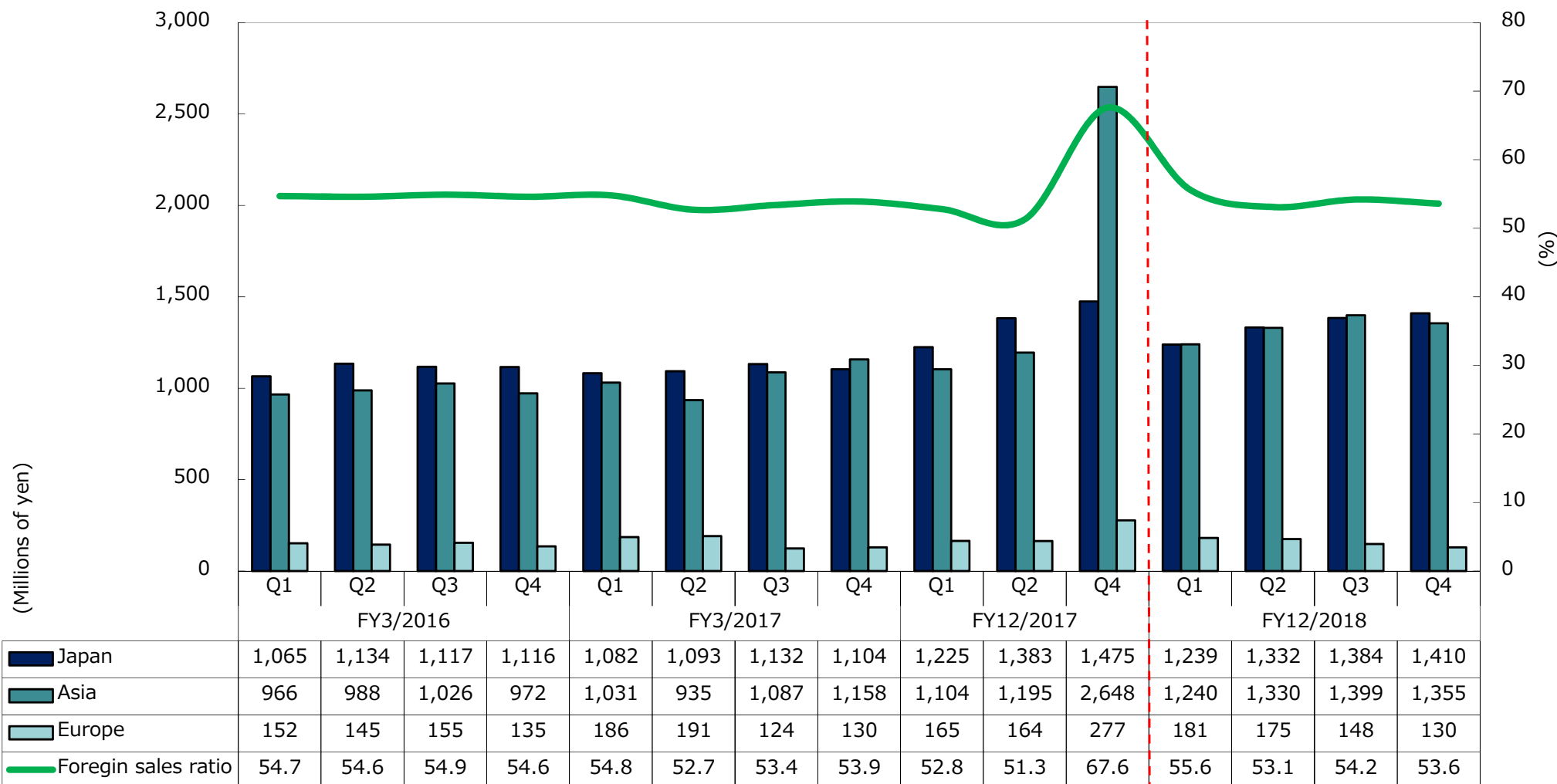
# CZ series sales(3)



# 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

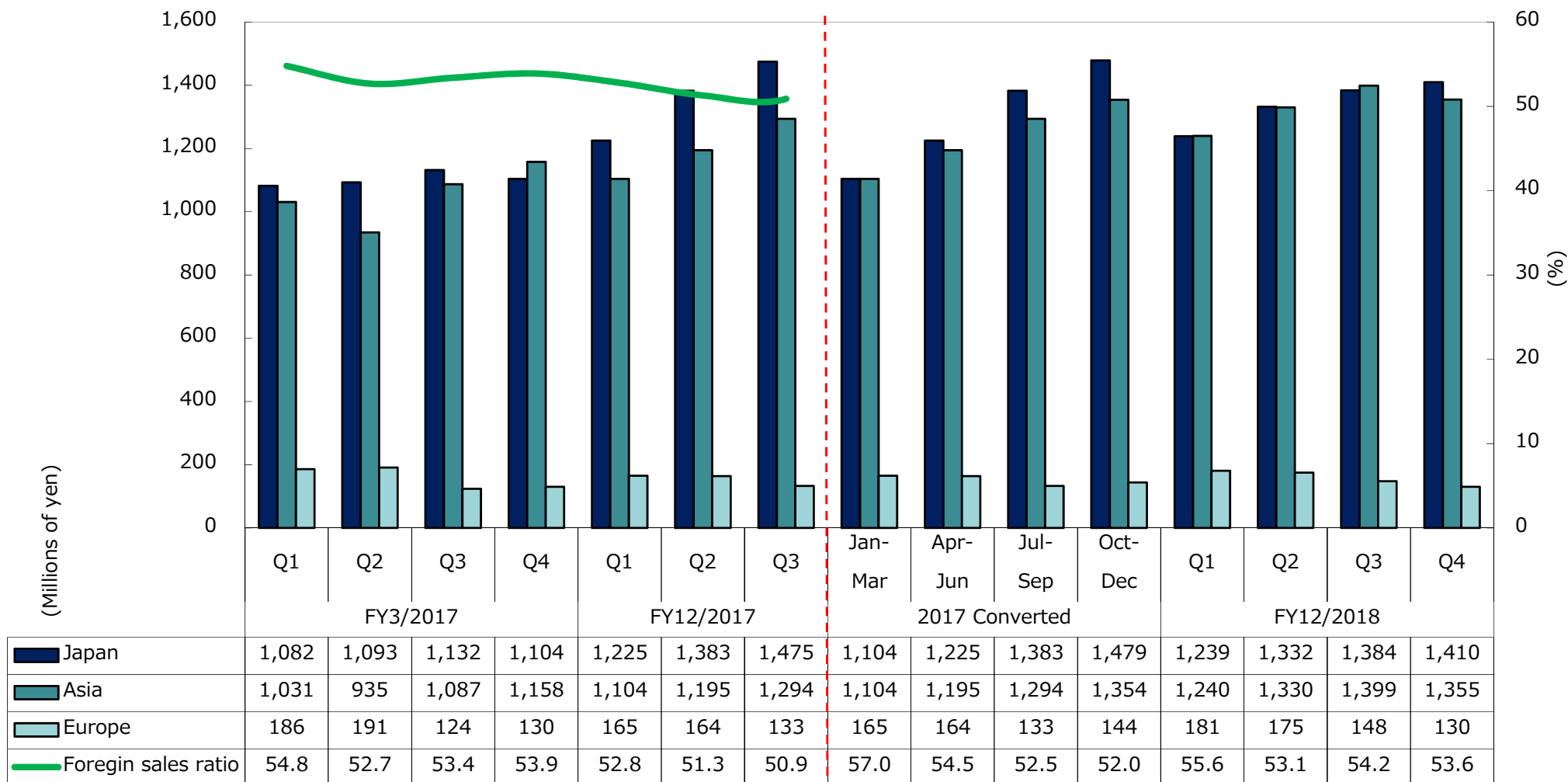
Consolidated (up to and including Q3 12/2017)

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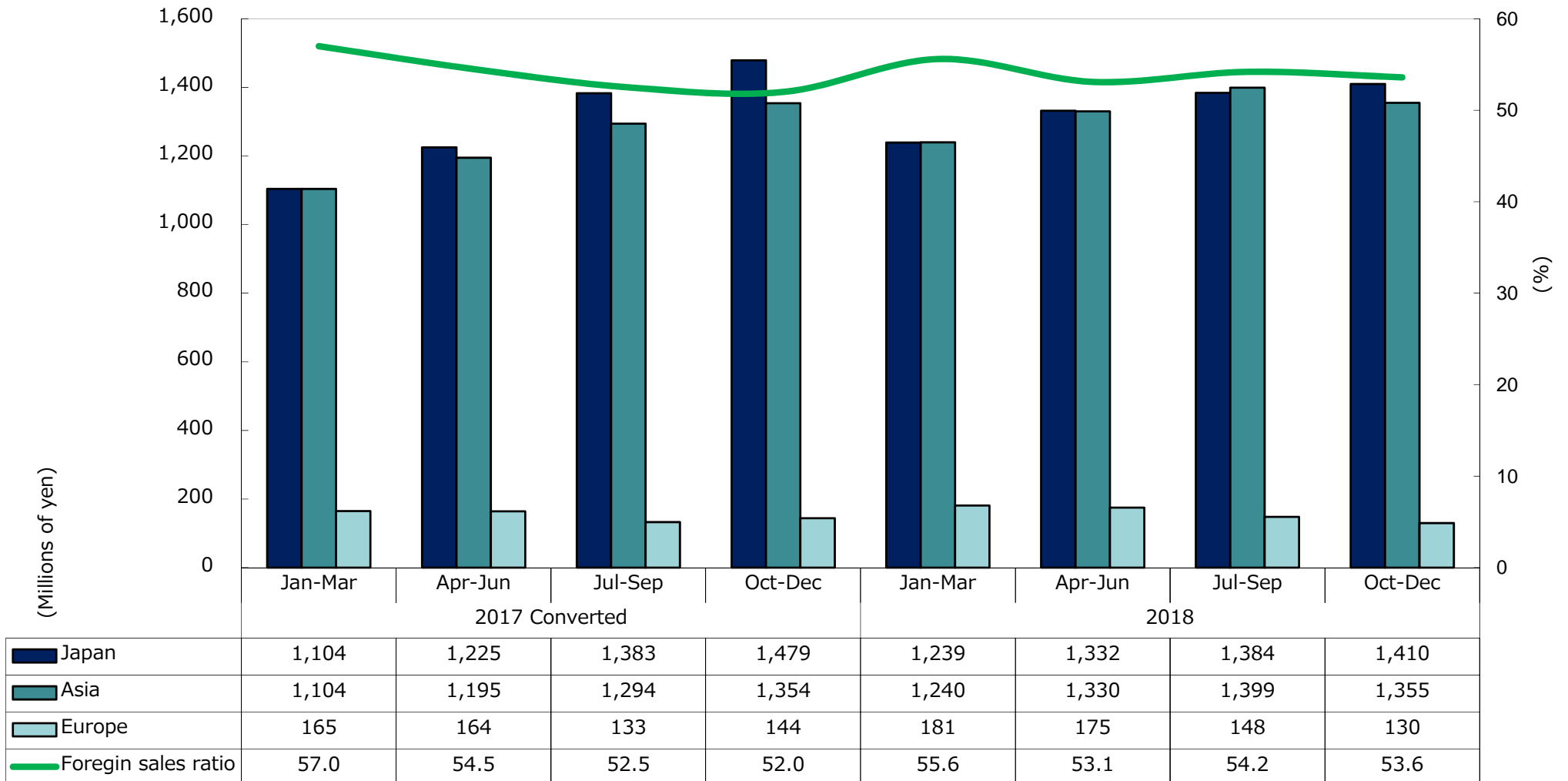
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4Q = Jan-Mar (non-consolidated), Oct-Dec (subsidiaries)

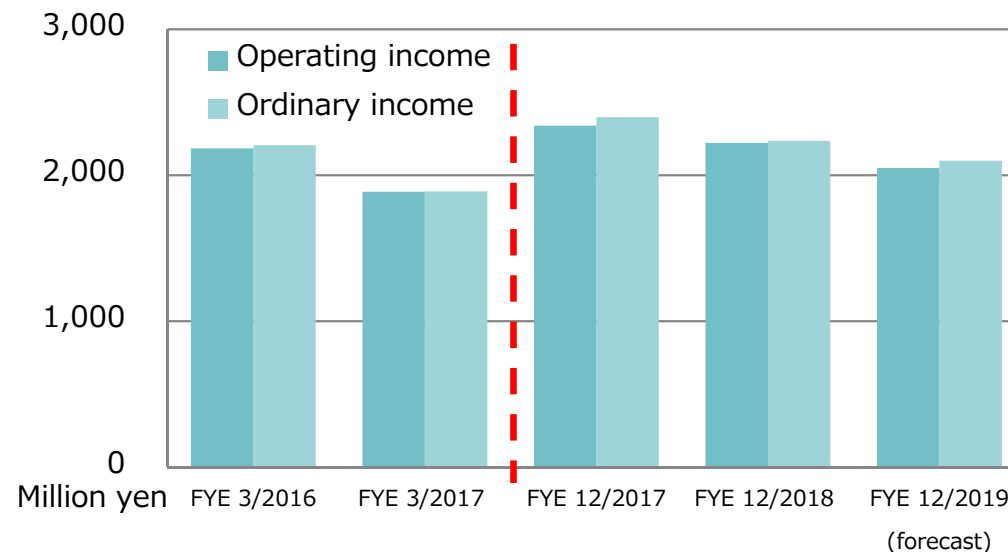
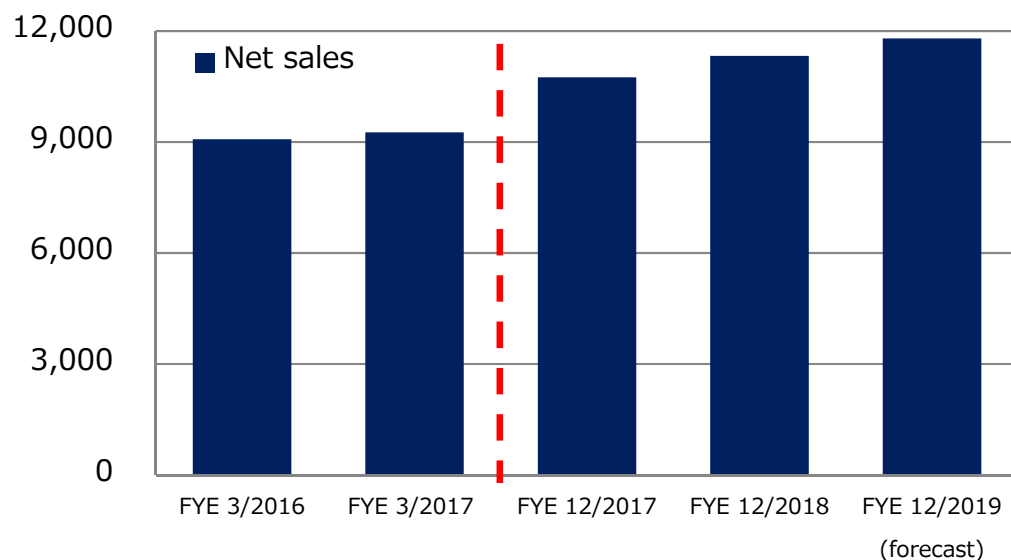


# Region-specific sales and overseas sales ratio ( 3 )



# FYE 12/2019 Full-year forecasts

	FYE 12/2018 (50th term)		FYE 12/2019 (51st term)		
	Amount (million yen)	Profit ratio (%)	Amount (million yen)	Profit ratio (%)	YOY change* (%)
Net sales	<b>11,328</b>	-	<b>11,800</b>	-	<b>4.2</b>
Operating income	<b>2,222</b>	<b>19.6</b>	<b>2,050</b>	<b>17.5</b>	<b>-7.8</b>
Ordinary income	<b>2,236</b>	<b>19.7</b>	<b>2,100</b>	<b>18.4</b>	<b>-6.1</b>
Net income	<b>1,778</b>	<b>15.7</b>	<b>1,500</b>	<b>12.8</b>	<b>-15.6</b>



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