
Financial Results Briefing for Q1 FYE 12/2019

May 10, 2019: HQ
May 13, 2019: Tokyo



MEC COMPANY LTD.

Securities code: 4971

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

Q1 FYE 12/2019 Key factors

1

Assumed/actual exchange rate

JPY to USD Assumed rate: 109.00 yen / Actual rate: 110.48 yen (previous year was 108.83 yen)
JPY to NTD Assumed rate: 3.66 yen / Actual rate: 3.58 yen (previous year was 3.70 yen)
JPY to RMB Assumed rate: 16.85 yen / Actual rate: 16.38 yen (previous year was 17.10 yen)

2

Exchange rate impact (YOY change)*

Sales: Down 50 million yen,
Operating income: Down 27 million yen.

3

Chemicals YOY change*

Sales: Down 13.2%, Shipments: Down 11.6%

Q1 FYE 12/2019 Results - 1

| | Q1 FYE12/2018 | | Q1 FYE12/2019 | | 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 | 2,660 | - | 2,328 | - | -332 | -12.5 | -9,471 | 19.7 |
| Operating income | 520 | 19.6 | 205 | 8.8 | -314 | -60.5 | -1,844 | 10.0 |
| Ordinary income | 511 | 19.2 | 240 | 10.3 | -270 | -53.0 | -1,859 | 11.5 |
| Net income | 365 | 13.8 | 158 | 6.8 | -207 | -56.6 | -1,341 | 10.6 |
| EPS (¥) | 19.09 | - | 8.36 | - | -10.73 | -56.2 | - | - |

Exchange rate impact (YOY change)

Sales: Down 50 million yen, Operating income: Down 27 million yen.

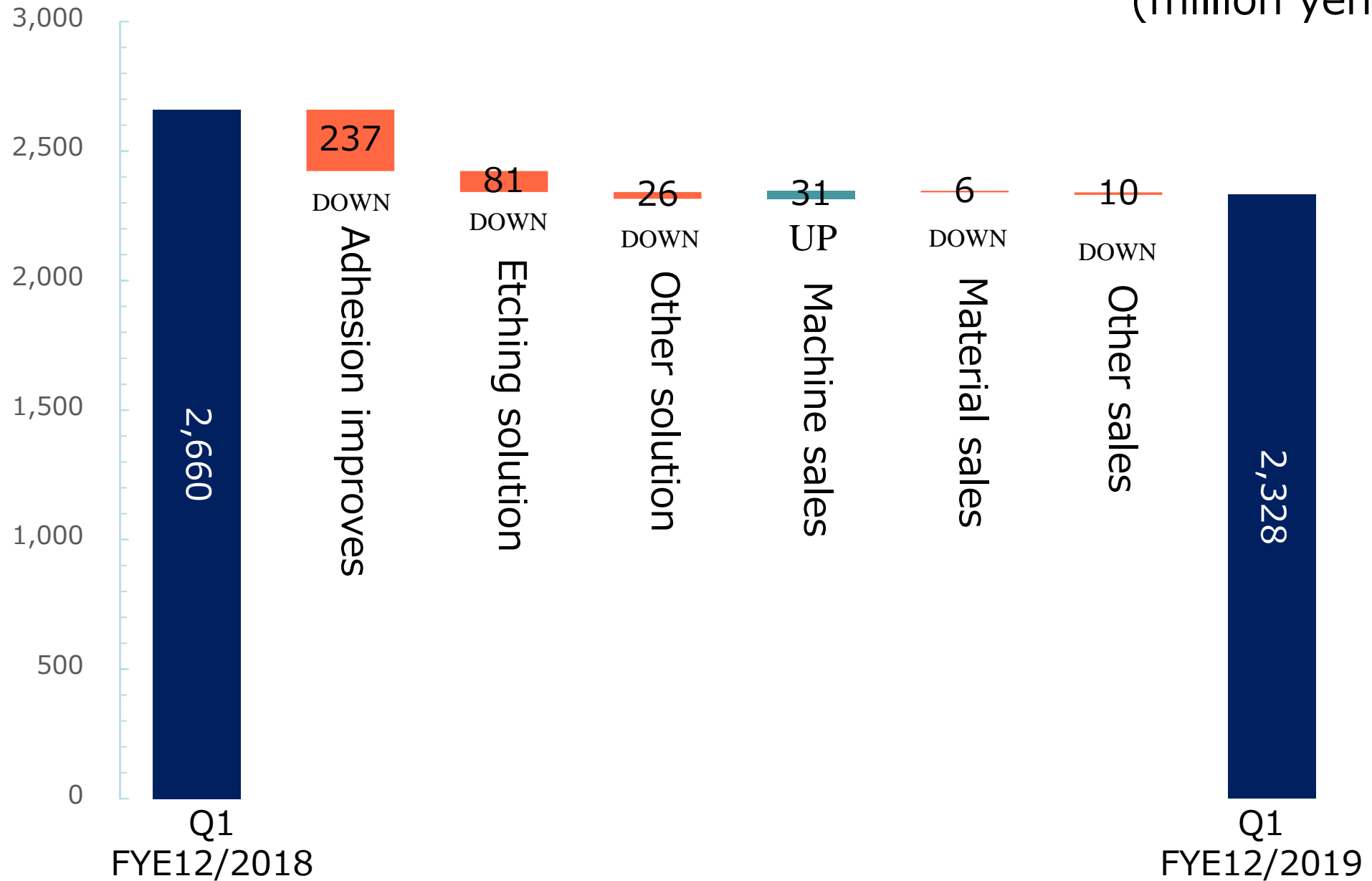
Q1 FYE 12/2019 Results - 2

| | Q1 FYE12/2018 | Q1 FYE12/2018 | vs. same period | |
|-----------------------------|-------------------------|-------------------------|-------------------------|-----------------------|
| | Amount (million yen) | Amount (million yen) | Amount (million yen) | YOY change* (%) |
| Chemical sales | 2,612 | 2,266 | -346 | -13.2% |
| Ratio of net sales (%) | 98.2% | 97.3% | - | -0.9pt |
| CZ series sales | 1,385 | 1,185 | -200 | -14.4% |
| Ratio of net sales (%) | 53.0% | 52.3% | - | -0.7pt |
| Overseas sales ratio (%) | 55.6% | 54.9% | - | -0.7pt |
| Gross profit (%) | 63.5% | 59.4% | - | -4.1pt |

Overseas sales ratio is 71.6%
 (same period of the previous year: 73.9%)
 if domestic agents' overseas chemical sales are included

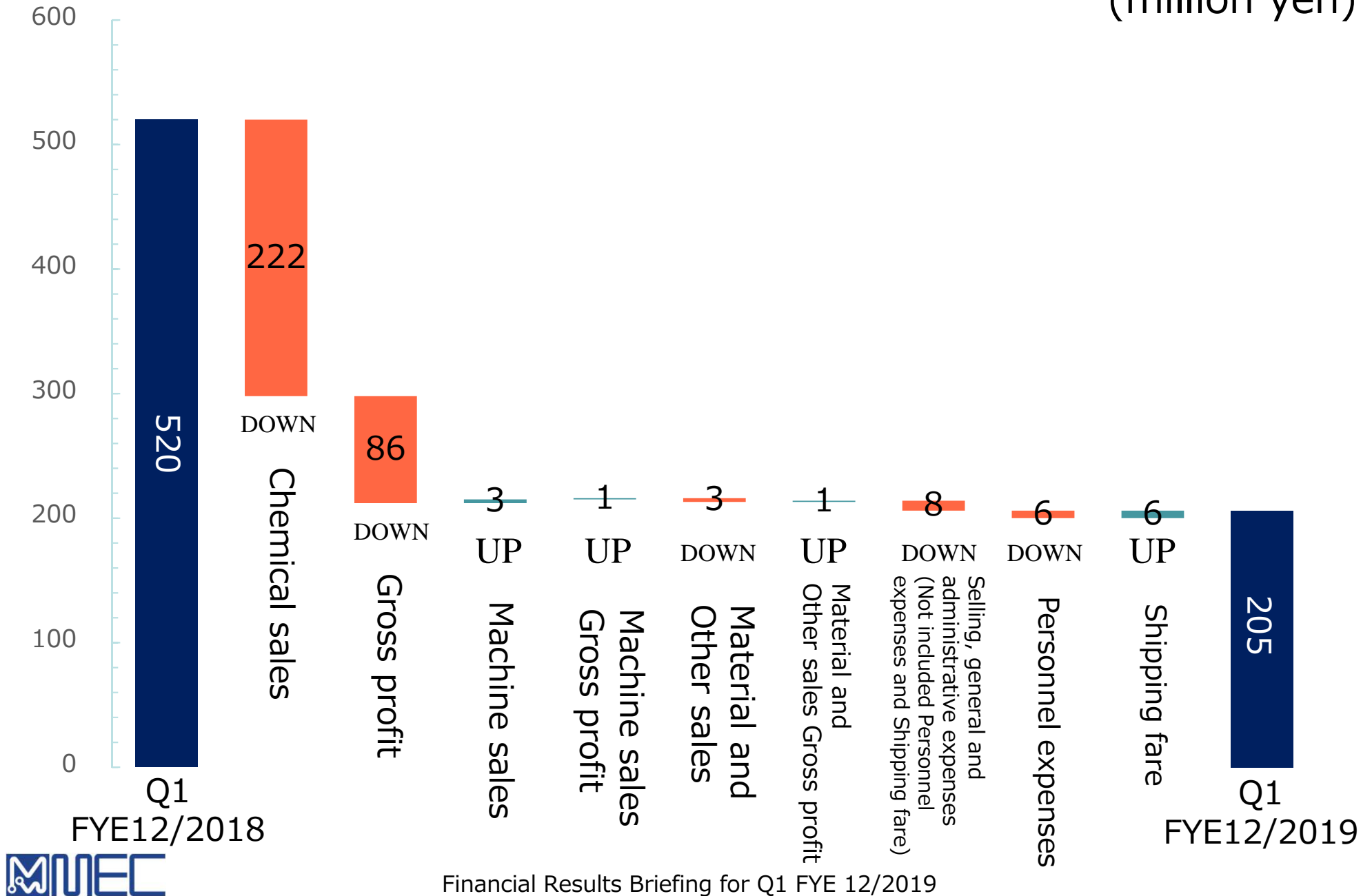
Net sales YOY

(million yen)

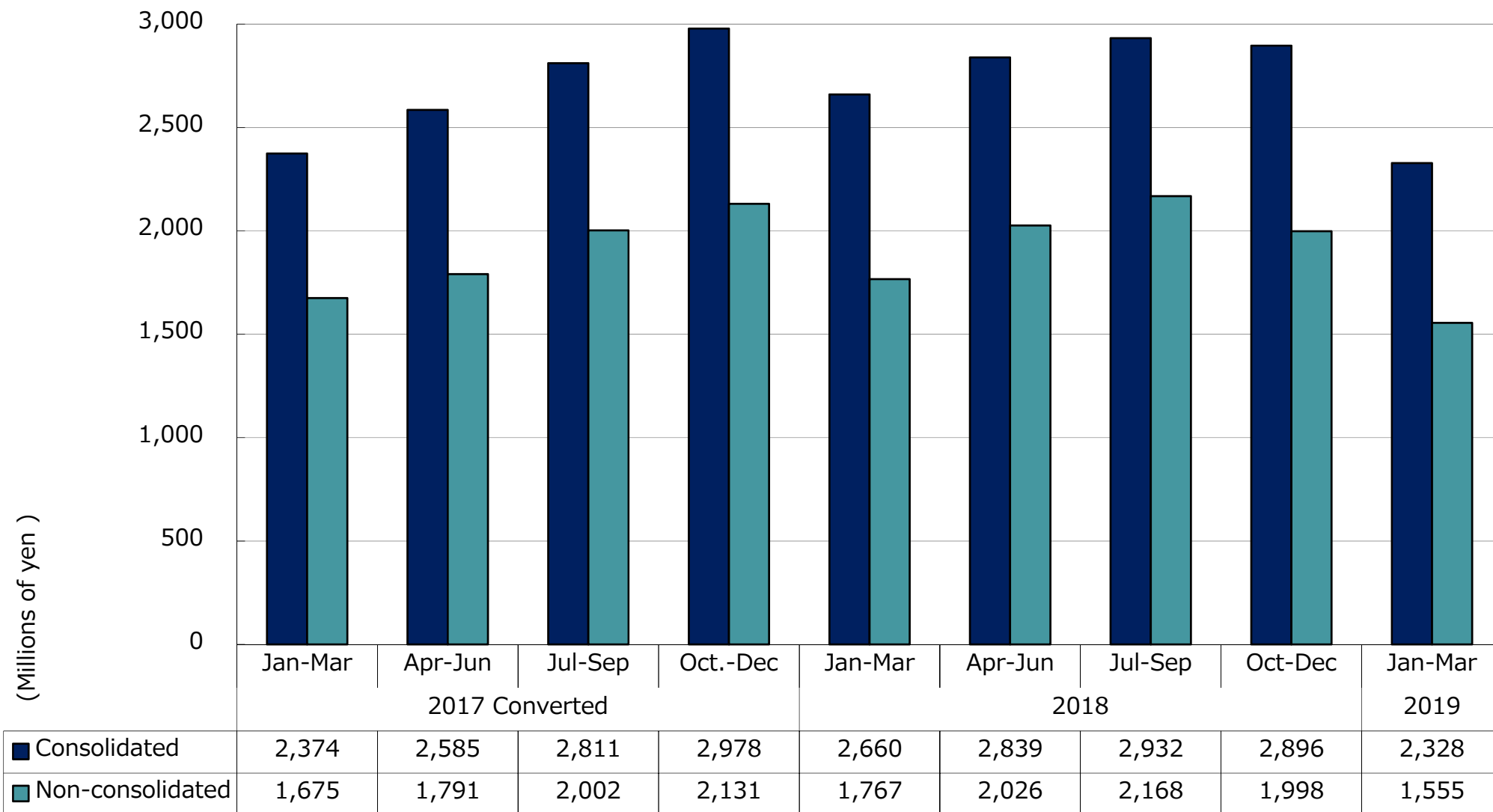


Operating income YOY

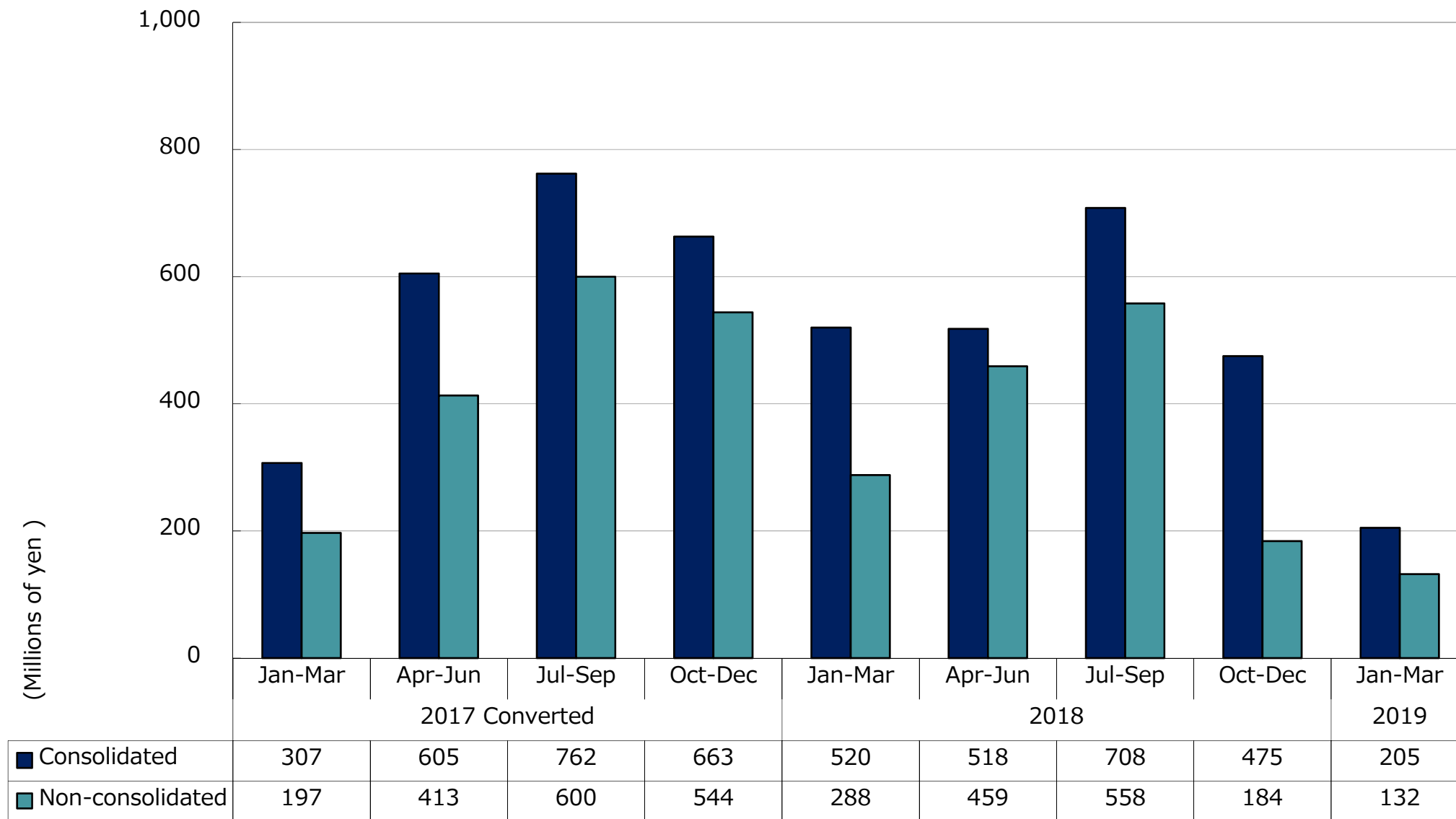
(million yen)



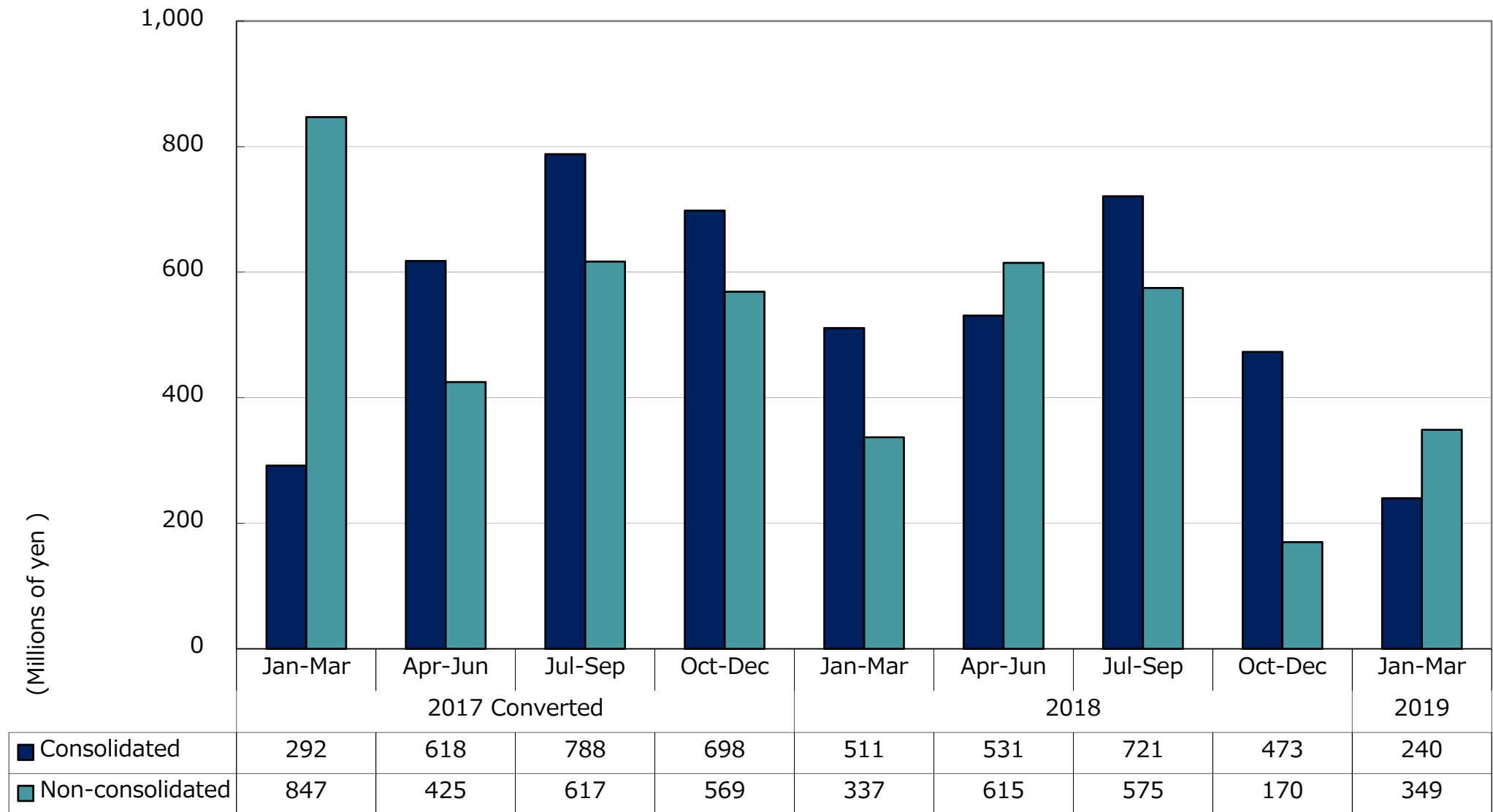
Quarterly net sales



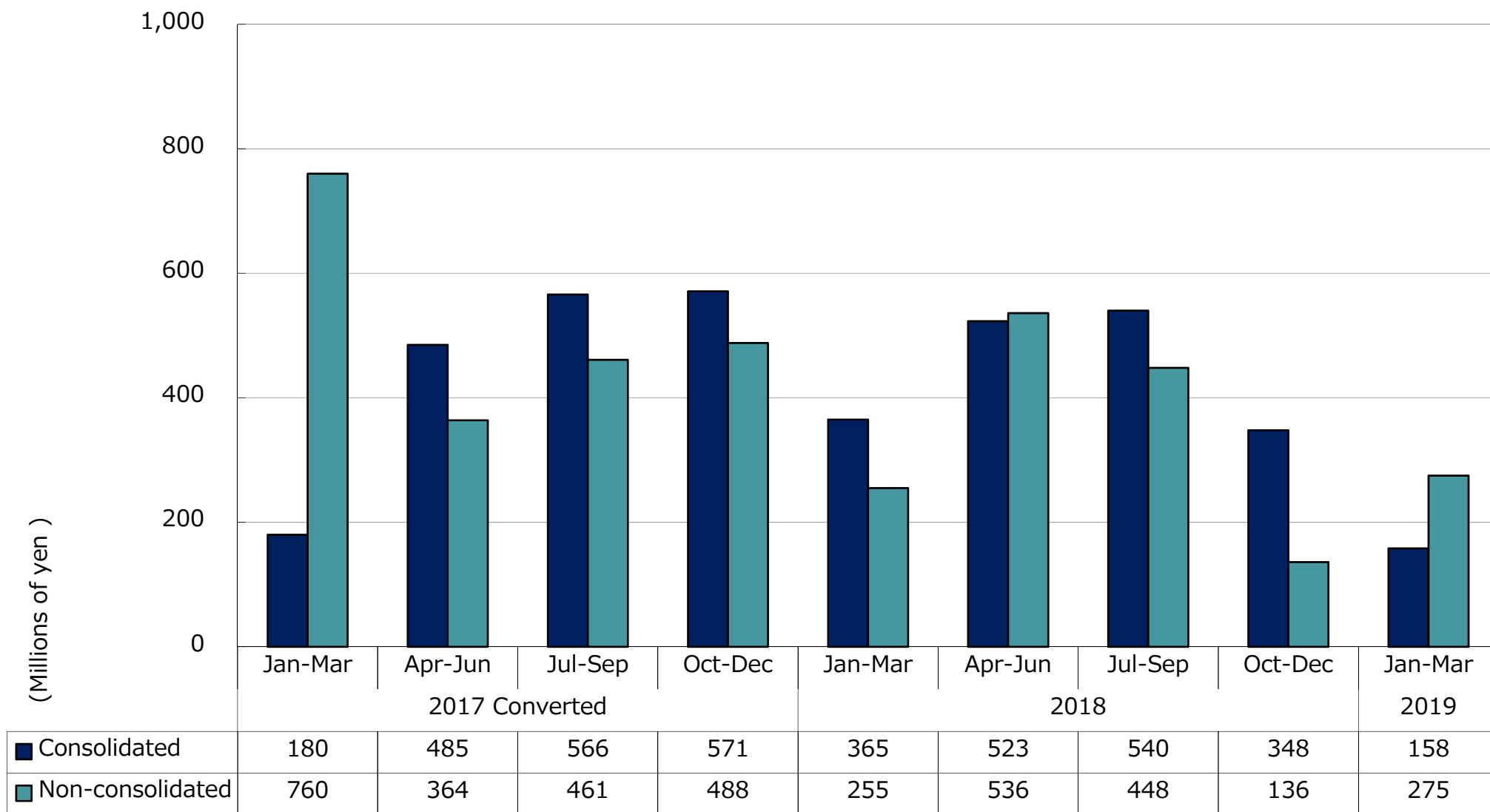
Quarterly operating income



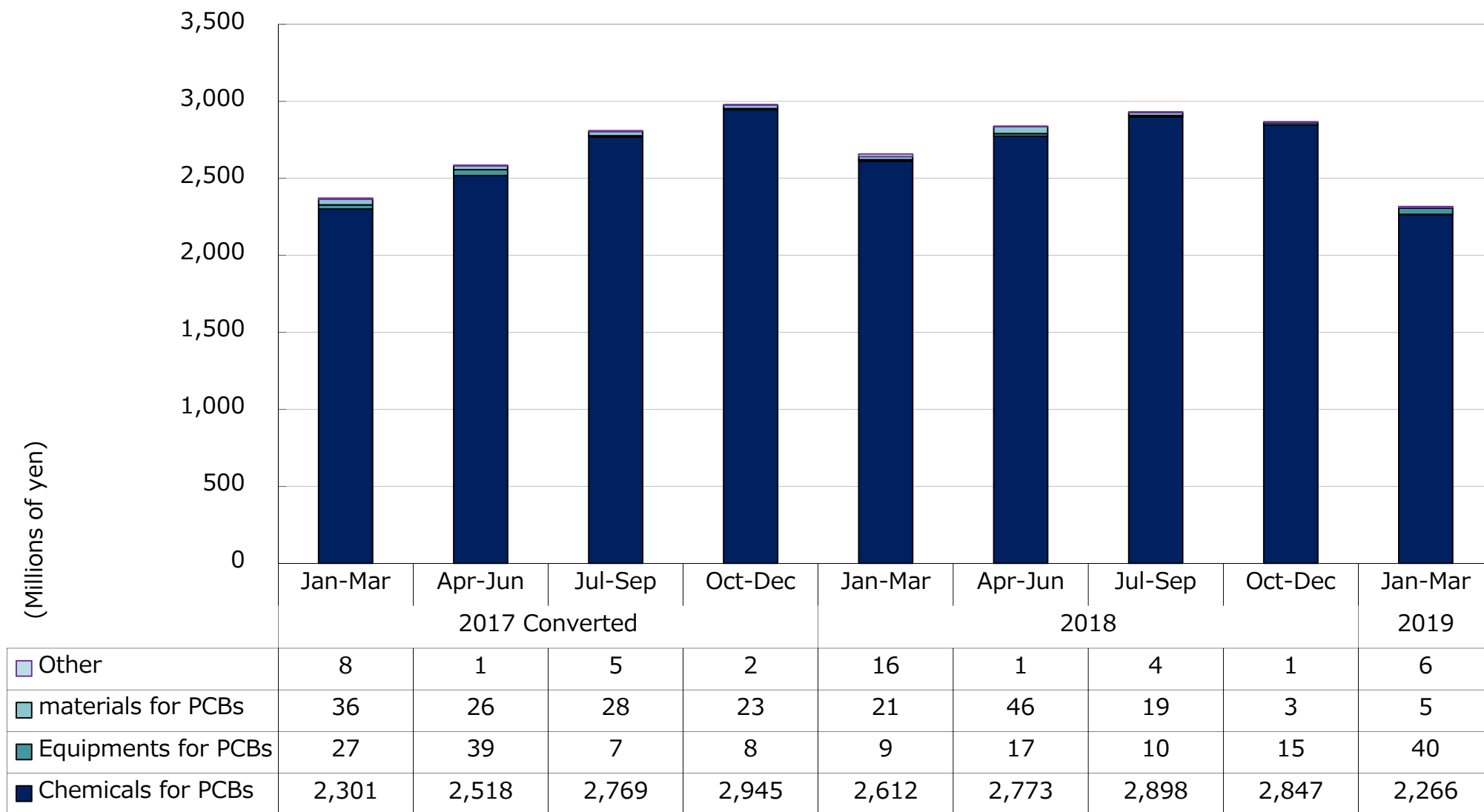
Quarterly ordinary income



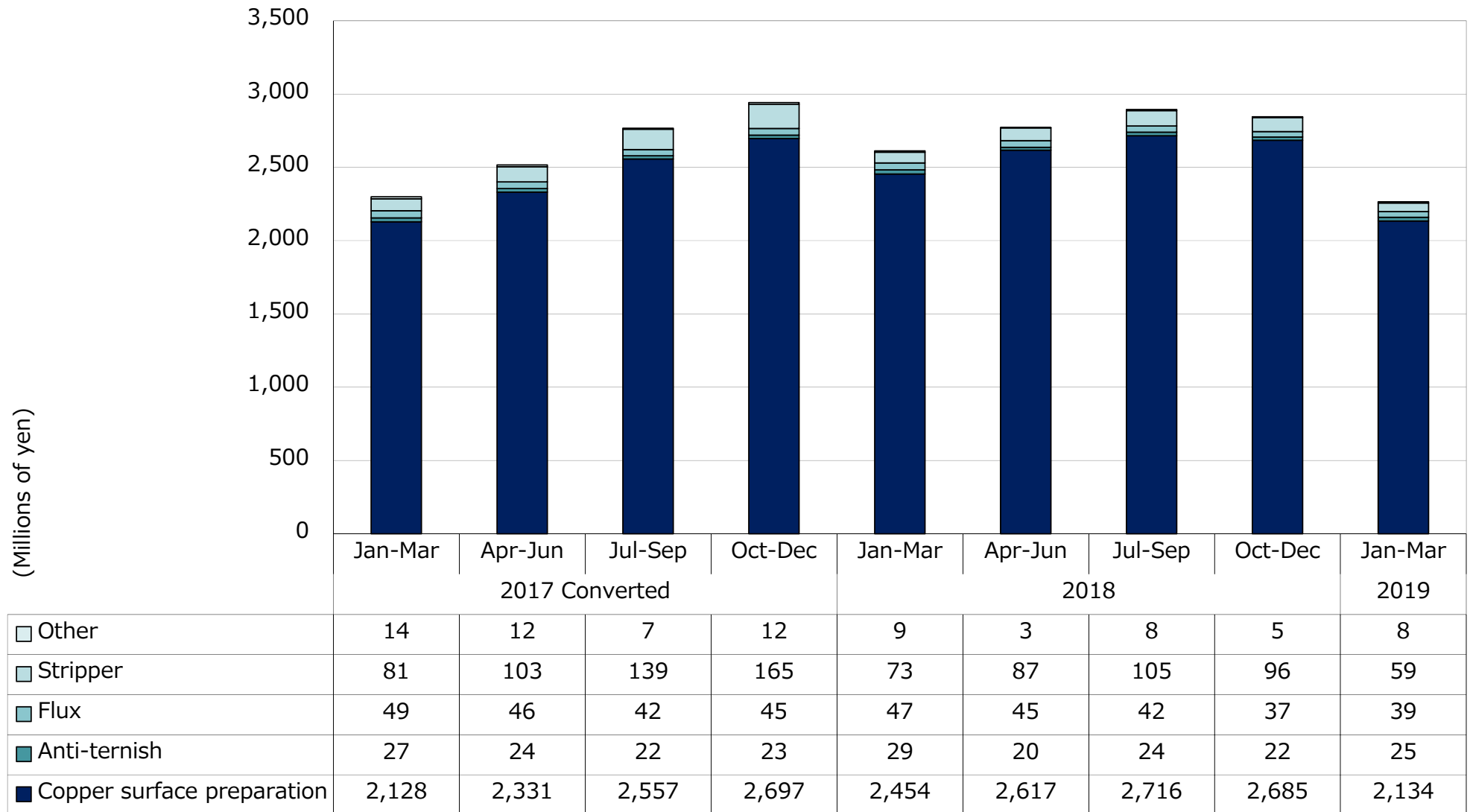
Quarterly net income



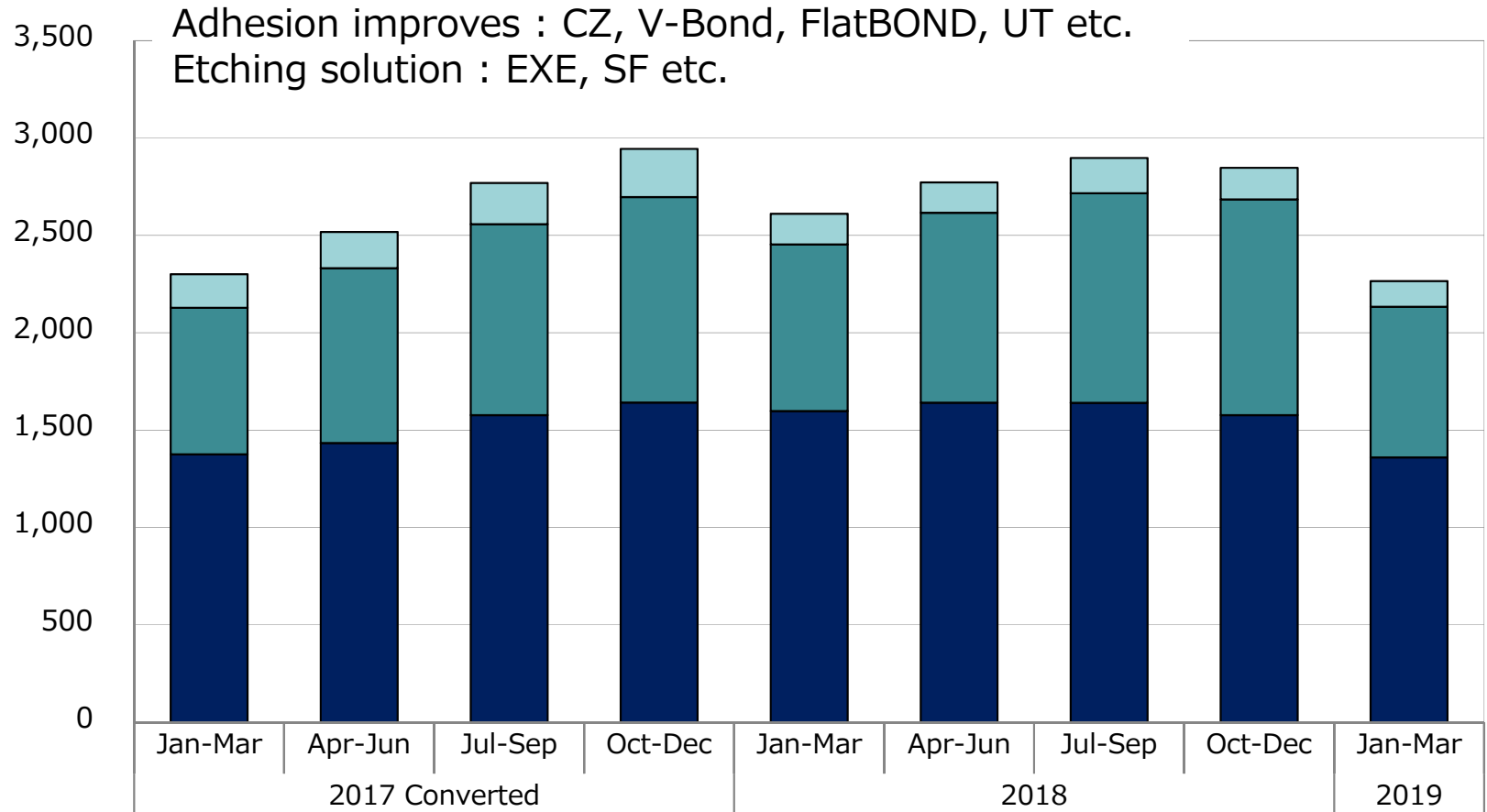
Product-specific quarterly sales (consolidated)



Quarterly chemical sales (consolidated) (1)

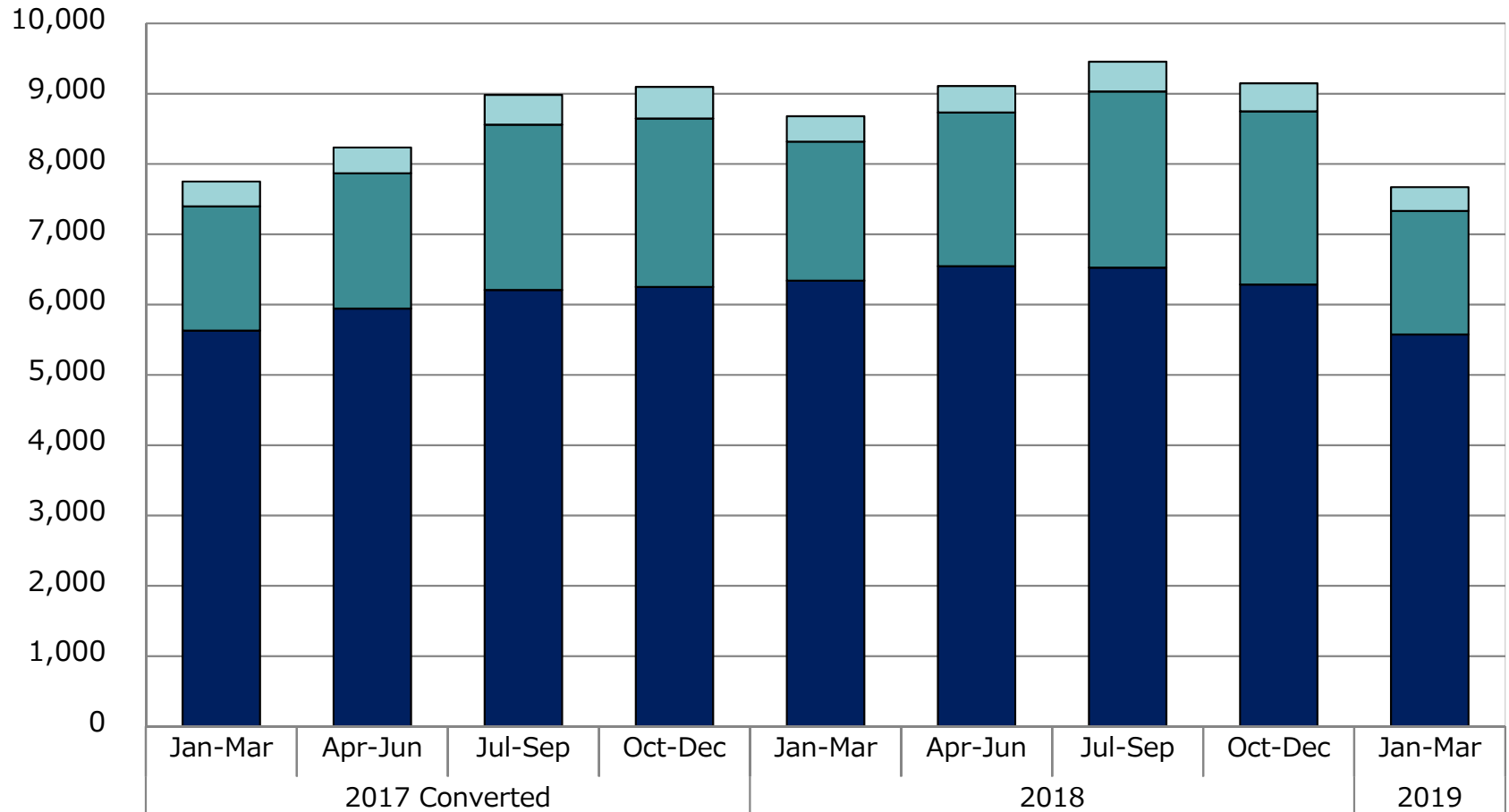


Quarterly chemical sales (consolidated) (2)



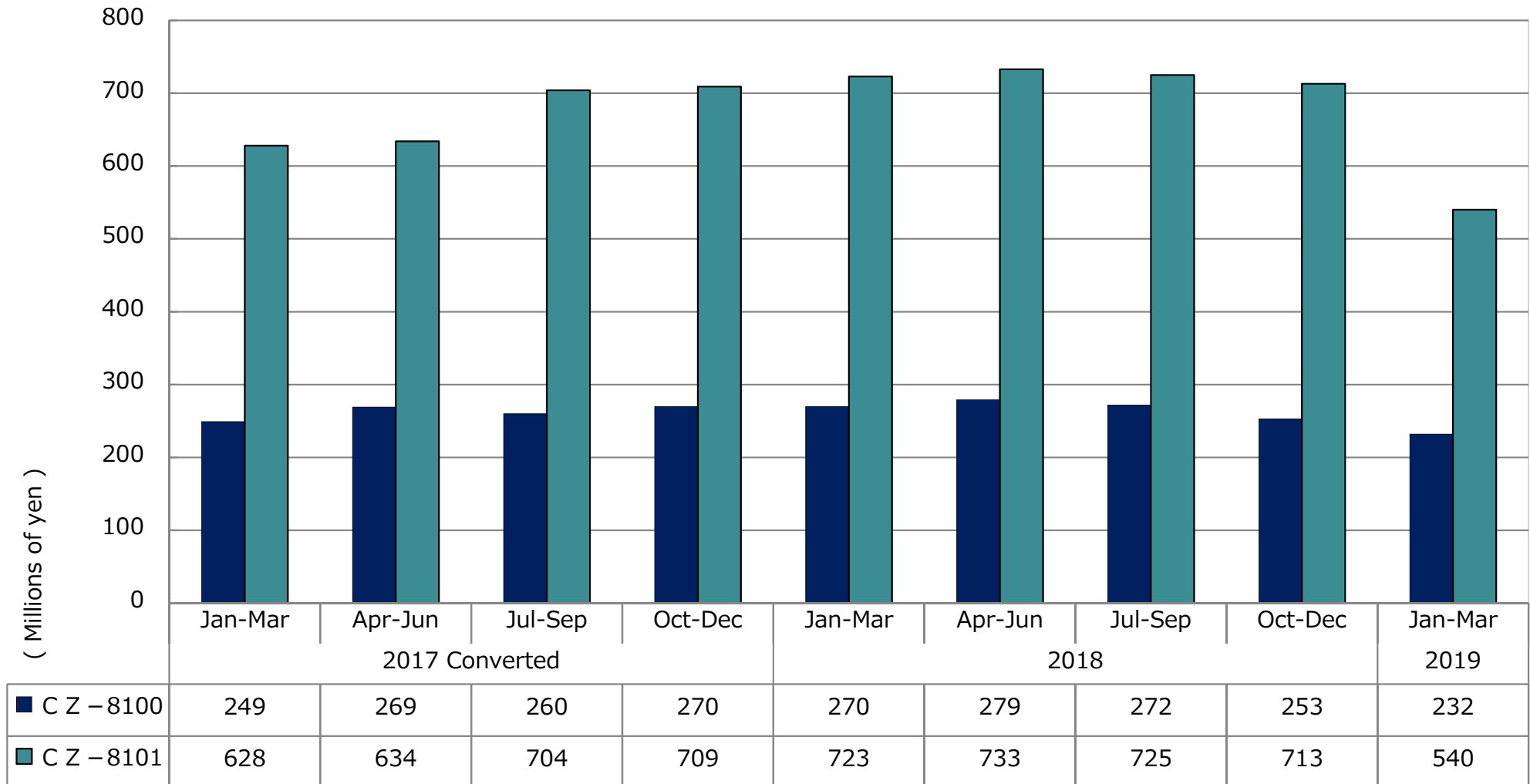
| | Jan-Mar | Apr-Jun | Jul-Sep | Oct-Dec | Jan-Mar | Apr-Jun | Jul-Sep | Oct-Dec | Jan-Mar |
|-----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Other surface processing solution | 172 | 186 | 212 | 247 | 158 | 156 | 181 | 162 | 132 |
| Etching solution | 752 | 897 | 980 | 1,055 | 855 | 975 | 1,076 | 1,108 | 773 |
| Adhesion improves | 1,376 | 1,434 | 1,577 | 1,642 | 1,598 | 1,641 | 1,640 | 1,577 | 1,360 |

Chemical shipment volume (consolidated)

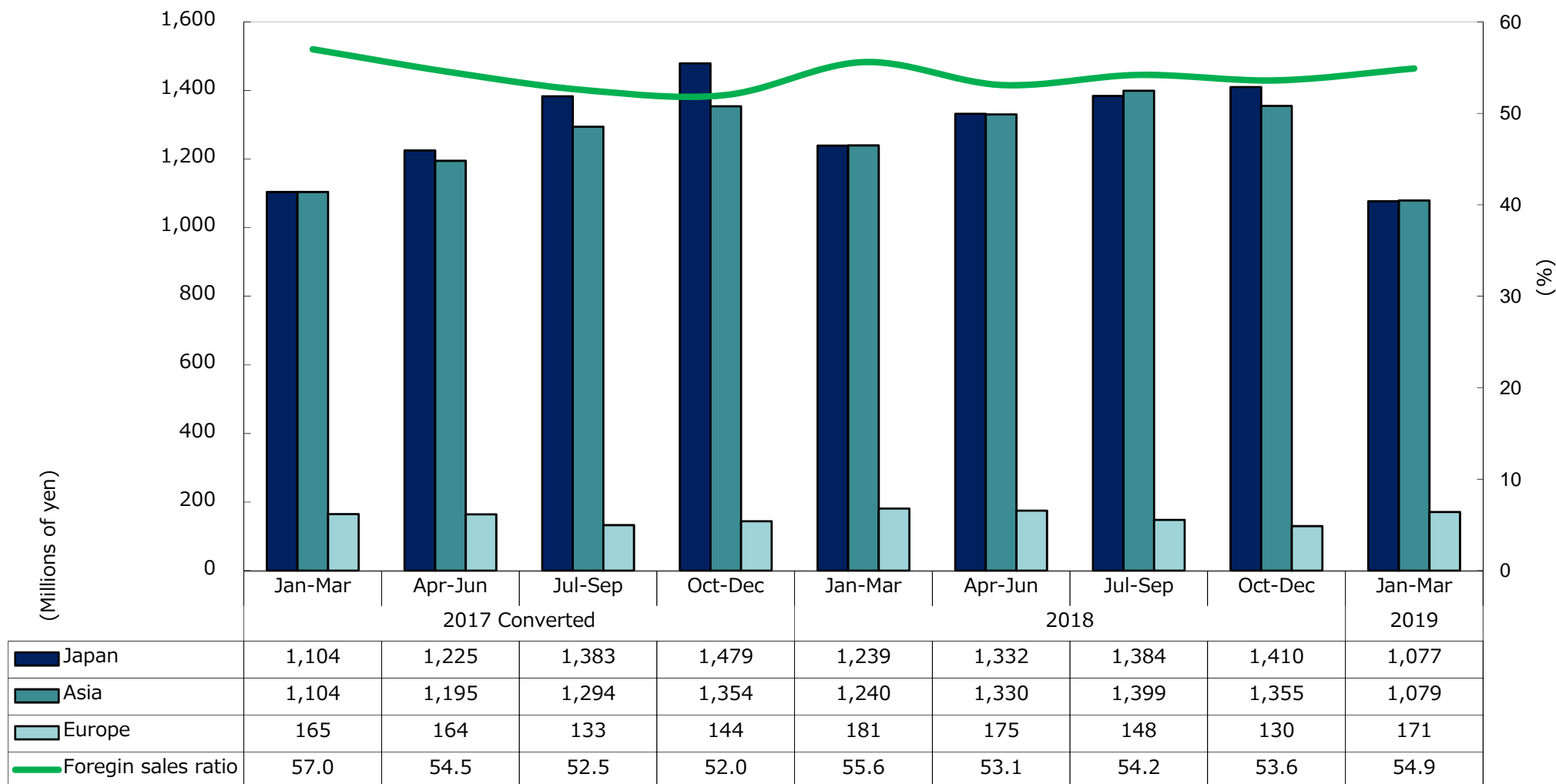


| | | | | | | | | | |
|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Other surface processing solution | 352 | 366 | 423 | 451 | 360 | 377 | 424 | 399 | 338 |
| Etching solution | 1,768 | 1,925 | 2,350 | 2,394 | 1,978 | 2,186 | 2,504 | 2,462 | 1,758 |
| Adhesion improves | 5,630 | 5,944 | 6,209 | 6,252 | 6,341 | 6,546 | 6,527 | 6,286 | 5,575 |

CZ series sales

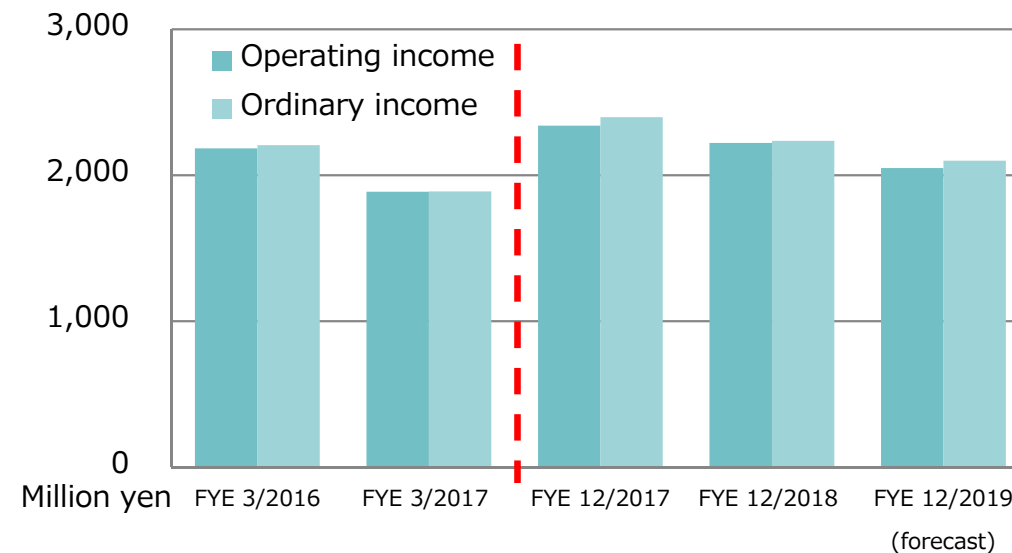
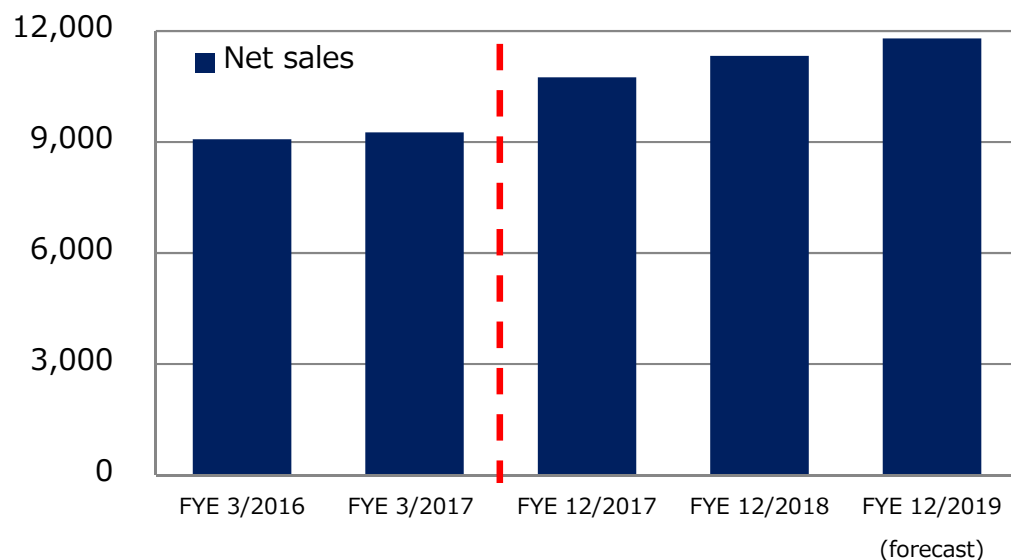


Region-specific sales and overseas sales ratio



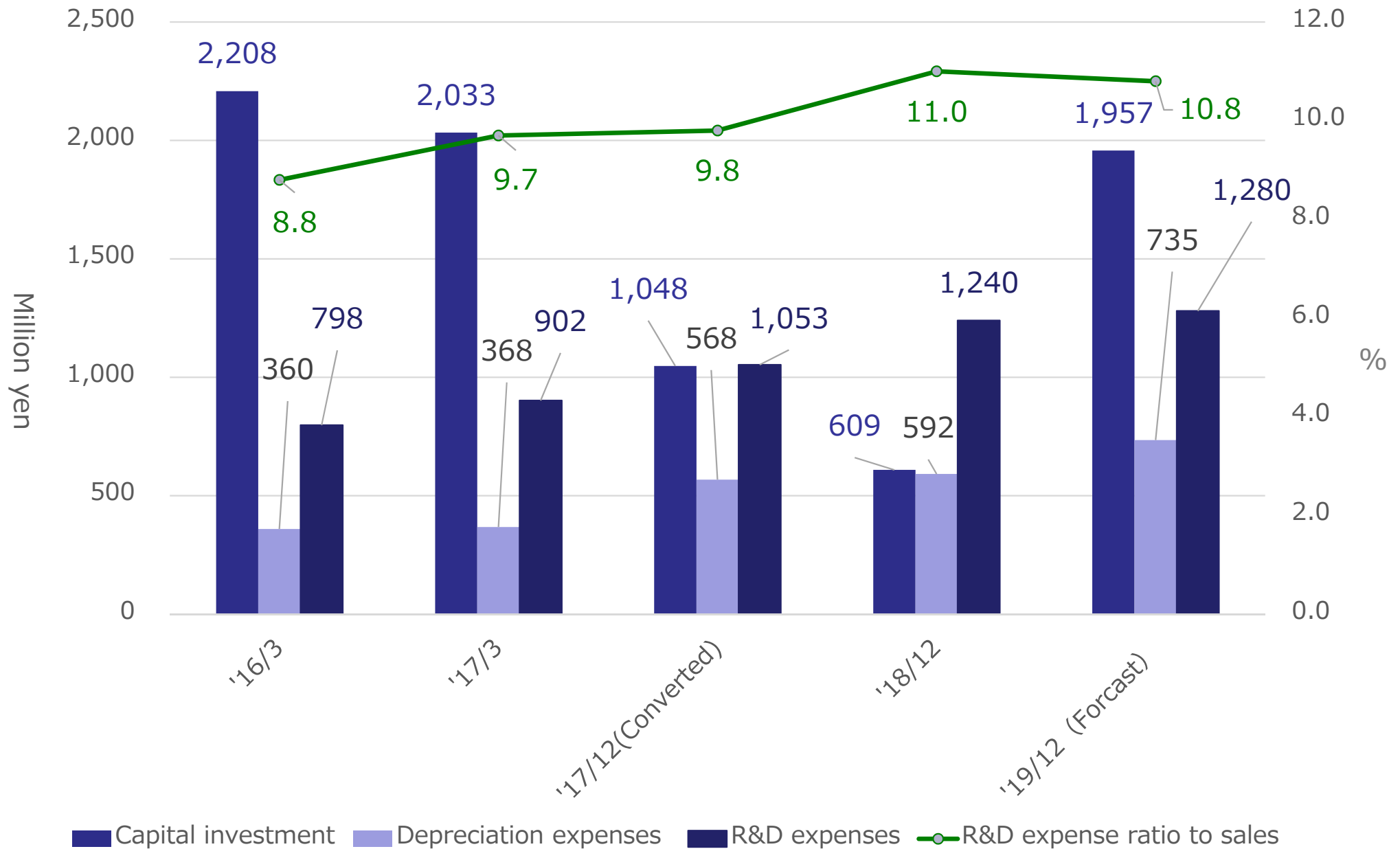
FYE 12/2019 Full-year forecasts

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



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

Capital investment, Depreciation expenses and R&D expenses



Dividend, Payout ratio and ROE

