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# Financial Results Briefing for Q1 FYE 12/2025

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May 12, 2025



**MEC COMPANY LTD.**

Securities code: 4971

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

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

# Q1 FYE12/2025 Key Factors

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1

Sales: 4,423 million yen(YOY change: Up 1.6%)  
Operating income: 1,093 million yen(YOY change: Up 3.8%)

2

Exchange rate impact (YOY change)  
Sales: Up 32 million yen,  
Operating income: Up 12 million yen.

3

Chemicals  
Sales: 4,237 million yen (YOY change: Up 8.0%)  
Shipments: 10,247 ton (YOY change: Up 4.0%)

4

Major products sales (YOY change)  
CZ: Up 9.0% V-Bond: Up 4.6% EXE: Up 2.8% SF: Down 46.8 %

# Exchange Rates

	Initial forecast	Q1 FYE12/2025	Q1 FYE12/2024	Q4 FYE12/2024
N T D	4.76	4.63	4.71	4.72
R M B	21.08	20.99	20.55	21.04
H K D	19.48	19.66	18.90	19.41
T H B	4.22	4.51	4.16	4.31
E U R	164.84	160.71	160.89	163.79
U S D	152.33	152.93	147.86	151.44

- Overseas subsidiaries are basically transactions denominated in local currency, and are affected by the yen / local currency rate when converting to yen in consolidated accounting.
- Our major foreign currencies are the Taiwan dollar (NTD) and the Chinese yuan (RMB). Both use the average rate during the period.

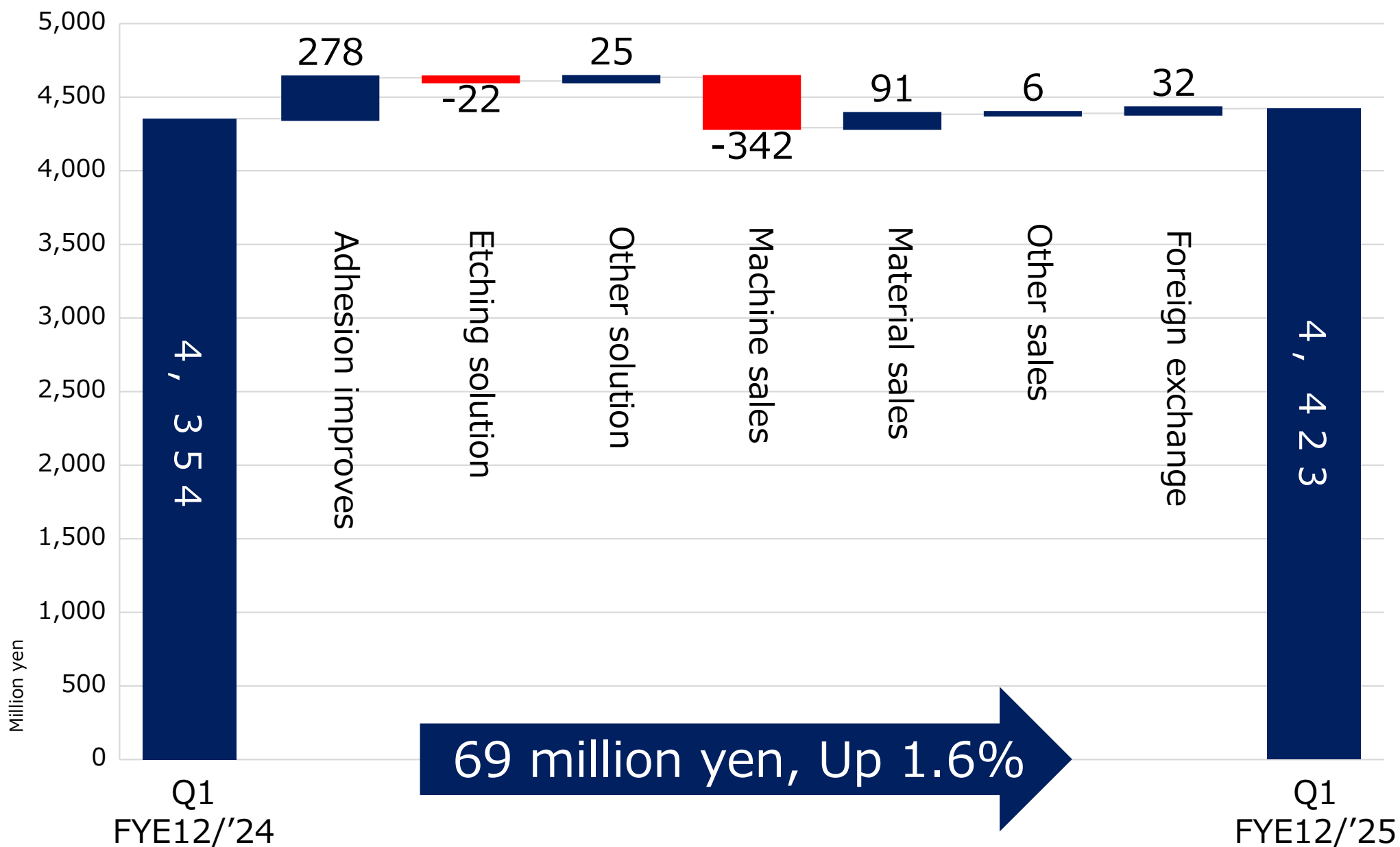
Exchange sensitivity	NTD:	(Sale)	18	(Operating income)	12
(3 months conversion)(million yen) :	RMB:	(Sale)	6	(Operating income)	3

# Q1 FYE12/2025 Results

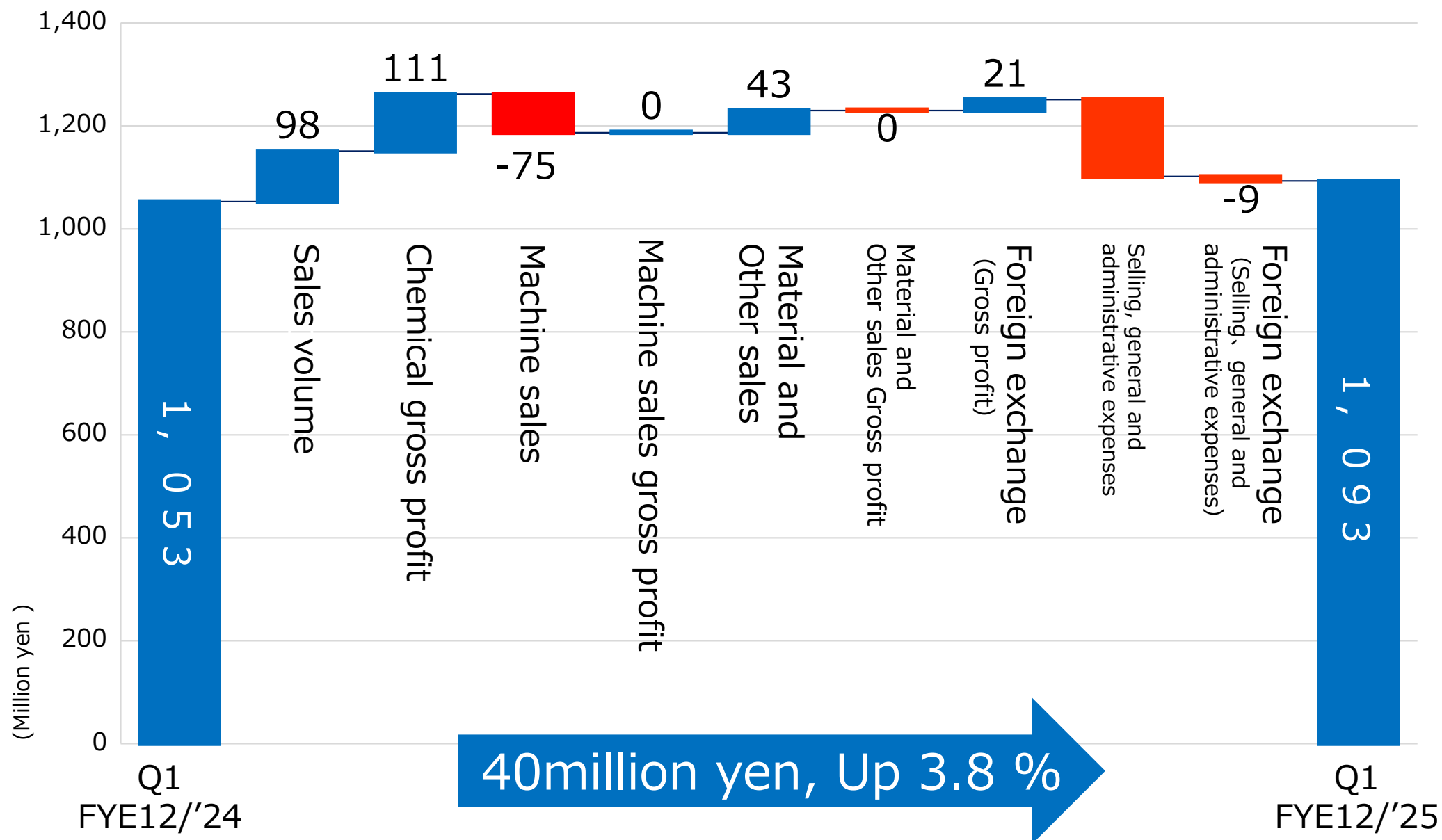
Unit : million yen

	Q1						Full-year		
	FYE12.2024		FYE12.2025				FYE12.2024	FYE12.2025	
	Results	Progress ratio (%)	Results	Progress ratio (%)	YOY (%)		Results	(Forecast)	YOY (%)
Net sales	4,354	23.9%	4,423	22.1%	69	1.6%	18,234	20,000	9.7%
Chemical sales	3,924	-	4,237	-	313	8.0%	17,478	-	-
Gross profit	2,549	-	2,748	-	199	7.8%	11,101	-	-
Gross profit margin	58.5%	-	62.1%	-	-	-	60.9%	-	-
SGA	1,496	-	1,655	-	159	10.6%	6,539	-	-
Sales ratio	34.4%	-	37.4%	-	-	-	35.9%	-	-
Operating income	1,053	23.1%	1,093	21.9%	40	3.8%	4,562	5,000	9.6%
Operating profit margin	24.2%	-	24.7%	-	-	-	25.0%	-	-
Ordinary income	1,132	24.2%	1,059	20.8%	-73	-6.5%	4,682	5,100	8.9%
Ordinary profit margin	26.0%	-	24.0%	-	-	-	25.7%	-	-
Profit before tax	1,128	-	1,057	-	-70	-6.3%	4,669	-	-
Net income	779	34.0%	476	13.2%	-302	-38.9%	2,291	3,600	57.1%
EBITDA	1,320	-	1,252	-	-68	-5.2%	5,487	-	-
EPS	41.62	-	25.44	-	-	-	122.38	192.26	-
ROE	3.1%	-	1.8%	-	-	-	8.9%	12.8%	-

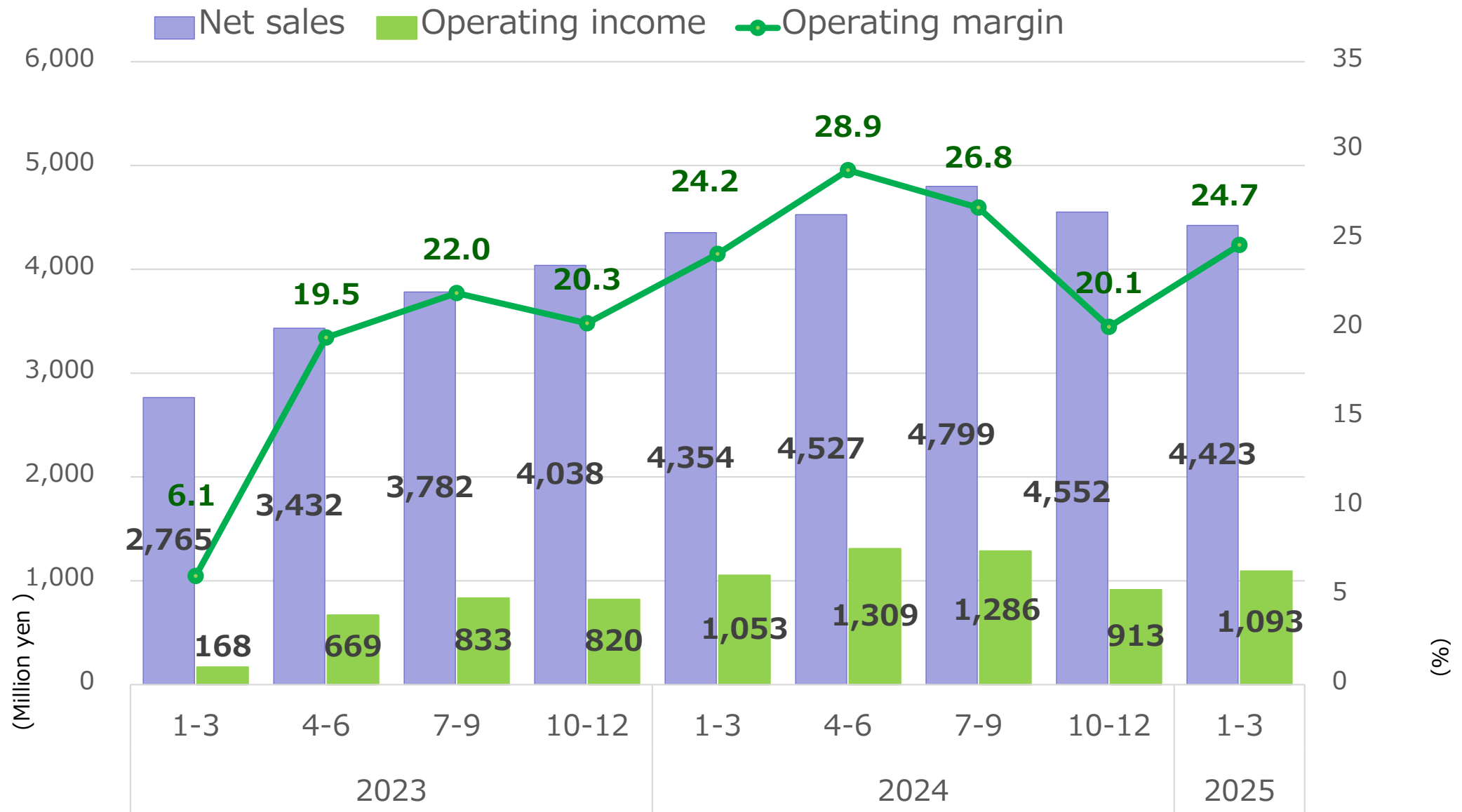
# Net Sales YOY



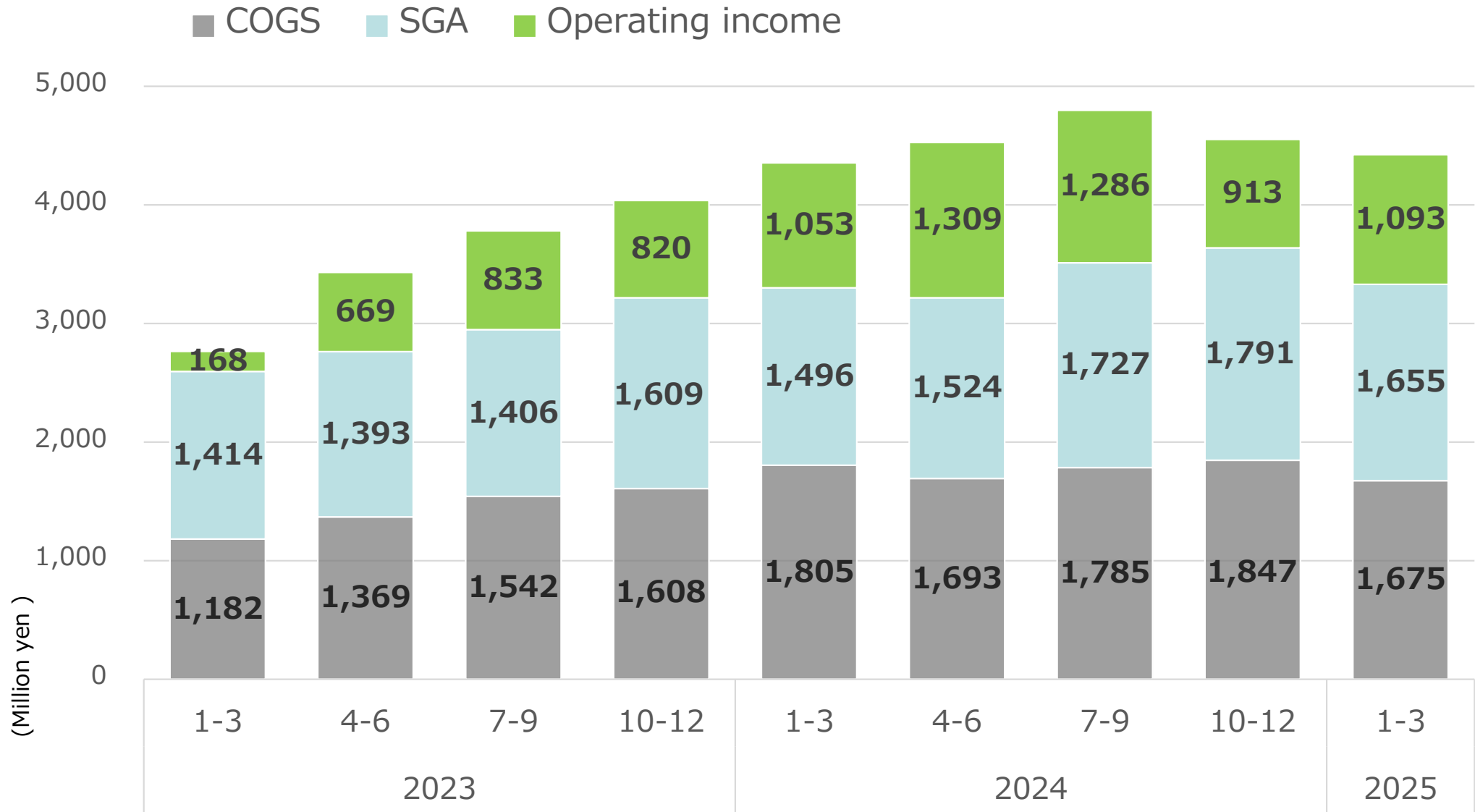
# Operating Income YOY



# Quarterly Performance: Sales, Operating Income, Operating Margin (Consolidated)

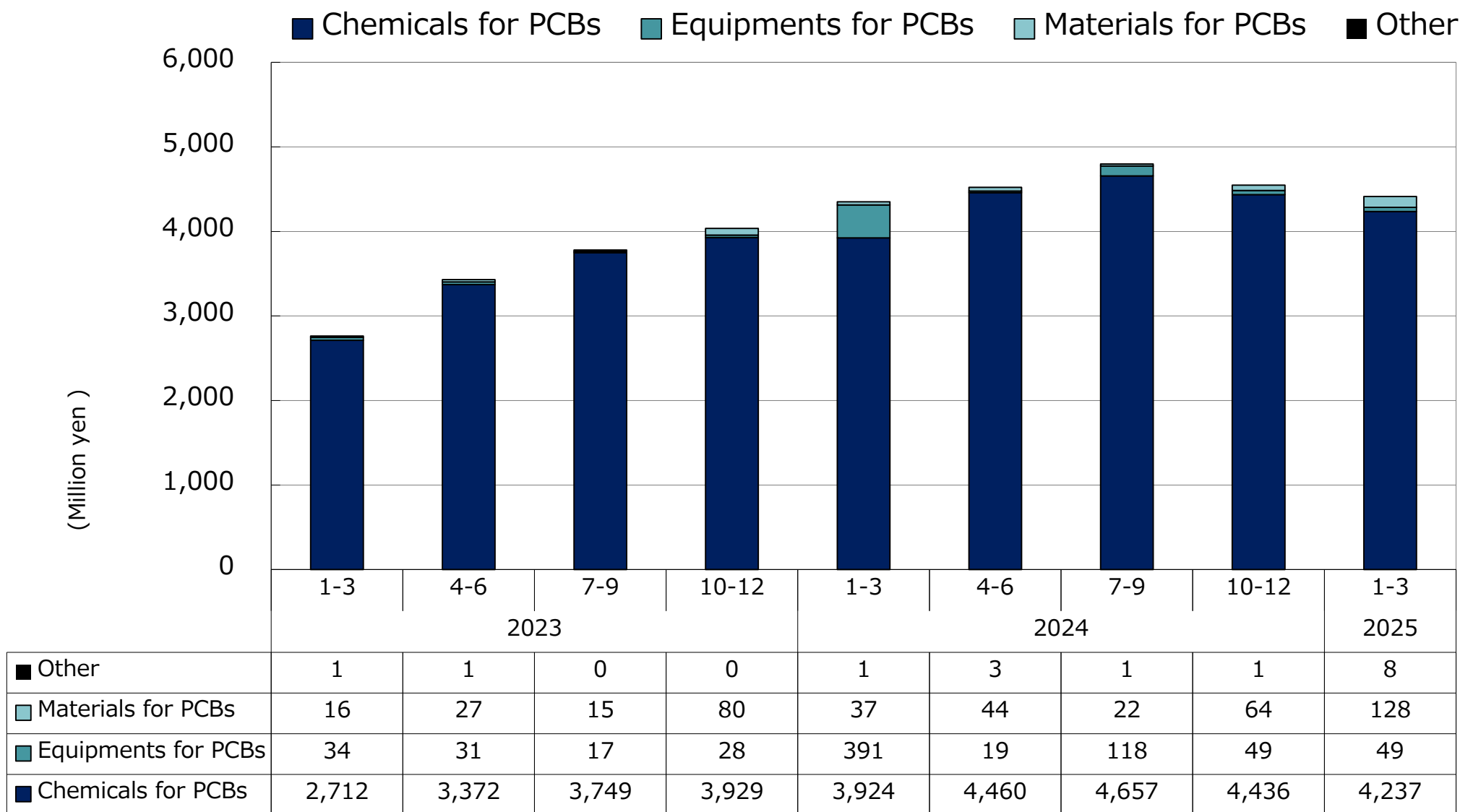


# Quarterly Composition: Operating Income, SG&A, CODS (Consolidated)

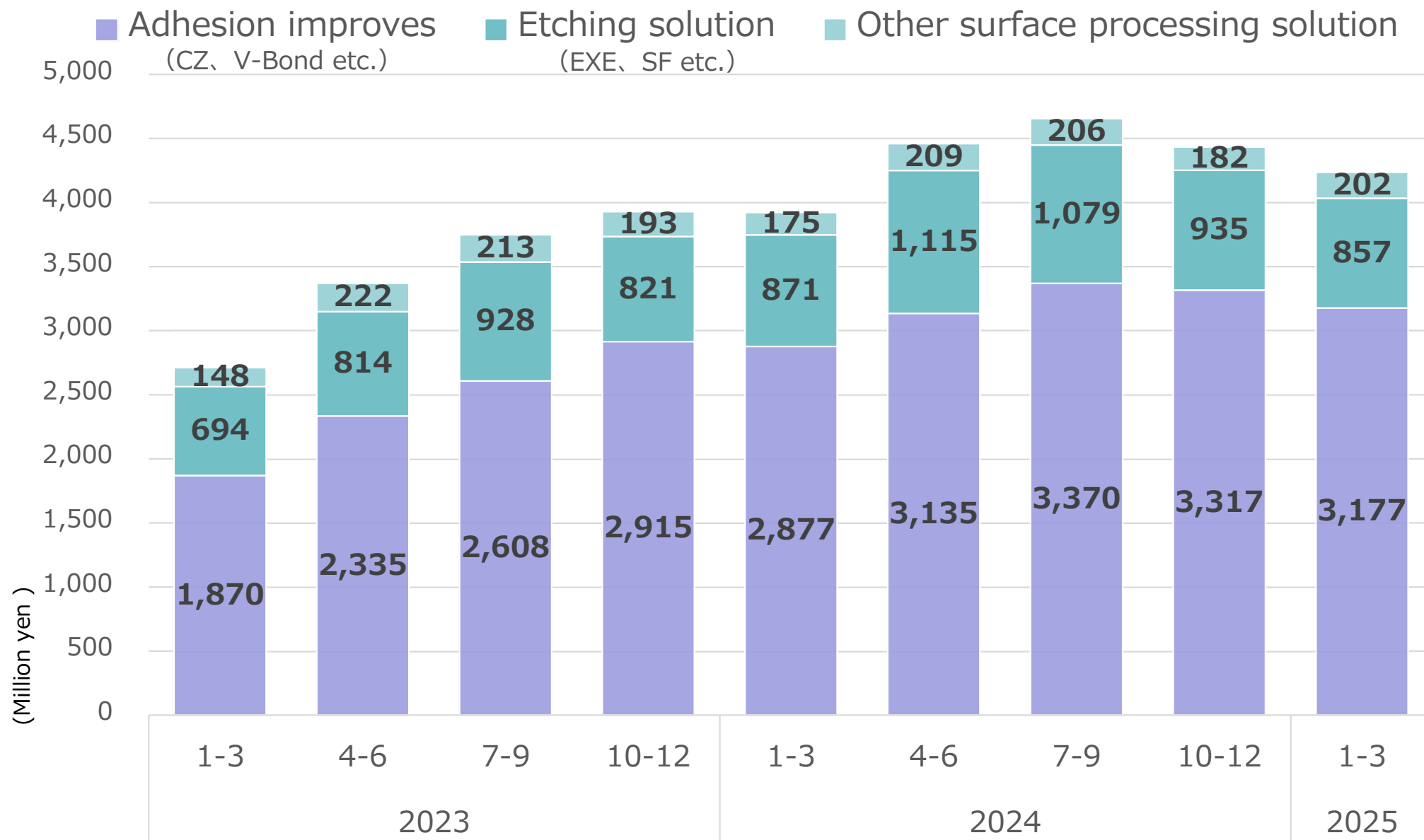




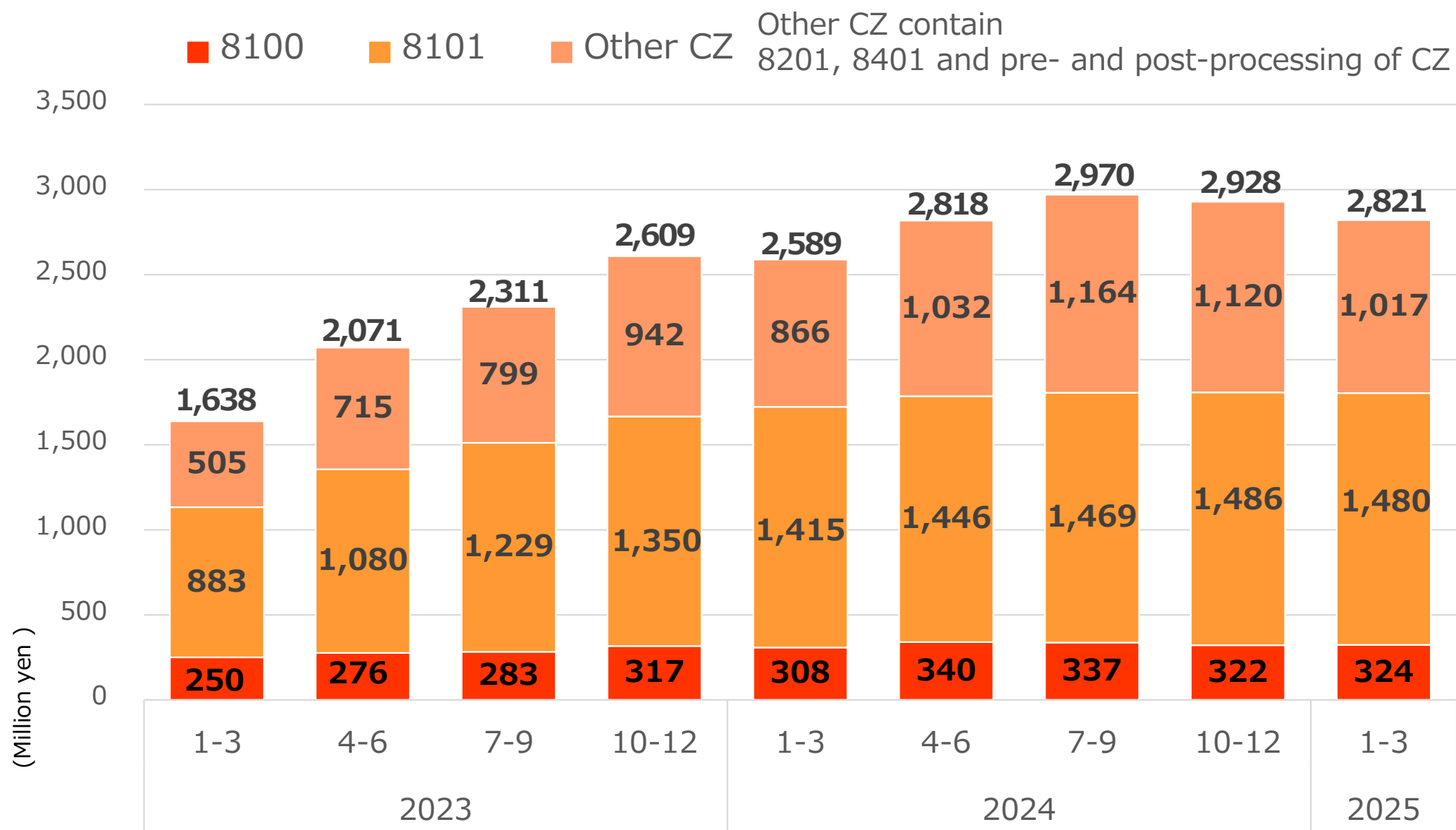
# Quarterly Performance : Product-Specific Sales (Consolidated)



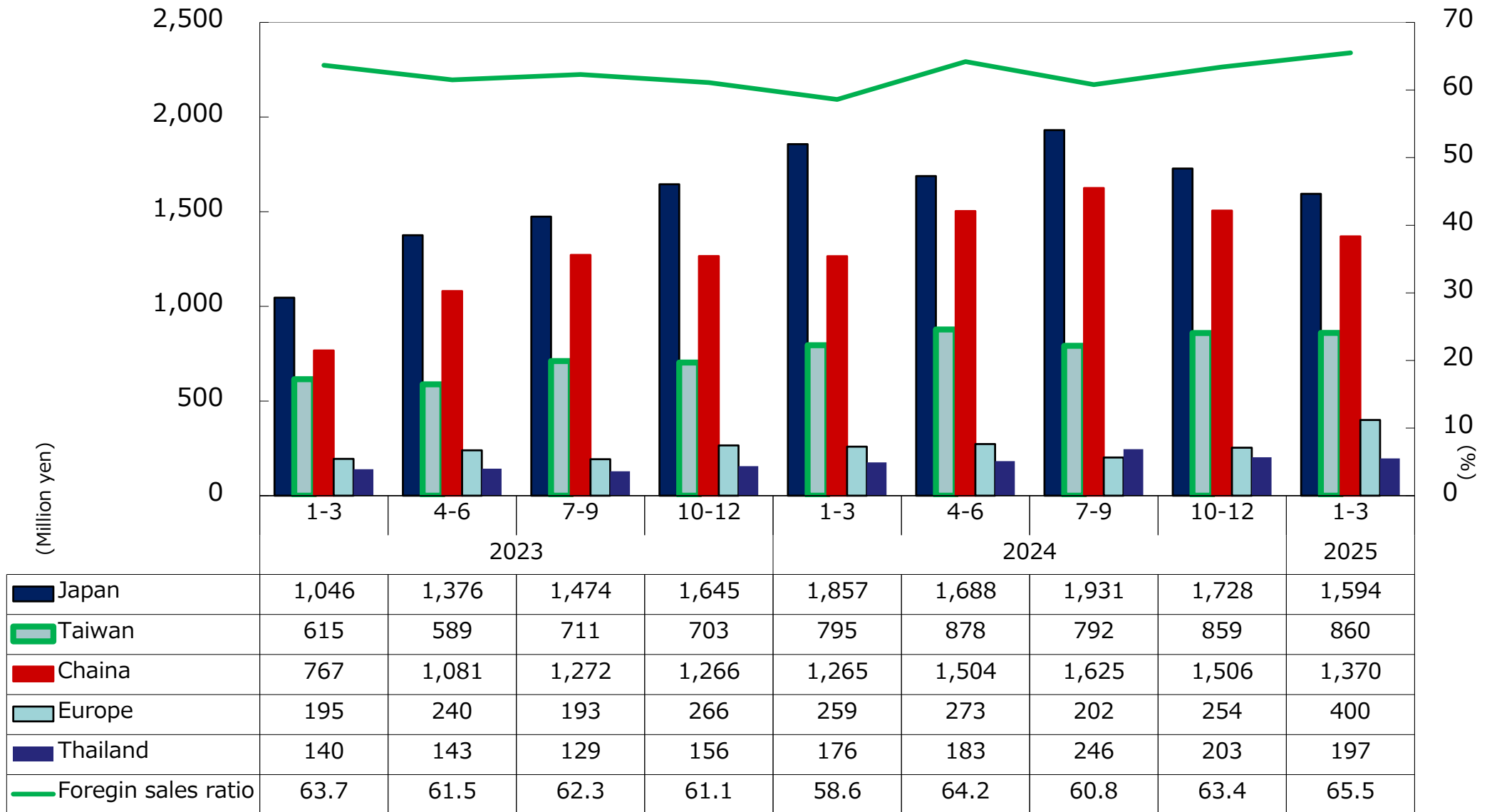
# Quarterly Performance : Chemical Sales (Consolidated)



# Quarterly Performance : CZ Series Sales



# Quarterly Performance : Region-Specific Sales and Overseas Sales Ratio



Overseas sales ratio is 80.4%(same period of the previous year: 73.1%)  
including sales to overseas customers through agents in Japan.

# **Our Future Plans**

# Our Future Plans

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## Business environment

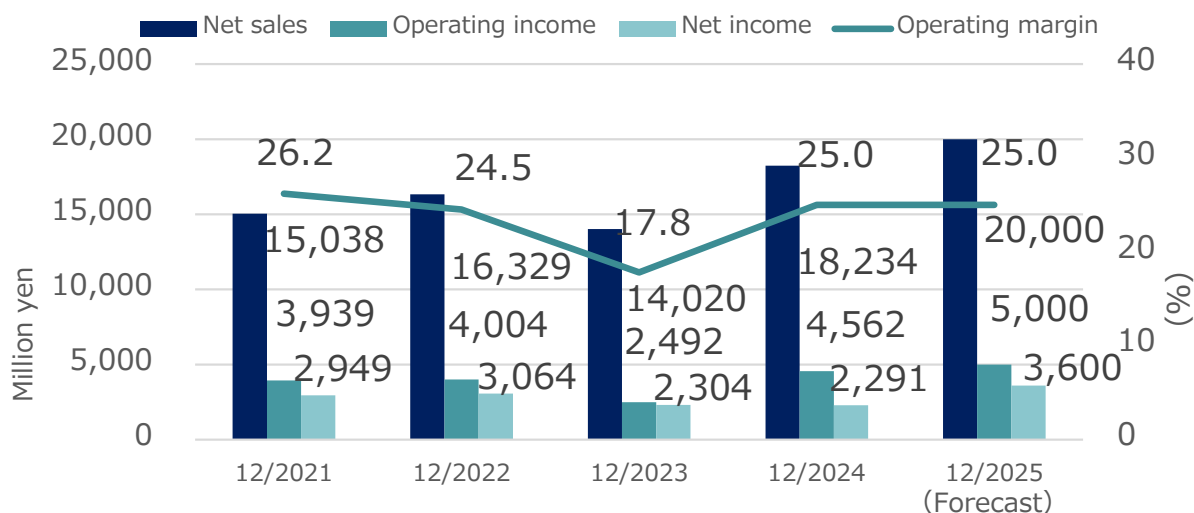
- In the short term, it will be affected by the semiconductor market, which is in a recovery phase.
- In the medium to long term, technological innovation will advance against the backdrop of the spread of technologies such as IoT, AI, 5G, electrification of vehicles, and the promotion of DX and GX, and markets related to our company will continue expanding.
- Demand for the related CZ series and Chemical adhesion promoter is expected to grow thanks to ultra-high density, ultra-high frequency and higher performance and increase in PKG substrates due to growing demand for semiconductors.

## Major chemical

- CZ : In the short term, demand will be affected by the semiconductor market is a recovery phase. In the medium to long term, demand is expected to increase due to an increase in PKG substrates and an increase in size and multilayer structure.
- V-Bond : In the short term, the automobile market and smartphone market will recover. Increasing trend for satellite communication boards.
- EXE : In the short term, display market shows steady. Continuity is unclear.
- SF : Demand will be affected by the demand trend for tablet PCs.

# FYE12/2025 Full-year Forecast

	FYE12/2024 (56th term)		FYE12/2025 (57th term)					
	Full-year		1H			Full-year		
	Amount (million yen)	Profit ratio (%)	Amount (million yen)	Profit ratio (%)	YOY change (%)	Amount (million yen)	Profit ratio (%)	YOY change (%)
Net sales	18,234	-	9,600	-	8.1%	20,000	-	9.7%
Operating income	4,562	25.0	2,250	23.4	-4.8%	5,000	25.0	9.6%
Ordinary income	4,682	25.7	2,300	24.0	-12.9%	5,100	25.5	8.9%
Net income	2,291	12.6	1,450	15.1	-23.3%	3,600	18.0	57.1%
Net income per share(yen)	122.38	-	77.44	-	-	192.26	-	-

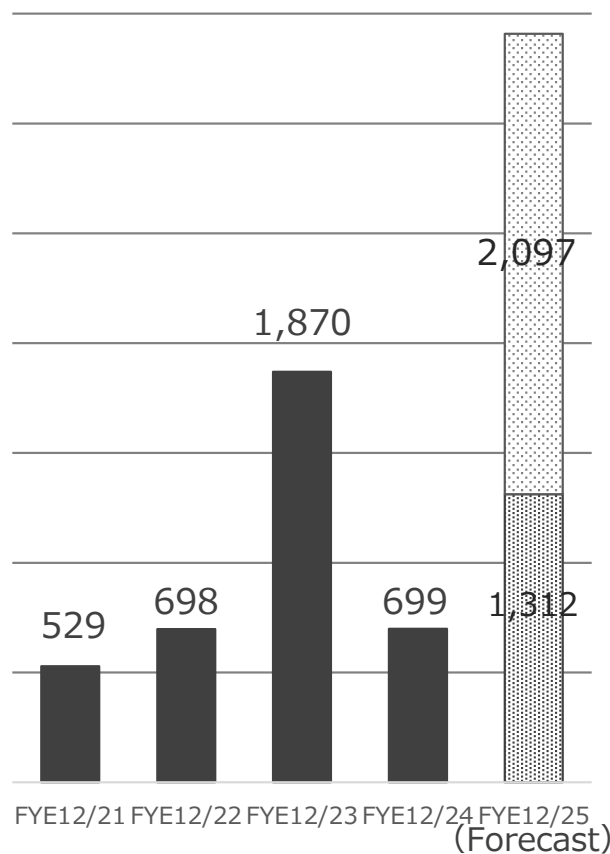


Exchange rates			FYE12/2024	FYE12/2025
N	T	D	4.72	4.76
R	M	B	21.04	21.08
H	K	D	19.41	19.48
T	H	B	4.31	4.22
E	U	R	163.79	164.84
U	S	D	151.44	152.33

# Capital Investment, Depreciation Expenses and R&D Expenses

## Capital investment

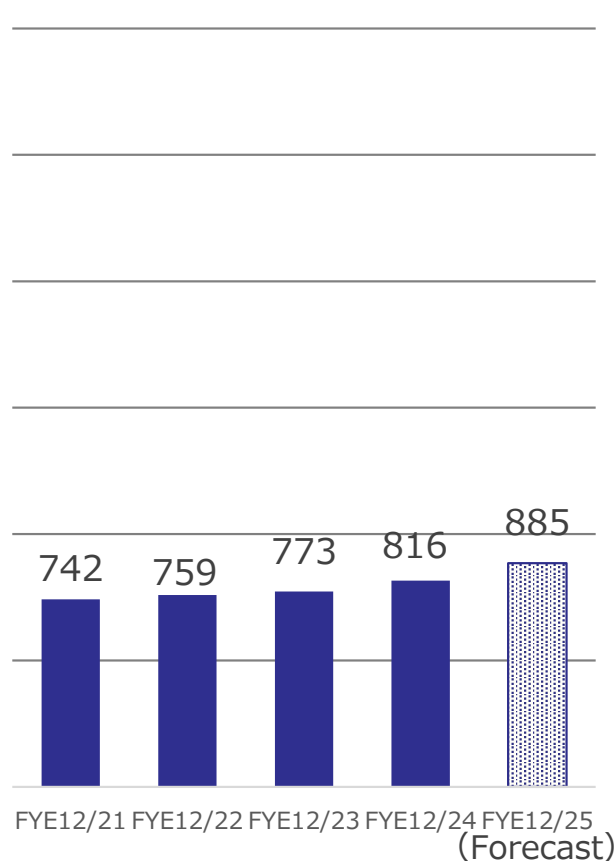
(million yen)



Capital investment for new production base

## Depreciation expenses

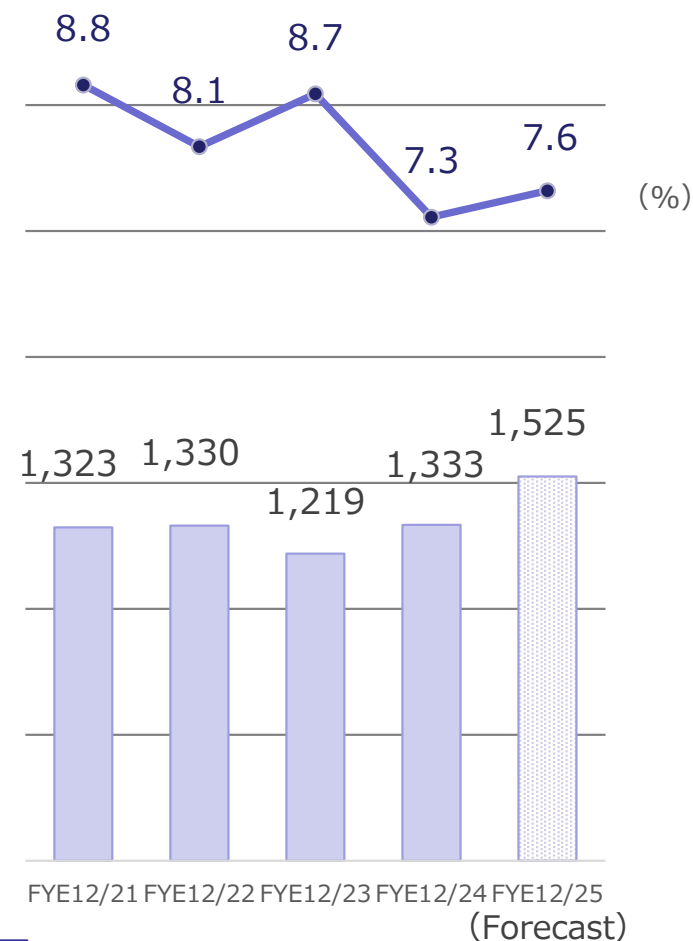
(million yen)



Depreciation expenses for new production base: 200-250 million/year

## R&D expenses and Ratio of consolidated sales

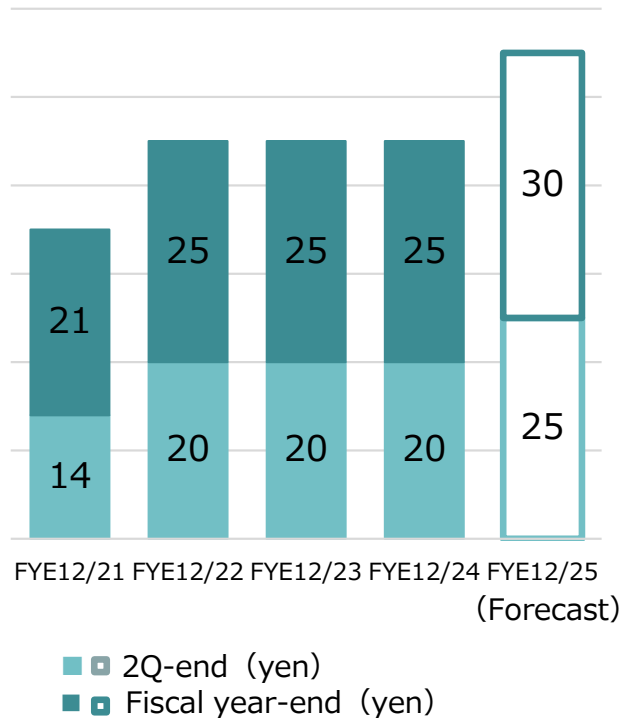
(million yen)



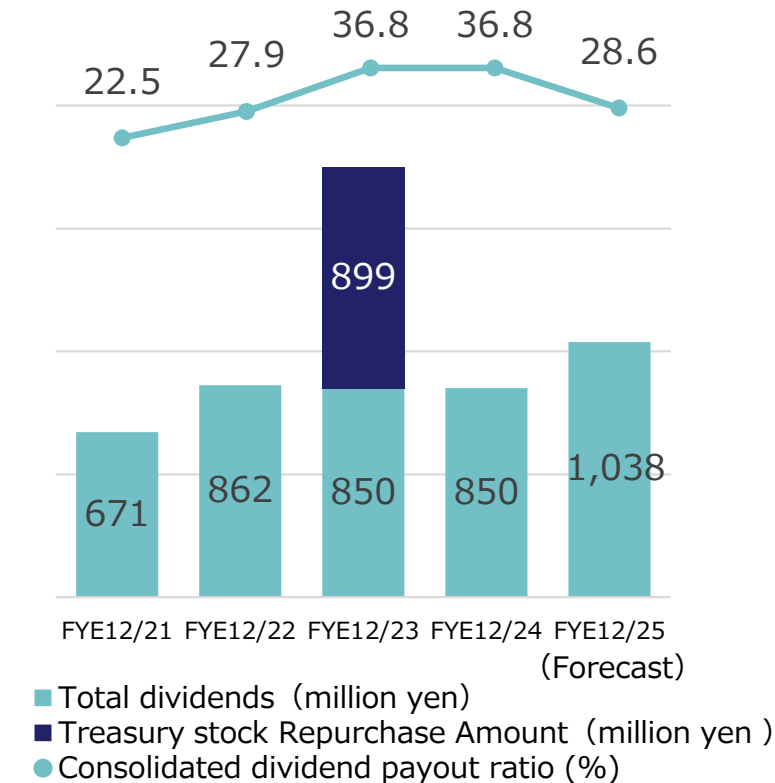


# Trends in Total Dividends, Consolidated Dividend Payout Ratio, and ROE

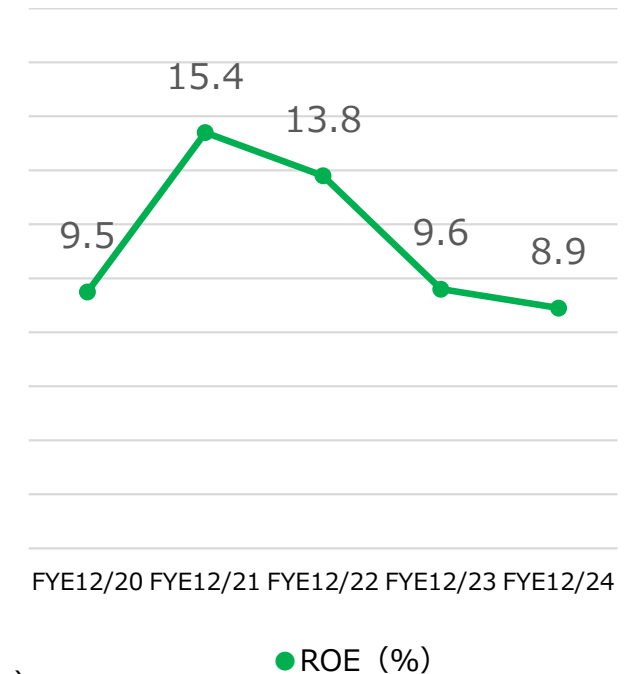
Dividends per share



Total dividends / Treasury stock repurchase amount/Consolidated dividend payout ratio



ROE



## 2030 Vision Phase 2 Medium-term Management Plan (2025-2027)

### Shareholder returns

Maintain and increase the annual dividend per share  
(Consolidated payout ratio target: 30%)  
Flexibly implement share buyback  
according to the circumstances

### ROE

Quantitative targets  
At least 10%

# ESG Effort

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## Environment

- Development of products that reduce environmental impact.
- Appropriate chemical substance management.
- Promotion of resource recycling.
- Measures to address climate change.

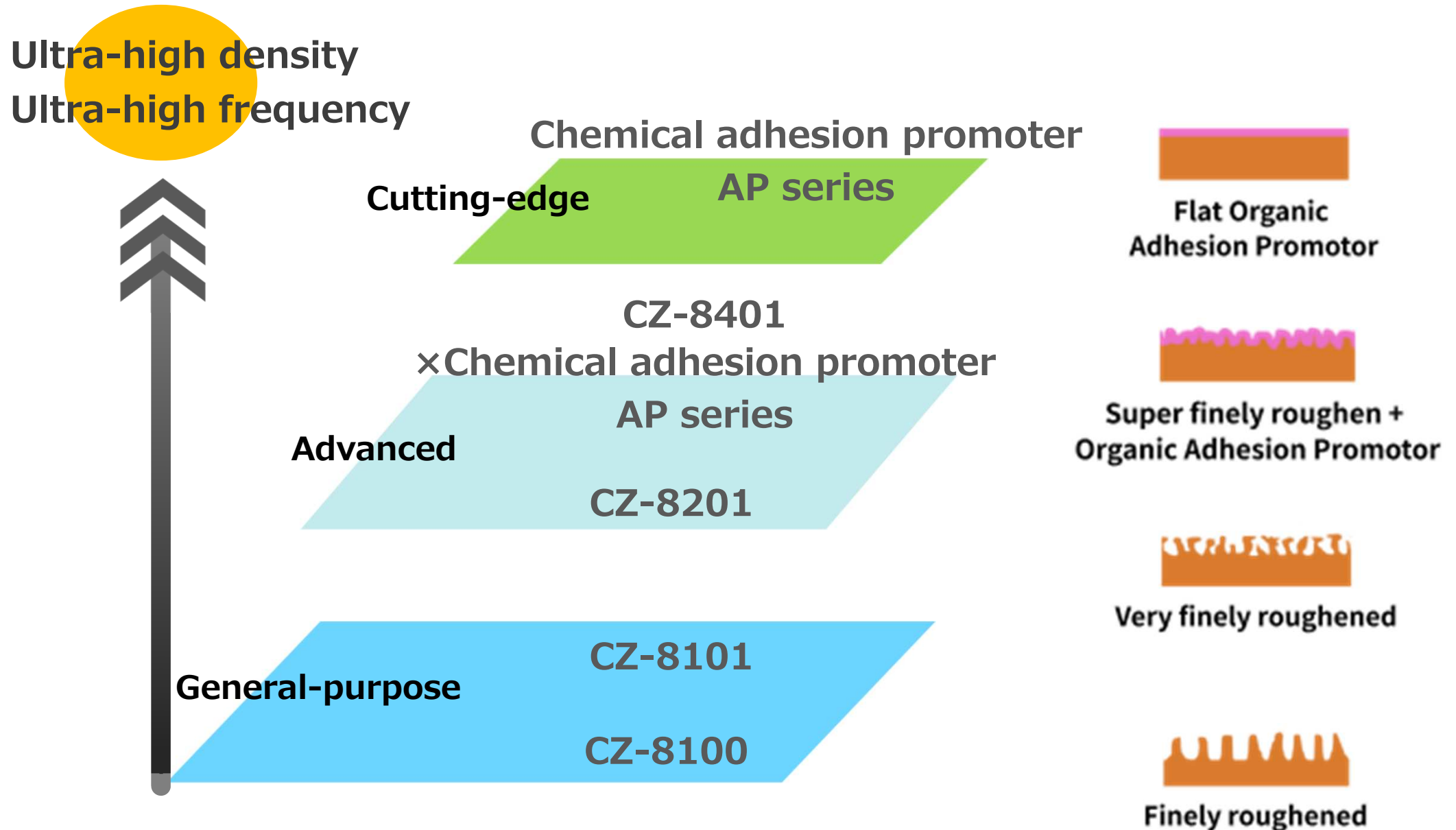
## Social

- Human capital strategy.
- Utilization of diverse human resources (empowerment of women, WLB, promotion of men taking childcare leave, etc.).
- Contribution to social development (5G, autonomous driving).

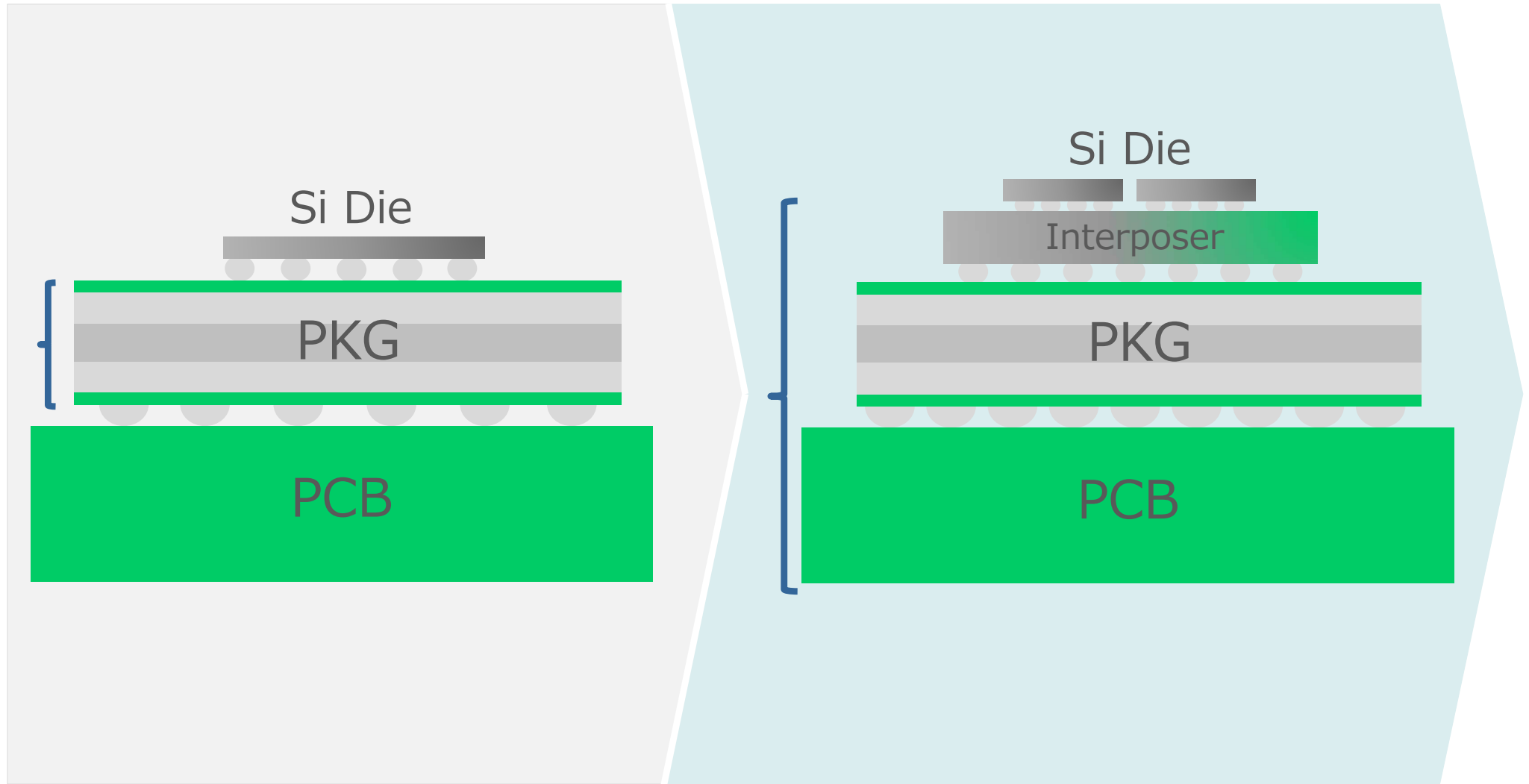
## Governance

- Reinforcement of management foundations (CG system, various committees, risk management, etc.).

# Our Products & PKG Substrate Trend

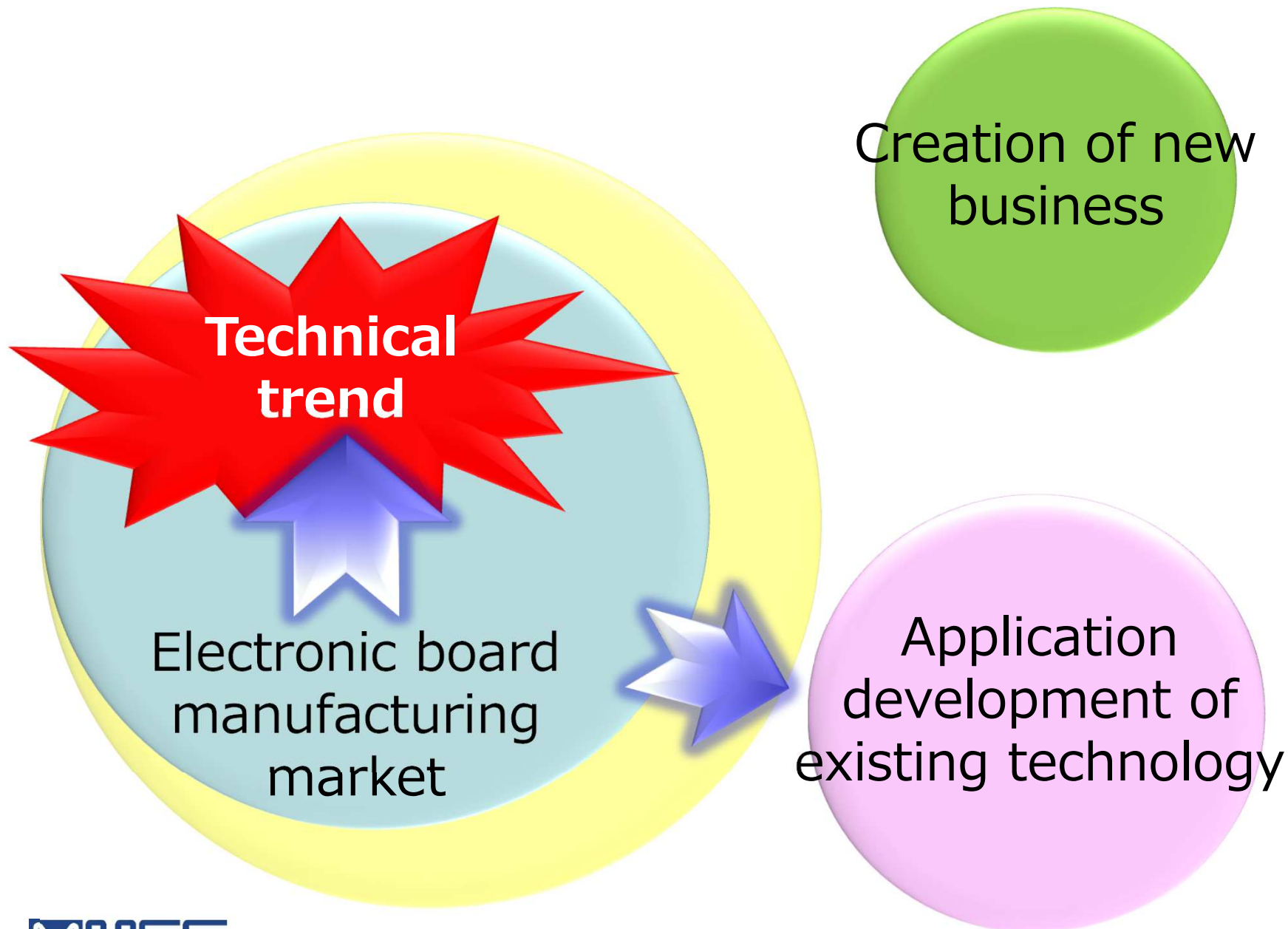


# Aiming to Expand the Technical Domain



# Aiming to Expand the Business Domain

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# Appendix

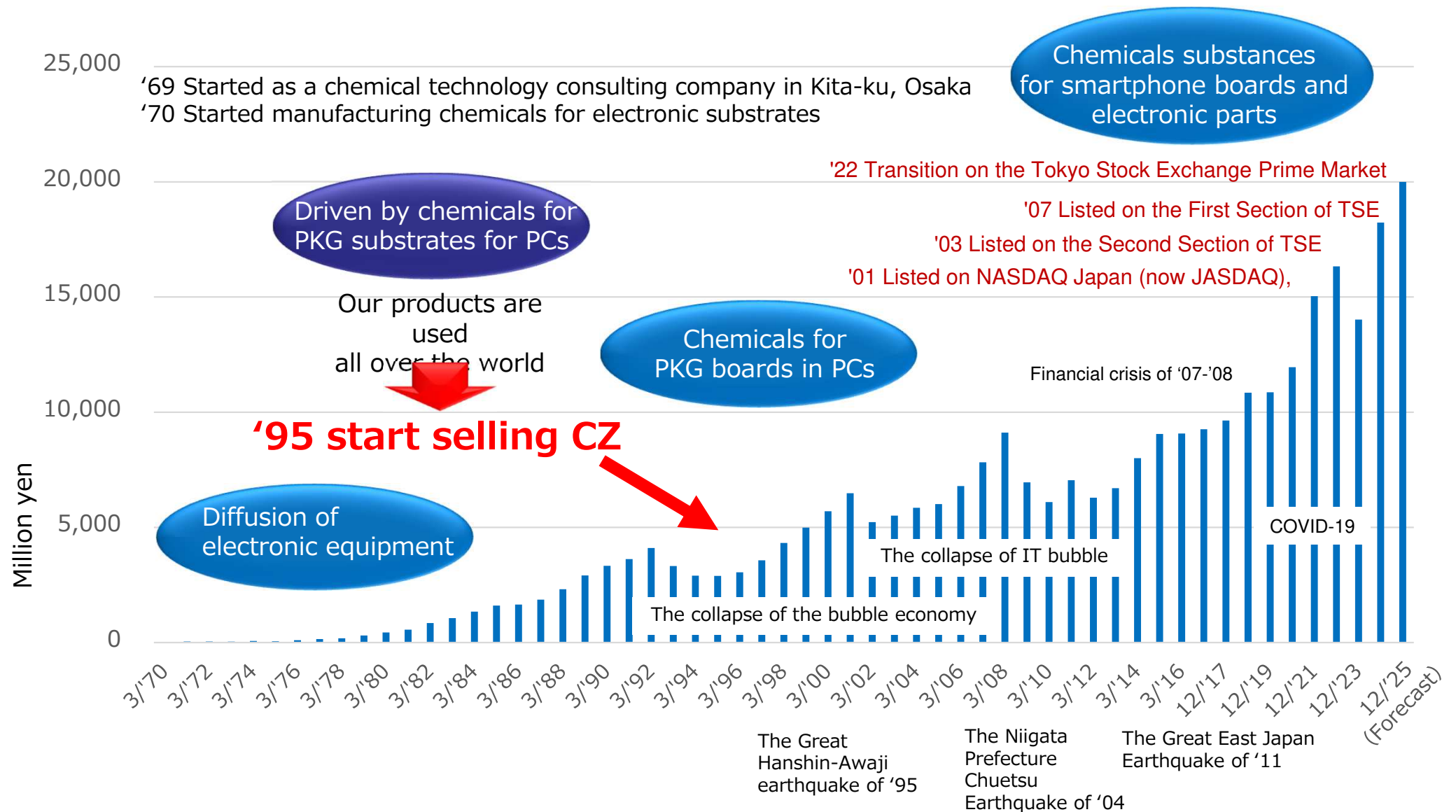
# Corporate Profile

(As of December 31, 2024)

<b>Company name</b>	MEC COMPANY LTD.
<b>Head quarters location</b>	3-4-1, Kuise Minamishimmachi, Amagasaki, Hyogo 660-0822, JAPAN
<b>Date of establishment</b>	May 1, 1969
<b>Business activities</b>	R&D, production and sales of chemicals, equipment and related materials used in the production of PCBs and electronic components.
<b>Presentative</b>	President and CEO      Kazuo Maeda
<b>Capital</b>	594,142,400 JPY
<b>Net sales</b>	18,234 million JPY (Consolidated)
<b>Stock listing</b>	Tokyo Stock Exchange Prime Market Securities code: 4971
<b>Number of employees</b>	480 persons (Consolidated) 277 persons (Non-consolidated)



# MEC Sales Trend since Foundation





# Process of Commercialization



From R&D  
To Factory



**Beaker experiment ⇒ Scale-up experiment ⇒ Production line verification**



**Manufacturing ⇒ Quality inspection ⇒ Filling**

# Example of Product Usage Process

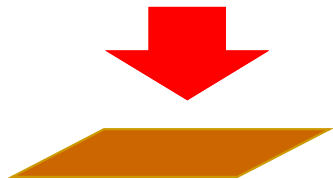
«Drying»



«Water rinse»



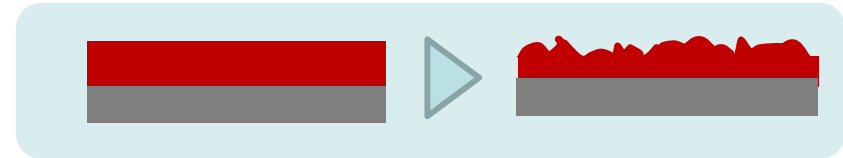
«Chemical treatment»



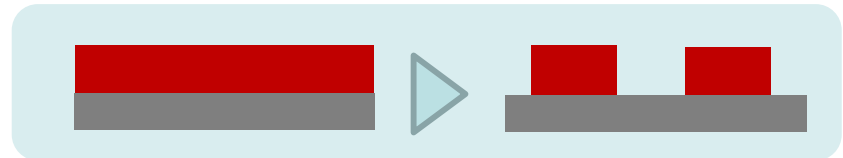
# MEC's Core Technologies

## *Creating and Fostering Value at Various Interfaces*

- **Roughen** the surface, and **physically improve** **adhesion**  
CZ, V-Bond



- **Pattern formation**  
EXE



- **Selective etching**  
SF



- **Treat** the surface, and **chemically improve** **adhesion**  
**promoter**

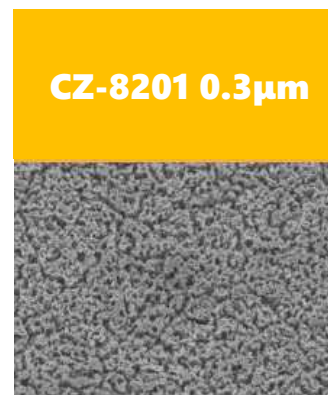
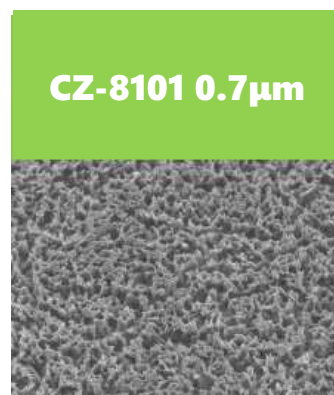
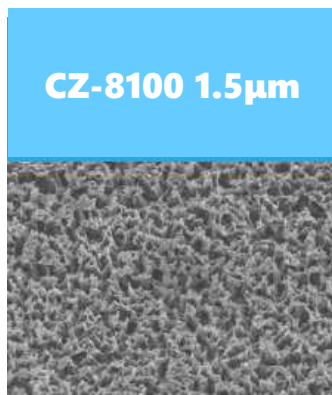
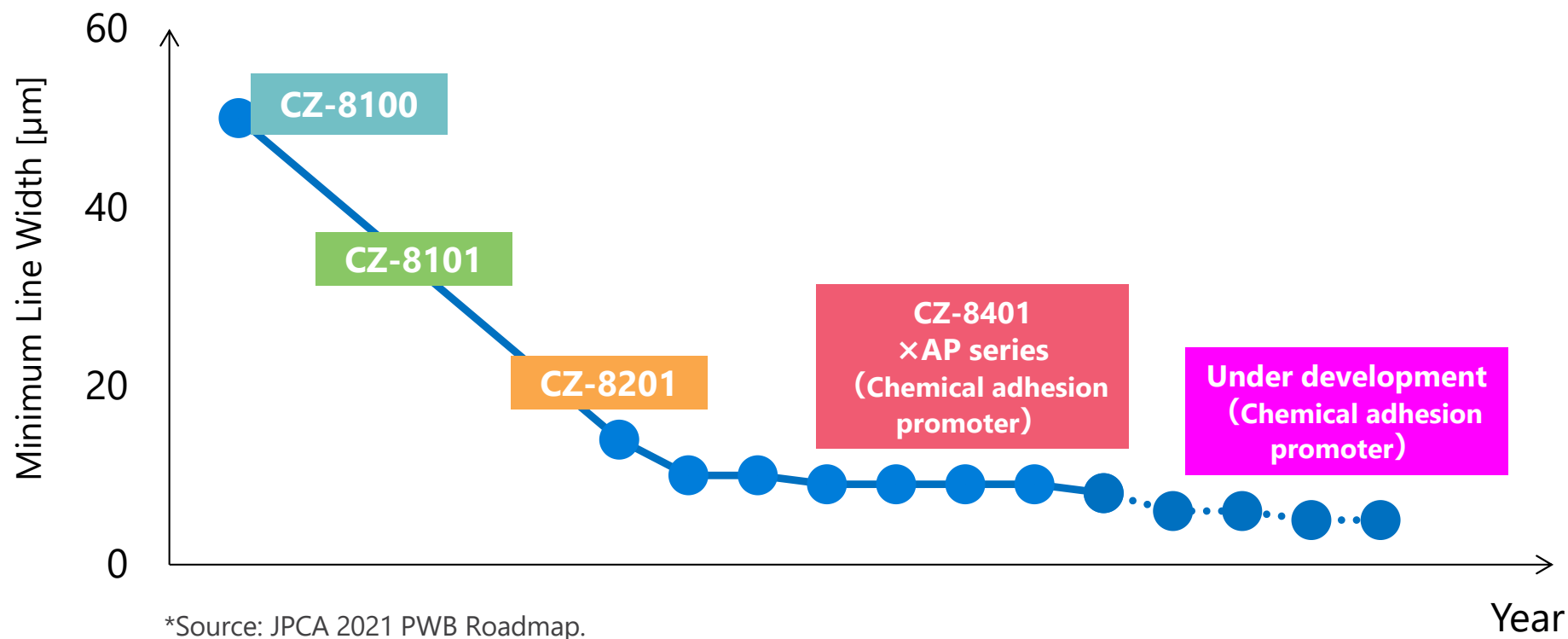




# Examples of Major Chemical Applications and Final Products

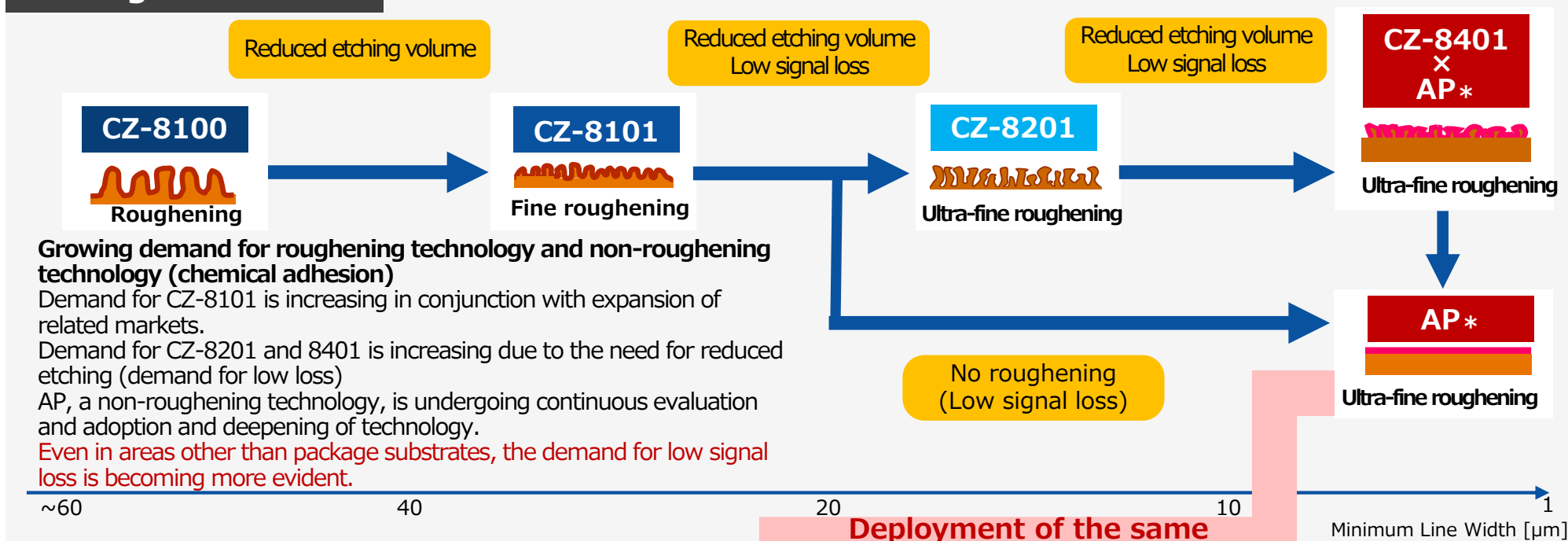
Major chemical	Characteristic	Final products
Super-roughening type adhesive enhancement <b>CZ series</b>	A copper surface treatment agent that enhances adhesion between copper and resin. It is mainly an adhesion improver for PKG substrates, and is also used for high-density PCBs.	Infrastructure (Generative AI, 5G/6G-related, data centers, etc.) and high-function devices (PCs, smartphones, tablet PCs, etc.)
Adhesion improvers for multilayer substrates <b>V-Bond series</b>	A copper surface treatment agent that enhances adhesion between copper and resin. Adhesion improver mainly for multilayer substrates. Not used for PKG substrates.	Automobile, smartphones, Satellite communications etc.
Anisotropic etchant <b>EXE series</b>	Fine wiring can be formed through subtraction. Etching agent for COF substrates.	TV and PC monitors, etc.
Selective etchant <b>SF series</b>	Etching agent with selectivity to copper.	Tablet PCs, etc.

# CZ Series Roadmap

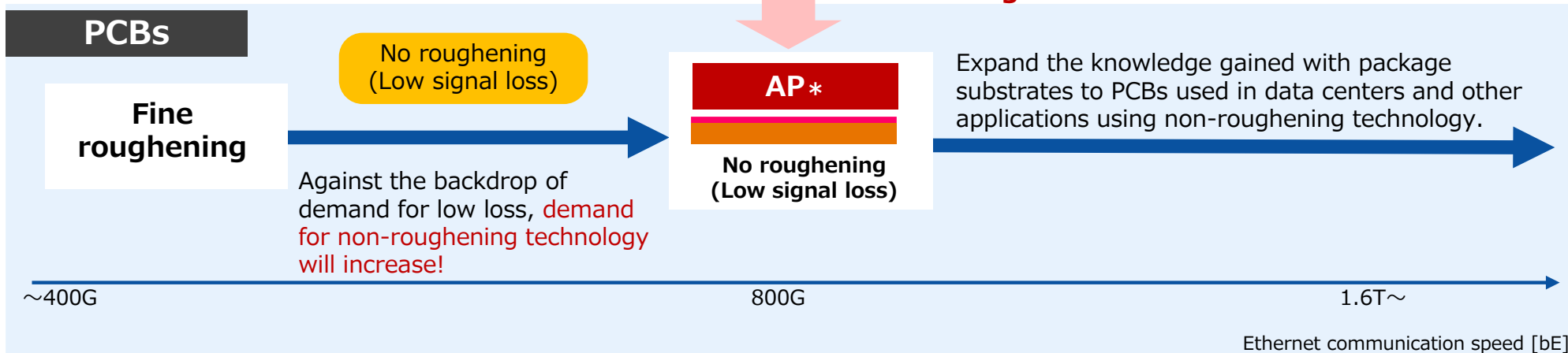


# Changes in Copper Adhesion Surface Technology

## Package Substrates

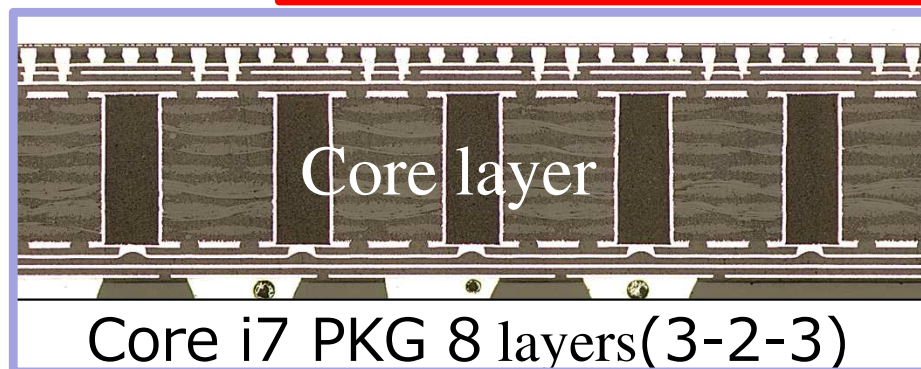
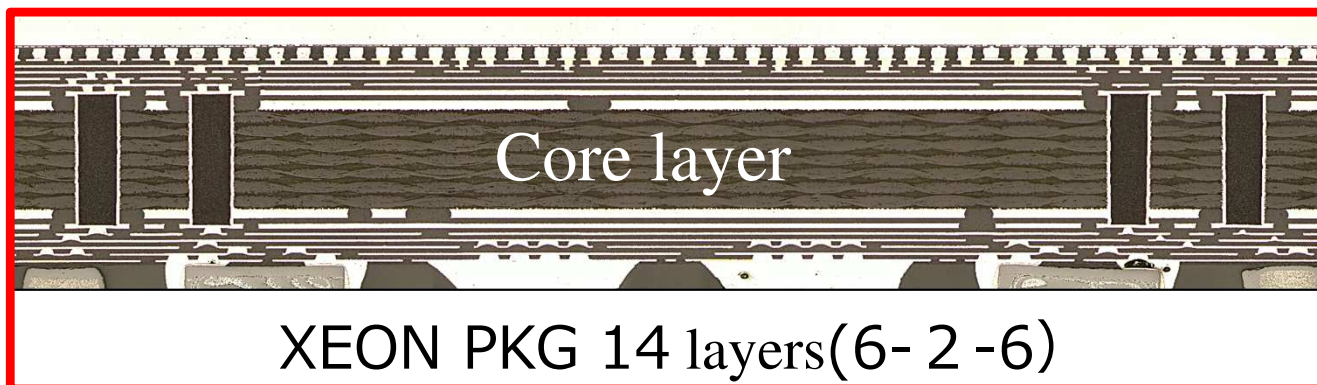


## PCBs



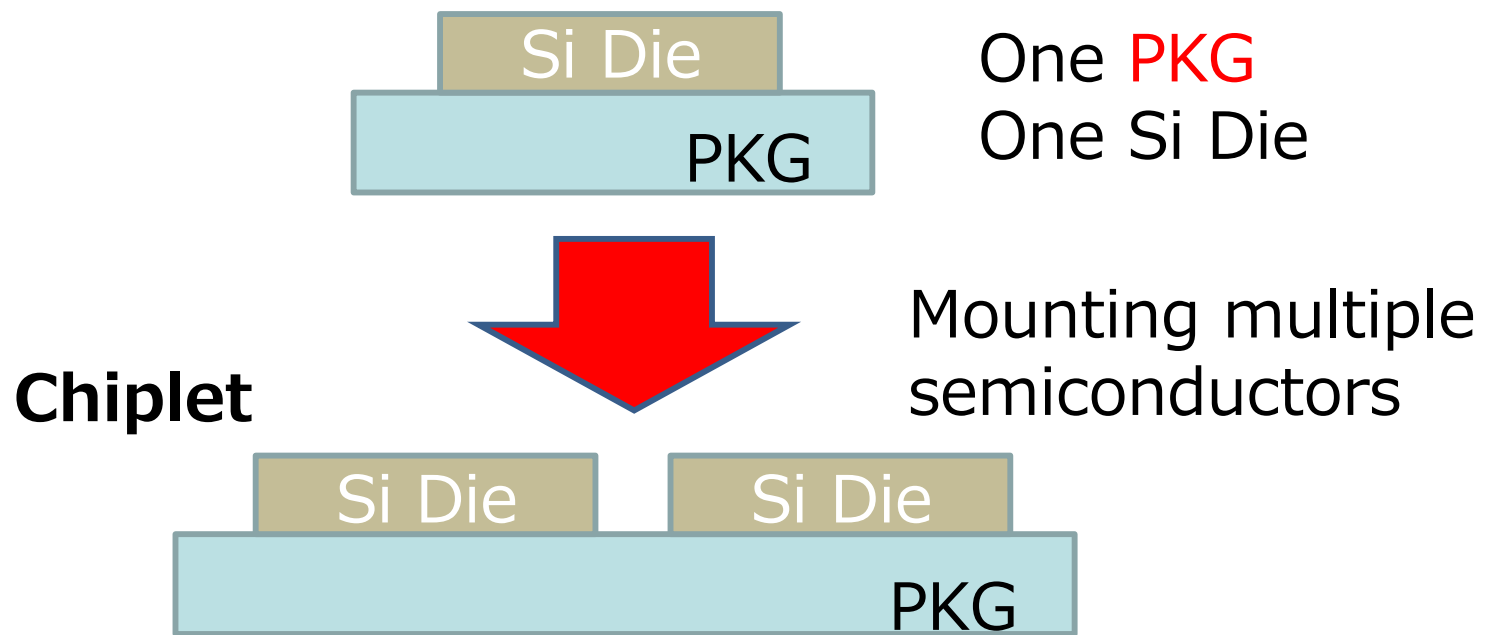
\* AP : Adhesion Promotor

# Cross Section Observations



	Size(cm <sup>2</sup> )	Layers
<b>XEON</b>	<b>27.44</b>	<b>14</b>
<b>Core i7</b>	<b>14.44</b>	<b>8</b>
<b>Ryzen 7</b>	<b>16.00</b>	<b>12</b>

# Evolution of the PKG Substrate



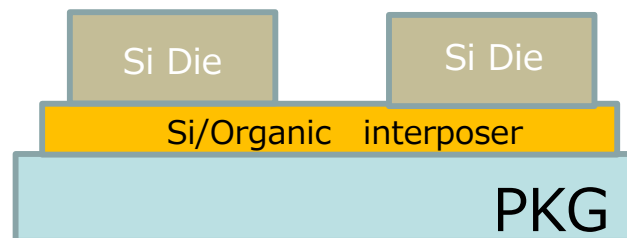
## EMIB

(Embedded **M**ulti-die **I**nterconnect **B**ridge)



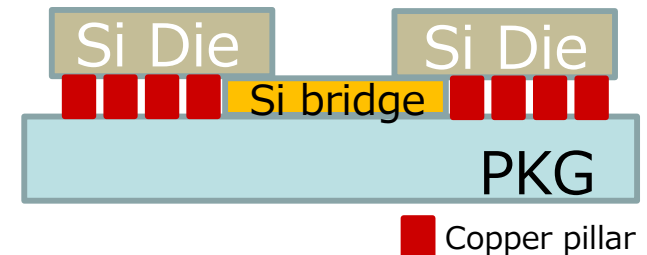
## CoWoS

(Chip **o**n **W**afer **o**n **S**ubstrate)



## EFB

(Elevated **F**anout **B**ridge)



PKG size is big and layers are increase.



# Production Capacity



Amagasaki Factory  
900 t / mo.



Nagaoka Factory  
2,750 t / mo.

## Plans in progress



Kitakyushu Plant (tentative name)  
Maximum capacity 2,500 t / mo. (Plan)

N  
E  
W



MEC TAIWAN  
1,200 t / mo.



MEC SUZHOU  
1,350 t / mo.



MEC ZHUHAI  
1,000 t / mo.



MEC EUROPE  
400 t / mo.



MEC THAILAND  
500 t / mo.

# *Creating and Fostering Value at Various Interfaces*



This presentation includes forward-looking statements (such as predictions and business forecasts) made in May 12, 2025. These statements are assumptions based on information available at the time, and they are subject to risks and uncertainties. Actual results or events could differ substantially from those forecasted in such statements due to a plethora of variables.