

Summary of business activities in FY2021 and FY2022 outlook

# Achieve sustainable growth through business activities

Renewal of record high profits

## Summary of business activities in FY2021 (Jan to Dec, 2021)

In fiscal 2021, despite the impact of the novel coronavirus, there were signs of a recovery in economic and social activities, mainly in developed countries, despite differences among countries and regions. Against the backdrop of the accelerating introduction of telecommuting and home-learning in each country, investment in digital transformation (DX) and responses to new lifestyles, IoT investment has progressed, such as by increasing data volume and switching to 5G. In addition, efforts to realize a decarbonized society have begun.

In the electronic substrates and components industry, which is one of the Group's related markets, demand continued to grow for packaging (PKG) substrates, which are equipped with semiconductors that are closely related to the Company, due to higher-density designs and technological innovation resulting from the spread of technologies such as the IoT, AI, and 5G. These markets are expected to continue to grow at a high rate, and efforts to switch to and spread 5G mobile communications

systems will become even more active. In addition, aggressive capital investment is progressing to strengthen the production system for high-performance PKG substrates for next-generation data centers.

In this environment, the Group focuses on developing and selling products for high-density electronic substrates. Sales trends of major products are as follows. The CZ Series of Super-finely-roughened adhesion promoter that has a high market share for PKG substrates was increased sharply by strong demand for semiconductors. Sales of the EXE Series, which enables the formation of fine wiring, remained robust due to high demand for displays, and sales of the V-Bond Series, an adhesion improver for multilayer electronic substrates, was buoyed by the recovery in the automotive market.

On the other hand, sales of the SF Series for displays decreased due to factors such as a slowdown in demand for related electronic equipment.

## Outlook for FY2022

Renewal of record high profits



Further expansion of needs of CZ Series of adhesion improvers

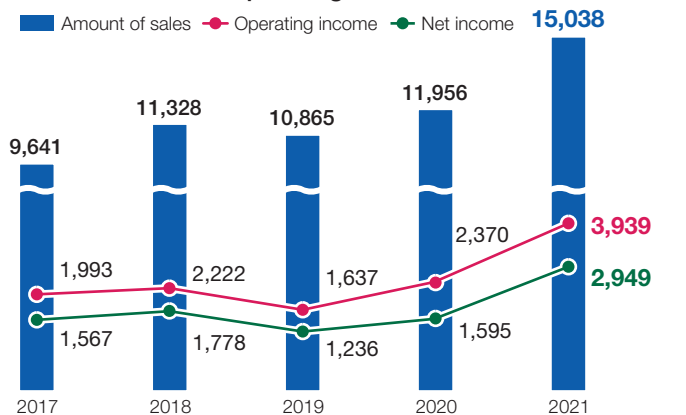
### Consolidated performance forecasts (FY2022)

Amount of sales <b>16.65 billion yen</b> <small>(10.7% increase from the current term)</small>	Operating income <b>4.2 billion yen</b> <small>(6.6% increase from the current term)</small>
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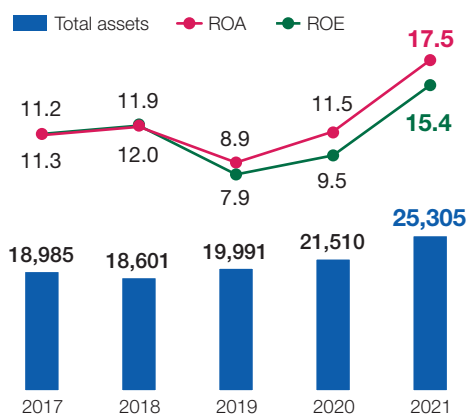
In the future, the semiconductor market is expected to grow steadily, with increasing data volume and faster communication speeds, against the backdrop of the digitalization of society as a whole, such as the IoT, AI, and 5G, the realization of DX, and trends toward a decarbonization society. As a result, demand for the CZ Series and other related products is expected to grow on the back of further demand for PKG substrates on which semiconductors are mounted and increased area due to higher performance. Therefore, we have begun to table a discussion on capital investment in new production sites in Japan to ensure a stable supply of our products. This is one of the priority initiatives of the Medium-term Management Plan "2030 Vision Phase 1" to establish a stable procurement, production, and supply system, and we will strategically proceed with the initiatives in conjunction with diversifying suppliers and expanding our global supply network. (As of Jul 1, 2022)

## Consolidated financial data

### Amount of sales/ Operating income/ Net income (Million yen)



### Total assets (Million yen)/ ROA (%) / ROE (%)



### Sales by region (%) / Amount of sales (Million yen)

