

FY2021 1st quarter Business Results

(April 1, 2021-June 30, 2021)

August 6, 2021



1. Business Results for the 1st QT FY 2021

2. Projection for the FY 2021

Financial Results for Q1 FY2021

- Strong demand from Semiconductor & Electronic application contributed quarterly record in sales and profits.
- Net sales: 8,309million yen (YOY※+1,719million yen, ※+26.1%)
- Profits: Operating profit 1,492million yen (YOY+731million yen, +96.2%)
Ordinary profit 1,475million yen (YOY+694million yen, +88.9%)
Net profit 1,020million yen (YOY+477million yen, +88.0%)

(Million yen)	Q1 FY2020 Results	Q1 FY2021 Results	YoY	
			Change	%
Net sales	6,589	※8,309	※+1,719	※+26.1%
Operating profit	760	1,492	+731	+96.2%
Ordinary profit	781	1,475	+694	+88.9%
Net profit	542	1,020	+477	+88.0%
FX Rate (USD)	¥108/\$	¥110.5/\$		

※"Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020) has been applied from the beginning of ending term of March, 2022 period.

As a result, accounting is different from a total period in the previous 1QT.

The comparison for YOY is reference figure as new standard vs old standard.

The summary of Q1 FY2021 Financial Results

■ Net sales

- ✓ **8,309million yen (YOY※+1,719million yen, ※+26.1%)**
- ✓ **Photosensitive materials:** Semiconductor application continued to keep strong sales from previous 2nd half.
Display allocation application continued to keep strong sales from previous 4QT.
- ✓ **Chemicals:** Electronic materials business continued to keep good sales.
Aroma chemicals business kept steady growth.
The logistic (chemical tank terminal) business has recovered in handling quantity thanks to strong domestic chemical market demand as same level as pre COVID-19.

■ Operating profit

- ✓ **1,492million yen (YOY+731million yen, +96.2%)**
- ✓ Labor cost, depreciation and etc. (+219million yen) for production capacity expansion increased.
- ✓ High valued product sales increase brought better profit

■ Ordinary profit

- ✓ **1,475million yen (YOY+694million yen, +88.9%)**
- ✓ Non-operating profit: There was insurance claim income(△35million yen) in previous year, but nothing in this quarter.

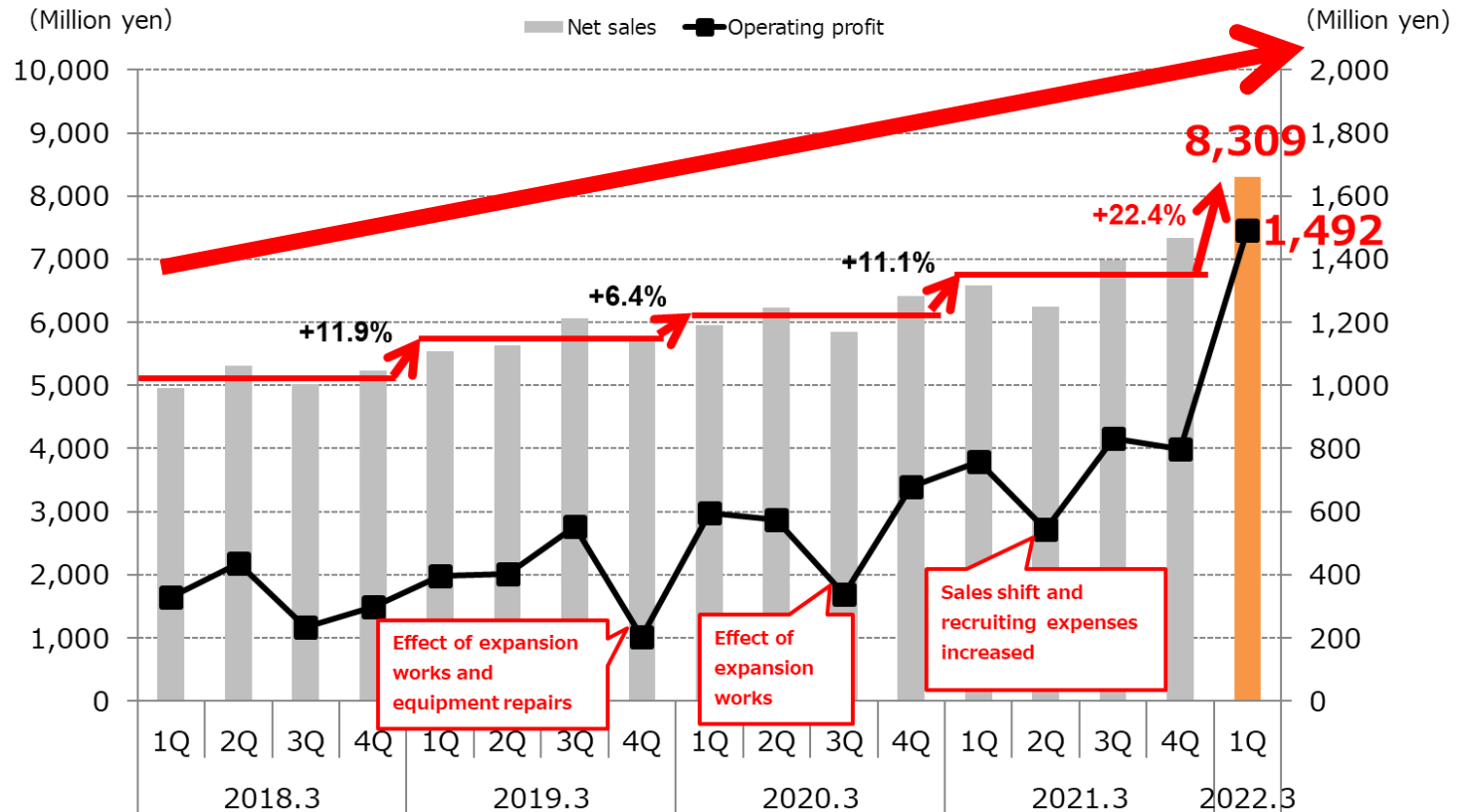
■ Net profit

- ✓ **1,020million yen (YOY+477million yen, +88.0%)**

Quarterly sales & operating profit trend

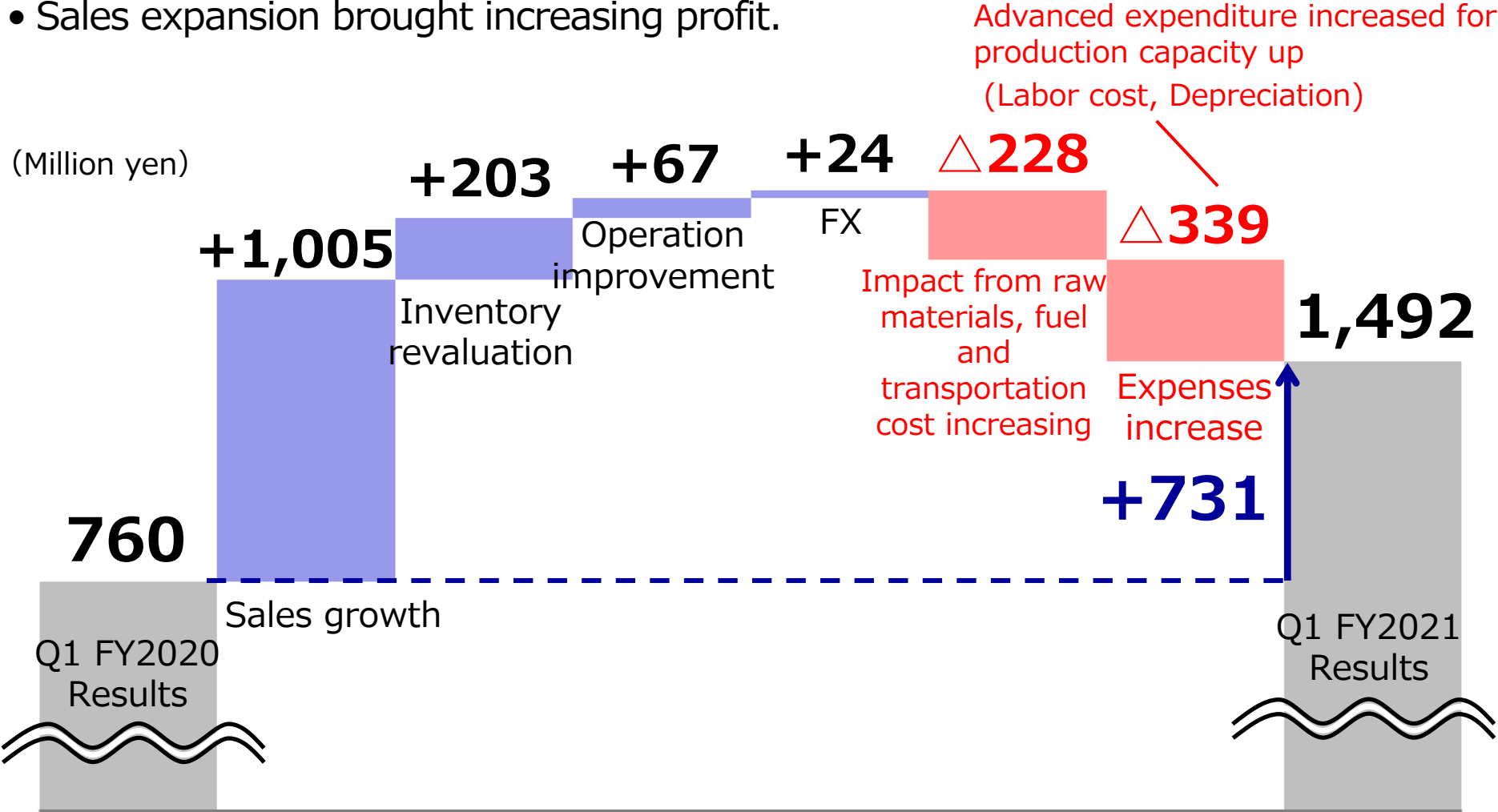
- Q1 sales: 8,309million yen (YOY ※+1,719million yen, ※+26.1%)
- Operating profit: 1,492million yen (YOY+731million yen, +96.2%)
- Operating profit achieved quality high record.

Quarterly sales & operating profit trend



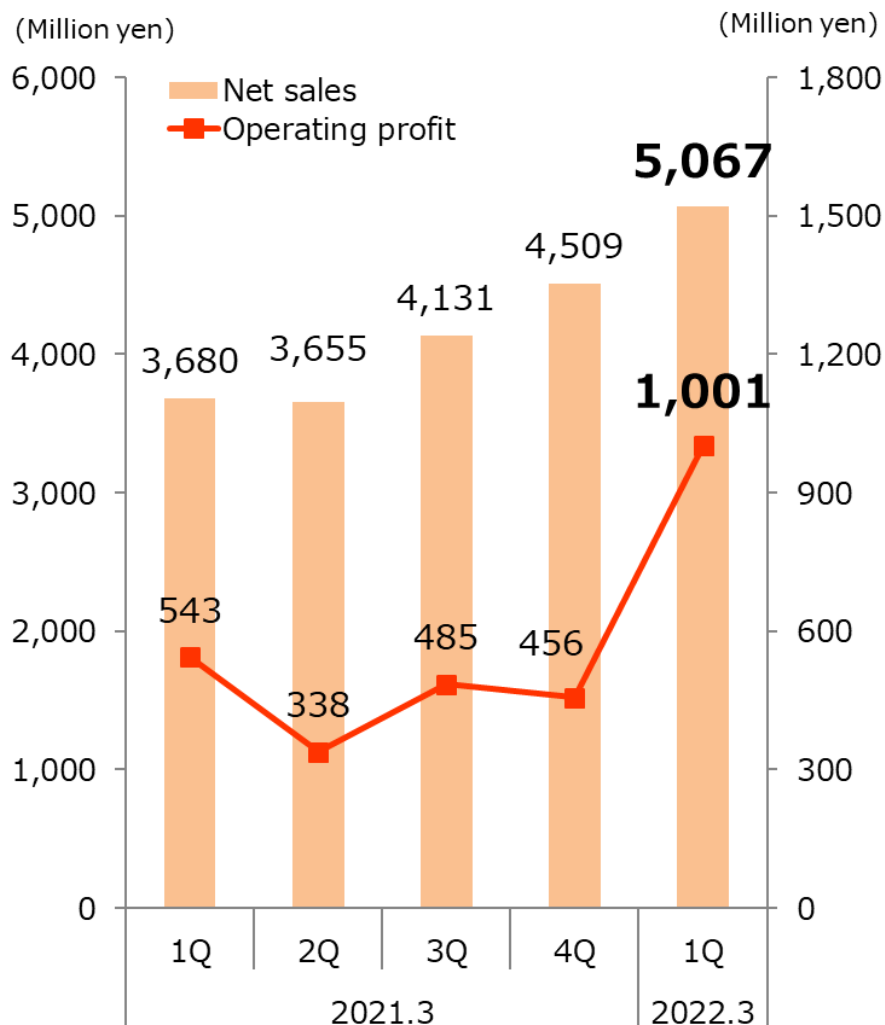
Change analysis: Operating profit

- Expense increased by raw materials, fuel and transportation cost increasing in addition to fixed cost increase for business development investment
- Sales expansion brought increasing profit.



Photosensitive Materials Segment

Net sales & operating profit



Net sales: 5,067million yen

(YOY※+1,386million yen, ※+37.7%)

- Semiconductor application continued to keep strong sales from previous 2nd half.
- Display allocation application continued to keep strong sales from previous 4QT.

Operating profit: 1,001million yen

(YOY+458million yen, +84.4%)

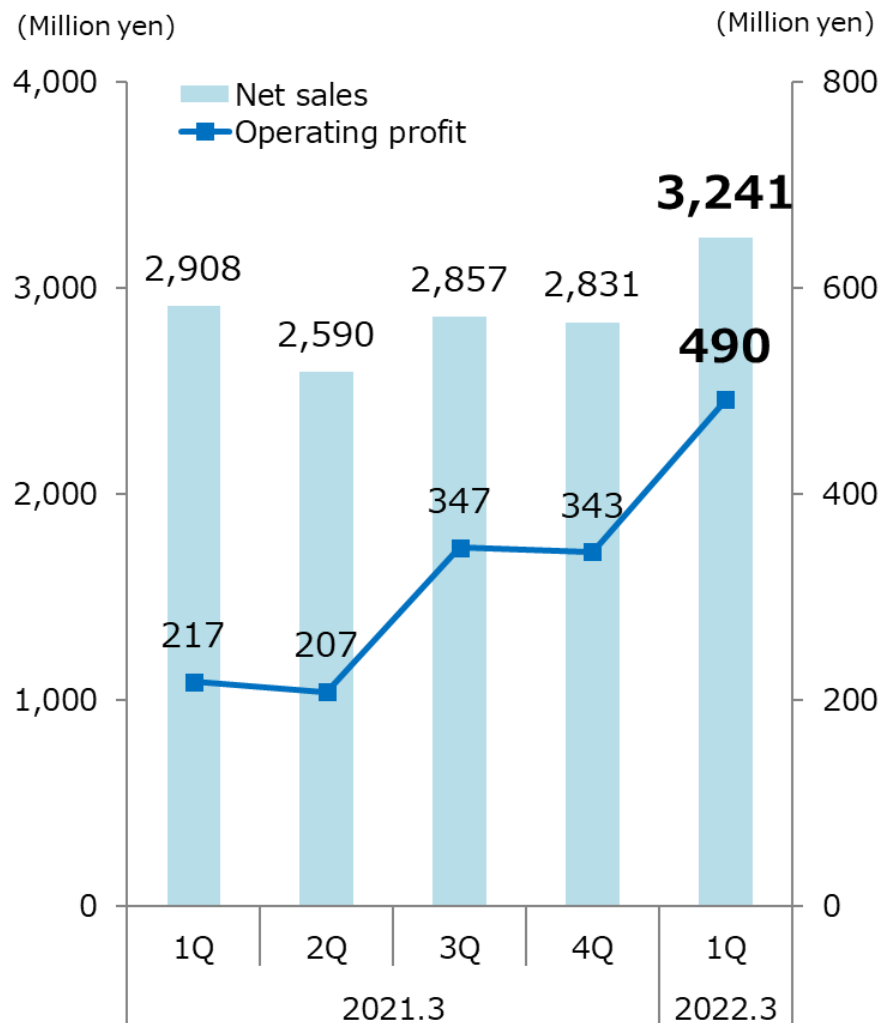
- Semiconductor application, display application and all product line had sales & profit increase.
- Labor cost and depreciation increased for photosensitive materials capacity expansion.

※New accounting standards about the profit recognition has been applied, sales figure decreased by 95million yen from calculation in old accounting standard.

The comparison for YOY is reference figure as new standard vs old standard.

Chemicals Segment

Net sales & operating profit



Net sales: 3,241million yen

(YOY※+333million yen, ※+11.5%)

- Electronic materials business continued to keep good sales
- Aroma chemicals business kept steady growth
- The logistic (chemical tank terminal) business has recovered in handling quantity thanks to strong domestic chemical market demand as same level as pre COVID-19.

Operating profit: 490million yen

(YOY+273million yen, +125.6%)

- Increased in production for demand expansion resulted in better profit.
- Increasing selling price in accordance with raw material & fuel price increase.

※New accounting standards about the profit recognition has been applied, sales figure decreased by 162million yen from calculation in old accounting standard.

The comparison for YOY is reference figure as new standard vs old standard.

Q1 FY2021 Income Statement

- Net sales 8,309million yen (YOY※+1,719million yen, ※+26.1%).
- Gross profit rate was improved by 5.5pt thanks to higher plant operation rate and expanding sales for advanced area.

(million yen)	Q1 FY2020	Q1 FY2021	Change	%
Net sales	6,589	8,309	※+1,719	※+26.1%
Cost of sales	5,070	5,936	+866	+17.1%
Gross profit	1,518	2,372	+853	+56.2%
SG&A expenses	757	879	+121	+16.1%
Operating profit	760	1,492	+731	+96.2%
Non-operating income	59	27	△31	△52.9%
Non-operating expenses	39	45	+6	+15.7%
Ordinary profit	781	1,475	+694	+88.9%
Extraordinary income & losses	△11	△3	+8	+72.8%
Profit before income taxes	769	1,472	+702	+91.3%
Income taxes	226	452	+225	2倍
Net profit	542	1,020	+477	+88.0%

※"Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020) has been applied from the beginning of ending term of March, 2022 period.

As a result, accounting is different from a total period in the previous 1QT.

The comparison for YOY is reference figure as new standard vs old standard.

Q1 FY2021 Balance sheet

- Shareholders' equity increased by 940million yen thanks to net profit increase.
- Equity ratio is 31.6% (YOY+2.2pt) and exceeded 30% over last year.

(Million yen)	Mar. 2021 ended	Jun. 2021 ended	Change	(Million yen)	Mar. 2021 ended	Jun. 2021 ended	Change
Current assets	16,998	17,613	+615	Liabilities	30,727	29,722	△1,005
Cash and deposits	3,794	4,043	+249	Trade payables	3,470	4,101	+630
Trade accounts receivable	5,386	6,081	+694	Interest-bearing debt	19,987	21,025	+1,037
Inventories	6,983	7,097	+114	Other	7,269	4,595	△2,673
Other	833	390	△442				
Fixed assets	26,520	25,844	△676	Net assets	12,790	13,735	+944
Property, plant and equipment	24,908	24,403	△504	Shareholders' equity	12,750	13,691	+940
Intangible assets	523	512	△10	Valuation and translation adjustments	40	44	+3
Investments and other assets	1,088	927	△160				
Total assets	43,518	43,457	△61	Liabilities and net assets	43,518	43,457	△61

[Equity ratio]
31.6% (YOY+2.2pt)

1. Business Results for the 1st QT FY 2021

2. Projection for the FY 2021

FY 2021 ending projection

- The progress ratio of the 1st half projection is as below.
- FX rate is ¥105/\$.

(Million yen)	1H FY2021 Projection	Q1 FY2021 results	Progress Ratio
Net sales	15,000	8,309	55.4%
Operating profit	1,980	1,492	75.4%
Ordinary profit	1,900	1,475	77.7%
Net profit	1,300	1,020	78.5%

Future Outlook

- As supported by the brisk semiconductor market conditions from the previous year, demand for photosensitive materials and chemicals is rapidly surging, it brought increases both in sales and profits compared to previous year.

Accordingly, the progress degree for the earnings forecast 1st half year is high.

- However, in addition to crude oil and the raw materials price surging continuous for 2QT and more, periodical repair on August and October has been planned and increasing the cost of goods sold for product in accordance with ramping up production at new plant, there factors make opaque for our projection.

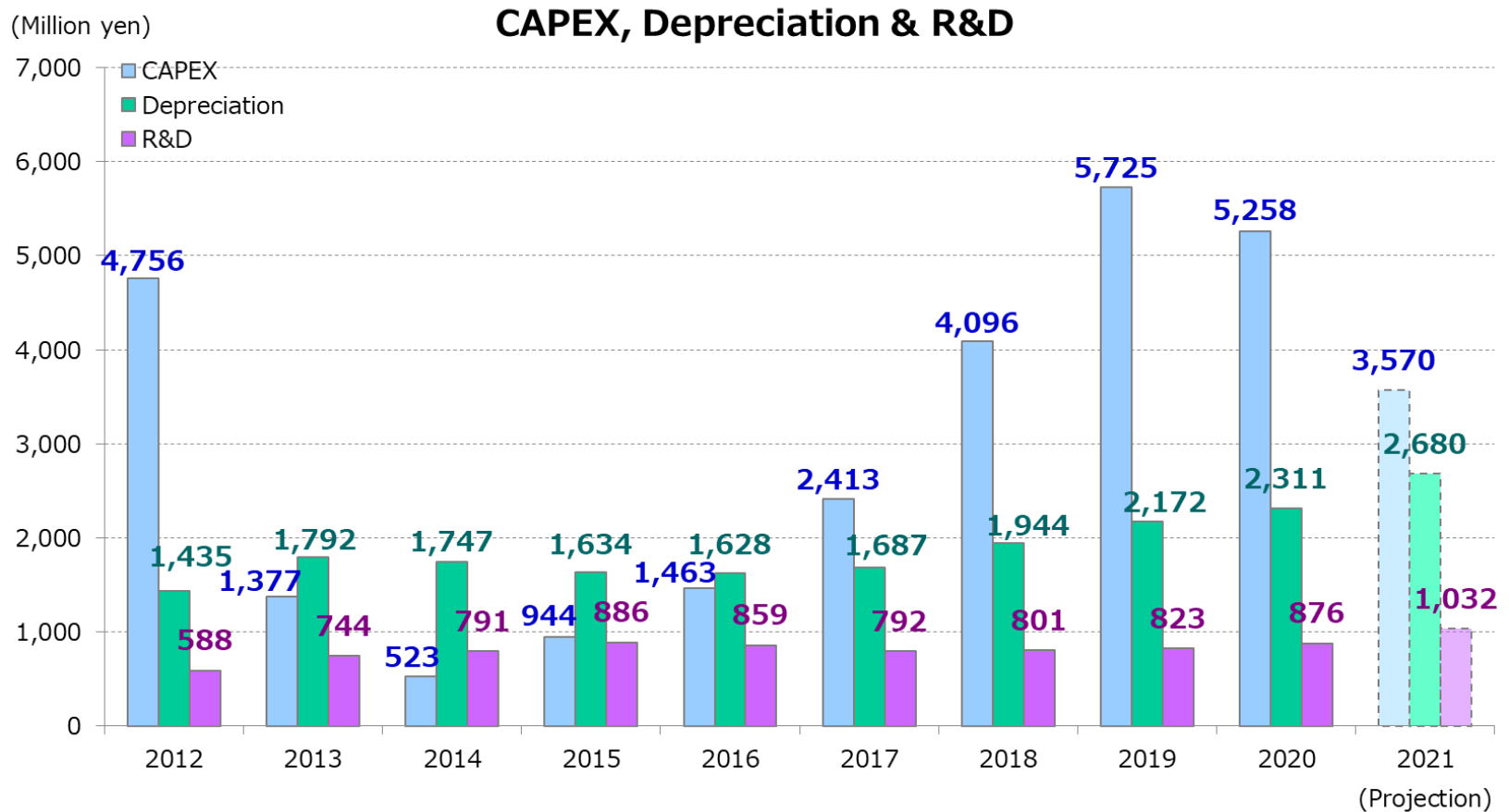
Therefore, earnings forecast at the moment should not be changed.

- We will continue to strive our effort to achieved the target value of medium-term management plan TGC300 and the further higher.

Capital Investment, Depreciation, & R&D trend

Since 2017, executing capacity up investment in electronic materials market expansion
After completed planned strategic big investment, capital investment in FY2021 is about 3.5billion yen as plan. Capacity up investment will continue in market demand increase.

R&D focus on production process technology enhancement (Analytical capability, Productivity improvement, pilot production capability) with 150mio yen budget.



Individual Development, to the global Chemical



(NB)

The forecasts made in this document contain a variety of uncertain factors since it has been prepared based on judgments from information that is currently available.

Therefore actual business results may differ from those projected, depending on factors and risk such as the economic status of the market surrounding the company, and do not perform any strict promise and guarantee.