

# **FY2020 3rd quarter Business Results**

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**(April 1, 2020-December 31, 2020)**

February 5th, 2021



**1. Business Results for the 3rd QT FY ending Mar. 2021**

**2. Mar. 2021 ending Projection**

# Financial Results for 3Q FY2020

- Thanks to increasing demand from staying at home and continuous higher demand for semiconductor & electronic device field , our revenue and profit achieved better as YOY and comparison with our projection.
- Net sales was 19,823million yen (YoY +1,787million yen, +9.9%) .
- Profit: Operating profit 2,139million yen (YoY +634million yen, +42.1%) , Ordinary profit 2,086million yen (YoY +679million yen, +48.3%) , Net profit1,412million yen (YoY +504million yen, +55.5%)

(Million yen)	3Q FY2019 Result	3Q FY2020 Result	YoY	
			Change	%
Net sales	18,036	19,823	+1,787	+9.9%
Operating profit	1,505	2,139	+634	+42.1%
Ordinary Profit	1,406	2,086	+679	+48.3%
Net Profit	908	1,412	+504	+55.5%
FX Rate (USD)	¥110/\$	¥104/\$		

# The summary of 3Q FY2020 Financial Results

## ■ Net sales

- ✓ 19,823million yen (YoY +1,787million yen, +9.9%)
- ✓ Photosensitive Materials:
  - Increased sales for high end semiconductor application products such PAG and Polymer.
- ✓ Fine Chemicals:
  - Electronic materials continue to grow.
  - Aroma related products keep stable business.
  - Logistic (Chemical Tank Terminal business) was recovery.

## ■ Operating profit

- ✓ 2,139million yen (YoY +634million yen, +42.1%)
- ✓ High valued product sales in both business segment well compensated prior labor cost & depreciation increase for photosensitive material capacity up cost about 200million yen, then marked better profit.

## ■ Ordinary Profit

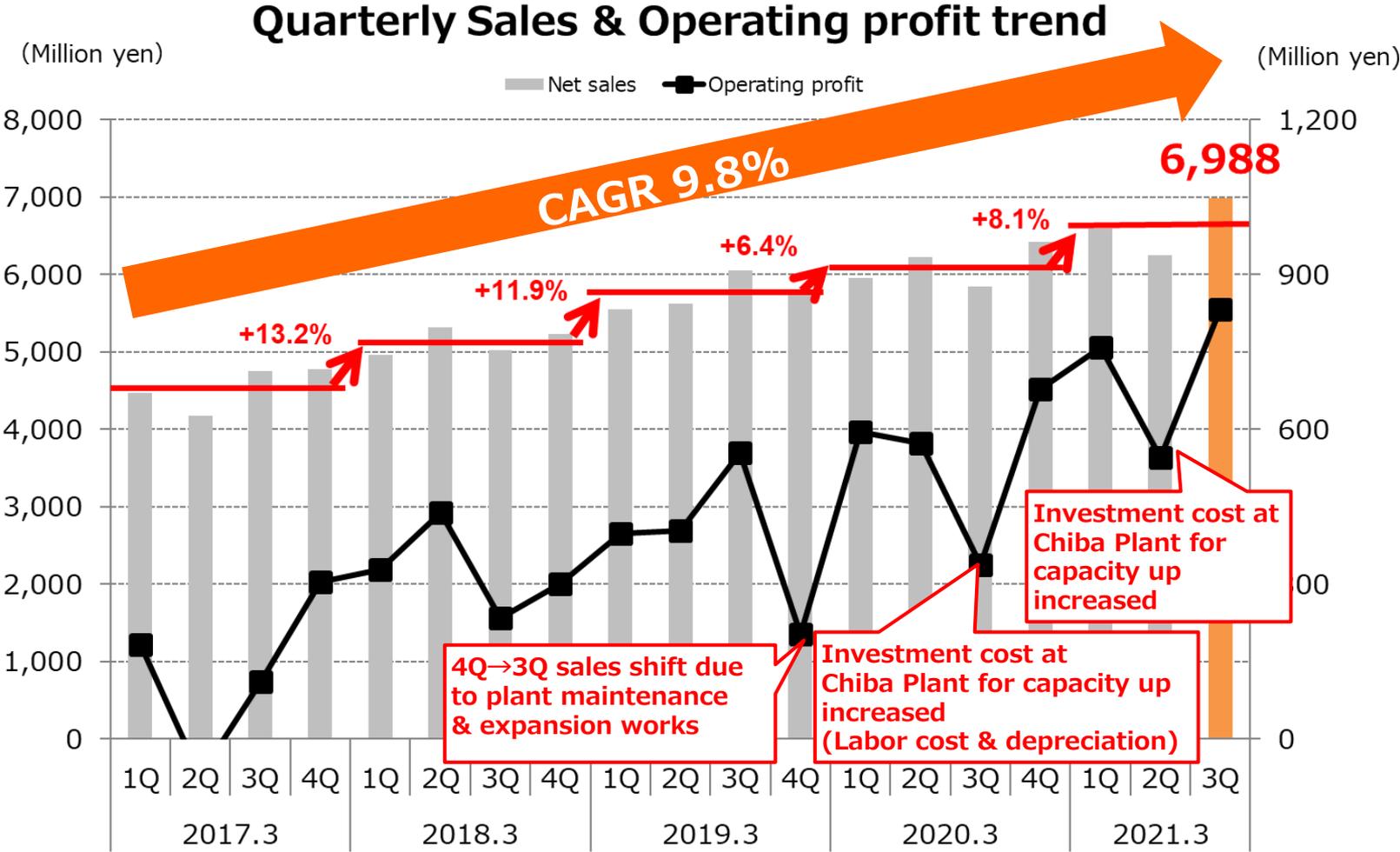
- ✓ 2,086million yen (YoY+679million yen, +48.3%)
- ✓ As comparison with previous year, loss reduction mainly thanks insurance income even though FX loss in JPY appreciation.

## ■ Net profit

- ✓ 1,412million yen (YoY+504million yen, +55.5%)

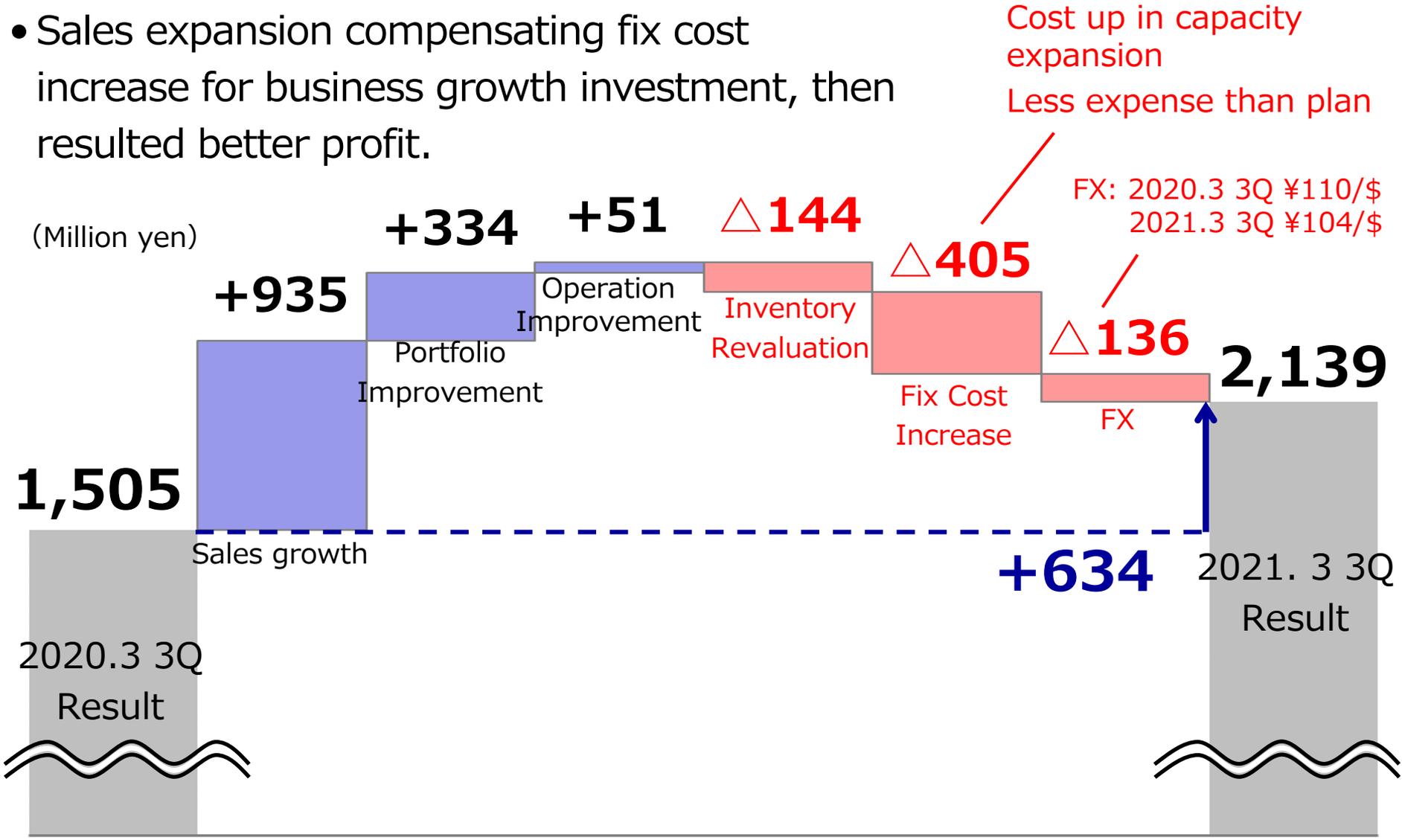
# Quarterly Sales & Operating profit trend

- Sales and operation profit achieved historical record as quarterly result.



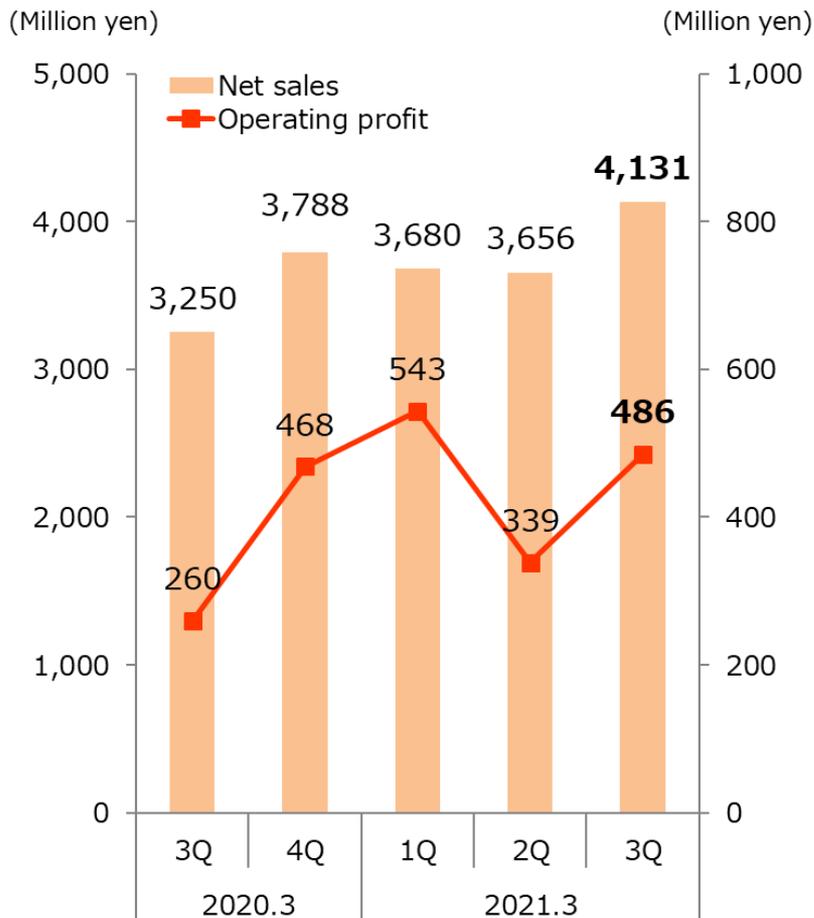
# Change Analysis: Operating Profit

- Sales expansion compensating fix cost increase for business growth investment, then resulted better profit.



# Photosensitive Materials Segment

## Net sales & Operating profit



**Net Sales : 11,467 million yen**

(YoY +1,038 million yen, +10.0%)

- Products for Advanced semiconductor materials (PAG, Polymer) are continuously robust.

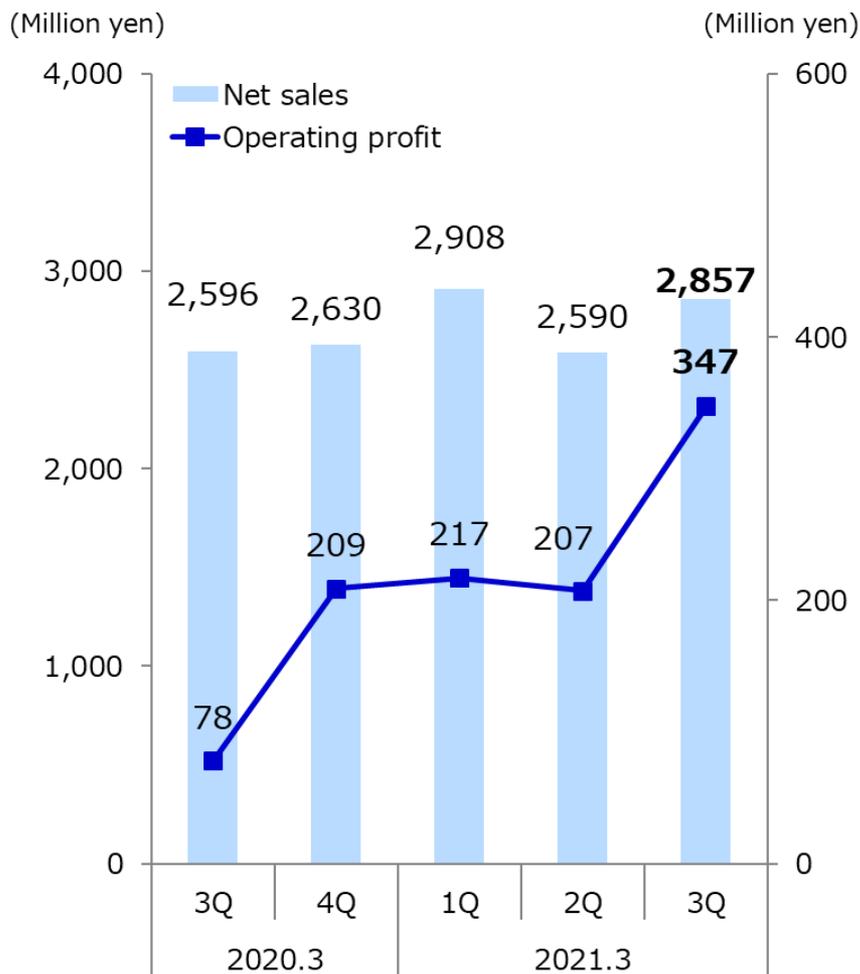
**Operating profit : 1,367 million yen**

(YoY +270million yen, +24.7%)

- Increased labor cost and depreciation for the production capacity up investment, but sales expansion well compensated it and resulted in profit increase.

# Fine Chemicals Segment

## Net sales & Operating profit



## Net sales : 8,356 million yen

(YoY +748 million yen, +9.8%)

- EL materials sales increased.
- Aroma chemicals keep stable growth.
- Chemical Tank Terminal business was stagnant in commodity solvents demand slow down impacting goods turn around, but now in recovery trend .

## Operating profit : 772 million yen

(YoY +363 million yen, +88.9%)

- Profit increased in line with sales development.
- EL material business is accelerating to shift toward to high valued product business.

# 3Q FY2020 Income Statement

- Net sales 19,823 million yen.
- Gross profit rate improved thanks to high valued product sales expansion (21.1%→23.1%) .
- SG&A expense increased by 6.0% less than sales increase, operating profit resulted in 2,139 million yen.

(Million yen)	3Q FY2019	3Q FY2020	Change	%
Net sales	18,036	<b>19,823</b>	+1,787	+9.9%
Cost of sales	14,228	<b>15,242</b>	+1,013	+7.1%
Gross profit	3,807	<b>4,581</b>	+773	+20.3%
SG&A expenses	2,302	<b>2,441</b>	+139	+6.0%
Operating profit	1,505	<b>2,139</b>	+634	+42.1%
Non-operating income	67	<b>113</b>	+46	+69.0%
Non-operating expenses	166	<b>167</b>	0	+0.5%
Ordinary profit	1,406	<b>2,086</b>	+679	+48.3%
Extraordinary income & losses	△40	△ <b>29</b>	+10	+26.8%
Profit before income taxes	1,366	<b>2,056</b>	+690	+50.6%
Income taxes	457	<b>644</b>	+186	+40.7%
Net profit	908	<b>1,412</b>	+504	+55.5%

[Gross profit +773 million yen]  
high valued product sales increase contributed profitability (21.1%→23.1%)

[Non-operating income +46 million yen]  
insurance income 65 million yen  
FX loss 55 million yen

# 3Q FY2020 Balance Sheet

- Because of photosensitive materials capacity up project, increased fixed assets by 3,056 million yen and interest bearing debt by 2,728 million yen.
- Shareholder's equity increase by 1,252 million yen thanks to net profit increase.

(Million yen)	Mar. 2020 end	Dec. 2020 end	Change
<b>Current assets</b>	<b>15,503</b>	<b>16,909</b>	<b>+1,406</b>
Cash and deposits	3,582	3,682	+99
Trade accounts receivable	4,654	4,968	+313
inventories	7,019	7,332	+312
Other	246	925	+679
<b>Fixed assets</b>	<b>23,627</b>	<b>26,466</b>	<b>+2,839</b>
Property, plant and equipment	22,112	25,169	+3,056
Intangible assets	407	480	+73
Investments and other assets	1,107	816	△290
<b>Total assets</b>	<b>39,130</b>	<b>43,376</b>	<b>+4,245</b>

(Million yen)	Mar. 2020 end	Dec. 2020 end	Change
<b>Liabilities</b>	<b>28,561</b>	<b>31,538</b>	<b>+2,977</b>
Accounts payable -trade	3,000	3,414	+414
Interest-bearing debt	18,188	20,916	+2,728
other	7,372	7,206	△165
<b>Net assets</b>	<b>10,569</b>	<b>11,837</b>	<b>+1,268</b>
Shareholders' equity	10,563	11,816	+1,252
Valuation and translation adjustments	5	21	+15
<b>Liabilities and net assets</b>	<b>39,130</b>	<b>43,376</b>	<b>+4,245</b>

[Tangible asset +3,056million yen]  
 [Interest-bearing debt+2,728million yen]  
 Due to photosensitive materials capacity up project completion

[Equity Ratio]  
 27.3% (YOY+0.3pt)

**1. Business Results for the 3rd QT FY ending Mar. 2021**

**2. Mar. 2021 ending Projection**

# Revision of FY2020 Projection

- Revised full year projection as consideration of continue better sales for mainly high valued product business in Q4.
- FX rate keep ¥105/\$.

	Revision on Aug. 7	Revision on Feb. 5		
(Million yen)	2021.3 Full Year Projection	<b>2021.3 New Full Year Projection</b>	Change	Change (%)
Net sales	25,000	<b>26,000</b>	+1,000	+4.0%
Operating profit	1,950	<b>2,600</b>	+650	+33.3%
Ordinary profit	1,870	<b>2,500</b>	+630	+33.7%
Net profit	1,260	<b>1,650</b>	+390	+31.0%

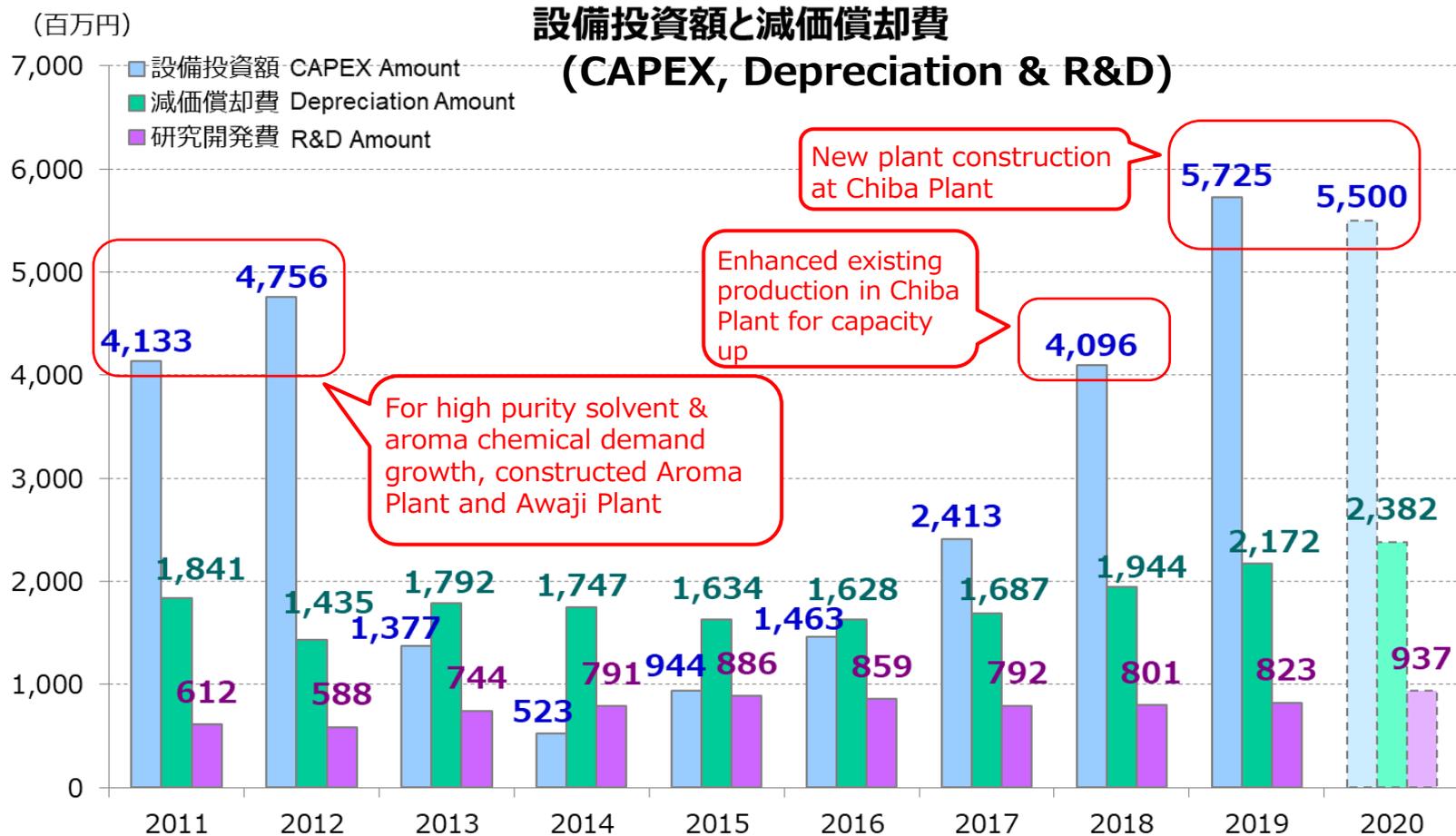
# Mar. 2021 ending Projection

- After the revision, progress ratios are as below.

(Million yen)	2021.3 New Full Year Projection	2021.3 3Q Result	Progress Ratio
Net sales	26,000	<b>19,823</b>	76.2%
Operating profit	2,600	<b>2,139</b>	82.3%
Ordinary profit	2,500	<b>2,086</b>	83.5%
Net profit	1,650	<b>1,412</b>	85.6%

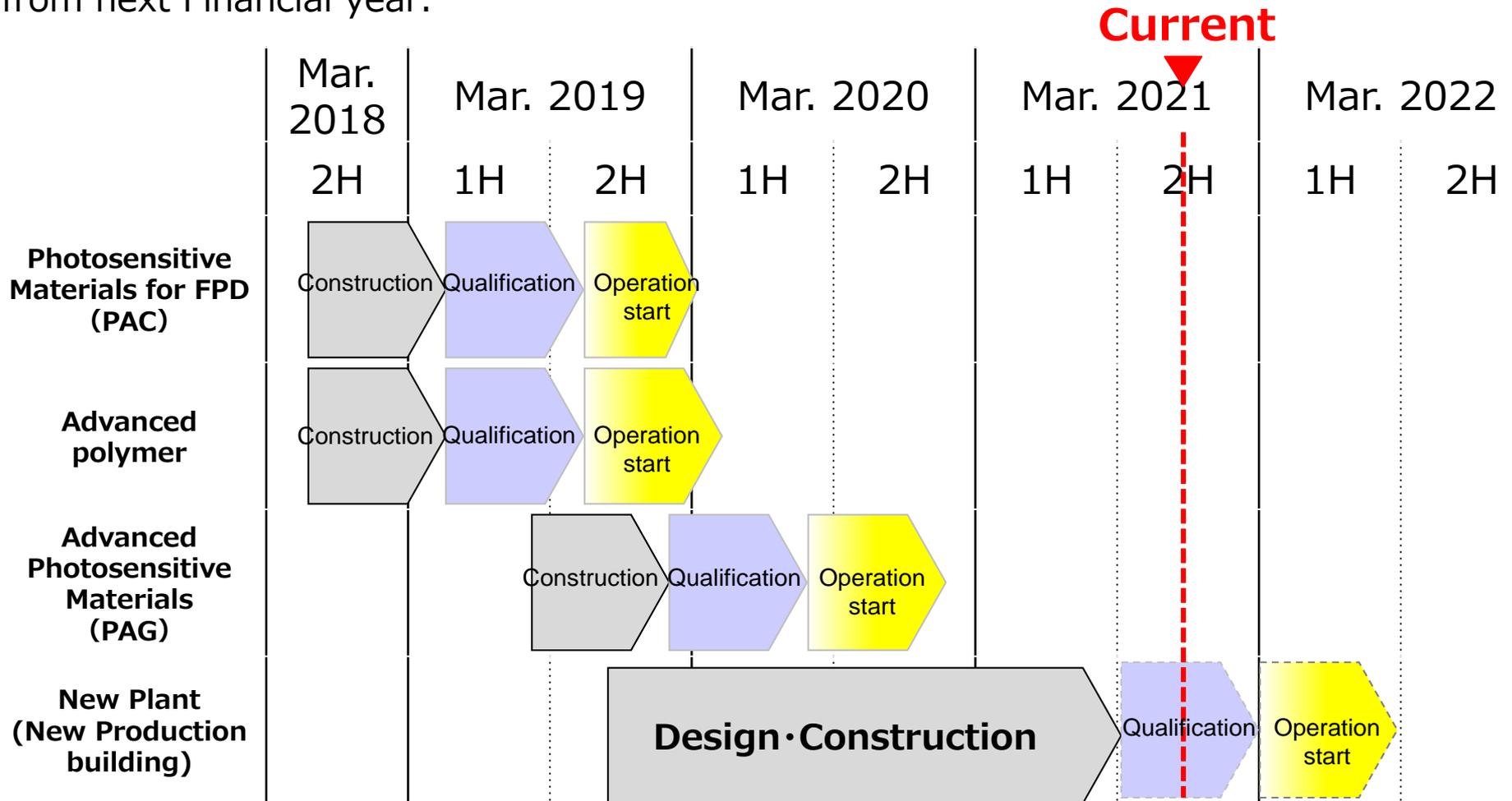
# Capital Investment, Depreciation, & R&D trend

- Under EL materials market demand growth, production capacity expansion investment continue since 2017.
- FY2020 investment spending projection is about 5.5billion yen mainly for new plant construction as same level as previous year spending.



# Photosensitive Materials Capacity Up Investment

- New plant (4th photosensitive materials plant in Chiba plant site) completed on October 18, 2020.
- FY2020 2nd half is product qualification activity period, profit contribution will start from next Financial year.



**Individual Development, to the global Chemical**

