Financial Results Briefing for FYE 12/2019

February 13, 2020: HQ
February 17, 2020: Tokyo

MEC COMPANY LTD.

Securities code: 4971
https://www.mec-co.com/en/

FYE 12/2019 Key factors

1 Assumed/actual exchange rate

JPY to NTD	Assumed rate:	3.66 yen / Actual rate:	3.54 yen (previous year was 3.66 yen)
JPY to RMB	Assumed rate:	16.85 yen / Actual rate:	15.85 yen (previous year was 16.69 yen)
JPY to EUR	Assumed rate:	130.88 yen / Actual rate:	122.53 yen (previous year was 130.36 yen)
JPY to USD	Assumed rate:	109.00 yen / Actual rate:	109.37 yen (previous year was 110.53 yen)

2 Exchange rate impact (YOY change)

Sales: Down 273 million yen,
Operating income: Down 140 million yen.

3 Major products sales (YOY change)

EXE was firm, CZ was almost flat, BO and SF were sluggish

4 Chemicals (YOY change)

Sales: Down 4.3%, Shipments: Down 2.3%

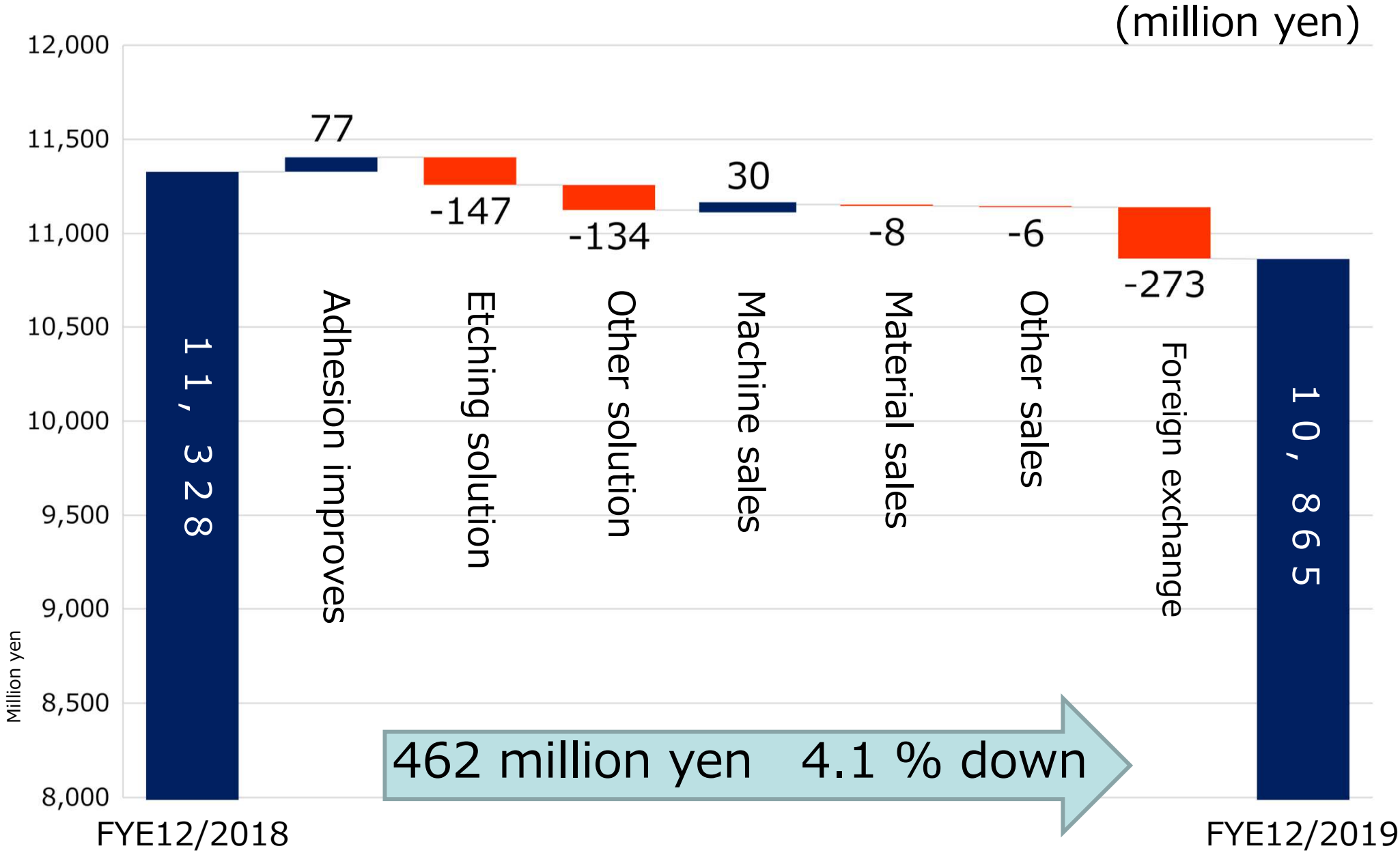
FYE 12/2019 Results - 1

	4Q			July to December			Full-year				
	FYE18.12	FYE19.12	YOY (%)	FYE18.12	FYE19.12	YOY (%)	FYE18.12	FYE19.12	FYE19.12 (Forcast)	YOY (%)	Forcast ratio(%)
Net sales	2,896	2,761	-4.7%	5,829	5,889	1.0%	11,328	10,865	10,700	-4.1%	1.6%
Chemical sales	2,847	2,715	-4.6%	5,745	5,767	0.4%	11,131	10,657	-	-4.3%	-
Gross profit	1,829	1,606	-12.2%	3,750	3,588	-4.3%	7,242	6,618	-	-8.6%	-
Gross profit margin	63.2%	58.2%	-	64.3%	60.9%	-	63.9%	60.9%	-	-	-
SGA	1,353	1,335	-1.4%	2,566	2,561	-0.2%	5,019	4,981	-	-0.7%	-
Sales ratio	46.7%	48.4%	-	44.0%	43.5%	-	44.3%	45.8%	-	-	-
Operating income	475	271	-43.0%	1,183	1,026	-13.3%	2,222	1,637	1,550	-26.4%	5.6%
Operating profit margin	16.4%	9.8%	-	20.3%	17.4%	-	19.6%	15.1%	-	-	-
Ordinary income	473	326	-31.0%	1,194	1,083	-9.3%	2,236	1,722	1,600	-23.0%	7.6%
Ordinary profit margin	16.3%	11.8%	-	20.5%	18.4%	-	19.7%	15.9%	-	-	-
Profit before tax	468	322	-31.1%	1,209	1,061	-12.2%	2,328	1,710	-	-26.5%	-
Net income	348	229	-34.1%	888	779	-12.3%	1,778	1,236	1,150	-30.5%	7.5%
Net income per share(yen)	-	-	-	-	-	-	92.85	65.16	60.61	-29.8%	7.5%
Dividend per share(yen)	-	-	-	-	-	-	26.00	26.00	26.00	0%	0%

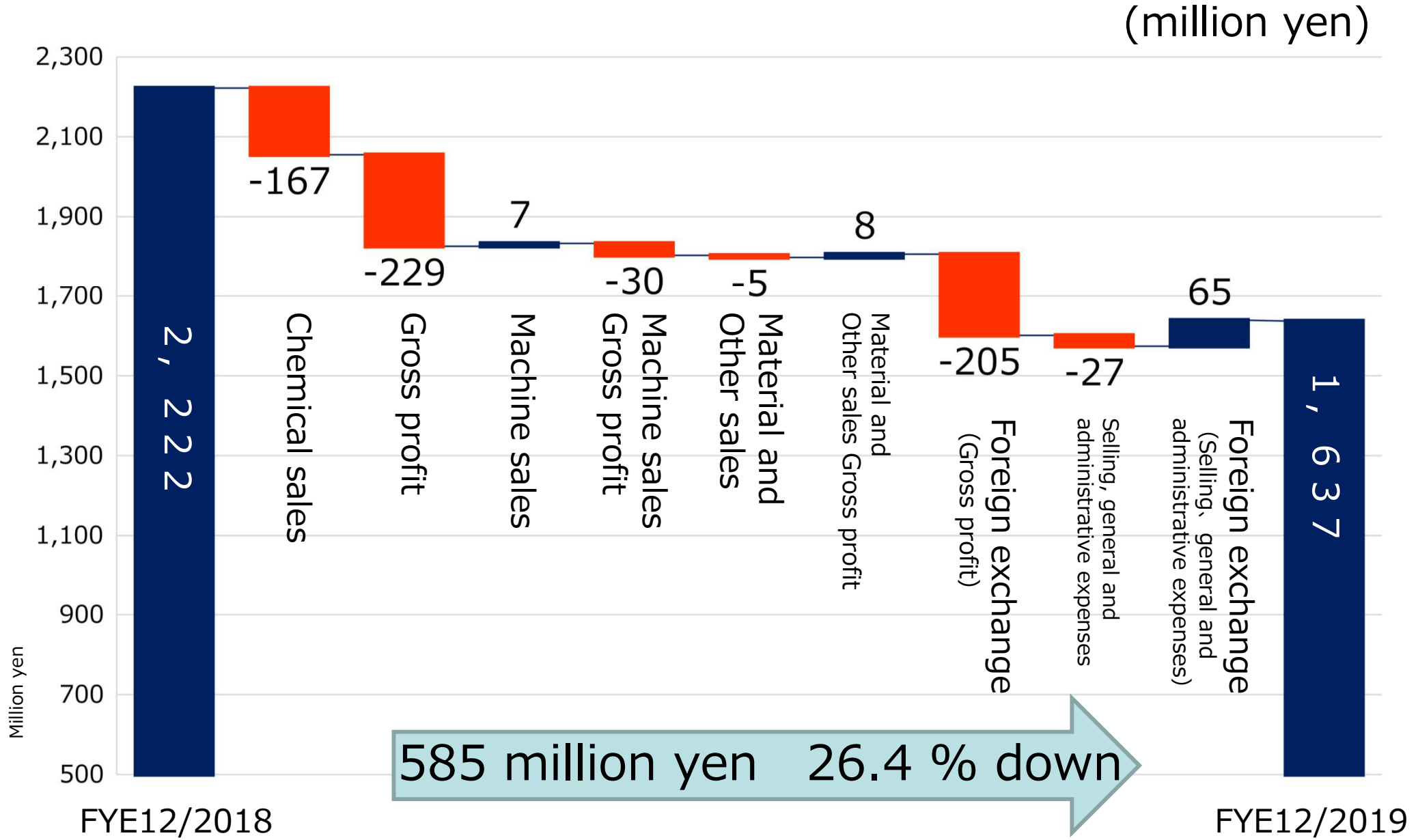
FYE 12/2019 Results - 2

	4Q			Jury to December			Full-year				
	FYE18.12	FYE19.12	YOY (%)	FYE18.12	FYE19.12	YOY (%)	FYE18.12	FYE19.12	FYE19.12 (Forcast)	YOY (%)	Forcast ratio(%)
CZ sales	1,348	1,468	8.8%	2,766	2,952	6.7%	5,571	5,517	5,718	-1.0%	-3.5%
Chemical sales	47.4%	54.1%	-	48.1%	51.2%	-	50.0%	51.8%	-	-	-
CZ-8100	253	269	6.6%	525	527	0.4%	1,074	1,020	1,096	-5.1%	-6.9%
vs. Chemical sales ratio	8.9%	9.9%	-	9.1%	9.1%	-	9.7%	9.6%	-	-	-
CZ-8101	713	753	5.6%	1,439	1,505	4.6%	2,896	2,836	2,961	-2.1%	-4.2%
vs. Chemical sales ratio	25.1%	27.7%	-	25.1%	26.1%	-	26.0%	26.6%	-	-	-
Other CZ	382	445	16.5%	801	919	14.7%	1,599	1,660	1,661	3.8%	-0.1%
vs. Chemical sales ratio	13.4%	16.4%	-	13.9%	15.9%	-	14.4%	15.6%	-	-	-
Overseas sales ratio	-	-	-	-	-	-	54.4%	55.2%	-	-	-
Real overseas sales ratio	-	-	-	-	-	-	72.8%	74.5%	-	-	-

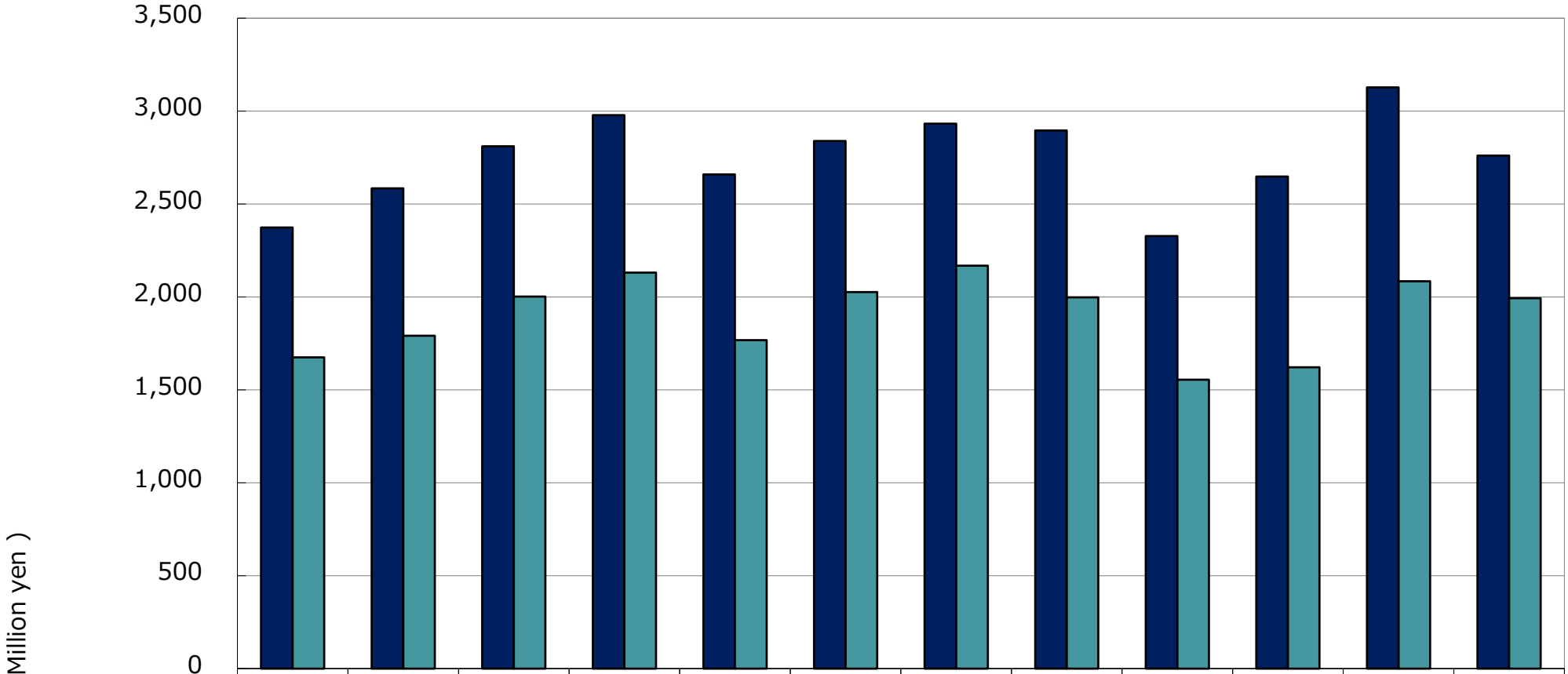
Net sales YOY



Operating income YOY

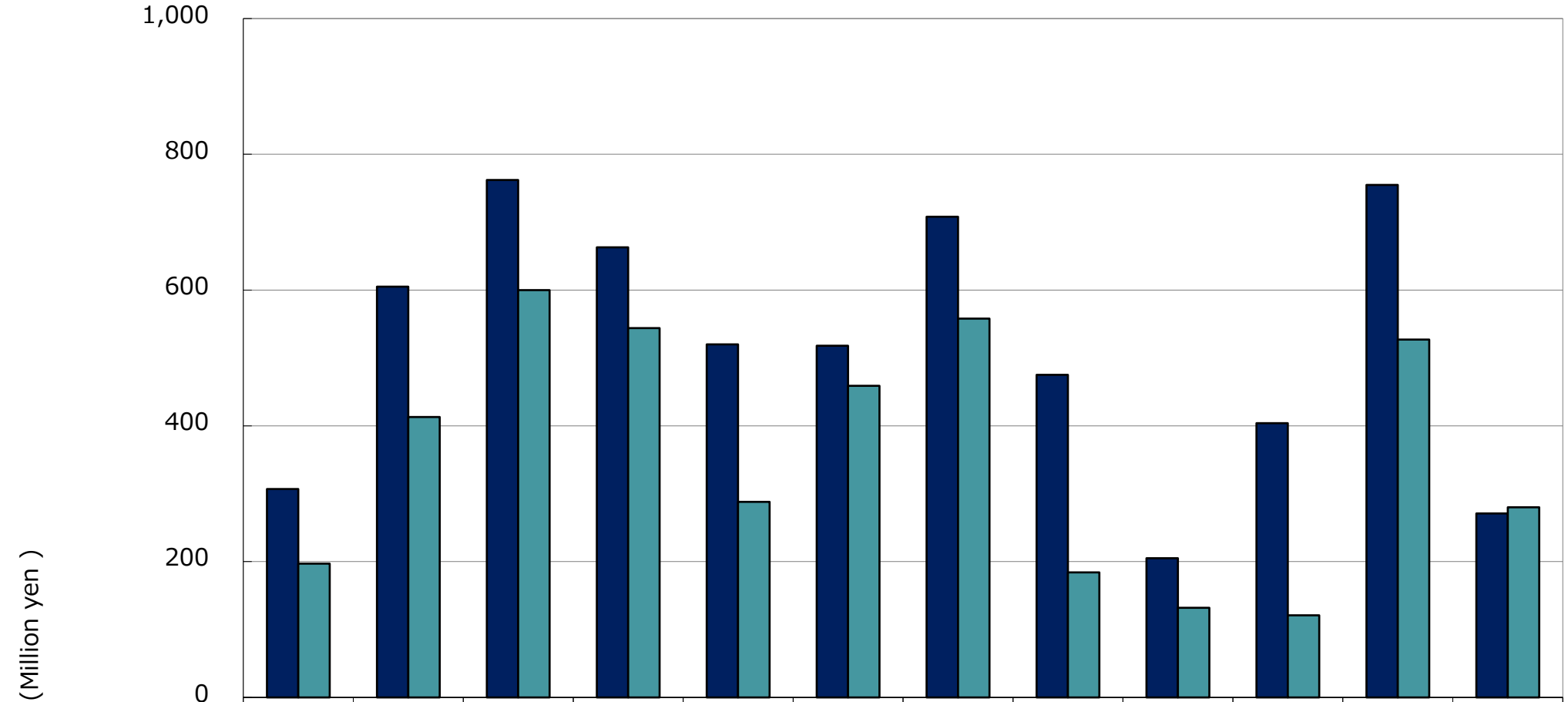


Quarterly net sales



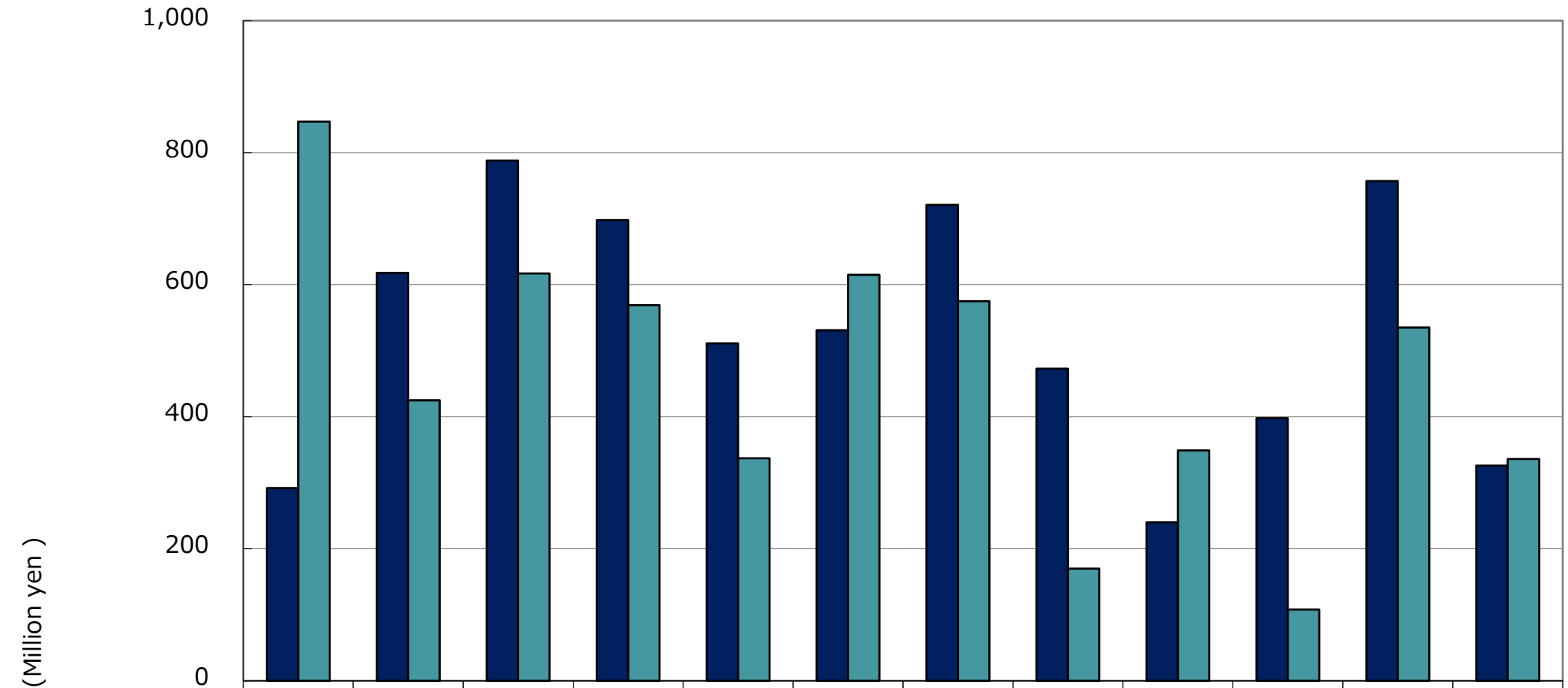
	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12
	2017 Converted				2018				2019			
Consolidated	2,374	2,585	2,811	2,978	2,660	2,839	2,932	2,896	2,328	2,648	3,128	2,761
Non-consolidated	1,675	1,791	2,002	2,131	1,767	2,026	2,168	1,998	1,555	1,622	2,084	1,993

Quarterly operating income



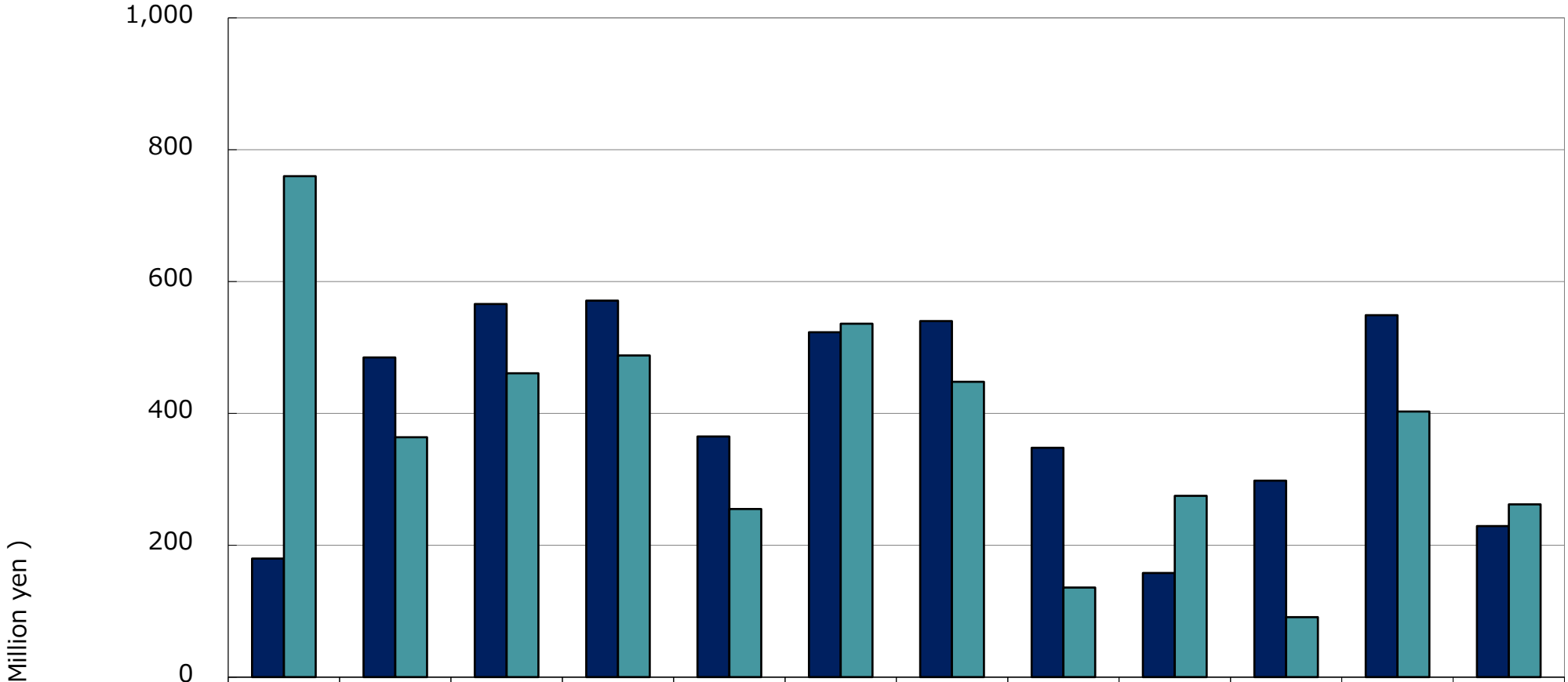
	2017 Converted				2018				2019			
	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12
Consolidated	307	605	762	663	520	518	708	475	205	404	755	271
Non-consolidated	197	413	600	544	288	459	558	184	132	121	527	280

Quarterly ordinary income



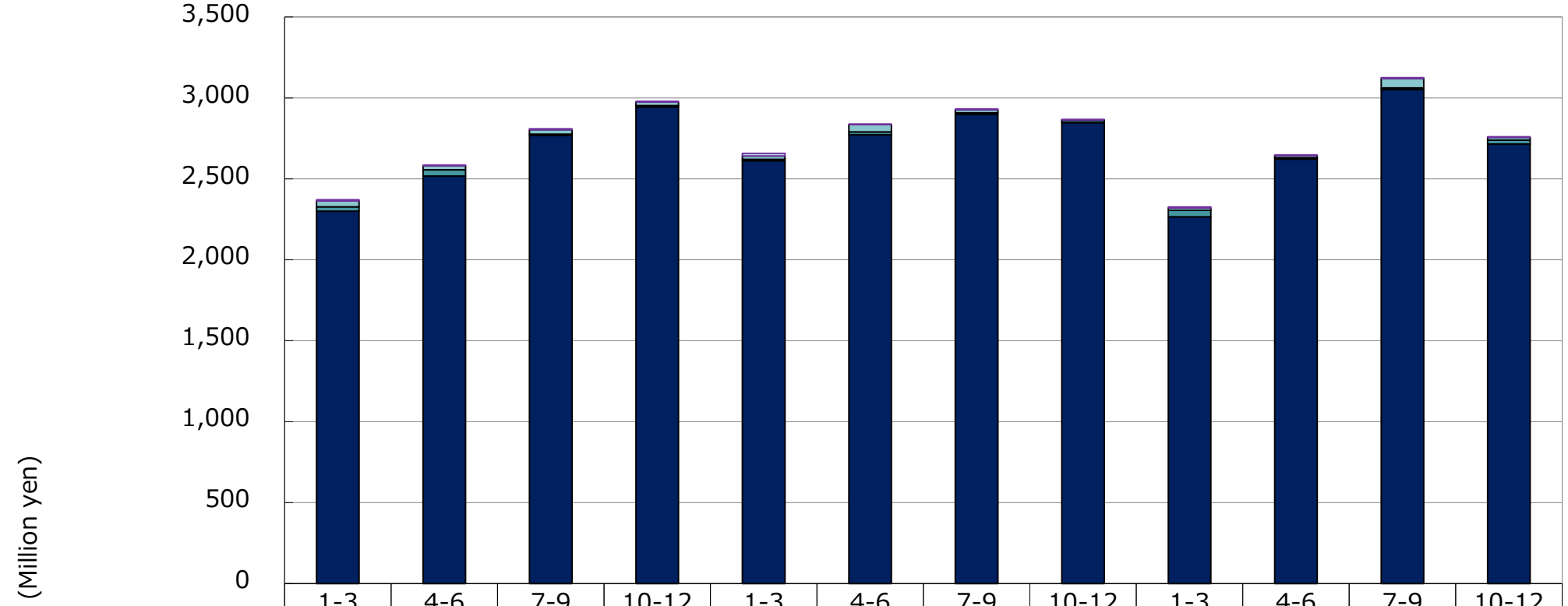
	2017 Converted				2018				2019			
	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12
Consolidated	292	618	788	698	511	531	721	473	240	398	757	326
Non-consolidated	847	425	617	569	337	615	575	170	349	108	535	336

Quarterly net income



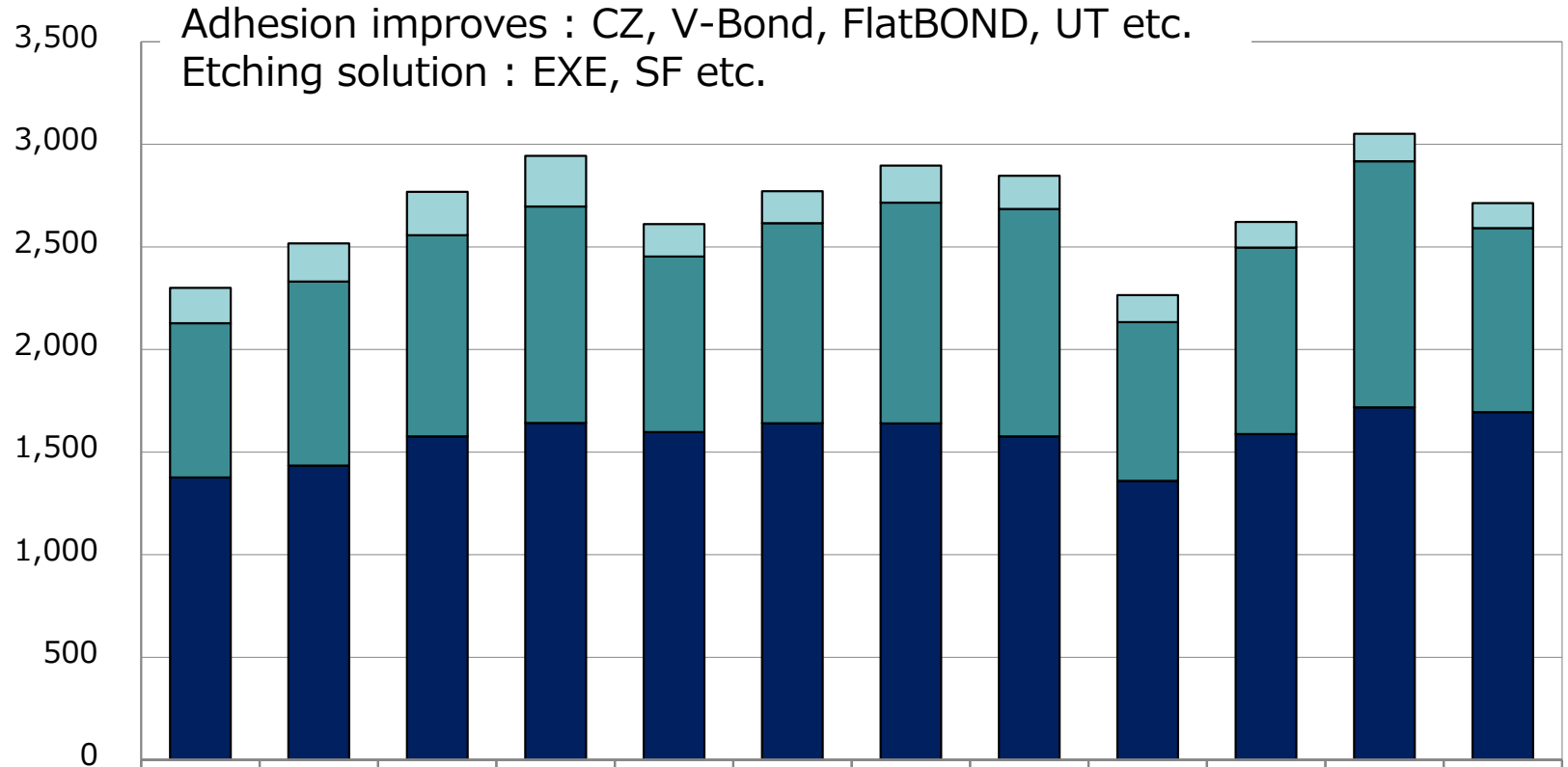
	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12
	2017 Converted				2018				2019			
Consolidated	180	485	566	571	365	523	540	348	158	298	549	229
Non-consolidated	760	364	461	488	255	536	448	136	275	91	403	262

Product-specific quarterly sales (consolidated)



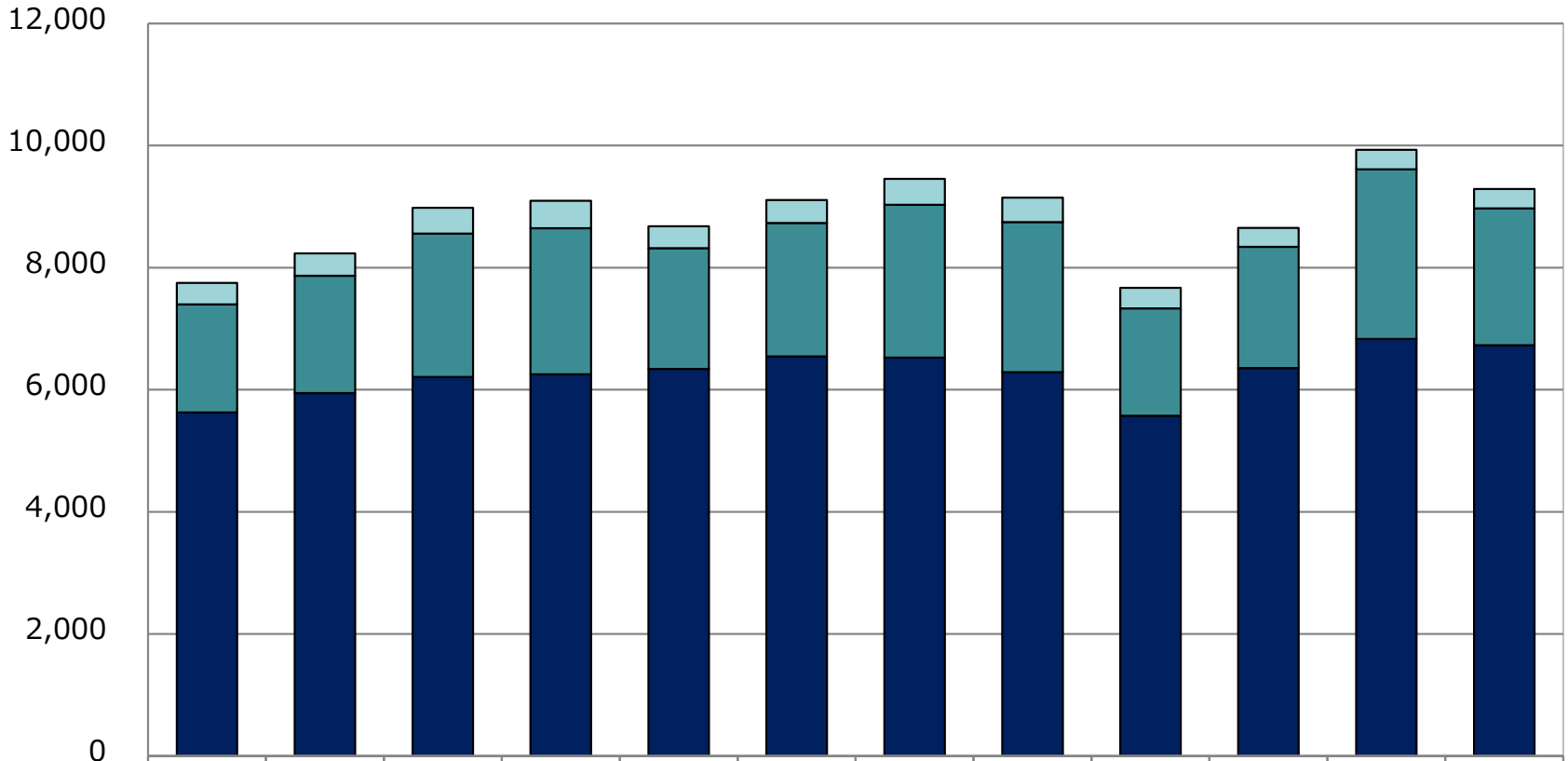
	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12
	2017 Converted				2018				2019			
Other	8	1	5	2	16	1	4	1	6	1	5	4
materials for PCBs	36	26	28	23	21	46	19	3	15	15	58	17
Equipments for PCBs	27	39	7	8	9	17	10	15	40	8	10	24
Chemicals for PCBs	2,301	2,518	2,769	2,945	2,612	2,773	2,898	2,847	2,266	2,623	3,052	2,715

Quarterly chemical sales (consolidated)



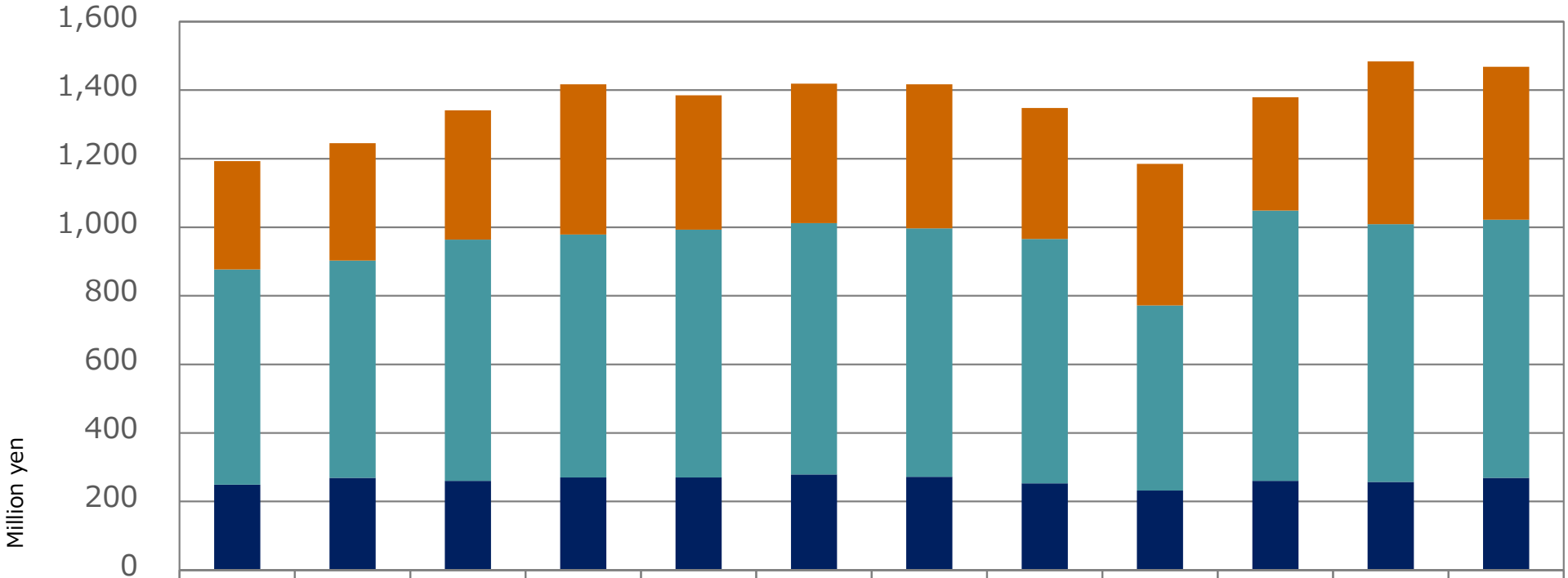
	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12
	2017 Converted				2018				2019			
Other surface processing solution	172	186	212	247	158	156	181	162	132	125	133	122
Etching solution	752	897	980	1,055	855	975	1,076	1,108	773	909	1,200	897
Adhesion improves	1,376	1,434	1,577	1,642	1,598	1,641	1,640	1,577	1,360	1,588	1,718	1,695

Chemical shipment volume (consolidated)



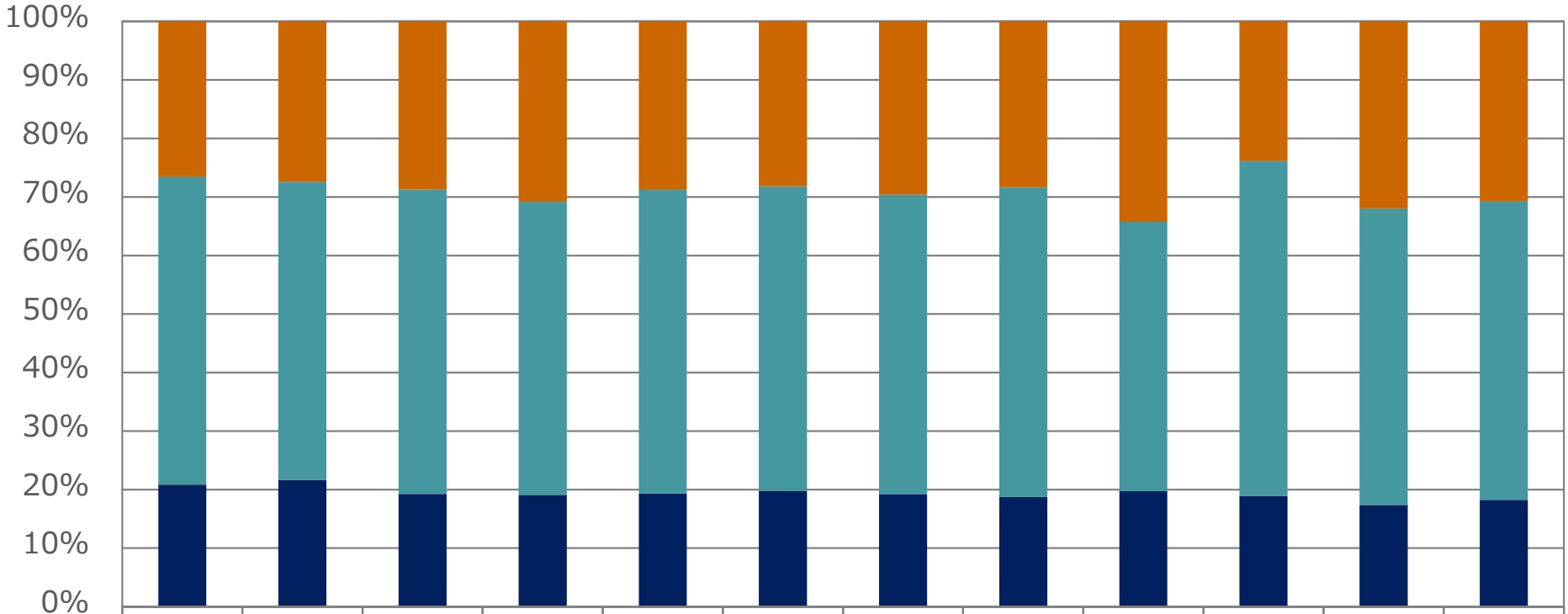
	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12
	2017 Converted				2018				2019			
Other surface processing solution	352	366	423	451	360	377	424	399	338	310	320	319
Etching solution	1,768	1,925	2,350	2,394	1,978	2,186	2,504	2,462	1,758	1,986	2,777	2,242
Adhesion improves	5,630	5,944	6,209	6,252	6,341	6,546	6,527	6,286	5,575	6,356	6,833	6,729

CZ series sales



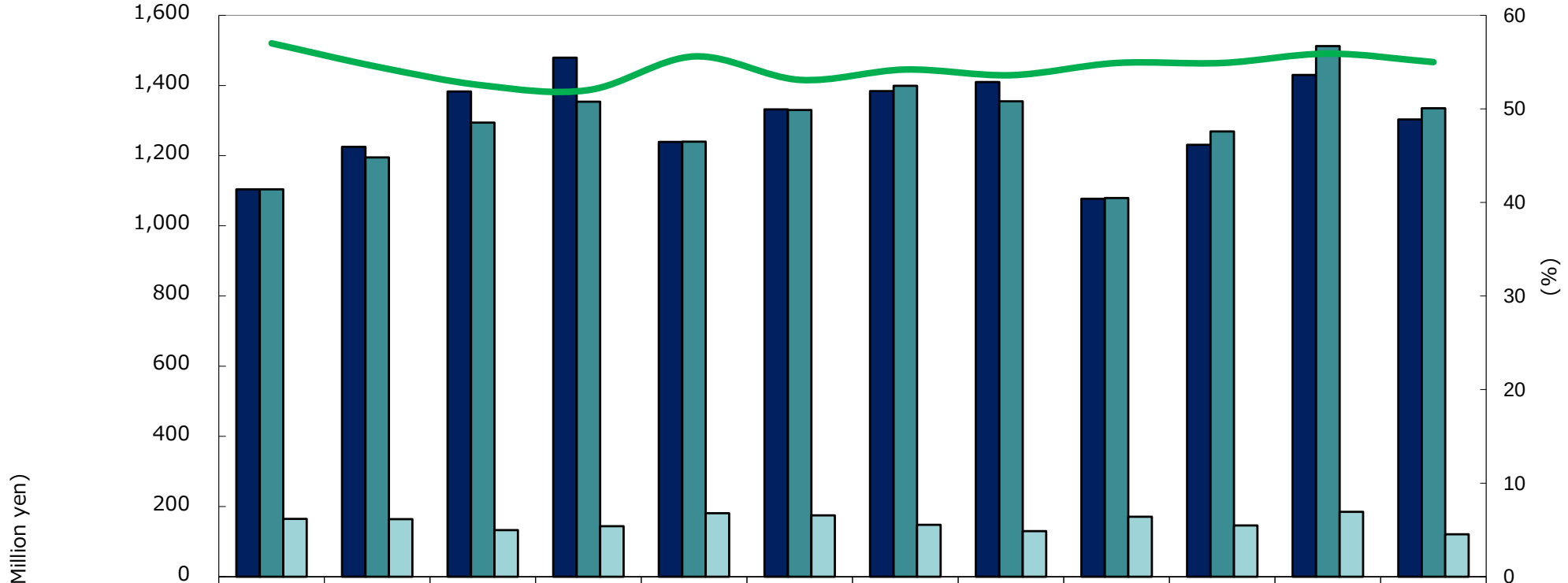
	2017 1-3	2017 4-6	2017 7-9	2017 10-12	2018 1-3	2018 4-6	2018 7-9	2018 10-12	2019 1-3	2019 4-6	2019 7-9	2019 10-12
Other CZ	316	342	377	438	392	407	420	382	413	330	475	446
8101	628	634	704	709	723	733	725	713	540	789	752	753
8100	249	269	260	270	270	279	272	253	232	260	257	269

CZ series sales (composition ratio)



	2017 1-3	2017 4-6	2017 7-9	2017 10-12	2018 1-3	2018 4-6	2018 7-9	2018 10-12	2019 1-3	2019 4-6	2019 7-9	2019 10-12
Other CZ	26%	27%	29%	31%	29%	28%	30%	28%	34%	24%	32%	31%
8101	53%	51%	52%	50%	52%	52%	51%	53%	46%	57%	51%	51%
8100	21%	22%	19%	19%	19%	20%	19%	19%	20%	19%	17%	18%

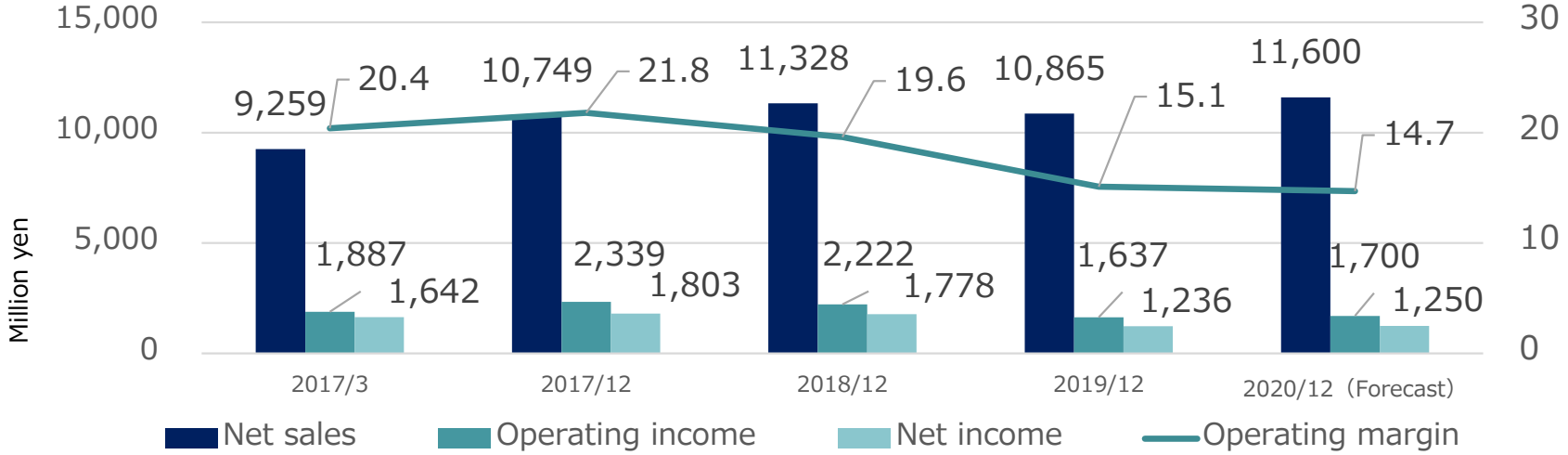
Region-specific sales and overseas sales ratio



	2017 Converted				2018				2019			
	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12
Japan	1,104	1,225	1,383	1,479	1,239	1,332	1,384	1,410	1,077	1,231	1,430	1,303
Asia	1,104	1,195	1,294	1,354	1,240	1,330	1,399	1,355	1,079	1,269	1,512	1,335
Europe	165	164	133	144	181	175	148	130	171	146	185	121
Foregin sales ratio	57.0	54.5	52.5	52.0	55.6	53.1	54.2	53.6	54.9	54.9	55.9	55.0

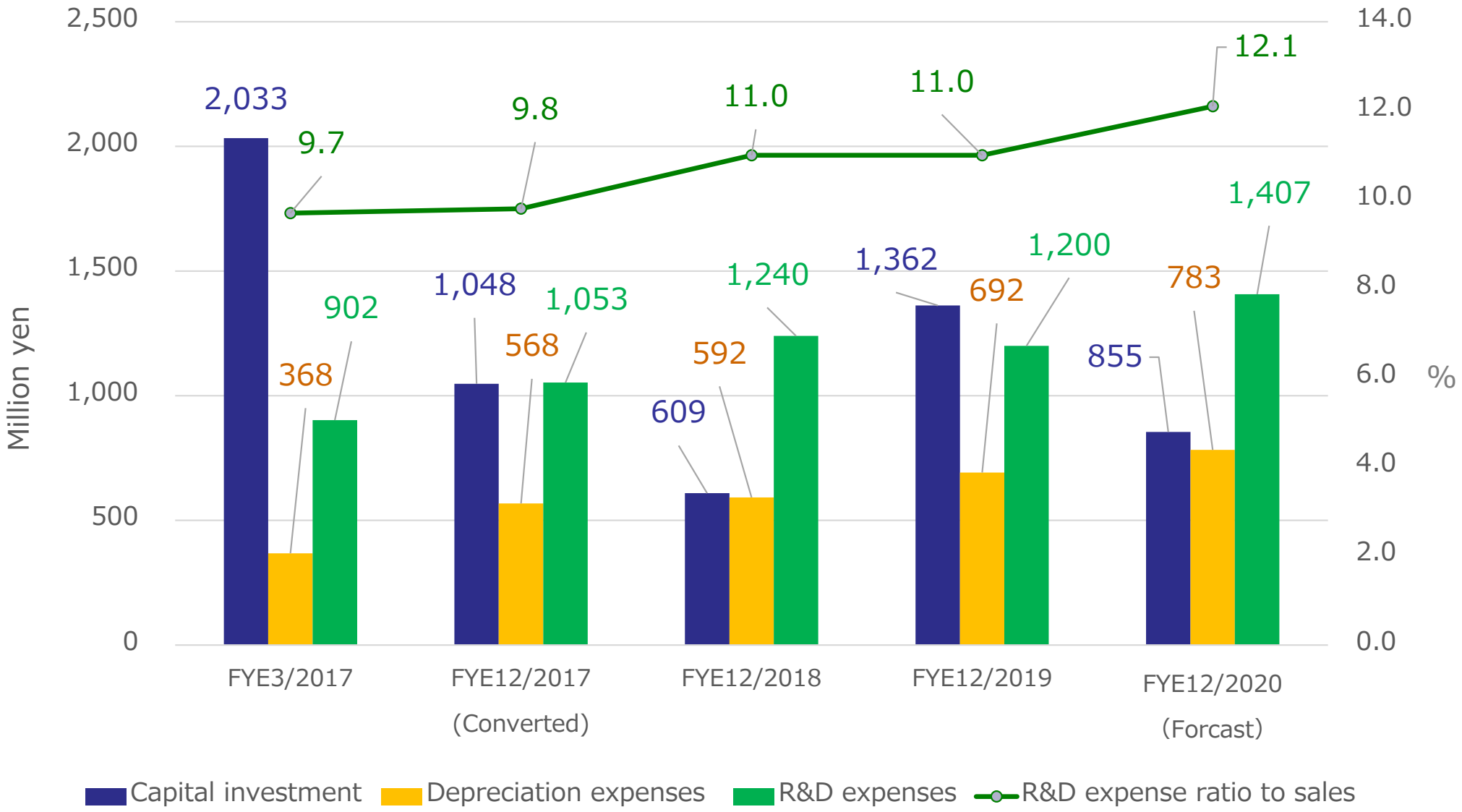
FYE 12/2020 Full-year forecast

	FYE 12/2019 (51th term)		FYE 12/2020 (52th term)				
	Full-year		January-June		Full-year		
	Amount (million yen)	Profit ratio (%)	Amount (million yen)	Profit ratio (%)	Amount (million yen)	Profit ratio (%)	YOY change (%)
Net sales	10,865	-	5,000	-	11,600	-	6.8
Operating income	1,637	15.1	600	12.0	1,700	14.7	3.8
Ordinary income	1,722	15.9	600	12.0	1,750	15.1	1.6
Net income	1,236	11.4	400	8.0	1,250	10.8	1.1
Net income per share(yen)	65.16	-	21.07	-	65.87	-	-



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

Capital investment, Depreciation expenses and R&D expenses



Dividend, Payout ratio and ROE

