



First & No. 1 Niche Top Company

Asahi Yukizai Corporation

Securities Code; 4216 (Chemical)

President & Representative Director

Kazuya Nakano

August 8, 2023

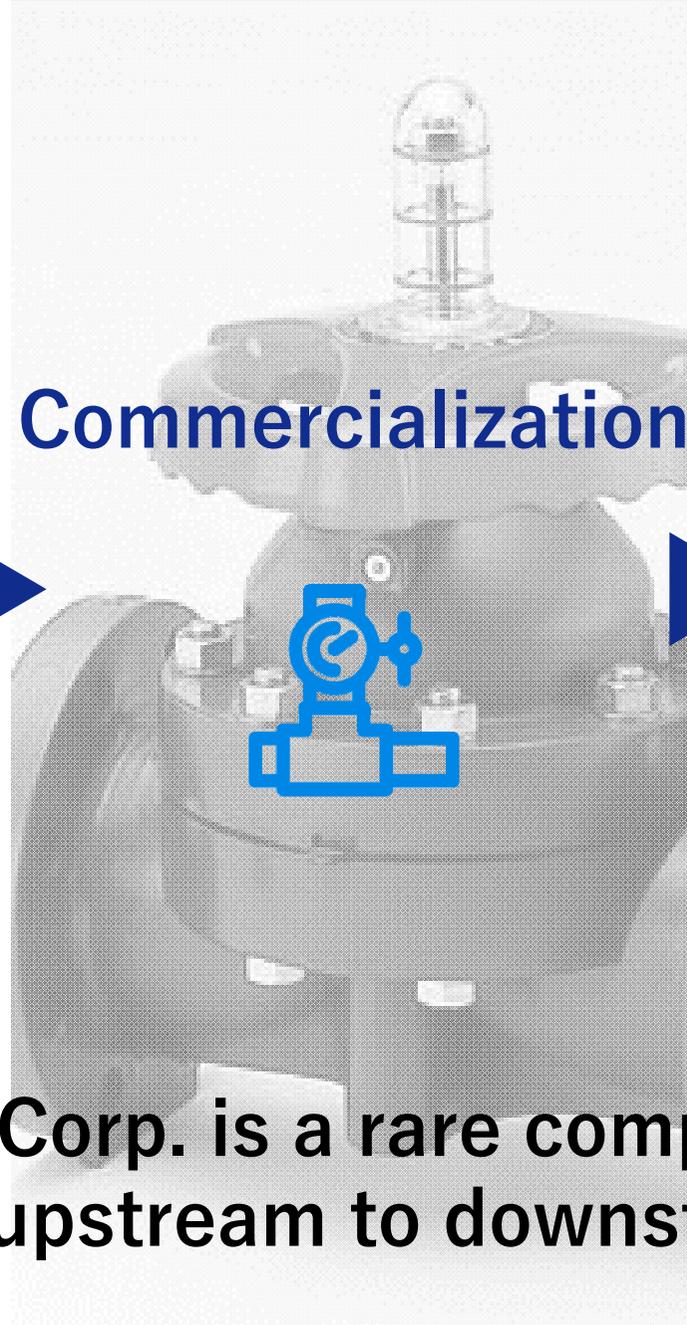
What is Organic Material?



Keyword is “Resin”

KEYWORD

Resin



Asahi Yukizai Corp. is a rare company operating from upstream to downstream.

1 Corporate Profile

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- Business overview
- History of the Asahi Yukizai Group
- Global Network of the Asahi Yukizai Group
- Selected as one of the "2020 Top 100 Global Niche Companies Selections"

2 Business Outline

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- Valve & Piping Systems Divisions as main business
- Resin Divisions
 - Electronic materials, growing particularly for semiconductors
 - On-site foaming insulating materials and foundry materials
- Water Treatment & Natural Resources Development Divisions that contribute to the environment

3 FY2022 Forecast, etc.

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- Corporate information
- Business description map (Active locations)
- ESG Activities
- Relationship between business activities and SDGs
- Financial data (FY2013–FY2021)

1 Corporate Profile

Asahi Yukizai Group's Three Business Segments

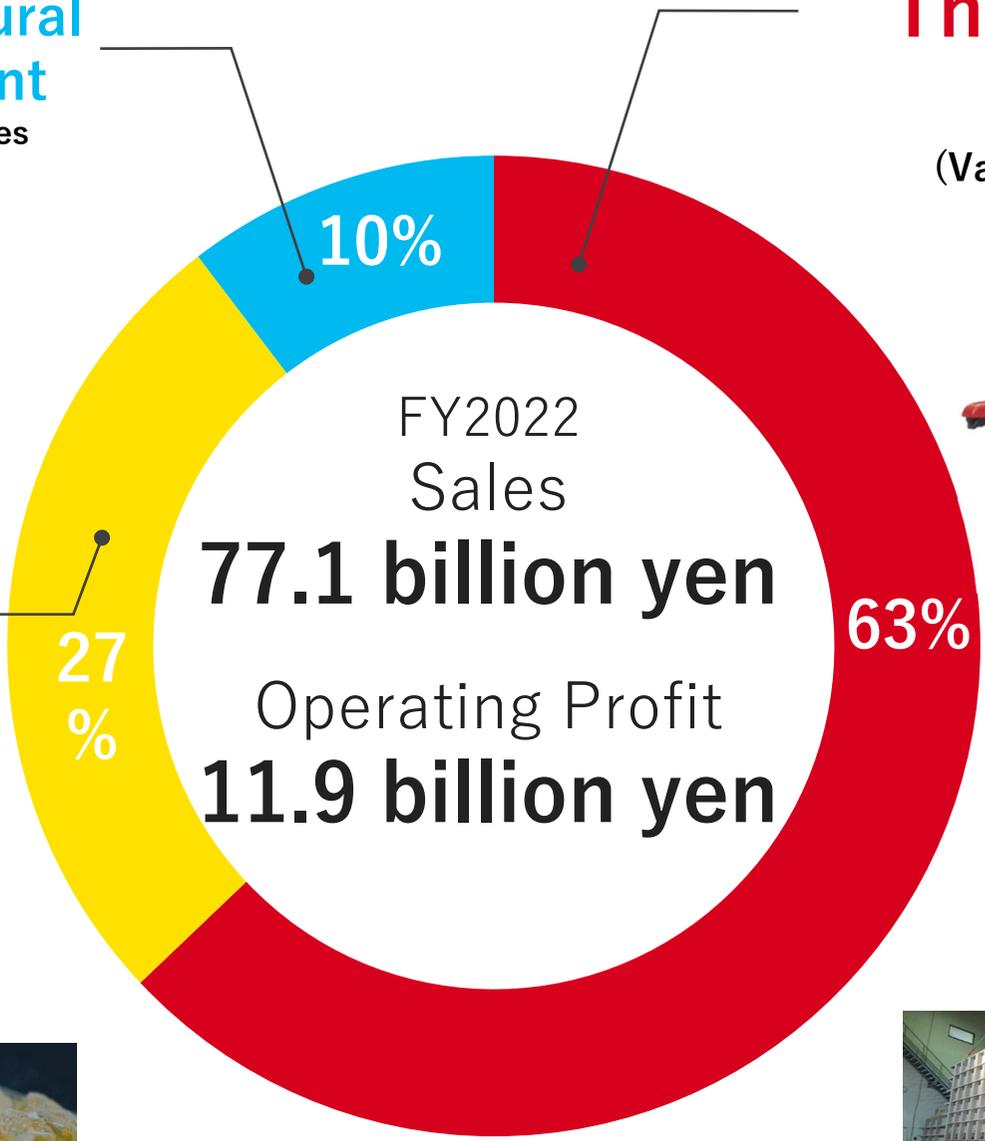
Water Treatment & Natural Resources Development
(Water treatment & Natural Resources Development Divisions)



Resin Materials
(Resin Divisions)



Thermoplastic Valves
(Valve & Piping Systems Divisions)



1945

Started with Aircraft Parts.

Manufactured aircraft parts with wood and resin (veneer) instead of scarce metal materials.

Founded as Nitchitsu Kozai Kogyo Co., Ltd.



1950

Started the Resin Business.

Fully developed plastic molding materials, starting with use in the housing of black telephones that were becoming popular in the postwar period.

1956

Launched the World's First Thermoplastic Valves.

The world's first thermoplastic molding.

Released the "ASAHI AV" series of plastic valves.

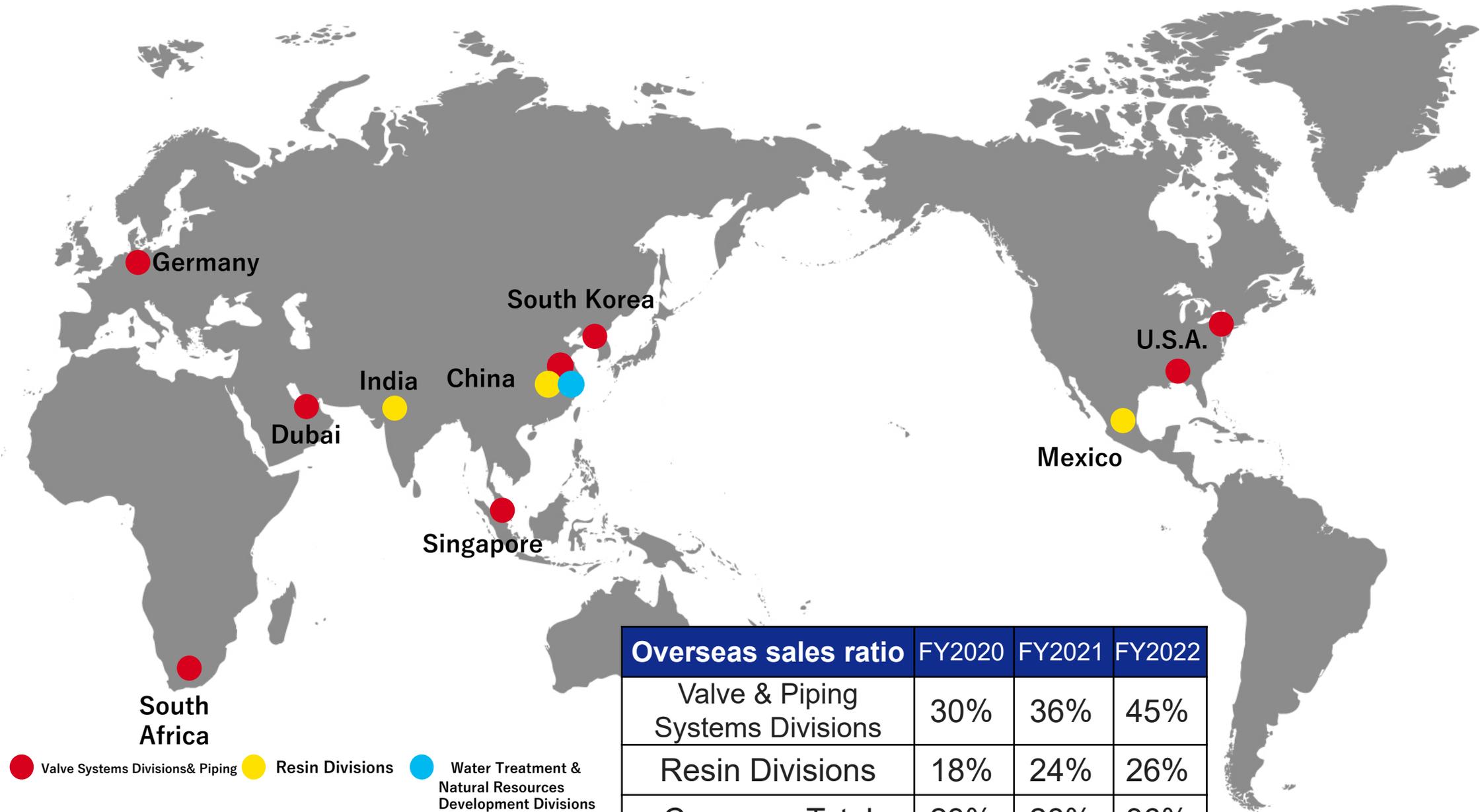
1990

Photoresist Resins

2000

Small Precision Valves for
Semiconductor
Manufacturing Equipment

Global Network of the Asahi Yukizai Group



Overseas sales ratio	FY2020	FY2021	FY2022
Valve & Piping Systems Divisions	30%	36%	45%
Resin Divisions	18%	24%	26%
Company Total	23%	28%	36%



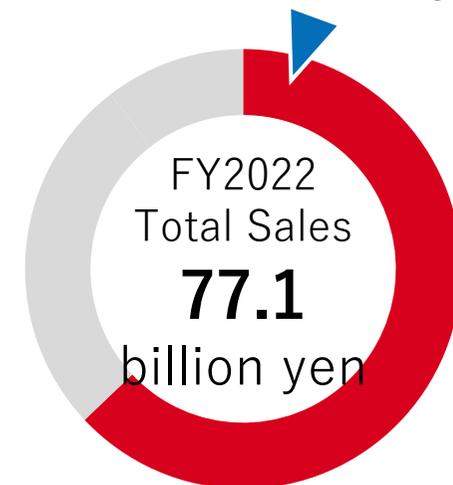
Selected as one of the **"2020 Top 100 Global
Niche Companies Selections"**
(Materials/Chemical Category) by the Ministry of
Economy, Trade and Industry.



First & No. 1 Niche Top Company

2 Business Outline

48.5 billion yen



2-1

Core Divisions Valve & Piping Systems Divisions

Demonstrate Strengths in Special Fields

Metal valves are more common, but **resin valves work well in a situation where corrosion or metal elution is undesirable.**



Steelmaking, Chemical, Nonferrous Metals



Aquariums, Fishery



Agriculture

ASAHI AV



Semiconductors

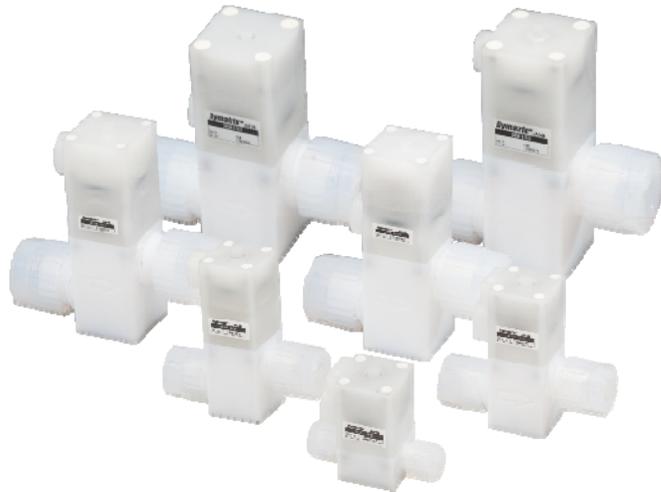
Dymatrix Series Specialized for Semiconductor Manufacturing Equipment

Dymatrix Applications and Characteristics

Used in the pre-process of semiconductor manufacturing (in the cleaning equipment and CMP equipment).

"Dymatrix"

Used in the cleaning process.



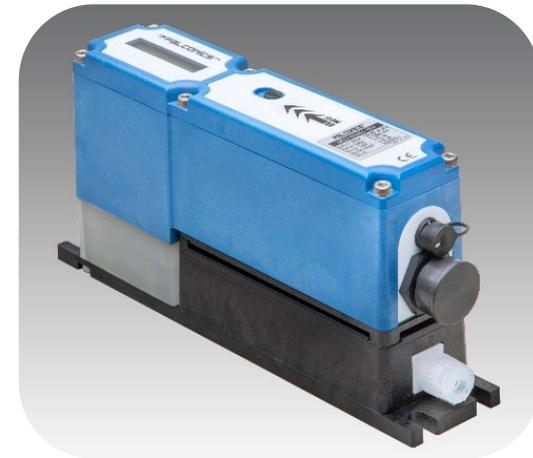
Low particle valve

Dymatrix™

"FALCONICS"

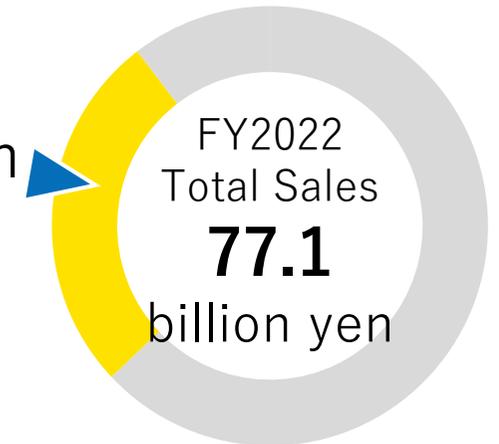
Used in the CMP process.

* CMP: Wafer surface Polishing process



High-precision flow control equipment

20.6 billion yen



2-2

Resin Divisions
Electronic Materials, Growing
Particularly for Semiconductors
On-site Foaming Insulating
Materials and Foundry Materials

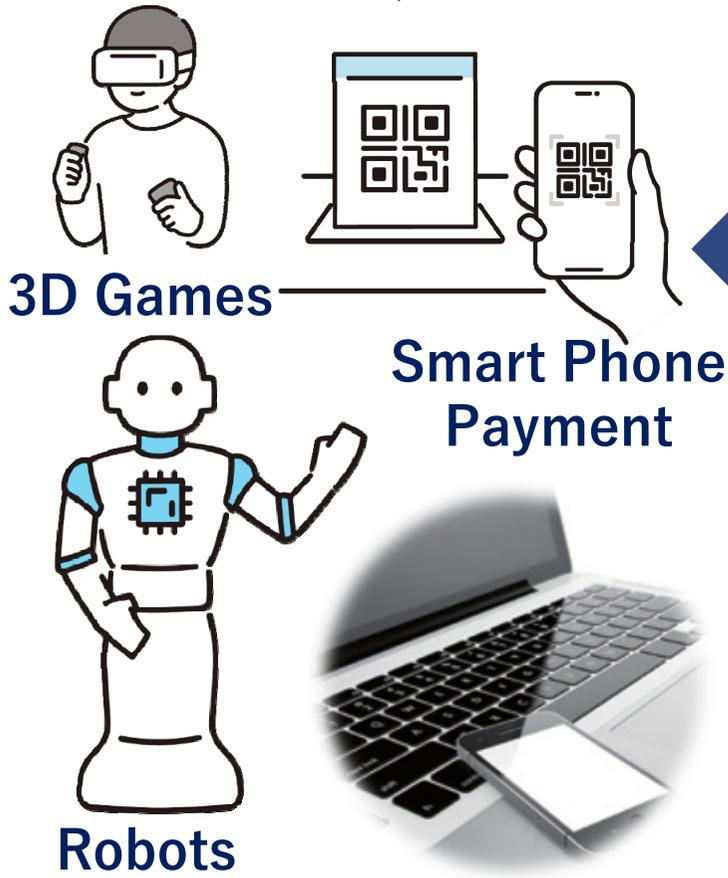
Use of Electronic Materials Photoresist materials and underlying substrates for legacy and advanced semiconductors

Legacy Semiconductors

Analog semiconductors, Power semiconductors, Opt (LED) semiconductors, Sensors

Advanced Semiconductors

Memory, Micro, Logic



3D Games

Smart Phone Payment

Robots



- ◆ **Electrical Materials Second Plant:** Manufacture Resist Materials for Legacy and Advanced Semiconductors.

Outline of Plant Construction:

Location: In Aichi Plant

Start of Construction: December 2022

Completion: June 2024 (Scheduled)



- ◆ **Nantong Electronic Materials Plant:** Responding to Further Expansion of Domestic Demand in China for Resist Materials used for FPD and Legacy Semiconductors.

Production capacity is will increase to 1.5 times greater than before

Outline of Equipment Expansion:

Location: Inside the Nantong Plant, China

Start of Construction: February 2023

Start of Operation: May 2024 (scheduled)



Foaming Materials Business: "On-Site Foaming Insulating Materials"

Characteristics of "On-Site Foaming Insulating Materials"

Used for condominiums, commercial facilities, warehouses, refrigerators, etc.
Installable in parts with a complex shape, enabling efficient and airtight heat insulation work.

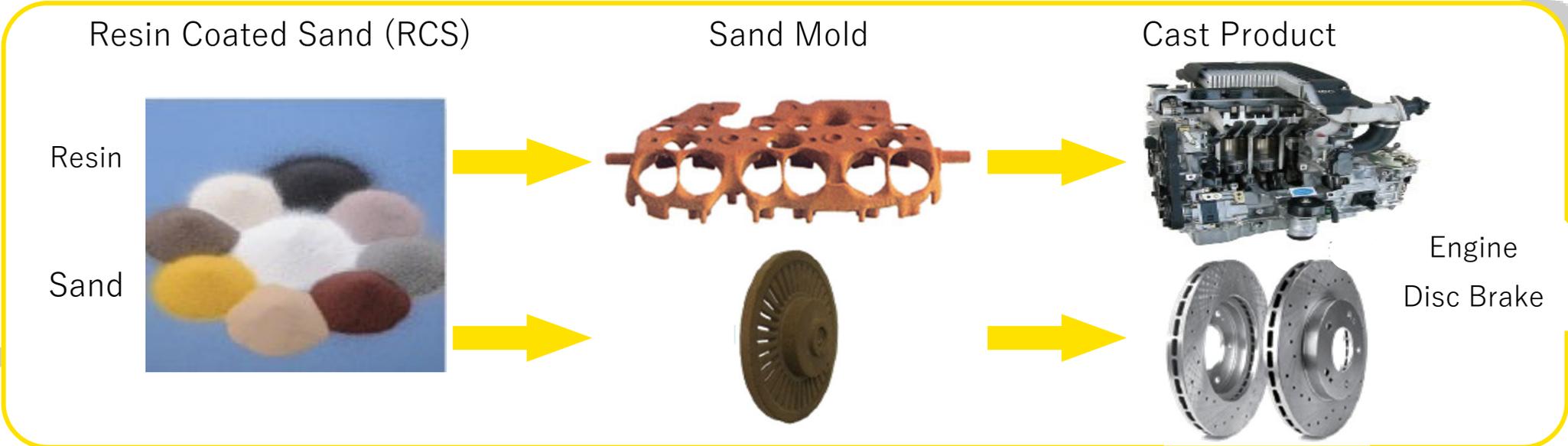
Demand is expected to increase according to the increase of ZEH and ZEB in the future.





Use of Foundry Material Products

Used in the casting process for engine parts, etc.
Established plants in the areas of active automotive-related manufacturers.



Progress in the Shift
to EVs in
Automobiles

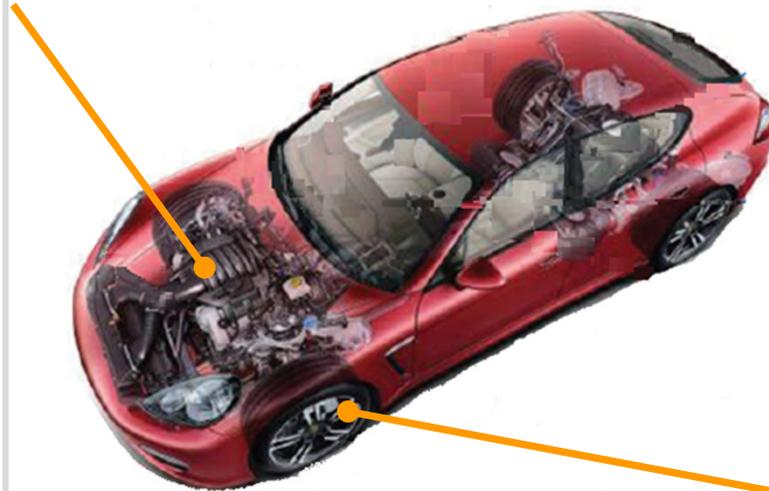
A new opportunity for our company.
Differentiation through **thigh value-added products**

New Demand

Engine Parts



Battery Cover



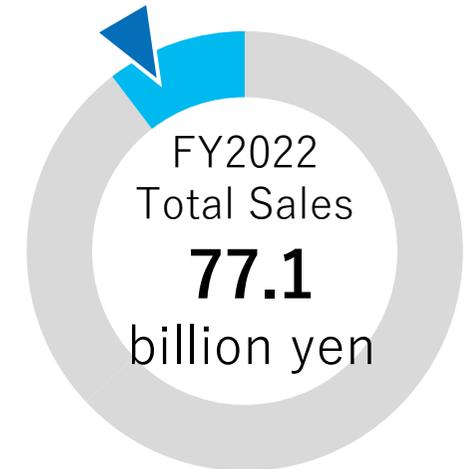
Continued Demand

Brake and Drive
Components

**Thinner, lighter and
more complex than
ever before**

**Advanced technology
is needed.**

80 billion yen



2-3

Water Treatment & Natural Resources Development Divisions that contributes to the environment

History of DRICO

2013

Became a subsidiary of Asahi Yukizai Corporation.
Started as the Water Treatment & Natural Resources Development Divisions.

2019

Started business in China.

2016

Started the environmental chemicals business.

2000

Started the recycled water business.

1952

Succeeded in steam well drilling for geothermal power generation for the first time in Japan.

“First”

Succeeded in steam well drilling for geothermal power generation "for the first time" in Japan.

“No.1”

Number of hot springs drilled
Number of recycled water treatment facilities constructed in large commercial buildings

1950

Established Shonan Drilling Co., Ltd.

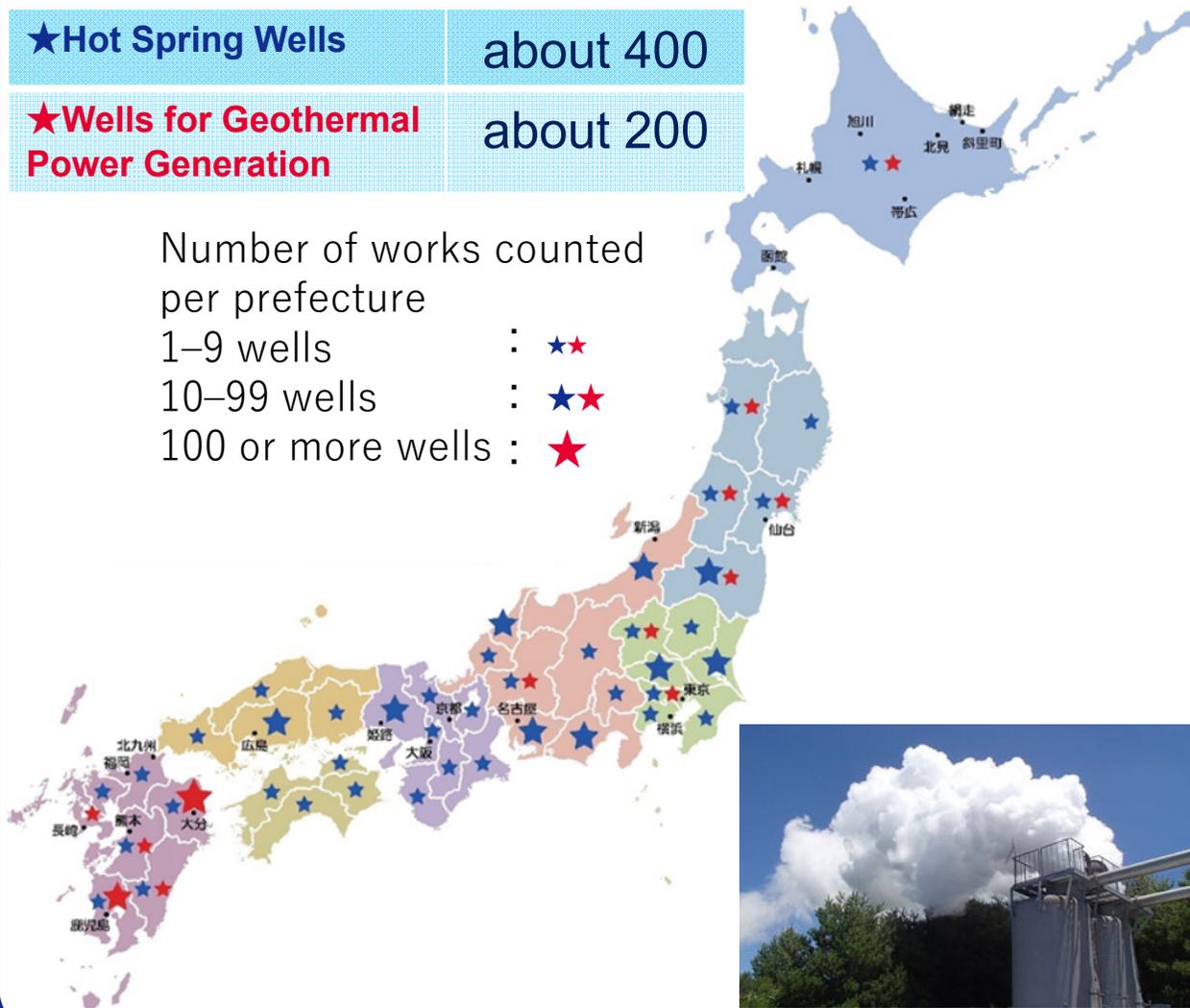


Drilling Works Map

★Hot Spring Wells	about 400
★Wells for Geothermal Power Generation	about 200

Number of works counted per prefecture

- 1-9 wells : ★★
- 10-99 wells : ★★★
- 100 or more wells : ★★★★★



Recycled Water Treatment Facilities: Major Projects

Haneda Airport
(1st, 2nd, and International Buildings)

Tokyo Midtown

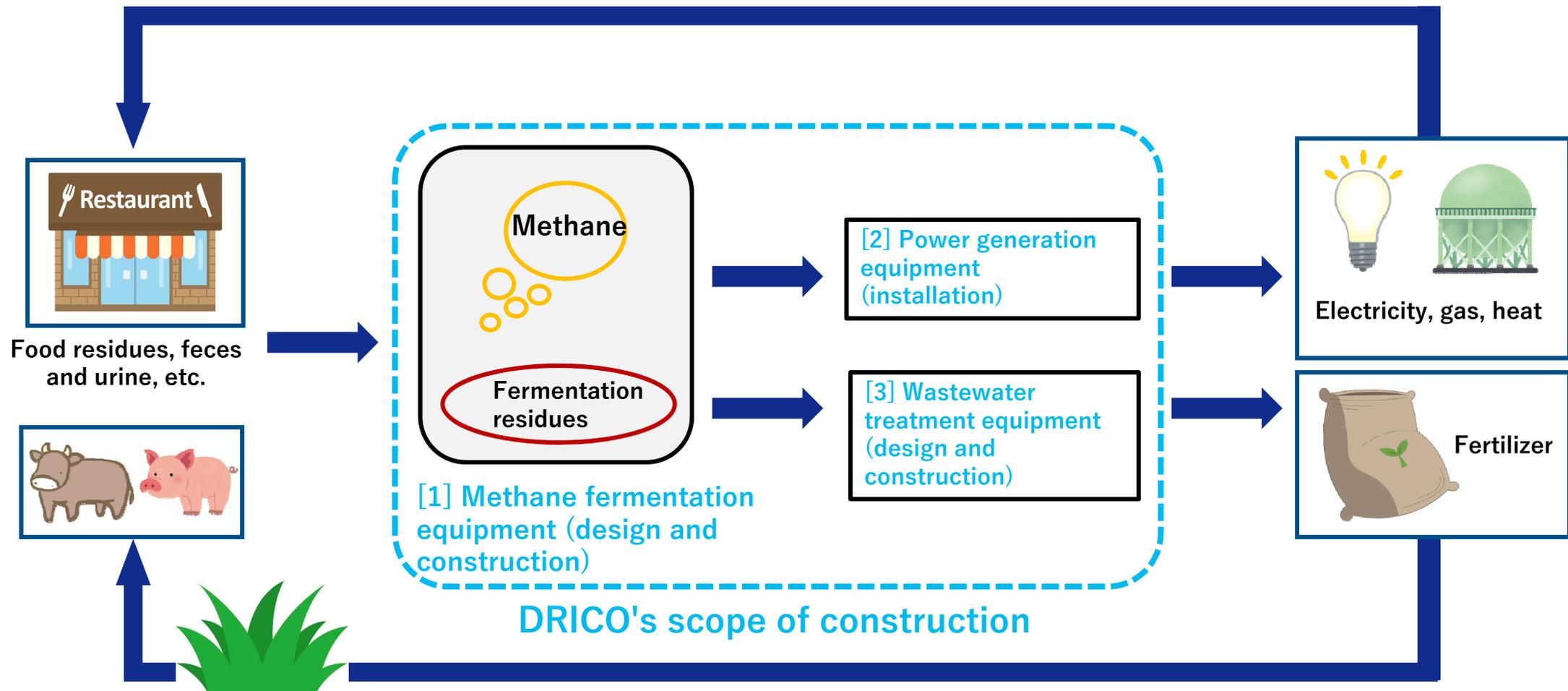
Gran Tokyo North Tower

Iino Building

Chubu Centrair International Airport



Contribute to a **Recycling-Oriented Society** through Wastewater Treatment Technology

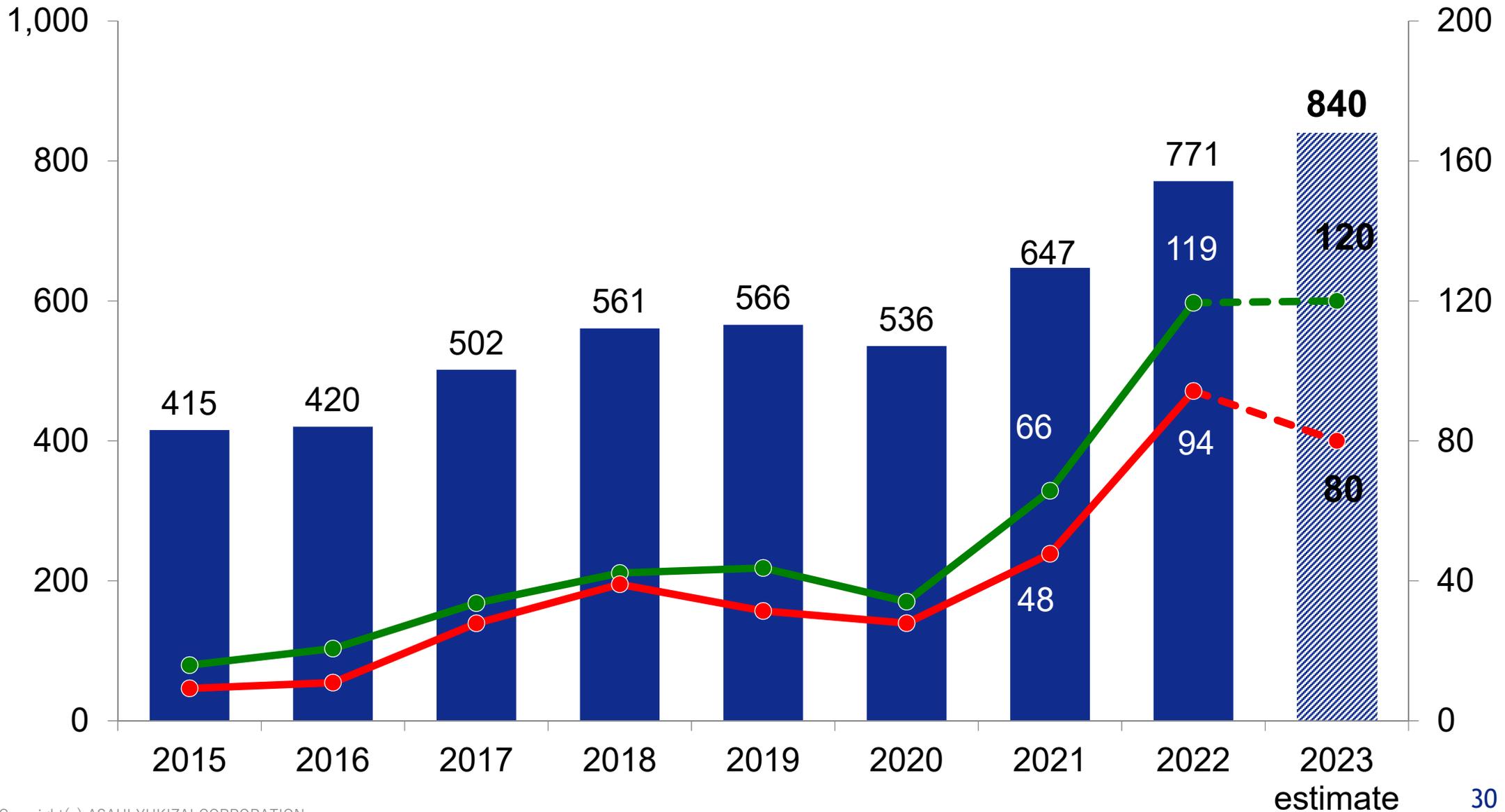


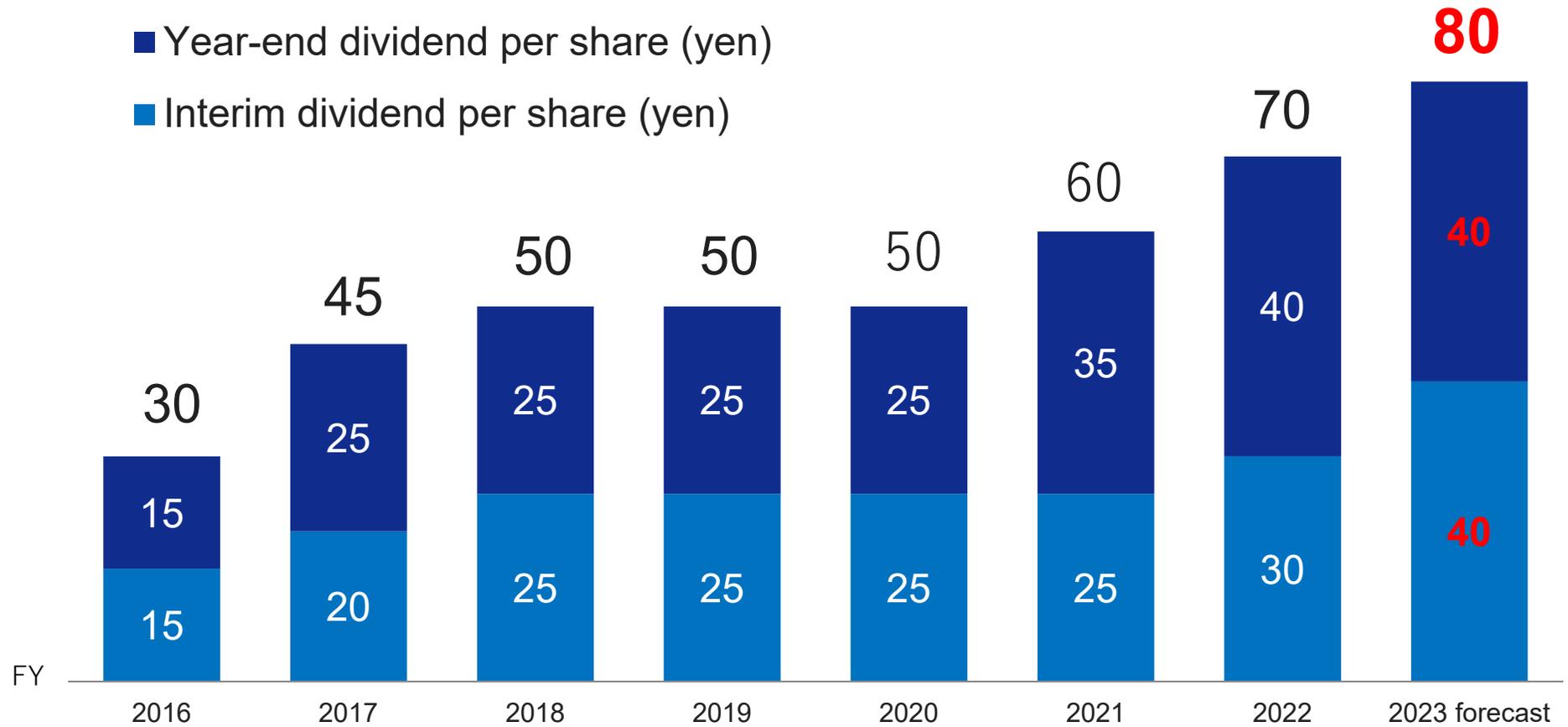
3 FY2023 Forecast, etc.

Full-year Profit/Loss Estimate

■ Sales: 100 million yen

● Operating profit ● Net income for the term
: 100 million yen



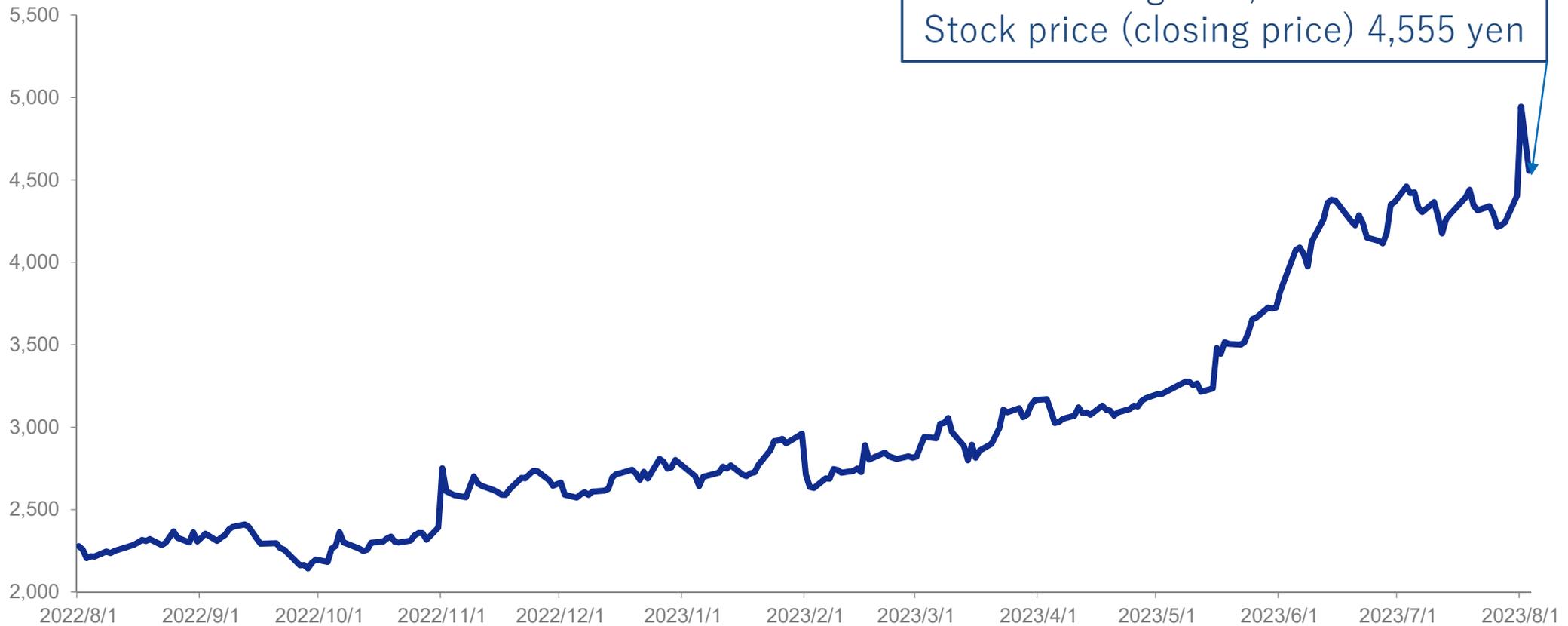


Dividend payout ratio	52.7%	31.0%	24.5%	30.5%	34.3%	24.1%	14.2%	19.2%
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Stock price trends

Stock price: yen

August 3, 2023
Stock price (closing price) 4,555 yen



**Dividend
yield ***

1.8%

**PER
(Company forecast) ***

10.9 times

**PBR
(Actual)**

1.4 times

* Dividend yield and PER (company forecast) are based on the closing price of August 3, 2023 (4,555 yen).

Profit/loss for the first quarter

Unit: Mill. yen

Consolidated basis	FY2022	FY2023	YoY comparison	
	April-June	April-June	Increase/Decrease	Increase/Decrease ratio
Sales	16,764	21,037	+4,273	+25.5%
Operating profit	2,068	4,074	+2,006	+97.0%
Ordinary profit	2,423	4,353	+1,930	+79.6%
Quarterly net income attributable to the shareholders of the parent company	1,536	2,765	+1,229	+80.0%
Unit: Yen				
Quarterly net income per share	80.20	144.31	+64.12	

Assumption of exchange rate

U.S. dollar

130 yen

Euro

130 yen

Yuan

18 yen

4 Midterm Business Plan

Revised in May 2023

Revised
GNT2025
GREAT NICHE T●P

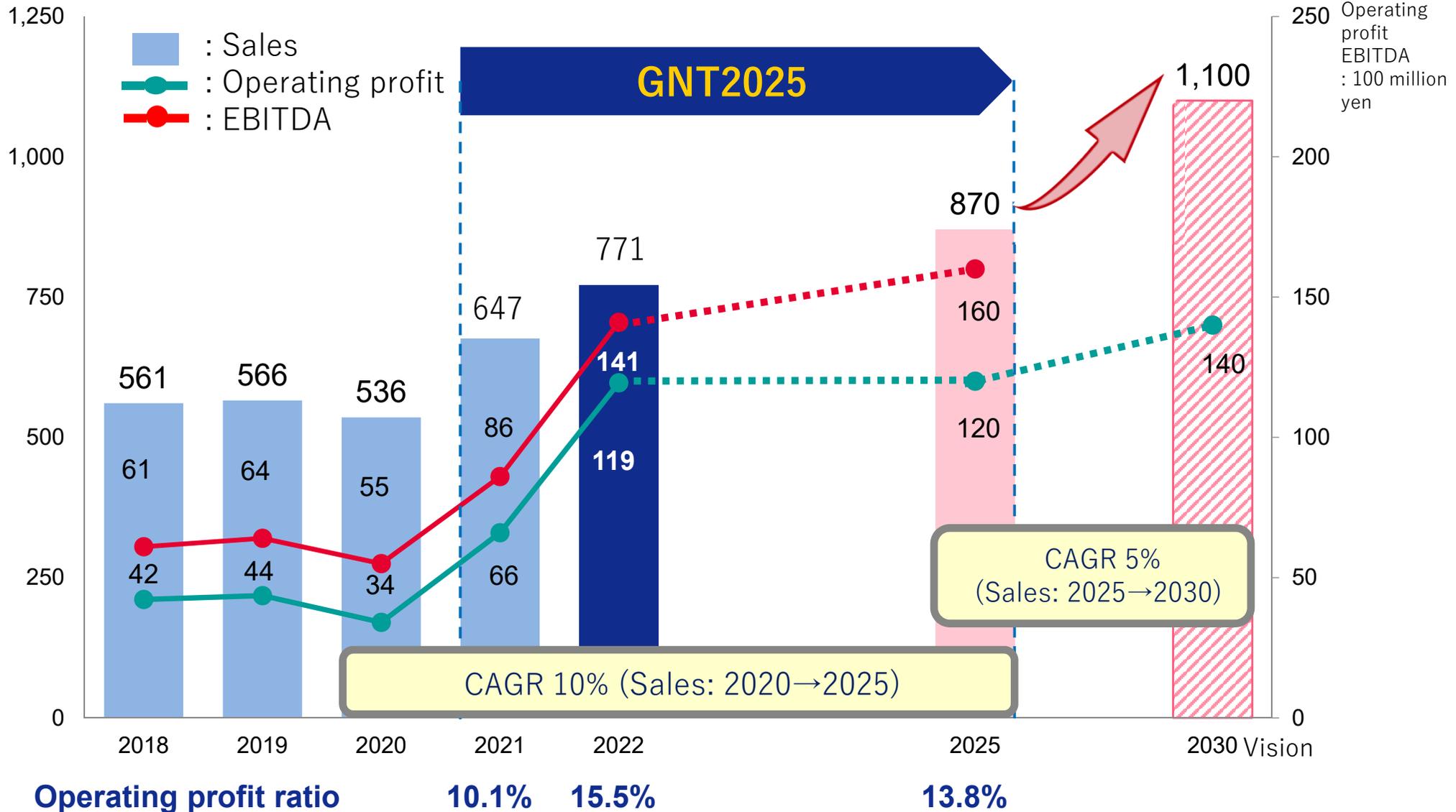


- To become a Great Niche Top company that keeps making a real “difference” -

Toward FY2025–2030 GNT

Sales:
100 million
yen

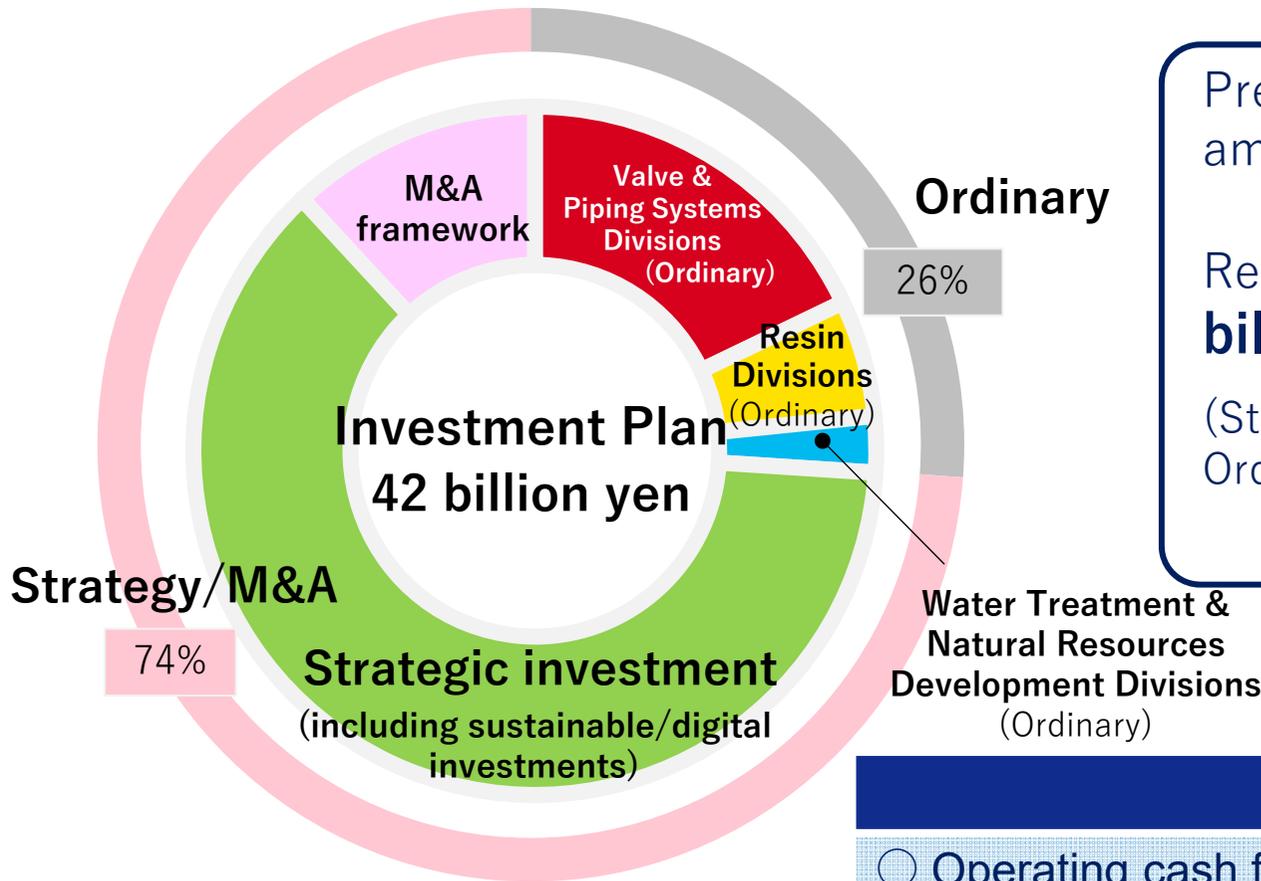
Not including M&A



CAGR (Compound Annual Growth Ratio): Average annual growth rate

Major Measures for Business Growth

Divisions	Measures progressed	New measures
Valve & Piping Systems Divisions	<p>Overseas/semiconductor market</p> <ul style="list-style-type: none"> Started pipe production in China Constructed a new plant in the U.S. Overseas sales expansion of Dymatrix Enhancement of Dymatrix production capacity 	<p>Overseas/semiconductor market</p> <ul style="list-style-type: none"> Smarter operation of Nobeoka Manufacturing Plant Consider the construction of a new Dymatrix plant
Resin Divisions	<p>Electronic materials</p> <ul style="list-style-type: none"> Aichi Second Plant (under construction) First Plant in China (under expansion) 	<p>Electronic materials</p> <ul style="list-style-type: none"> Consideration of a third plant in Japan Consideration of a second plant in China
Water Treatment & Natural Resources Development Divisions		<p>Water treatment</p> <ul style="list-style-type: none"> Entry into biogas power generation



Previously announced investment plan amounted to **22 billion yen**



Revised investment plan amounts to **42 billion yen**, an increase of 20 billion yen.

(Strategic investment: up 19 billion yen, Ordinary investment: up 1 billion yen)

Including M&A investment framework

Sources of funds

- Operating cash flow (including asset efficiency)
- Shortage will be financed by borrowing (D/E ratio of 0.3 is the target)

Shareholder return policy

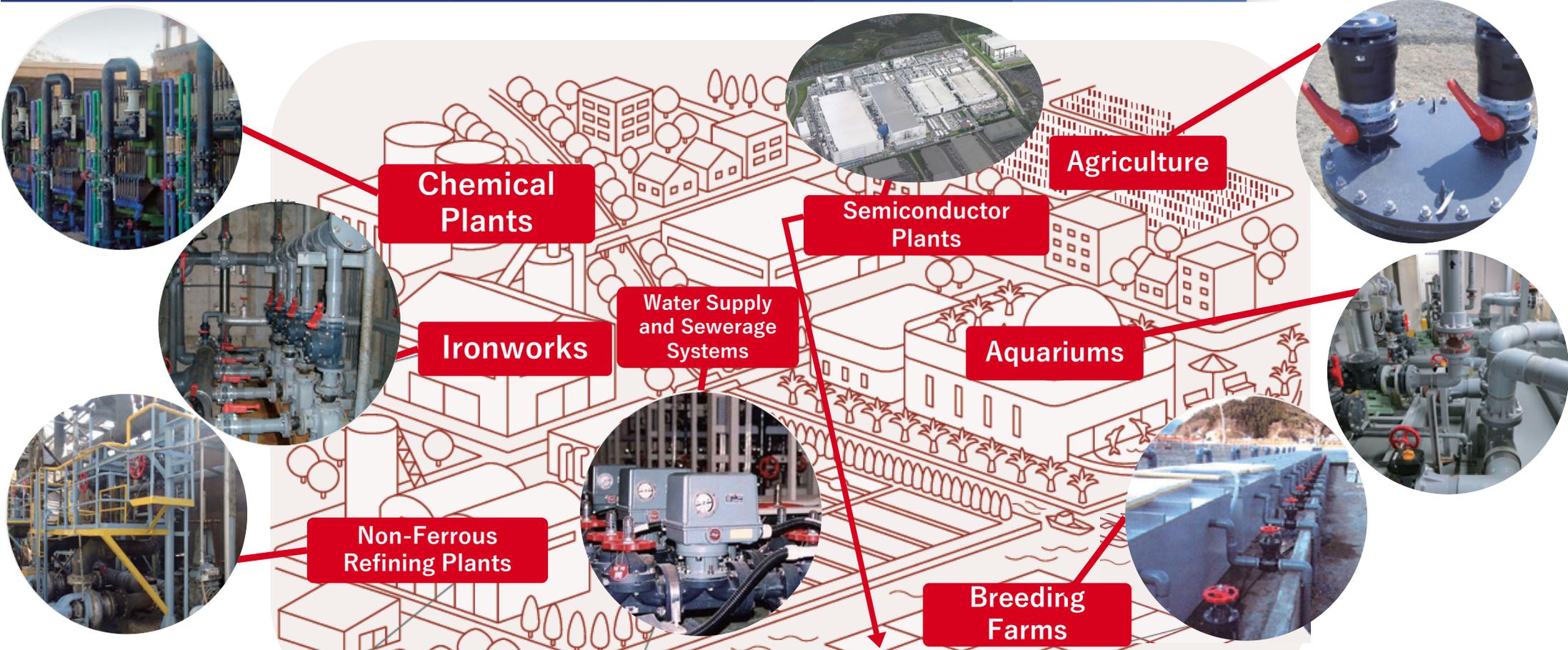
- Aim to secure stable dividends and increase dividends by achieving continuous profit growth, while comprehensively considering performance trends, financial strength, and internal reserves necessary for future investment.

5 Supplementary data

- **Corporate Information**
- **Business description map (Active locations)**
 - Valve & Piping Systems Divisions
 - Resin Divisions
 - Water Treatment & Natural Resources Development Divisions
- **ESG Activities**
- **Relationship between business activities and SDGs**
- **Financial data (FY2013–FY2022)**

■ Trade name	ASAHI YUKIZAI CORPORATION
■ Nobeoka Head Office	2-5955 Nakanose-cho, Nobeoka-city, Miyazaki, Japan
■ Tokyo Head Office	21st Floor, Ueno Frontier Tower 3-24-6 Ueno, Taito-ku, Tokyo, Japan
■ Establishment	March 12, 1945
■ Capital	5,000,100,000 yen
■ Stock listing	Prime Market
■ Securities code	4216 (Chemical)
■ Stock trading unit	100 shares
■ Number of Employees	1,652 (as of the end of March 2023 on a consolidated basis)
■ Annual sales	77,099 million yen (same as above)
■ Manufacturing plants	(Domestic) Nobeoka, Aichi, Tochigi, Hiroshima (Overseas) China, India, Mexico
■ President & Representative Director	Kazuya Nakano

Products of Valve & Piping Systems Divisions are used as shown below.



ASAHI AV



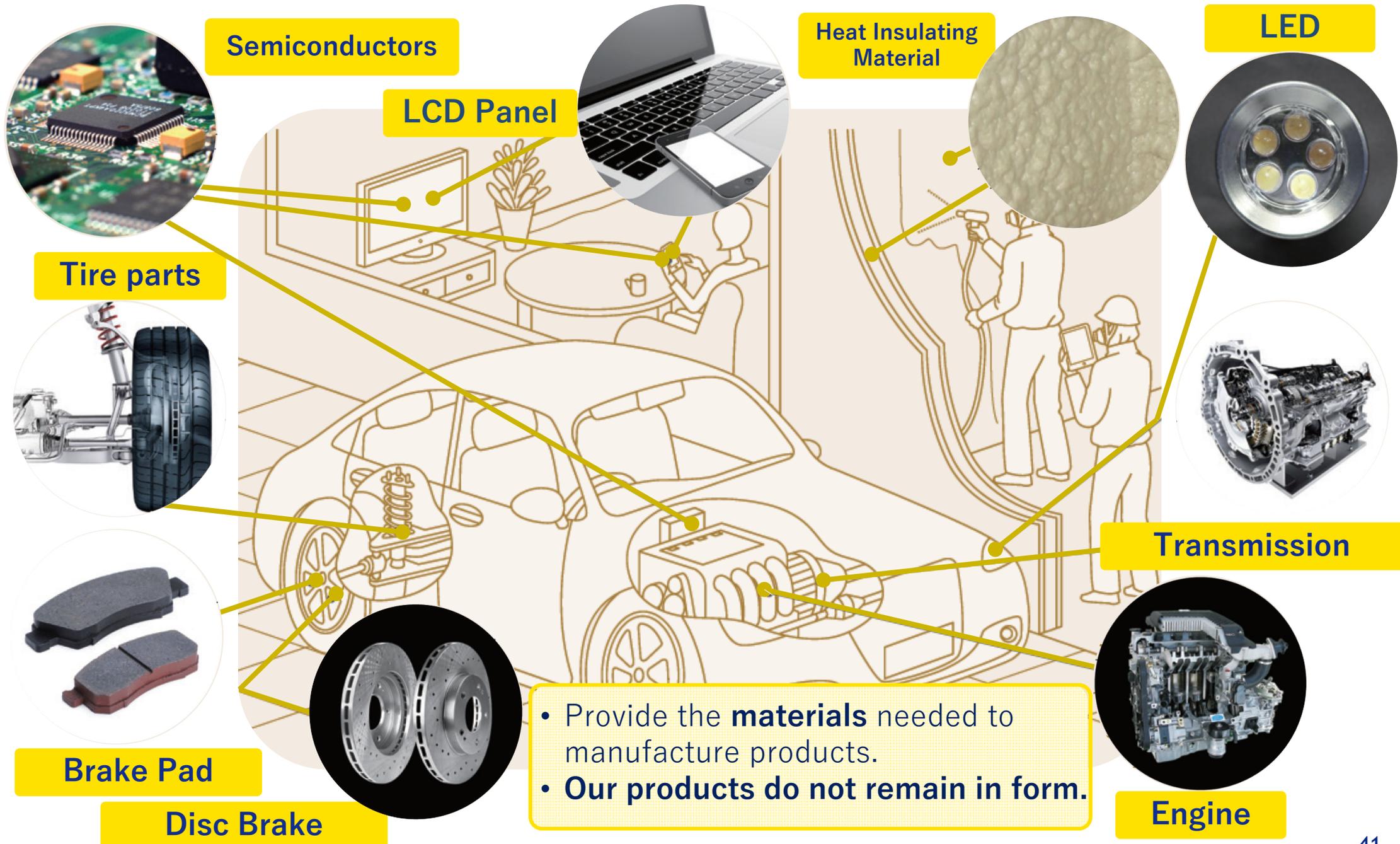
- Chemical Plants
- Semiconductor Plants
- Ironworks and Non-Ferrous Refining Plants
- Water Supply and Sewage
- Aquariums
- Agricultural Pipelines
- Breeding Farms

Dymatrix™

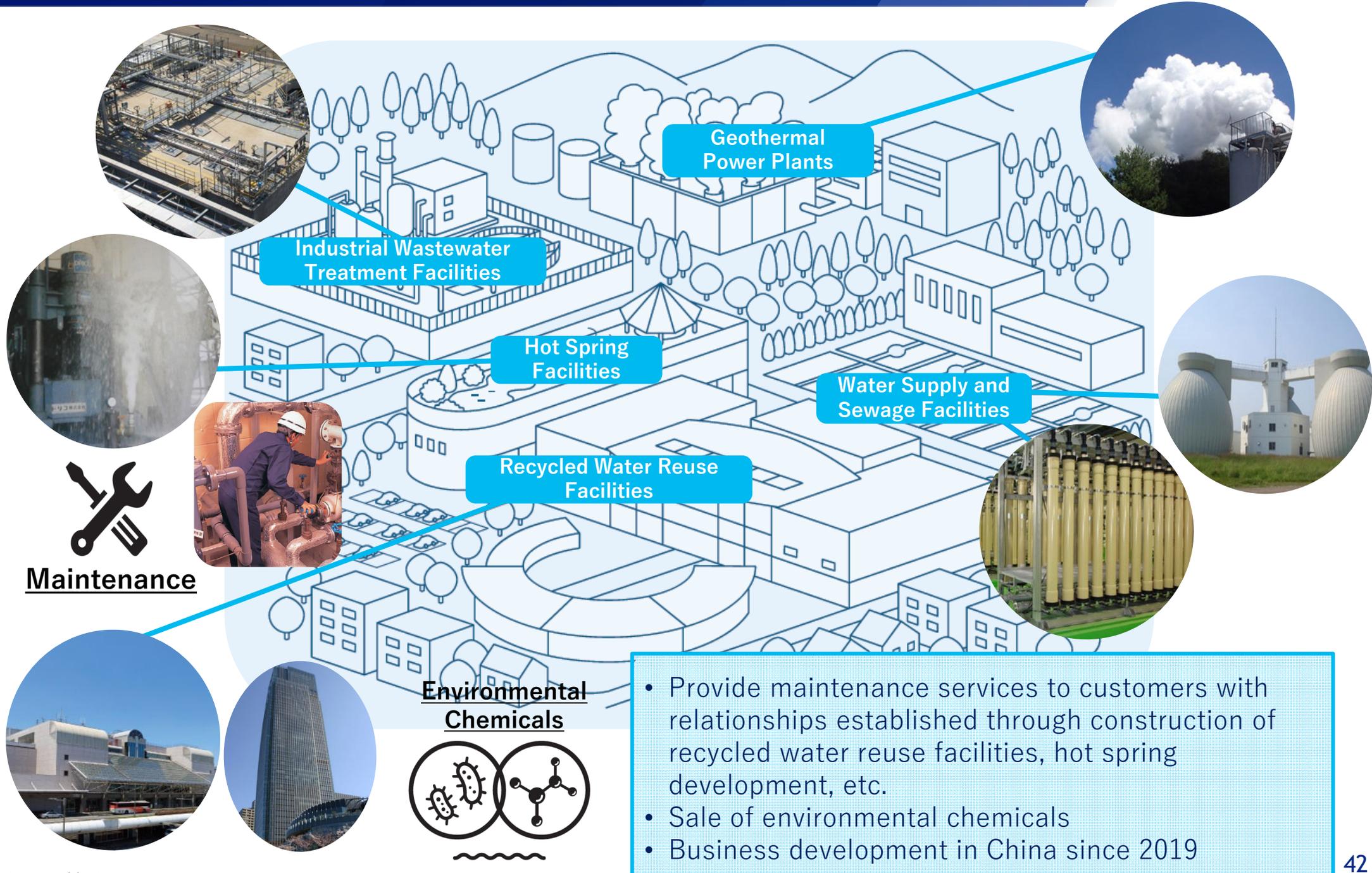
- In the Manufacturing Equipment of Semiconductor Plants



Products of Resin Divisions are used as shown below.



Products of Water Treatment & Natural Resources Development Divisions are used as shown below.



Develop ESG Activities by Positioning it as a Top Priority Issue.

In September 2021, the Sustainability Promotion Committee was established to address the issues surrounding sustainability.

<<Purpose>>

- Increase corporate value over the medium to long term
- Minimize risk and expand profit opportunities

<<Items to address>>

Consideration for global environmental issues (activities based on TCFD)

Risk management (e.g., natural disasters due to global warming)

Contribution to ESG through business activities

Investment in human capital (human capital development, work style, treatment, diversity)

Protection and utilization of intellectual property rights and brands

Fair and proper transactions with suppliers

Fair and proper dealings with customers

Promote understanding from local communities

Relationship Between Business Activities and SDGs

Valve & Piping Materials (valve)

We are working to develop valves that can contribute to solution of the world's water resource problems, such as large valves that can be used in large-scale desalination facilities and automatic hydrants that integrate ICT technology.



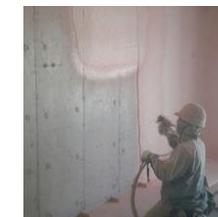
Resin (Foundry Materials)

Pursue valued solutions for casting processes in the world by developing casting raw material (resin coated sand) that realizes weight reduction and dimensional stability of casting parts to increase cruising distance with the shift to EVs in automobiles and by realizing raw material regeneration technology.



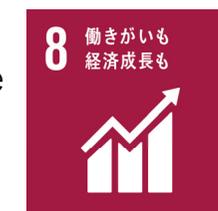
Resin (Foaming)

In construction sites where insulation is difficult due to complex wall shapes, hot-water piping, etc., we are working to deliver safety and peace of mind to construction sites by manufacturing eco-friendly raw materials, developing easy-to-use construction machines, and providing high-quality products and services with our group companies.



Valve & Piping Materials (Dymatrix) Thermoplastic (Electronic Materials)

Asahi Yukizai's goal for innovation in the fast-growing semiconductor field is "low metalization and low particle generation." We aim to become a great niche top company by contributing to the reduction of foreign matter in the semiconductor manufacturing process and impurities in photoresists with our technological and manufacturing capabilities.



Water Treatment & Natural Resources Development

One of the issues in Japan's geothermal power generation is the high cost of power generation. We aim to reduce cost by shortening drilling period, and thereby contribute to the development of geothermal power generation as well as expansion of the share of renewable energy and control of greenhouse gas emissions.





Financial Data (FY2013–FY2022)

Unit: Mill. yen	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Sales	38,057	40,837	41,547	42,029	50,174	56,083	56,581	53,551	64,732	77,099
Operating profit	1,172	1,197	1,591	2,062	3,362	4,224	4,368	3,404	6,575	11,947
Ordinary profit	1,649	1,764	1,525	1,944	3,402	4,390	4,395	3,648	7,012	12,140
Net income attributable to the shareholders of the parent company	1,004	1,151	926	1,091	2,785	3,902	3,138	2,789	4,773	9,425
Unit: Mill. yen	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Total assets	53,811	57,697	53,202	55,040	62,884	62,541	65,779	67,732	74,925	86,256
Liabilities	15,945	18,588	15,061	16,133	21,382	19,362	21,538	20,624	23,058	25,077
Net assets	37,866	39,108	38,141	38,906	41,502	43,179	44,241	47,108	51,867	61,179
Unit: Mill. yen	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Equity capital	37,609	38,823	37,869	38,642	41,137	42,765	43,856	46,667	51,363	60,613
Unit: Yen	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Net assets per share *1	1,925.65	2,025.25	1,975.75	2,016.30	2,146.82	2,235.15	2,292.23	2,436.63	2,681.92	3,163.80
Unit: Mill. yen	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Annual dividend per share (yen) *2	30.00	30.00	30.00	30.00	45.00	50.00	50.00	50.00	60.00	70.00
End of 2Q (yen)	15.00	15.00	15.00	15.00	20.00	25.00	25.00	25.00	25.00	30.00
End of year (yen)	15.00	15.00	15.00	15.00	25.00	25.00	25.00	25.00	35.00	40.00
Total dividends	586	581	576	575	866	964	963	962	1,154	1,347
End of 2Q	293	293	288	288	384	482	482	481	481	581
End of year	293	288	288	288	482	482	481	481	673	766

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
ROA	2.0%	2.1%	1.7%	2.0%	4.7%	6.2%	4.9%	4.2%	6.7%	11.7%
ROE	2.7%	3.0%	2.4%	2.9%	7.0%	9.3%	7.2%	6.2%	9.7%	16.8%
Shareholders' equity ratio	69.9%	67.3%	71.2%	70.2%	65.4%	68.4%	66.7%	68.9%	68.6%	70.3%
D/E ratio	0.01	0.04	0.02	0.02	0.04	0.06	0.09	0.08	0.05	0.04
	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Dividend payout ratio	58.4%	50.5%	62.0%	52.7%	31.0%	24.5%	30.5%	34.3%	24.1%	14.2%
Total return ratio	58.6%	94.5%	62.4%	52.9%	31.2%	24.8%	30.7%	34.5%	24.2%	14.3%
Repurchase of treasury stock (thousand yen)	1,869	506,786	2,915	1,398	3,099	3,130	1,018	653	718	1,067
Unit: Mill. yen	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Cash flows from operating activities	3,225	2,513	1,845	2,492	3,012	2,240	6,194	3,420	7,175	5,841
Cash flows from investing activities	-1,193	-3,019	-1,128	-2,064	-1,789	-1,536	-3,820	-2,069	-1,655	-4,836
Cash flows from financing activities	-382	-170	-1,134	-746	-239	-773	19	-1,146	-2,064	-1,871
Cash and cash equivalents at end of year	8,437	7,937	7,510	7,092	8,088	7,912	10,232	10,398	14,311	13,928
Number of employees (Unit: persons)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
	1,190	1,219	1,223	1,246	1,355	1,438	1,540	1,559	1,555	1,653
Unit: Yen	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Net income per share*	51.40	59.35	48.35	56.93	145.31	203.95	164.01	145.67	249.21	491.99
Ratio of ordinary profit to total assets	3.3%	3.2%	2.8%	3.6%	5.8%	7.0%	6.8%	5.5%	9.8%	15.1%
Ratio of ordinary profit to net sales	4.3%	4.3%	3.7%	4.6%	6.8%	7.8%	7.8%	6.8%	10.8%	15.7%
Ratio of operating profit to net sales	3.1%	2.9%	3.8%	4.9%	6.7%	7.5%	7.7%	6.4%	10.2%	15.5%

Unit: Mill. yen

Sales by segment	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Valve & Piping Systems Divisions	21,113	21,734	23,750	22,907	27,585	33,544	32,169	30,823	37,725	48,532
Resin Divisions	12,980	13,635	12,686	12,202	15,254	16,254	17,215	15,891	18,608	20,550
Water Treatment & Natural Resources Development Divisions	3,963	5,468	5,110	6,921	7,335	6,285	7,197	6,837	8,398	8,017
Total	38,057	40,837	41,547	42,029	50,174	56,083	56,581	53,551	64,732	77,099

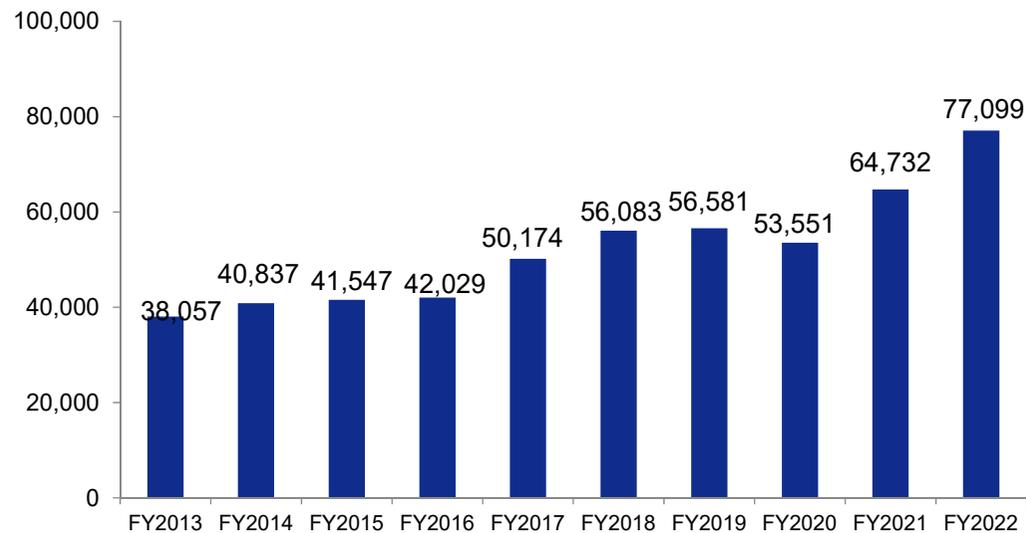
Unit: Mill. yen

Operating profit by segment	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Valve & Piping Systems Divisions	1,104	1,187	1,961	1,828	2,354	3,545	2,552	2,136	4,897	10,669
Resin Divisions	-290	-284	-520	71	874	672	1,151	930	819	801
Water Treatment & Natural Resources Development Divisions	422	274	86	173	172	39	502	205	724	472
Total	1,172	1,197	1,591	2,062	3,362	4,224	4,368	3,404	6,575	11,947

Operating profit ratio by segment	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Valve & Piping Systems Divisions	5.2%	5.5%	8.3%	8.0%	8.5%	10.6%	7.9%	6.9%	13.0%	22.0%
Resin Divisions	-2.2%	-2.1%	-4.1%	0.6%	5.7%	4.1%	6.7%	5.9%	4.4%	3.9%
Water Treatment & Natural Resources Development Divisions	10.7%	5.0%	1.7%	2.5%	2.3%	0.6%	7.0%	3.0%	8.6%	5.9%
Total	3.1%	2.9%	3.8%	4.9%	6.7%	7.5%	7.7%	6.4%	10.2%	15.5%

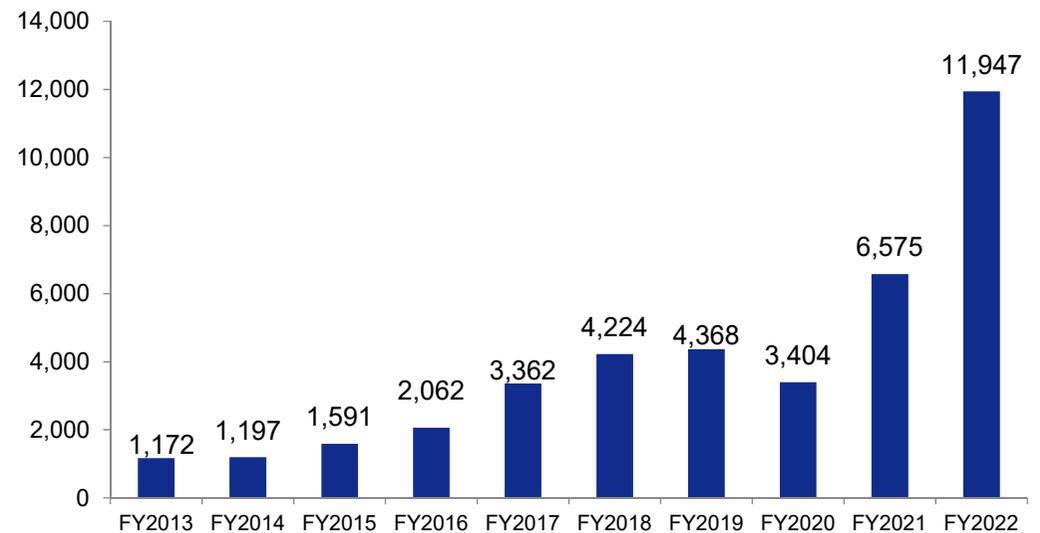
Sales

(Unit: Mill. Yen)



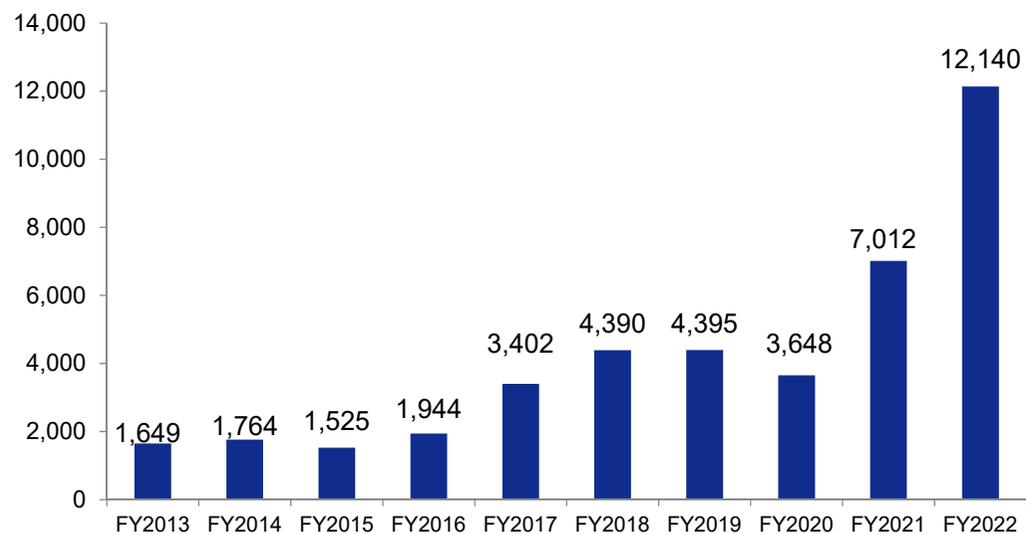
Operating profit

(Unit: Mill. Yen)



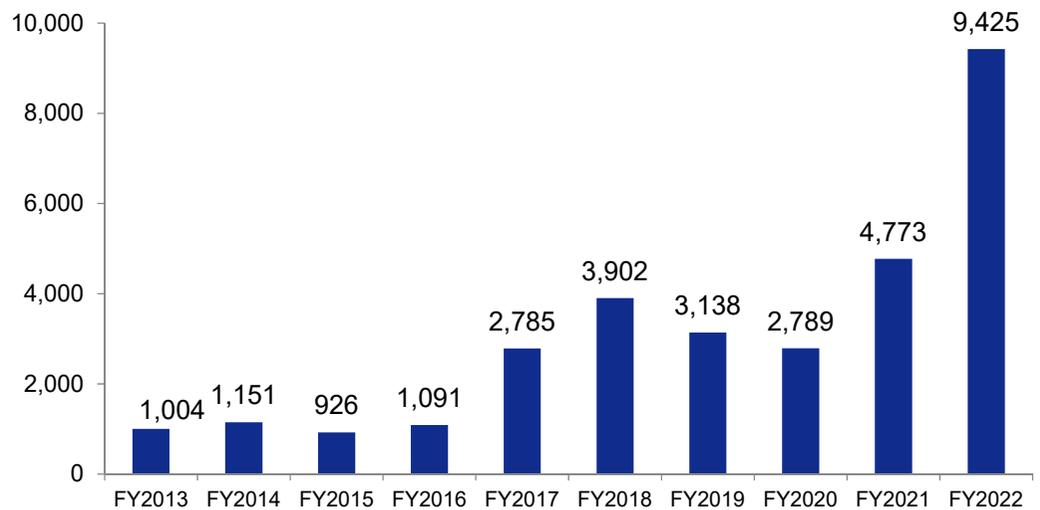
Ordinary profit

(Unit: Mill. Yen)



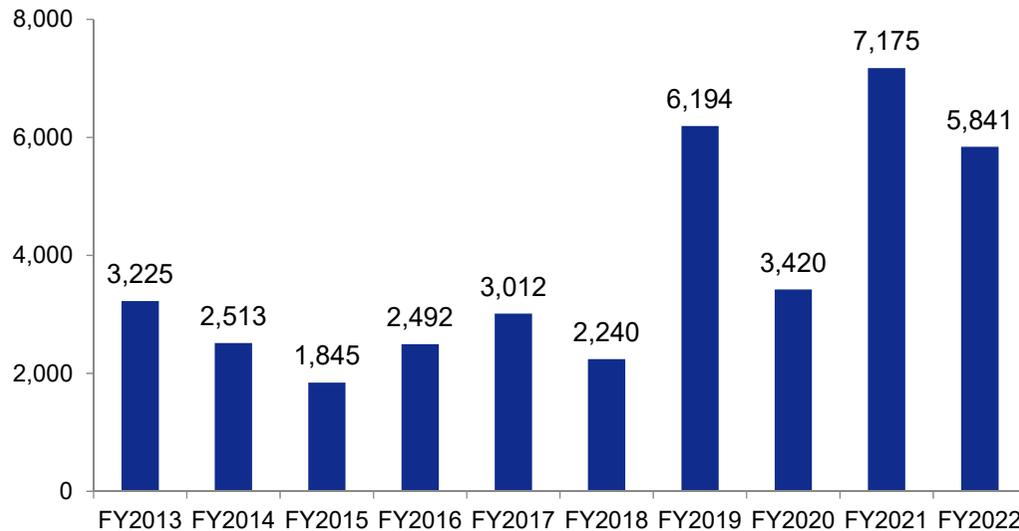
Net income attributable to the shareholders of the parent company

(Unit: Mill. Yen)



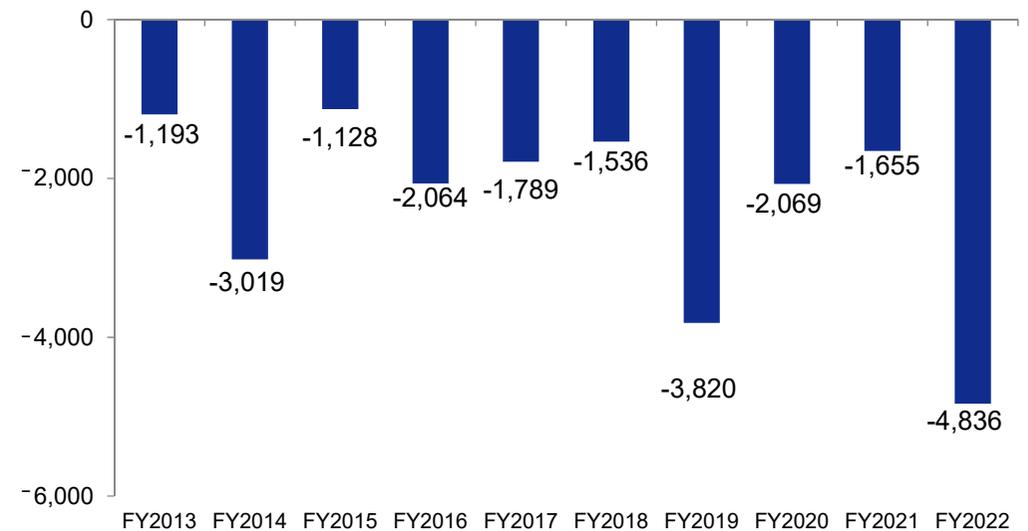
Cash flows from operating activities

(Unit: Mill. Yen)



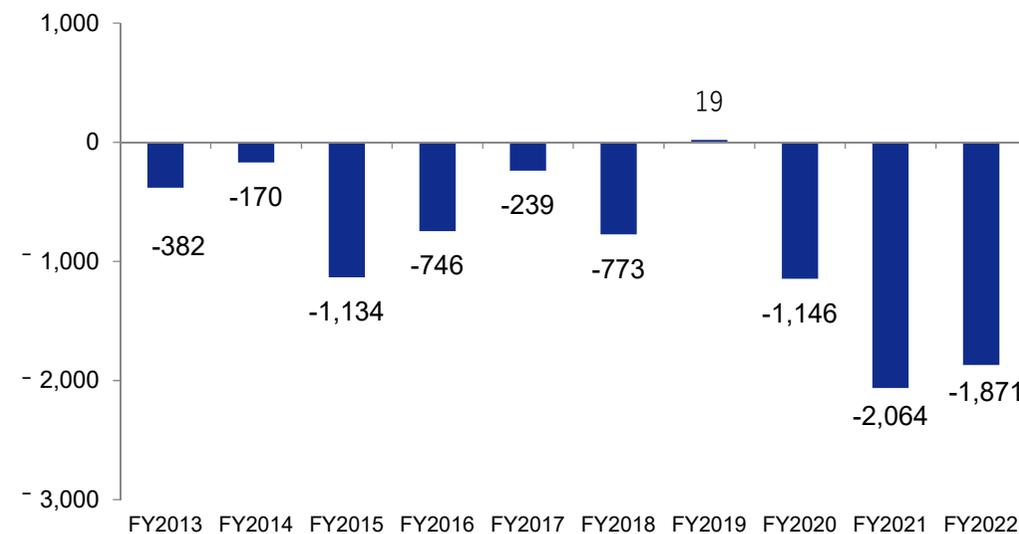
Cash flows from investing activities

(Unit: Mill. Yen)

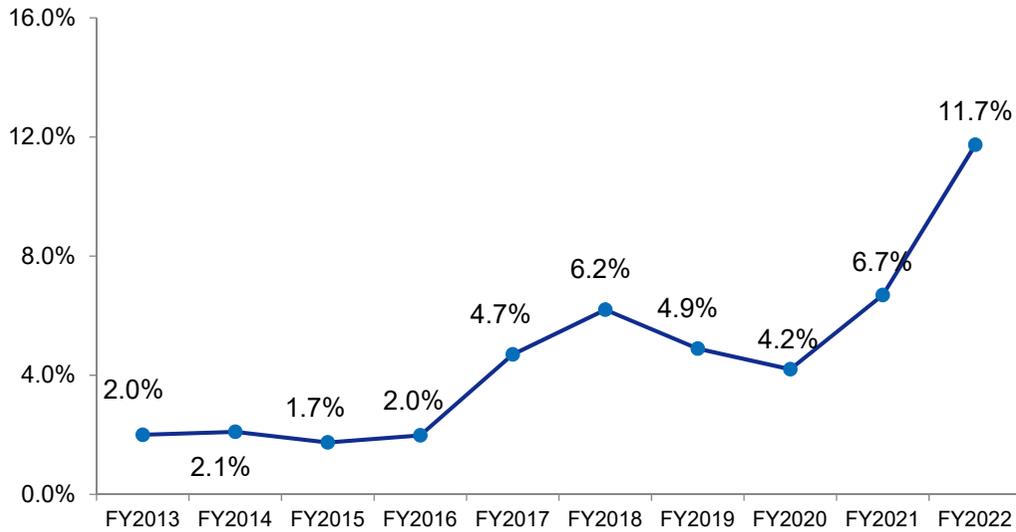


Cash flows from financing activities

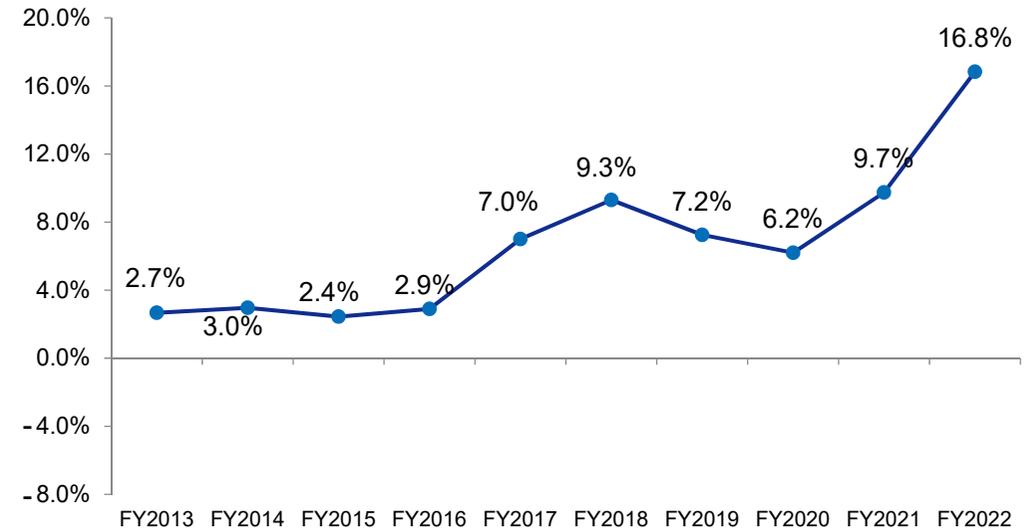
(Unit: Mill. Yen)



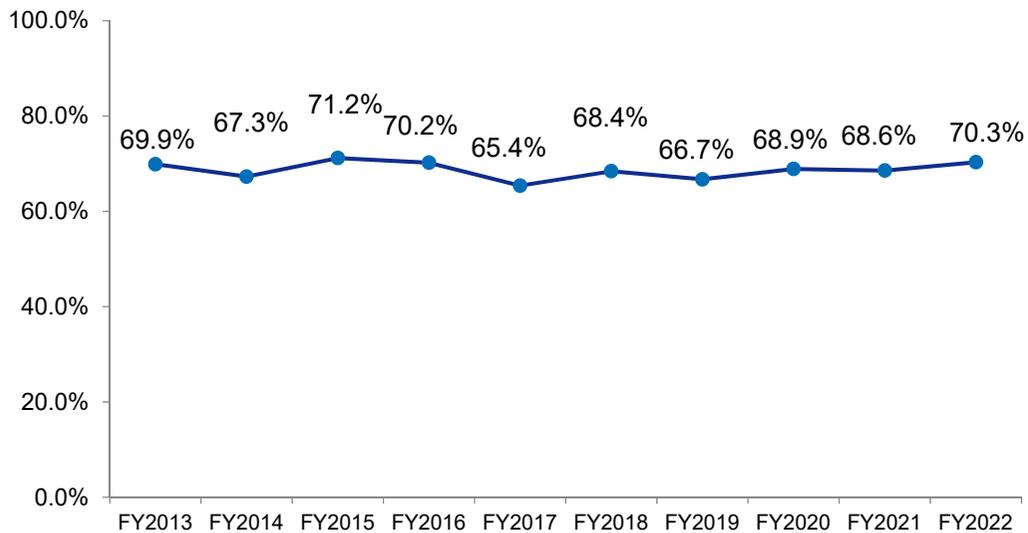
ROA



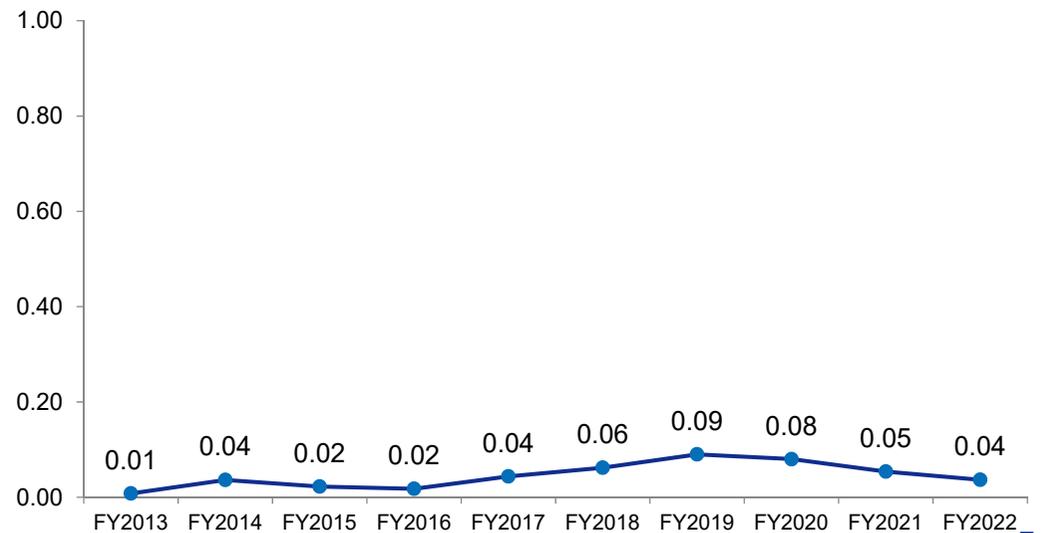
ROE



Shareholders' equity ratio

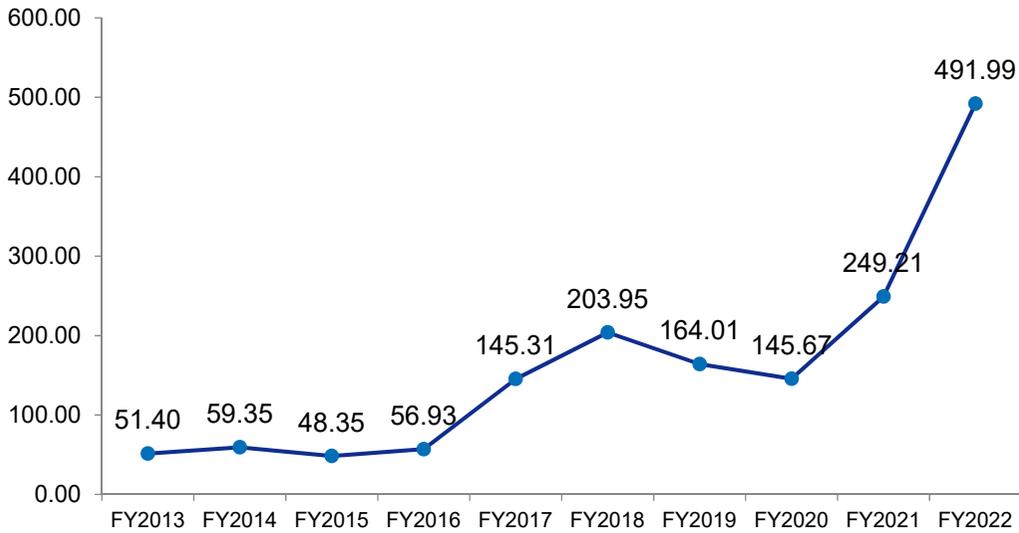


D/E ratio

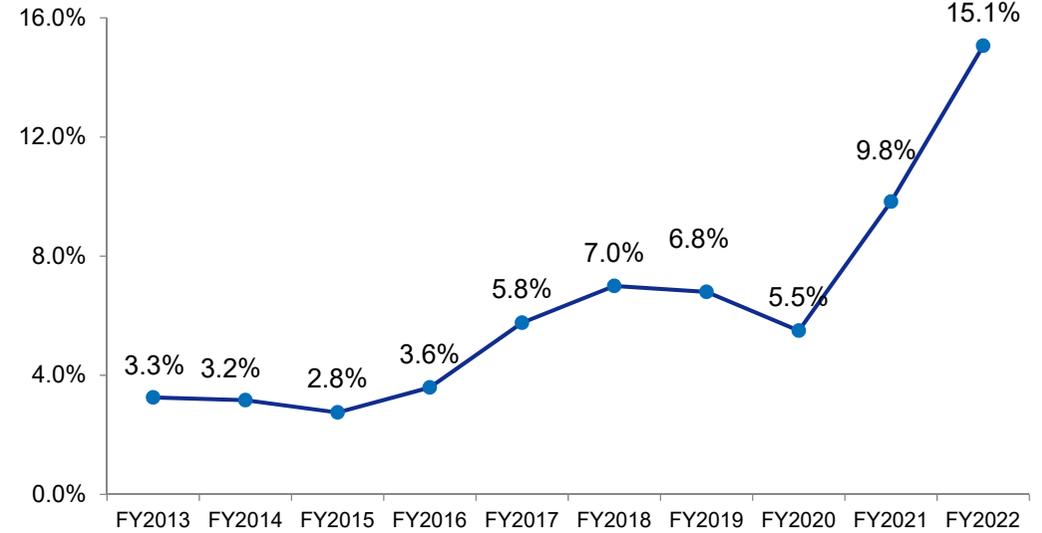


Net income per share

(Unit: Yen)

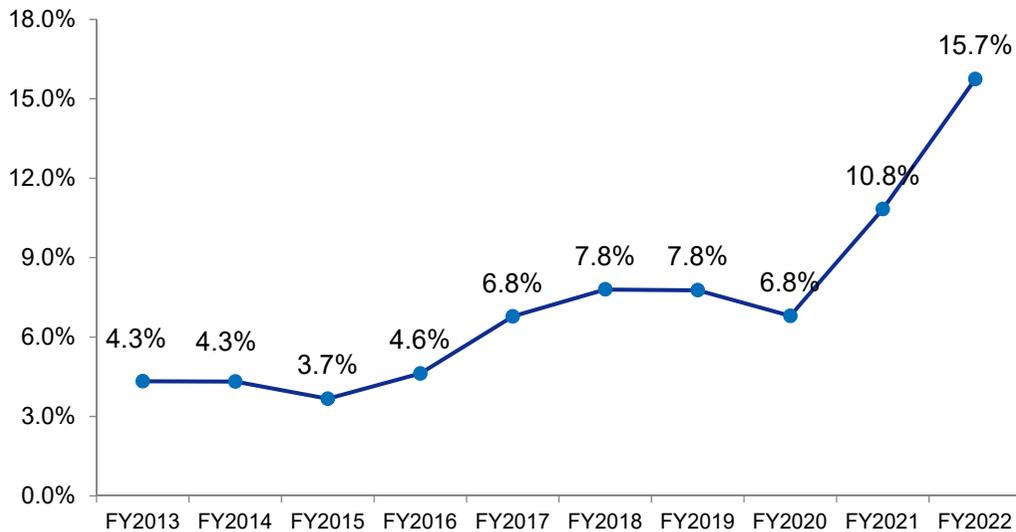


Ratio of ordinary profit to total assets



* Historical data is also calculated on a post-reverse stock split basis.

Ratio of ordinary profit to net sales

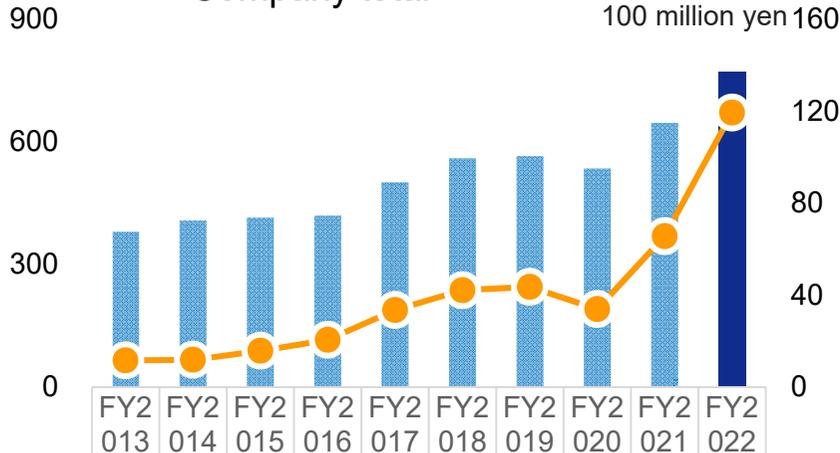


Profit/Loss Trend by Segment

Sales:100 million yen

Company total

Operating Profit:
100 million yen 160

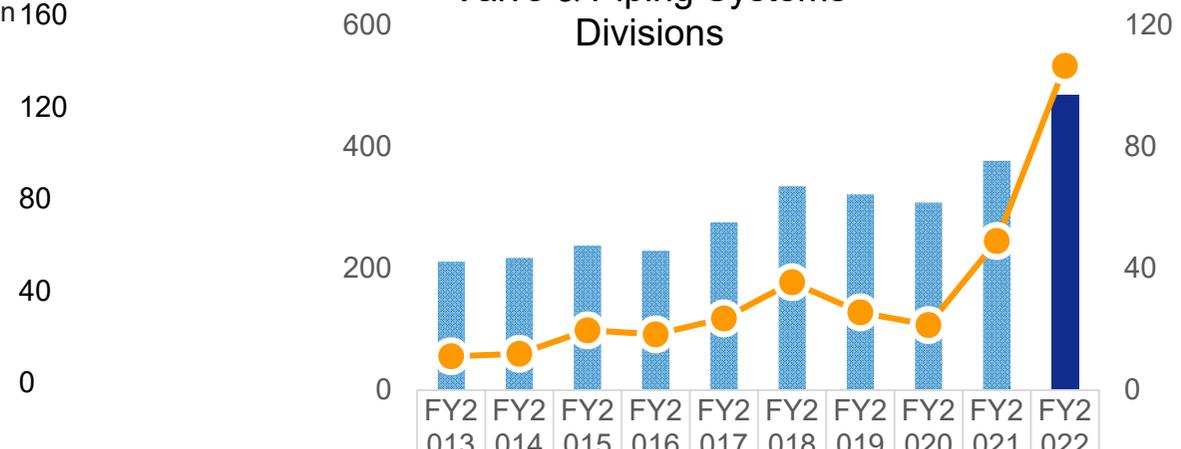


Sales	381	408	415	420	502	561	566	536	647	771
Operating profit	12	12	16	21	34	42	44	34	66	119
Operating profit ratio	3%	3%	4%	5%	7%	8%	8%	6%	10%	15%

Sales:100 million yen

Valve & Piping Systems Divisions

Operating Profit:
100 million yen 120

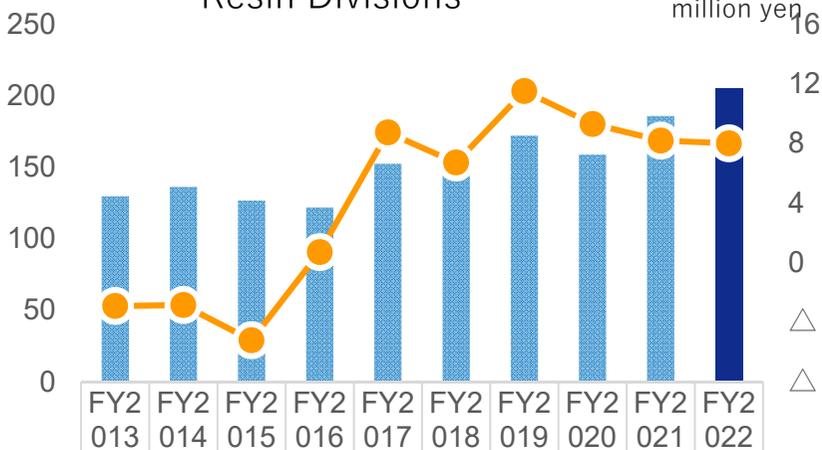


Sales	211	217	238	229	276	335	322	308	377	485
Operating profit	11	12	20	18	24	35	26	21	49	107
Operating profit ratio	5%	5%	8%	8%	9%	11%	8%	7%	13%	22%

Sales:100 million yen

Resin Divisions

Operating Profit:
100 million yen 16

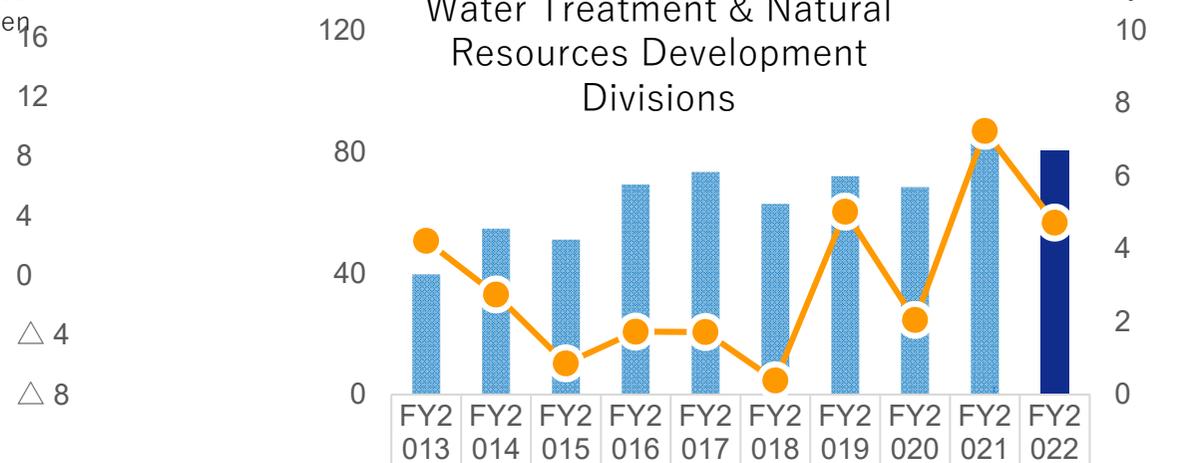


Sales	130	136	127	122	153	163	172	159	186	206
Operating profit	-3	-3	-5	1	9	7	12	9	8	8
Operating profit ratio	-2%	-2%	-4%	1%	6%	4%	7%	6%	4%	4%

Sales:100 million yen

Water Treatment & Natural Resources Development Divisions

Operating Profit:
100 million yen 10



Sales	40	55	51	69	73	63	72	68	84	80
Operating profit	4	3	1	2	2	0	5	2	7	5
Operating profit ratio	11%	5%	2%	2%	2%	1%	7%	3%	9%	6%

Securities Code; 4216 (Chemical)

Notes

Forecasts and prospects in this document are based on information available at the time the document was prepared. It does not assure or guarantee the realization of future planned figures or measures.