



# **Presentation of Financial Results for the Fiscal Year Ended March 31, 2024**

**May 27, 2024**

**ASAHI YUKIZAI CORPORATION**

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- Electronics Materials Business -- Progress of Plant Construction

# Business Overview

## Asahi Yukizai Group's Three Business Segments

### Water Treatment & Natural Resources Development Divisions

Net sales: 7.7 billion yen  
Operating profit: 0.5 billion yen



### Resin Divisions

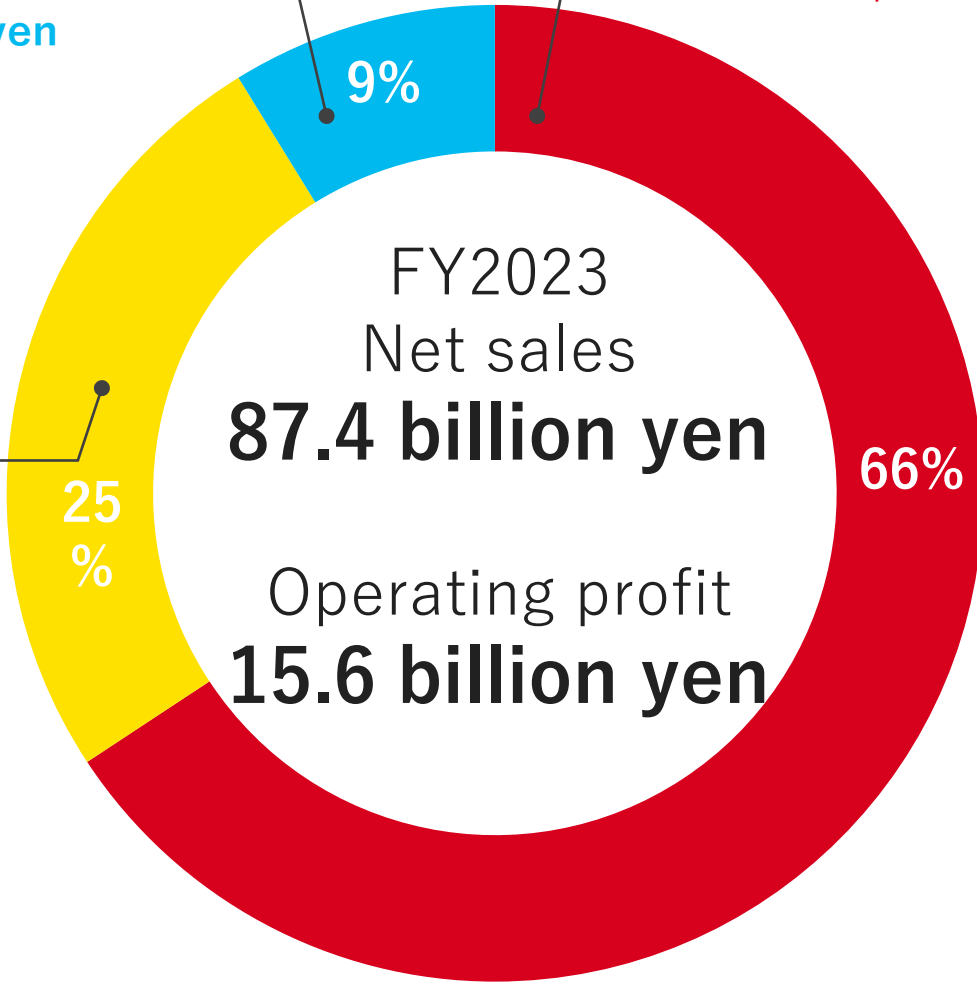
Net sales: 22.3 billion yen  
Operating profit: 1.5 billion yen



### Valve & Piping Systems Divisions

Net sales: 57.5 billion yen  
Operating profit: 13.7 billion yen

**ASAHI AV**™



# Summary

## **FY2023: Record-high Sales and Operating Profit**

- Net sales: 87.4 billion yen   Operating profit: 15.6 billion yen   Net income: 11.4 billion yen

## **FY2024: Forecast to decrease in profit**

- Net sales: 87 billion yen   Operating profit: 12 billion yen
- Increase in fixed costs including labor expenses and depreciation
- Construction investment in the semiconductor sector in FY2024 is lower than the previous year, although it is still at a high level

## **FY2024: Annual dividend is expected to increase**

- Interim: 55 yen   Year-end: 55 yen (forecast)

# Company-wide Results

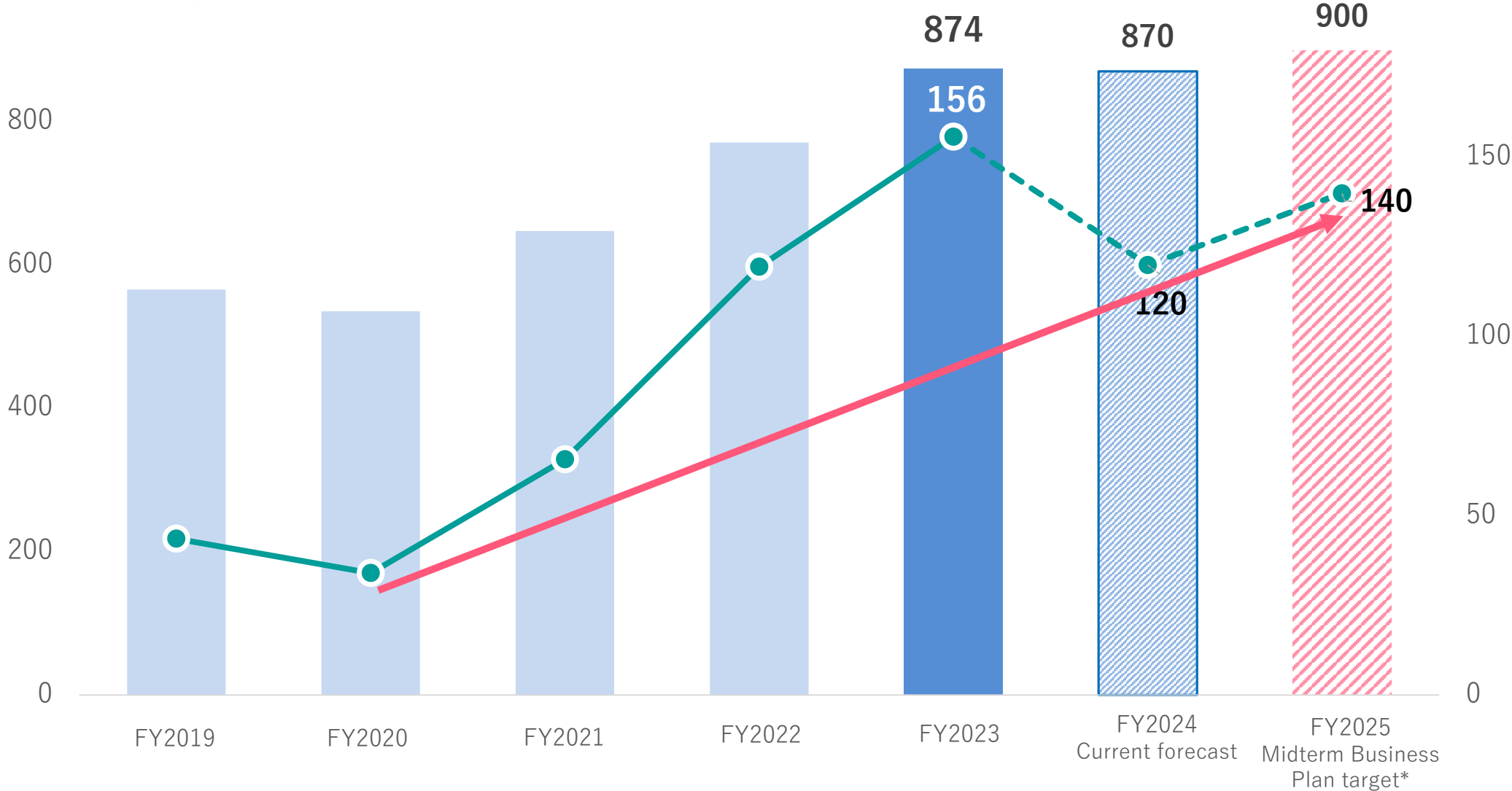
Net sales (100 million yen)

1,000

Operating profit (100 million yen)

200

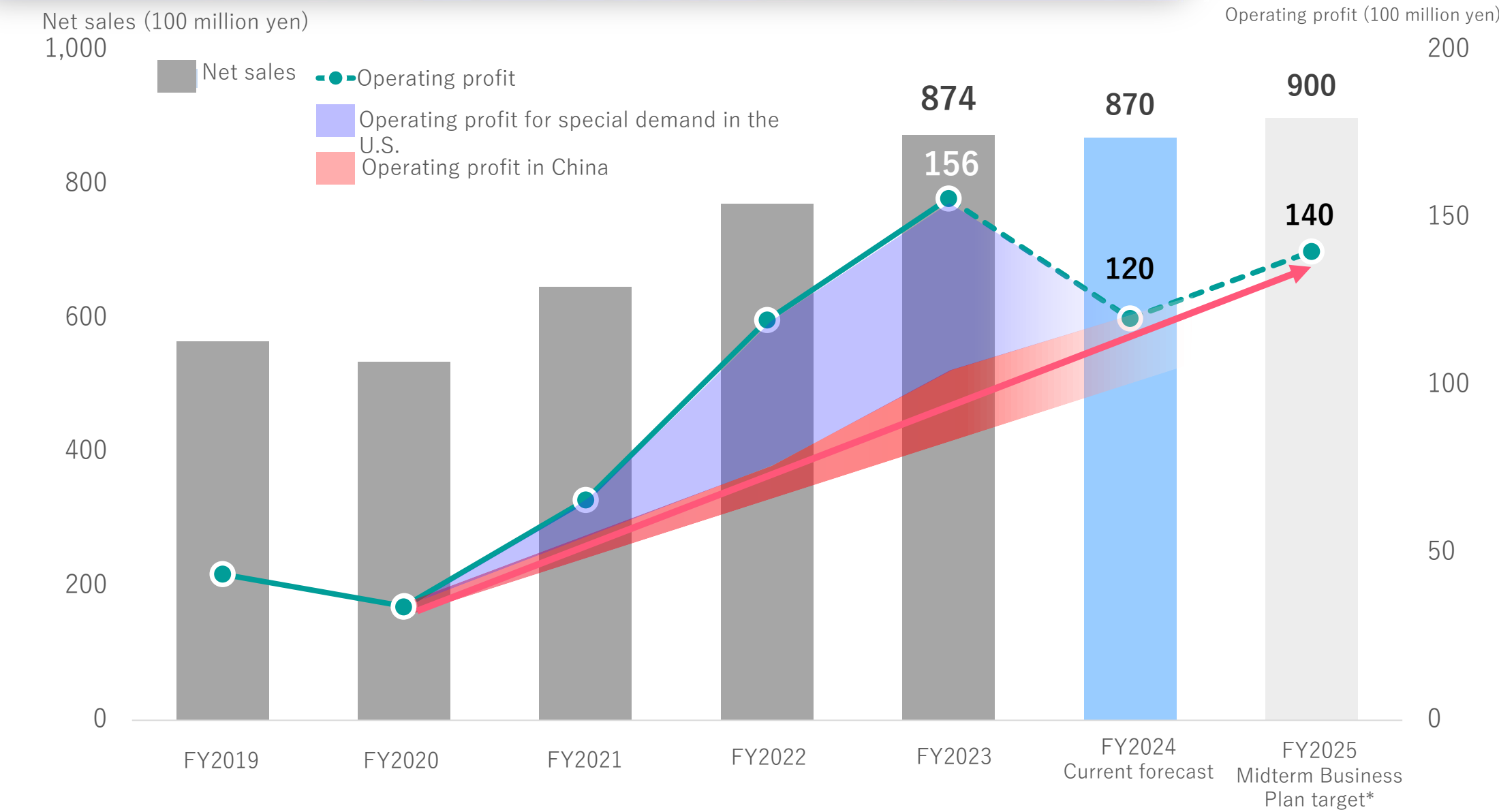
■ Net sales    ● Operating profit



Operating profit ratio	8%	6%	10%	15%	18%	14%	16%*
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\* Recalculated the target values of the FY2025 Midterm Business Plan at 150 yen/\$, which was initially 120 yen/\$. (Net sales: 87 billion yen, operating profit: 12 billion yen)

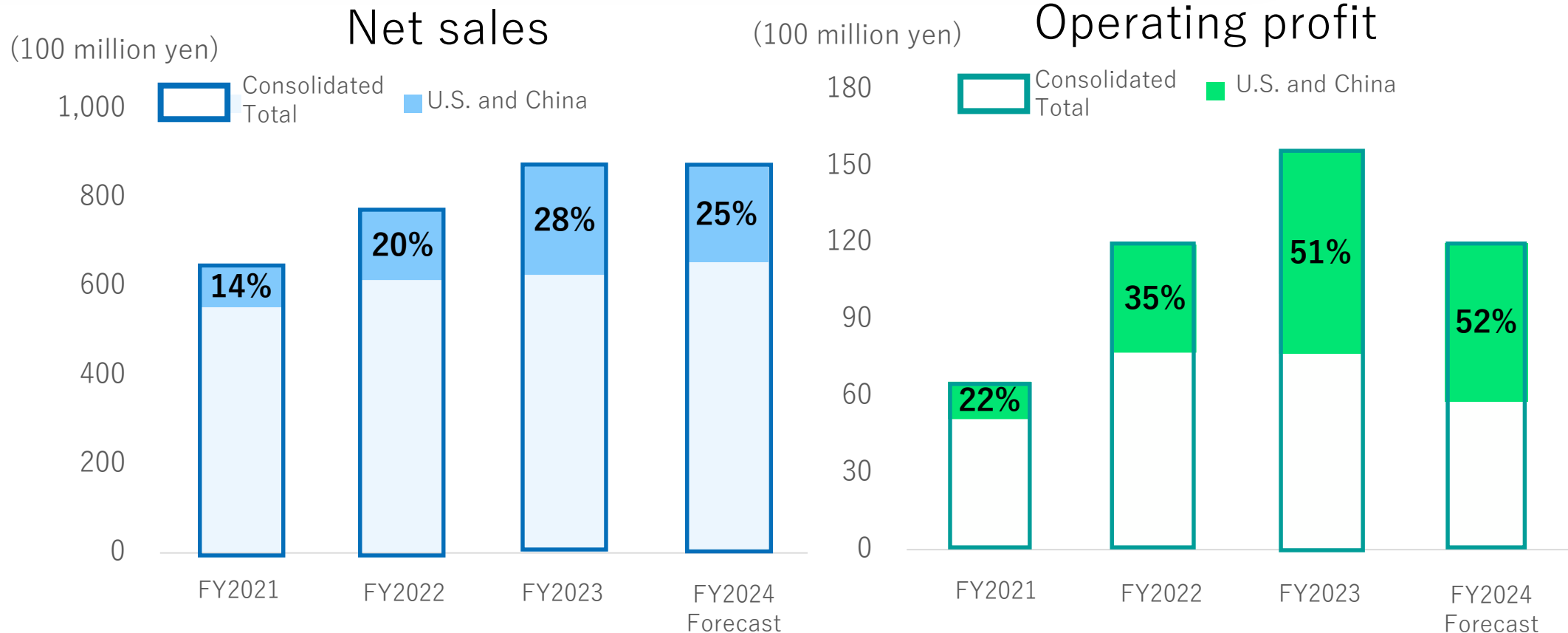
# Company-wide Results



\* Recalculated the target values of the FY2025 Midterm Business Plan at 150 yen/\$, which was initially 120 yen/\$. (Net sales: 87 billion yen, operating profit: 12 billion yen)



# Trends of Results in the U.S. and China

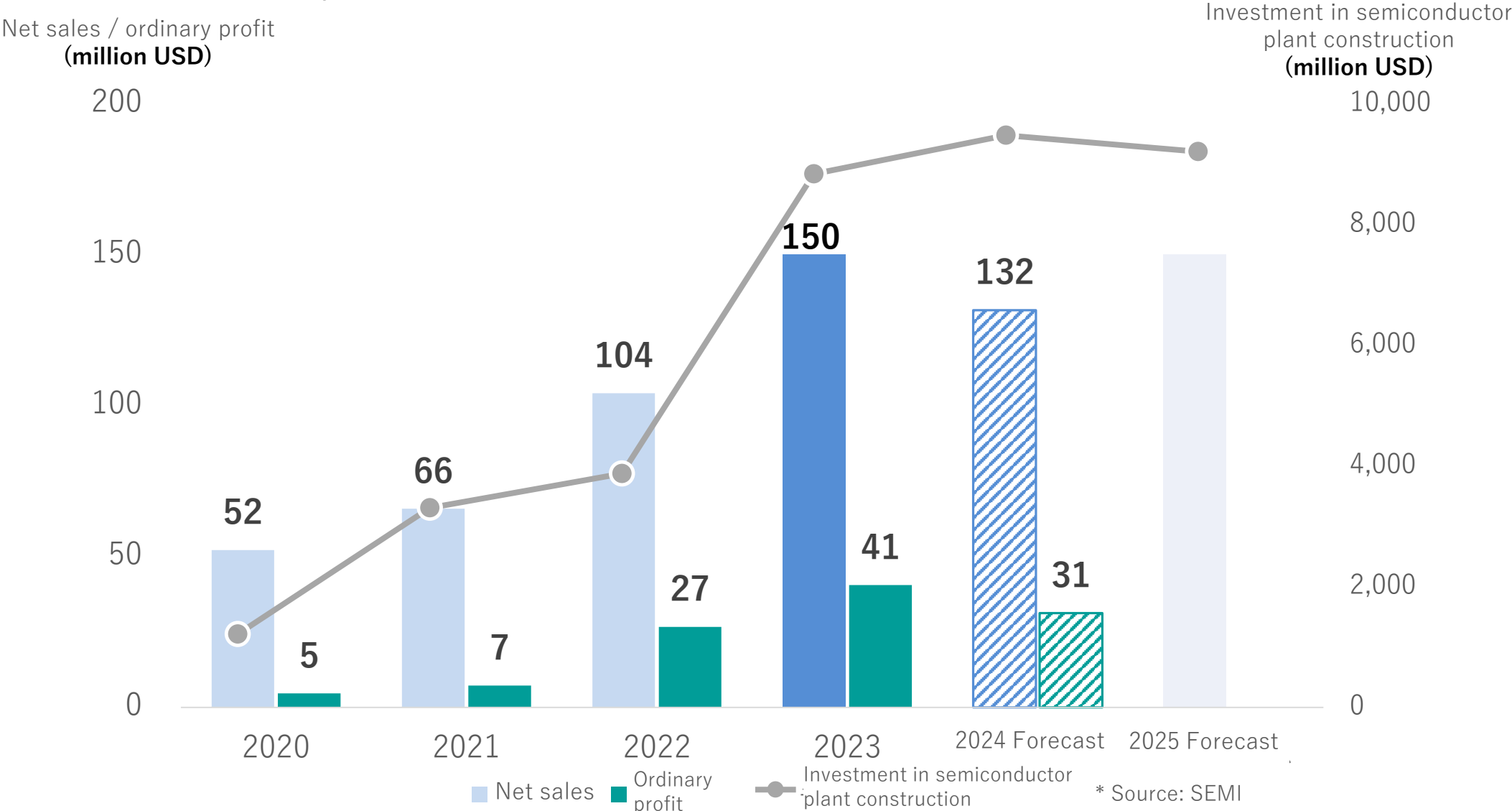


U.S. : Demand increase by large semiconductor projects

China: Strong sales in LCD, solar cell and other fields

# Results of U.S. Operations and Investment in Semiconductor Plants Construction in the U.S.

Performance was driven by the investment in semiconductor plant construction in FY2023, but is expected to decline in FY2024.



Exchange rate JPY/USD	107	110	131	141	150
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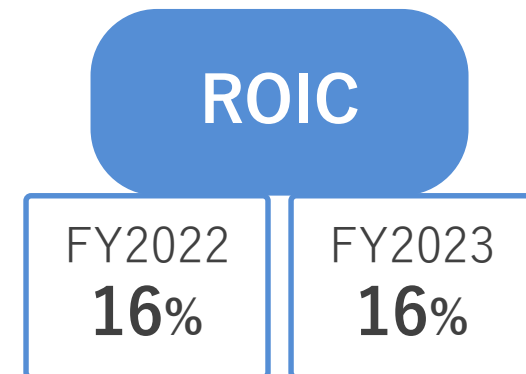
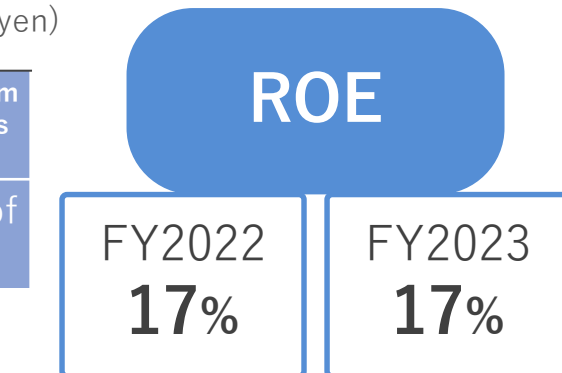
# Financial Results for FY2023

# Company-wide Results

(100 million yen)

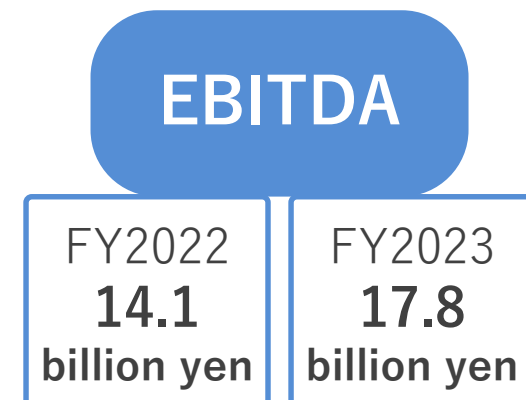
	FY2022 results			FY2023 results			Changes from the previous year
	1H	2H	Full year	1H	2H	Full year	Amount of change
<b>Net sales</b>	359	412	771	<b>438</b>	<b>436</b>	<b>874</b>	+103
<b>Operating profit</b>	53	66	119	<b>83</b>	<b>73</b>	<b>156</b>	+36
<b>Ordinary profit</b>	58	63	121	<b>86</b>	<b>75</b>	<b>161</b>	+39
<b>Profit attributable to owners of parent</b>	38	56	94 *)	<b>55</b>	<b>59</b>	<b>114</b>	+20

\*)Recorded deferred tax assets, etc.



(yen)

<b>Net income per share</b>	199	293	492	<b>286</b>	<b>309</b>	<b>594</b>	+102
<b>Dividend per share</b>	30	40	70	<b>50</b>	<b>50</b>	<b>100</b>	+30



# Results by Segment

(100 million yen)		FY2022	FY2023	
			Results	Changes
<b>Valve &amp; Piping Systems Divisions</b>	Net sales	485	<b>575</b>	+89
	Operating profit	107	<b>137</b>	+30
	Operating profit ratio	22.0%	<b>23.8%</b>	+1.8%
<b>Resin Divisions</b>	Net sales	206	<b>223</b>	+17
	Operating profit	8	<b>15</b>	+7
	Operating profit ratio	3.9%	<b>6.9%</b>	+3.0%
<b>Water Treatment &amp; Natural Resources Development Divisions</b>	Net sales	80	<b>77</b>	-3
	Operating profit	5	<b>5</b>	+0
	Operating profit ratio	5.9%	<b>6.4%</b>	+0.5%
<b>Company-wide total</b>	Net sales	771	<b>874</b>	+103
	Operating profit	119	<b>156</b>	+36
	Operating profit ratio	15.5%	<b>17.8%</b>	+2.3%

# Valve & Piping Systems Divisions -- Full Year

## Basic products

Performance was driven by the electronics industry sector, and remained at the same level as the previous year in other sectors.

## Dymatrix products

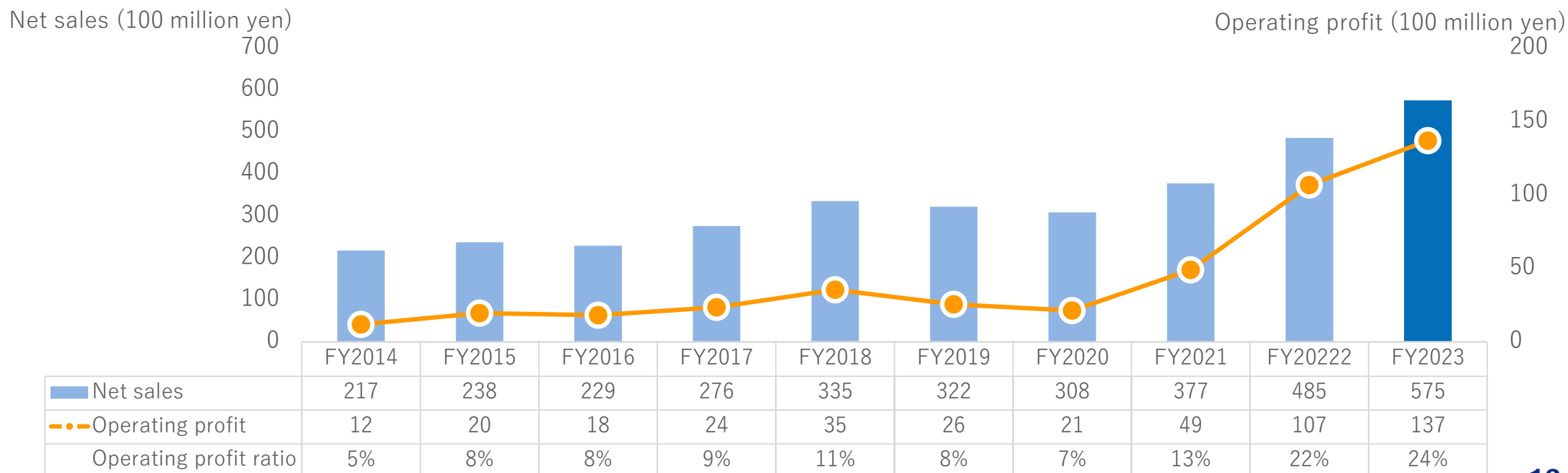
Affected by the sluggish memory market.

## Engineering business

Received orders preferentially for contract work with high profit margins, such as semiconductor-related work

## Affiliated companies

Strong performance in the U.S. and China. Domestic sales remained almost at the same level as the previous year.

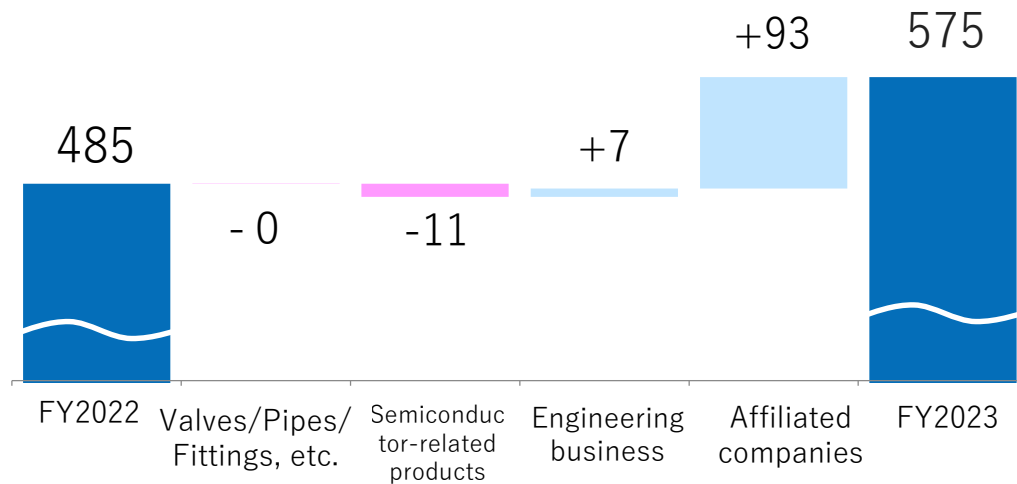


# Valve & Piping Systems Divisions: Variation Analysis of Net Sales & Operating Profit for Full Year

(100 million yen)

**Net Sales +89**

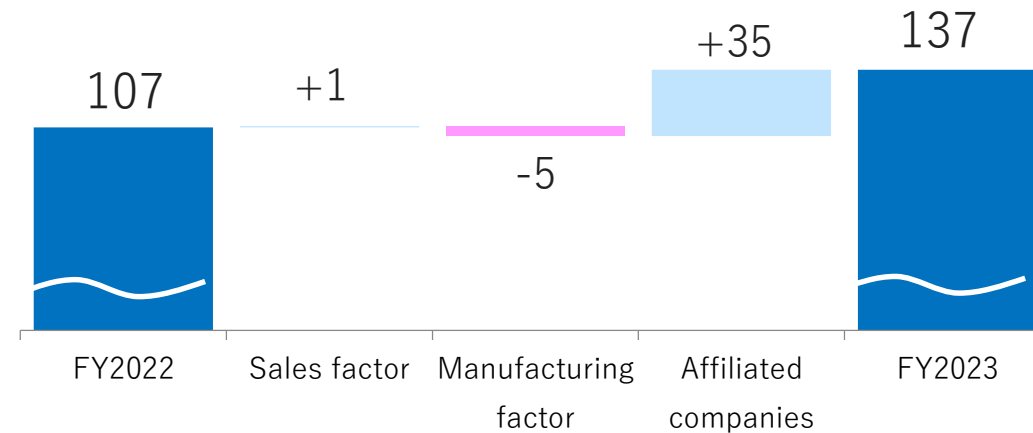
■ Net sales ■ Positive factor ■ Negative factor



(100 million yen)

**Operating profit +30**

■ Operating profit ■ Positive factor ■ Negative factor



Details of variation  
in net sales

- Valves, Pipes, Fittings, etc. -0
- Semiconductor-related products (Dymatrix) -11
- Engineering business +7
- Affiliated company (after elimination of intra-company transactions)
  - : Overseas +94
  - : In Japan -0

Details of variation  
in operating profit

- Sales factor  
Price hikes, effect of the yen's depreciation, composition difference.
- Manufacturing factor  
Increase in fixed costs including labor and repair expenses.
- Affiliated companies  
Profit increased mainly due to sales increase.

# Resin Divisions Full year

Foundry materials

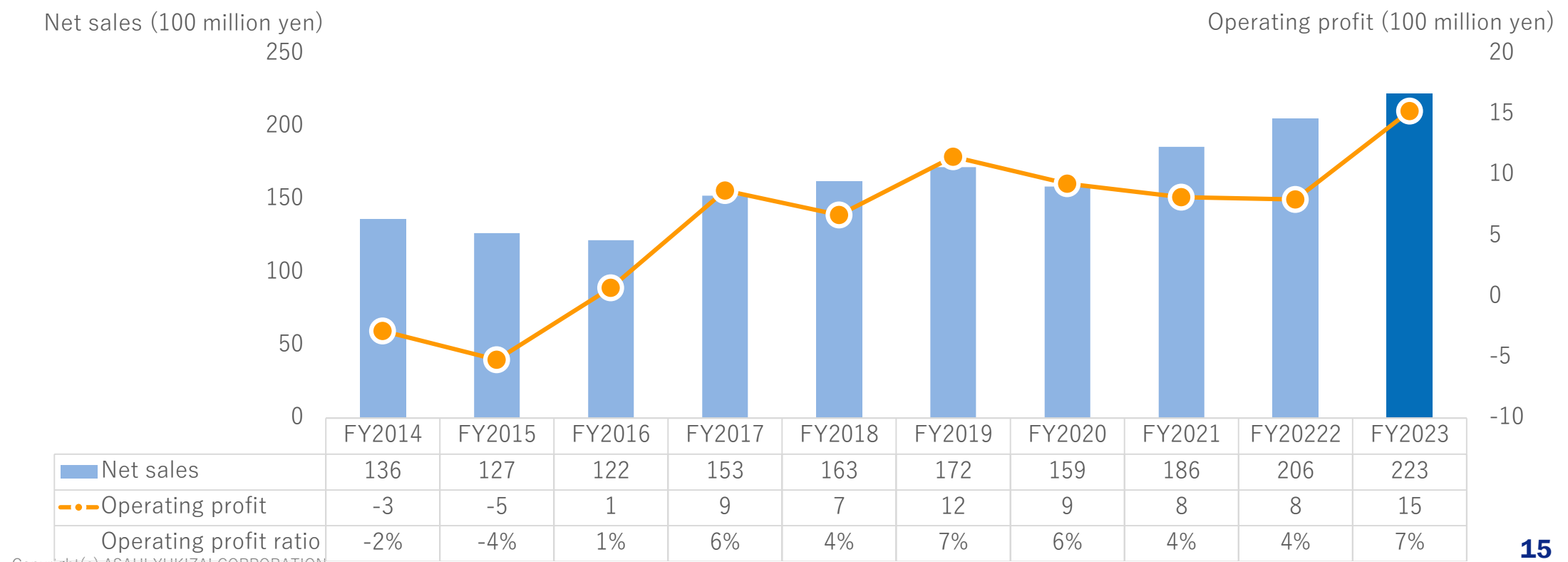
Increase in sales due to implementation of price hikes and promotion of switch to high value-added products.

Foam materials

Completion of a large project for Randwick Co., Ltd., an insulation installation company, and sales increase in raw material systems due to price hikes.

Electronics materials

Responded to high demand by the FPD sector in China (Nantong), despite being affected by the sluggish device market in Japan.

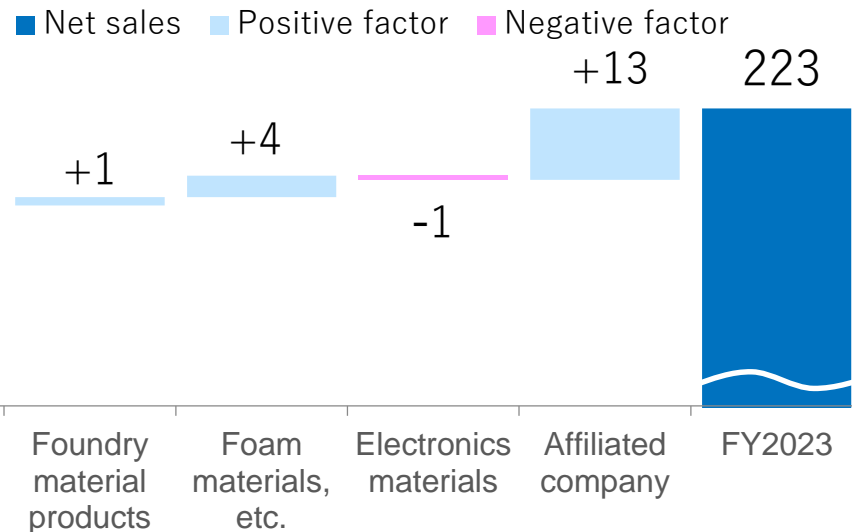




# Resin Divisions: Variation Analysis of Net Sales & Operating Profit for Full Year

(100 million yen)

Net Sales +17



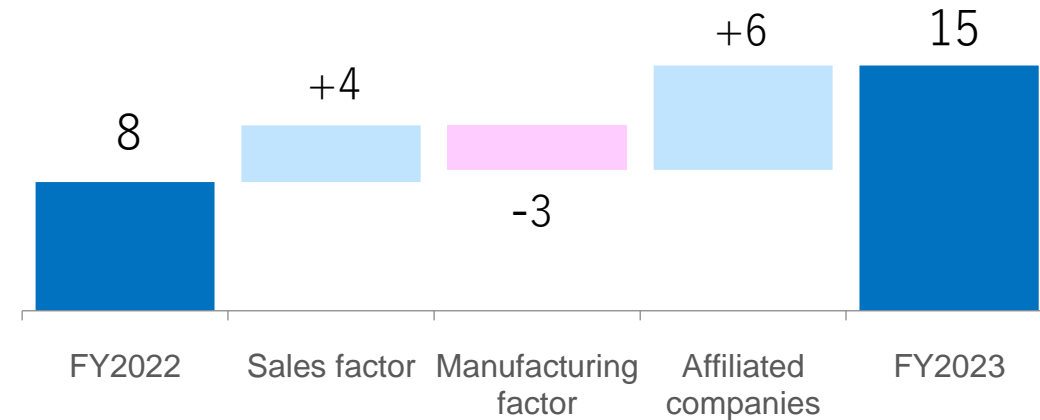
Details of variation in  
net sales

- Foundry material products +1
- Foam materials, etc. +4
- Electronics materials -1
- Affiliated company (after elimination of intra-company transactions)
  - : China -2
  - : Others (including Randwick Co.) +15

(100 million yen)

Operating profit +7

Operating profit Positive factor Negative factor



Details of variation in  
operating profit

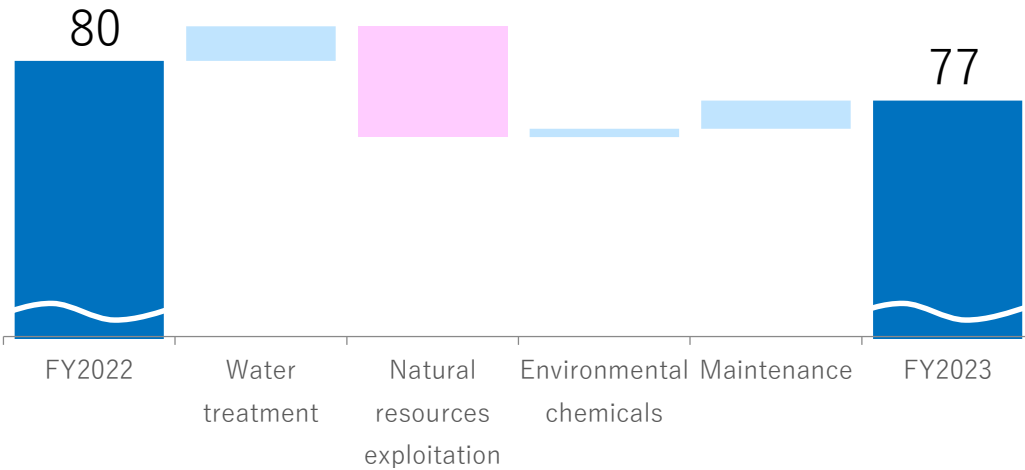
- Sales factor  
Effect of price hikes.
- Manufacturing factor  
Rise in raw material and utility costs.

# Water Treatment & Natural Resources Development Divisions Breakdown by Segment Full year

(100 million yen)

Net Sales -3

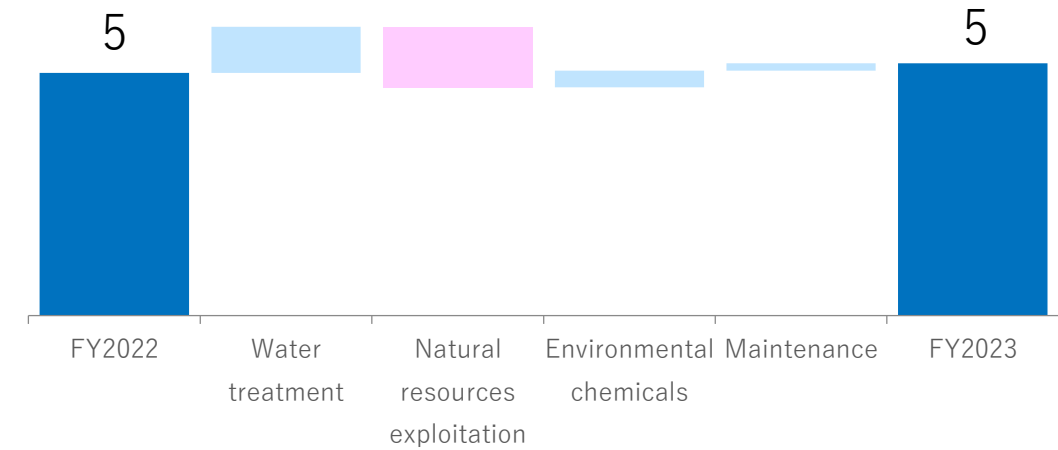
■ Net sales ■ Positive factor ■ Negative factor



(100 million yen)

Operating profit +0

■ Operating profit ■ Positive factor ■ Negative factor



## Water treatment

Increase in the number of construction completions and steady progress in construction.

## Resource development

Hot spring development work progressed according to the plan, but the postponement of geothermal drilling projects affected performance.

## Environmental chemicals

Demand for chemicals remained strong.

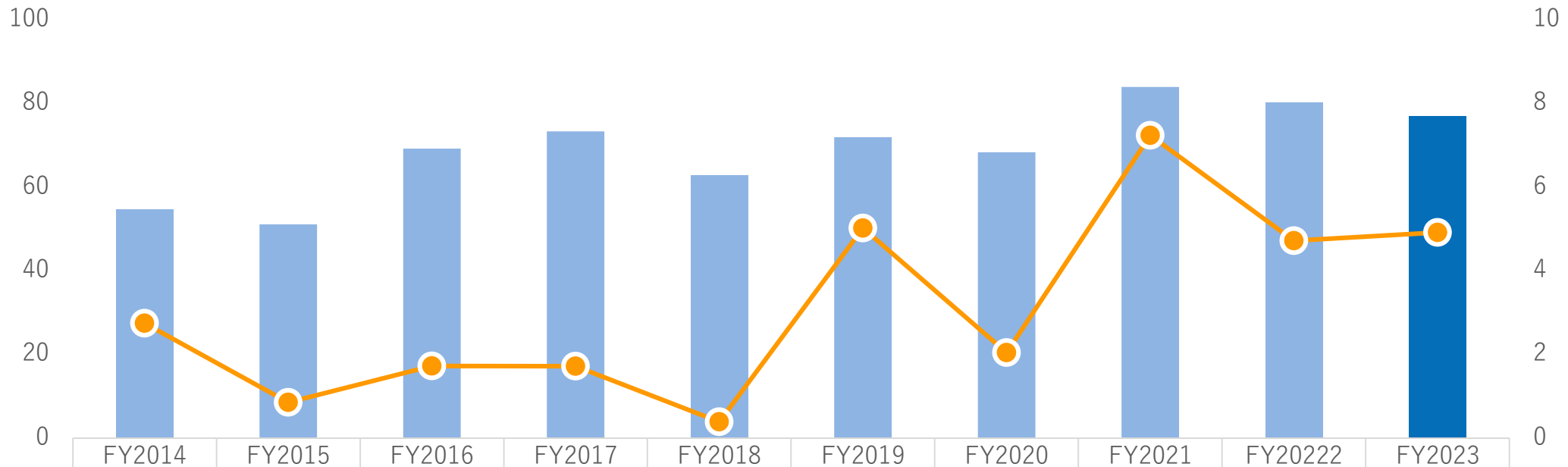
## Maintenance

No change in maintenance contract. Repair and renovation work remained strong.

# Water Treatment & Natural Resources Development Divisions Full year

Net sales (100 million yen)

Operating profit (100 million yen)



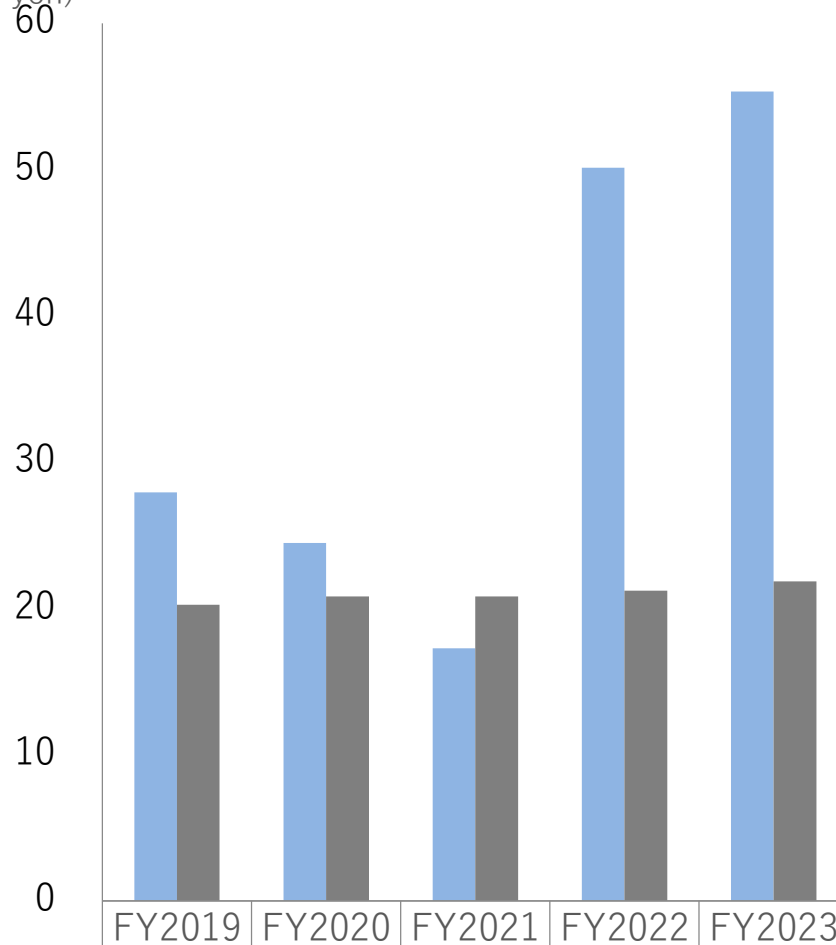
Net sales	55	51	69	73	63	72	68	84	80	77
Operating profit	3	1	2	2	0	5	2	7	5	5
Operating profit ratio	5%	2%	2%	2%	1%	7%	3%	9%	6%	6%

# Capital Investment, Depreciation, and Overseas Sales

## Capital investment and depreciation

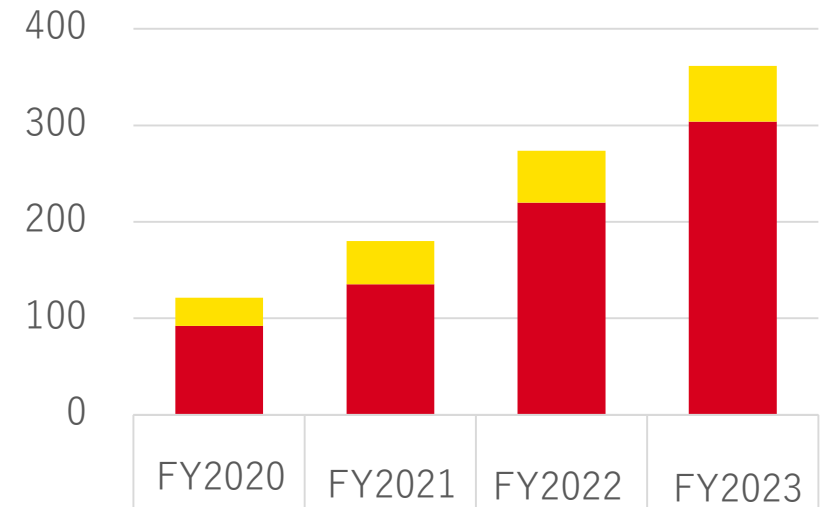
## Overseas sales and overseas sales ratio

(100 million yen)



\* Capital investment is based on capitalized assets.

Net sales (100 million yen)



Resin Divisions	29	45	54	58
Valve & Piping Systems Divisions	92	135	220	304

Overseas sales ratio	FY2021	FY2022	FY2023
Valve & Piping Systems Divisions	36%	45%	<b>53%</b>
Resin Divisions	24%	26%	<b>26%</b>
Company-wide total	28%	36%	<b>41%</b>

P/L	(100 million yen)	FY2022	FY2023
Net sales		771	<b>874</b>
Cost of sales		474	<b>518</b>
Gross profit		297	<b>357</b>
Selling and general administrative expenses		178	<b>201</b>
Operating profit		119	<b>156</b>
Non-operating profit/loss		2	<b>5</b>
Ordinary profit		121	<b>161</b>
Extraordinary gain/loss		1	<b>1</b>
Profit before tax		120	<b>160</b>
Corporate tax, etc.		25	<b>45</b>
Net income attributable to non-controlling interests		0	<b>1</b>
Profit attributable to owners of parent		94	<b>114</b>

B/S	(100 million yen)	As of March 31, 2023	As of March 31, 2024
<b>Total assets</b>		<b>863</b>	<b>1,014</b>
Current assets		557	<b>667</b>
Inventories		190	<b>223</b>
Non-current assets		305	<b>347</b>
Property, plant, and equipment		209	<b>243</b>
<b>Total liabilities and net assets</b>		<b>863</b>	<b>1,014</b>
Total liabilities		251	<b>297</b>
Current liabilities		208	<b>244</b>
Short-term borrowings		20	<b>42</b>
Non-current liabilities		43	<b>53</b>
Net assets		612	<b>717</b>
Retained earnings		450	<b>547</b>
Treasury stock		-12	<b>-19</b>

C/F	(100 million yen)	FY2022	FY2023
Cash flows from operating activities		58	<b>97</b>
Cash flows from investing activities		-48	<b>-46</b>
Cash flows from financing activities		-19	<b>-5</b>
Total cash flows		-9	<b>45</b>
Cash and cash equivalents at end of period		139	<b>188</b>

# Forecast for FY2024

# Forecast of Company-wide Results

(100 million yen)

	FY2023 results			FY2024 forecast			Changes from the previous year
	1H	2H	Full year	1H	2H	Full year	Amount of change
<b>Net sales</b>	438	436	874	<b>420</b>	<b>450</b>	<b>870</b>	-4
<b>Operating profit</b>	83	73	156	<b>55</b>	<b>65</b>	<b>120</b>	-36
<b>Ordinary profit</b>	86	75	161	<b>56</b>	<b>65</b>	<b>121</b>	-40
<b>Profit attributable to owners of parent</b>	55	59	114	<b>39</b>	<b>46</b>	<b>85</b>	-29

<b>ROE</b>	
FY2023	FY2024
<b>17%</b>	<b>11%</b>

<b>ROIC</b>	
FY2023	FY2024
<b>16%</b>	<b>11%</b>

							(yen)
<b>Net income per share</b>	286	309	594	<b>204</b>	<b>240</b>	<b>444</b>	-150
<b>Dividend per share</b>	50	50	100	<b>55</b>	<b>55</b>	<b>110</b>	+10

<b>EBITDA</b>	
FY2023	FY2024
<b>178 billion yen</b>	<b>147 billion yen</b>

Exchange rate: 1U.S. dollar = 150 yen

# Forecast of Results by Segment

**Company-wide total:** Decrease in sales and profit **Valve & Piping Systems :** Decrease in sales and profit **Resin / Water Treatment & Natural Resources Development:** Increase in sales and profit

(100 million yen)		FY2023	FY2024	
			Forecast	Changes
<b>Valve &amp; Piping Systems Divisions</b>	Net sales	575	<b>538</b>	-37
	Operating profit	137	<b>96</b>	-41
	Operating profit ratio	23.8%	<b>17.9%</b>	-6.0%
<b>Resin Divisions</b>	Net sales	223	<b>238</b>	+15
	Operating profit	15	<b>18</b>	+3
	Operating profit ratio	6.9%	<b>7.7%</b>	+0.8%
<b>Water Treatment &amp; Natural Resources Development Divisions</b>	Net sales	77	<b>94</b>	+17
	Operating profit	5	<b>6</b>	+1
	Operating profit ratio	6.4%	<b>6.0%</b>	-0.4%
<b>Company-wide total</b>	Net sales	874	<b>870</b>	-4
	Operating profit	156	<b>120</b>	-36
	Operating profit ratio	17.8%	<b>13.8%</b>	-4.0%



# Valve & Piping Systems Divisions in FY2024

## Business environment

Semiconductor-related products  
(Basic products, Dymatrix products)

Demand leveled off in the electronics industry sector.  
Demand for manufacturing equipment is expected to recover from the second half of the year.

Capital investment  
(Basic products)

In the domestic steelmaking and nonferrous metal related industries, investment in renewal, improvement, etc. is expected to be firm, but recovery is expected to be gradual.

Infrastructure  
(Basic products)

Expected to remain at the same level as the previous fiscal year.

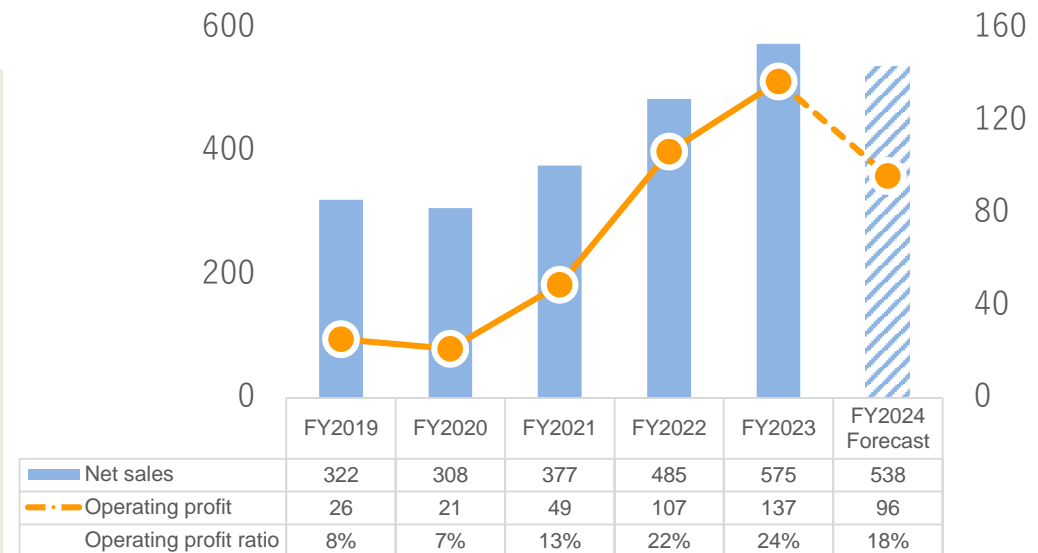
## Main measures

Improvement of production system and productivity with a view to global expansion.

Human resource development that contributes to helping our customers' manufacturing processes.

Net sales (100 million yen)

Operating profit (100 million yen)



# Resin Divisions in FY2024

## Business environment

- Semiconductor-related products  
(Electronics materials)
- Automobile production  
(Foundry materials)
- Construction  
(Foaming materials)

Gradual recovery in the first half of the year and full recovery in the second half are expected.

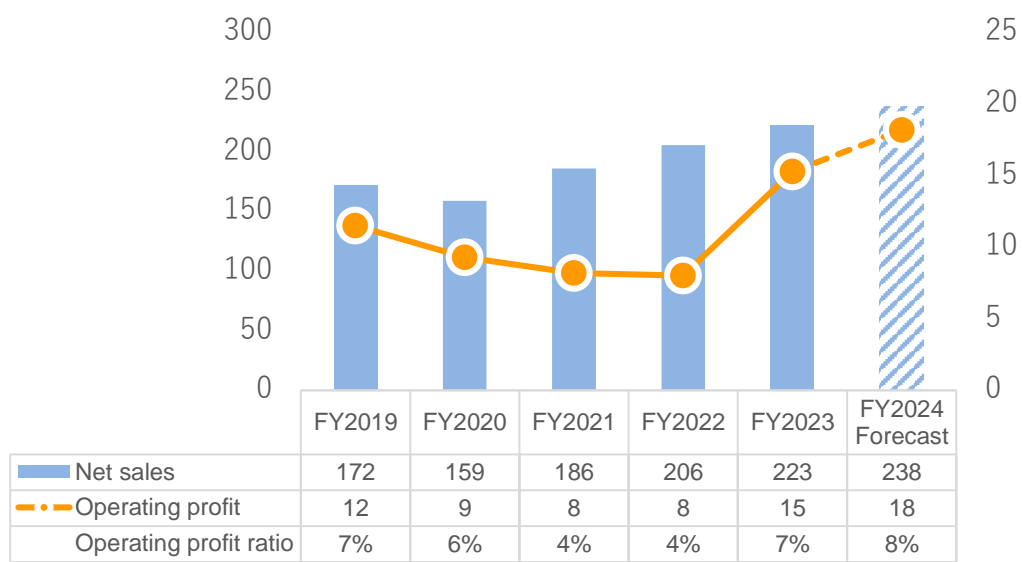
Expected to remain at the same level as the previous fiscal year (Slight decrease in Japan and increase in overseas countries)

Demand is expected to remain as steady as in the previous fiscal year, but manpower shortage is outstanding.

## Main measures

- [Electronics materials]  
Vertical start-up of the Electronics Materials 2nd Plant and promotion of the Nantong Electronics Materials 2nd Plant construction project.
- [Foundry materials]  
Further acceleration of overseas expansion (Nantong, Mexico, India)
- [Foam materials]  
Accumulation of construction results for "BEXUR™", a highly insulating, on-site foaming system.

Net sales (100 million yen)      Operating profit (100 million yen)



Business environment

- Water treatment
- Resource development

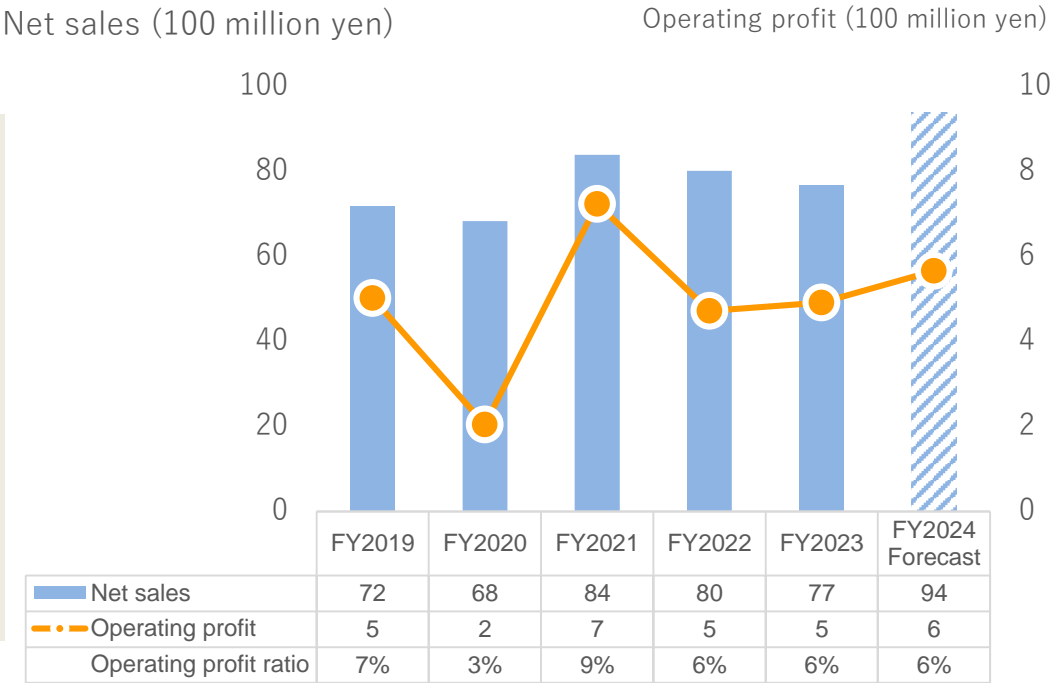
Expected to remain at the same level as the previous fiscal year.

In the geothermal field, several large projects are expected due to the improvement of order environment.

In the hot spring field, there are a number of highly promising inquiries, but the number of construction workers for excavation work is tight.

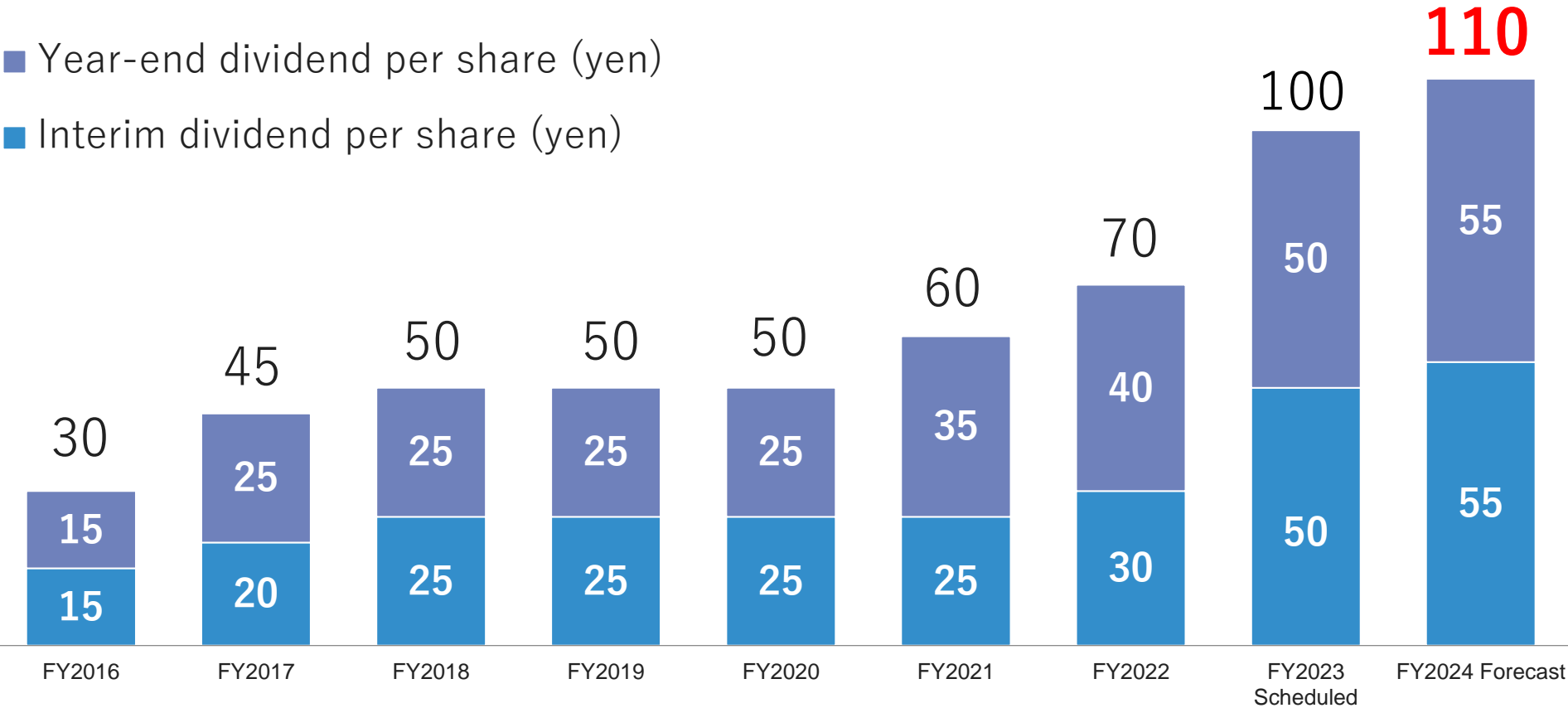
Main measures

- Strengthen efforts in the biogas power generation field.
- Promote the introduction of a remote control system.
- Promote technology exploration projects (deepen proprietary methane fermentation treatment technology and water treatment membrane technology).



# Dividends and Stock Price

Interim dividend: 55 yen per share  
Year-end dividend: 55 yen per share (forecast)



Dividend payout ratio	52.7%	31.0%	24.5%	30.5%	34.3%	24.1%	14.2%	16.8%	24.8%
Total return ratio	52.9%	31.2%	24.8%	30.7%	34.5%	24.2%	14.4%	23.4%	-

# Stock Price Trends

\* Indexed by deeming the stock price of April 3, 2023 as 100



Dividend  
yield\*

2.4%

PER  
(Company's  
forecast)\*

10.2times

PBR  
(Result)

1.2times

\* Dividend yield and PER (company's forecast) are calculated based on the closing price of May 23, 2024 (4,620 yen).

# Progress of the Midterm Business Plan



## Target values for 2025

Item	Values announced on May 2023
Net sales	<b>87 billion yen</b>
Operating profit	<b>12 billion yen</b>
Operating profit ratio	<b>14%</b>
EBITDA	<b>16 billion yen</b>
ROE	<b>11%</b>
ROIC	<b>9%</b>

## Target values by segment

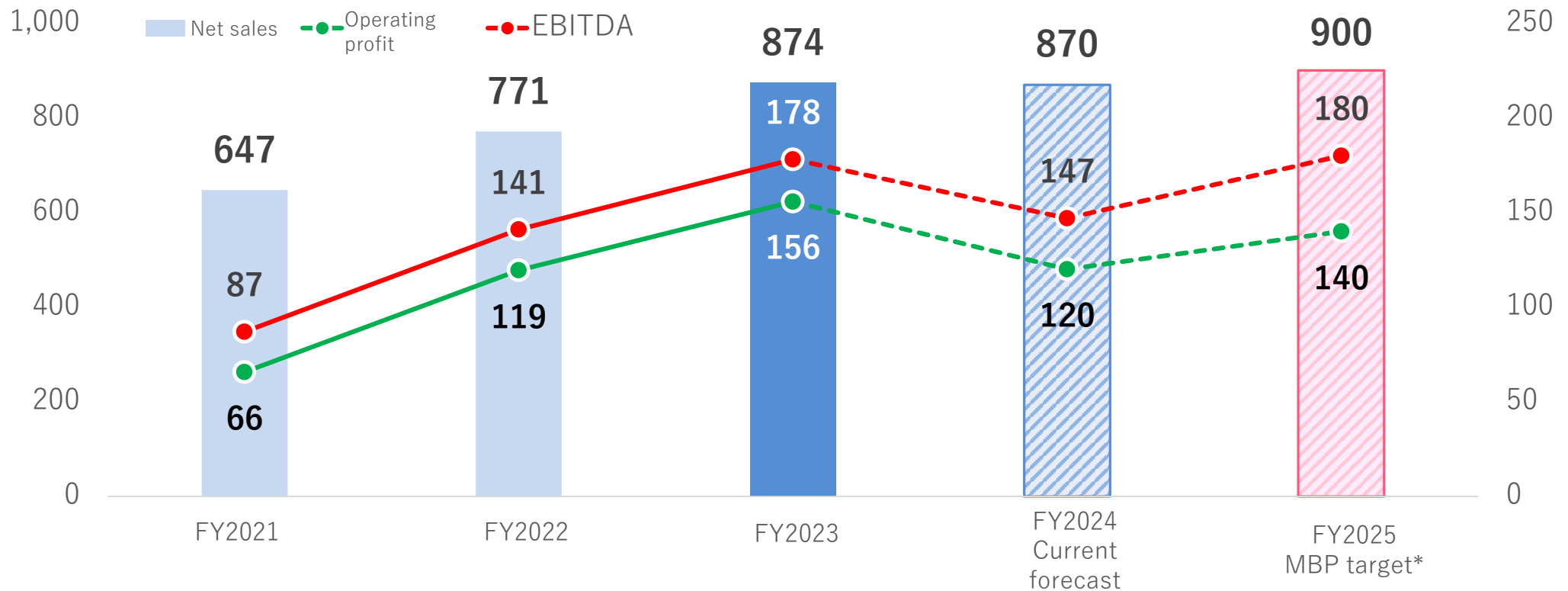
	Net sales	Operating profit	Operating profit ratio
Valve & Piping Systems Divisions	<b>52.5 billion yen</b>	<b>9.5 billion yen</b>	<b>18%</b>
Resin Divisions	<b>24.5 billion yen</b>	<b>1.8 billion yen</b>	<b>7%</b>
Water Treatment & Natural Resources Development Divisions	<b>10.0 billion yen</b>	<b>0.7 billion yen</b>	<b>7%</b>



# Numerical Targets

Net sales  
(100 million yen)

Operating profit / EBITDA  
(100 million yen)



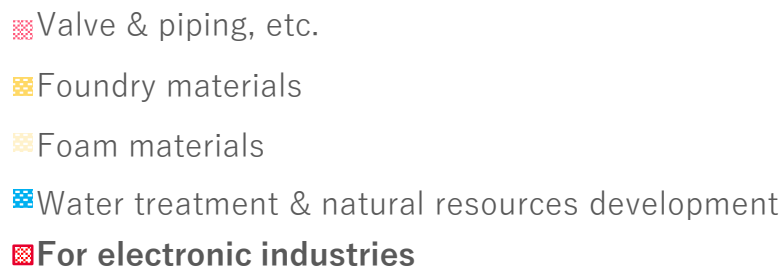
Item	FY2021	FY2022	FY2023	FY2024 Current forecast	FY2025 MBP target*
Operating profit ratio	10%	15%	18%	14%	16%*
ROE	10%	17%	17%	11%	11% or more*
ROIC	9%	16%	16%	11%	9% or more*

\* Recalculated the target values of the FY2025 Midterm Business Plan at 150 yen/\$, which was initially 120 yen/\$. (Net sales: 87 billion yen, operating profit: 12 billion yen)

**Considering overseas market and semiconductors as growth drivers,  
expand the business in Japan by make a real “difference.”**

Net sales  
(100 million yen)

1,200



## Niche Top product group

Piping materials for the electronics industry  
 (U.S., China, Japan)  
 Dymatrix (Asian region)  
 Electronics materials (Japan, China)  
 High-insulation foam materials (Japan)

## Strategic investment projects

Supply chain reform at Nobeoka  
 Manufacturing Plant  
 Construction of a new Dymatrix plant  
 Construction of a new electronics materials  
 plant  
 Update and introduction of basic systems

1,000

800

600

400

200

0

FY2020

FY2021

FY2022

FY2023

FY2024  
Forecast

FY2030  
Vision

# Progress of Investment Strategy

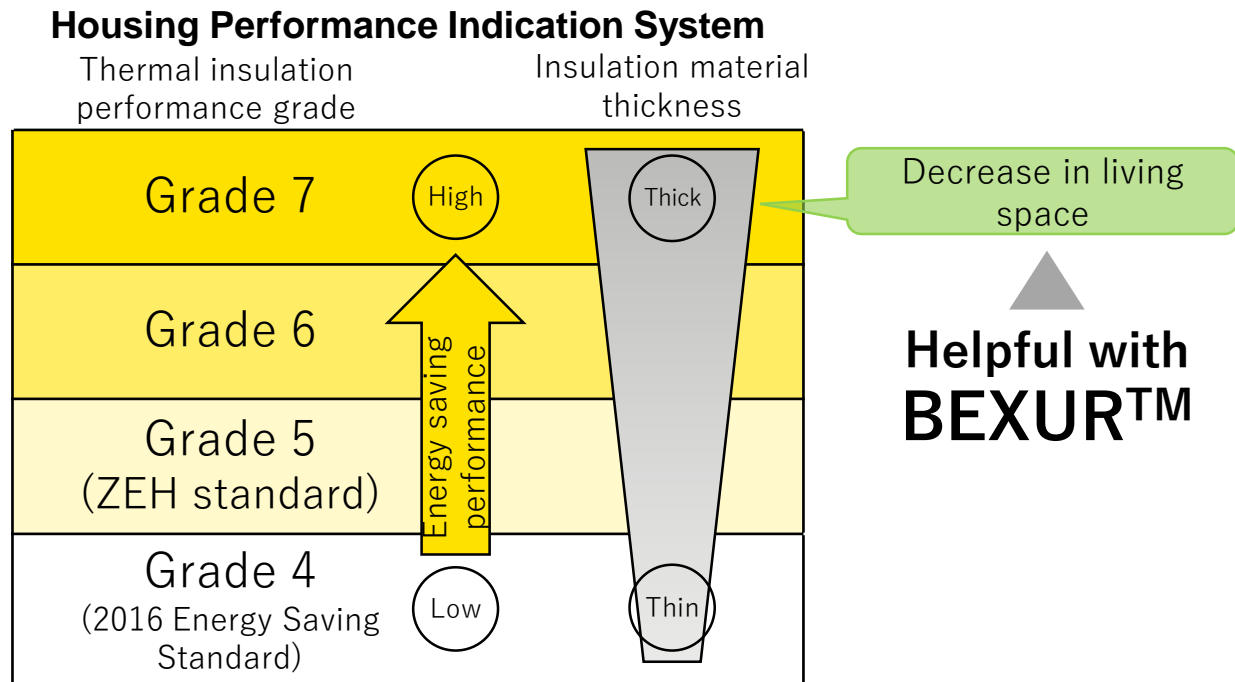
Investment details	Investment plan up to FY2025	Progress up to FY2023	Progress	Specific items planned
Strategic investment	26 billion yen	<b>Resin Divisions</b> <ul style="list-style-type: none"> <li>New electronics materials plant</li> </ul> <b>6 billion yen</b> <b>Digital investment</b> <ul style="list-style-type: none"> <li>Basic system update</li> </ul> <b>0.8 billion yen</b> <small>* Decision making basis</small>	26%	<b>Valve &amp; Piping Systems Divisions</b> <ul style="list-style-type: none"> <li>Supply chain reform</li> <li>New Dymatrix plant</li> </ul> <b>Resin Divisions</b> <ul style="list-style-type: none"> <li>Electronics materials plant (in and outside Japan)</li> </ul> <b>Sustainable / Digital investment</b> <ul style="list-style-type: none"> <li>Introduction of a production management system</li> </ul>
Ordinary investment (Maintenance & rationalization)	11 billion yen	<b>7.4 billion yen</b> <small>* Asset capitalization basis</small>	67%	
M&A limit	5 billion yen	-	0%	
<b>Total investment amount</b>	<b>42 billion yen</b>	<b>14 billion yen</b>	<b>39%</b>	

# Topics

### ◆ World's top class on-site foaming system (our estimate)

## Characteristics

- Realized thinning
- Contribute to the provision of a more spacious and comfortable living space



### On-site urethane foam market size for buildings and condominiums (our estimate)

## Vision

- Create a market with a new technology
- Aim to become a Niche Top company

	<2023>	<Expected for 2030>
Grade 6 or above	Several hundreds of millions of yen	5 billion yen
Grade 5	Several hundreds of millions of yen	15 billion yen
Grade 4 or below	18 billion yen	—

# Electronics Materials Business

## -- Progress of Plant Construction

### ◆ Construction of the Electronics Materials 2nd Plant

- Total investment: 6 billion yen
- Use: For advanced semiconductors  
Legacy semiconductors
- Progress: Nov. 2022 Start of construction  
July 2024 Completion  
Preparing for vertical start-up



### ◆ Expansion of the Nantong Electronics Materials Plant

- Production capacity: To be increased by 1.5 times
- Use: For FPD
- Progress: Construction completed in March 2024



## 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.