

# 2030 Vision

## Phase 1

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# Medium-term Management Plan

(2022-2024)

February 22, 2022



**Concepts for Formulation of the Medium-term Management Plan**



**Corporate Image to be Achieved by 2030**



**Medium-term Management Plan 2022-2024  
MEC's 2030 Vision: Phase 1**

① Quantitative Targets

② Business Environment

③ Business Field

④ Human Resource

Development Field

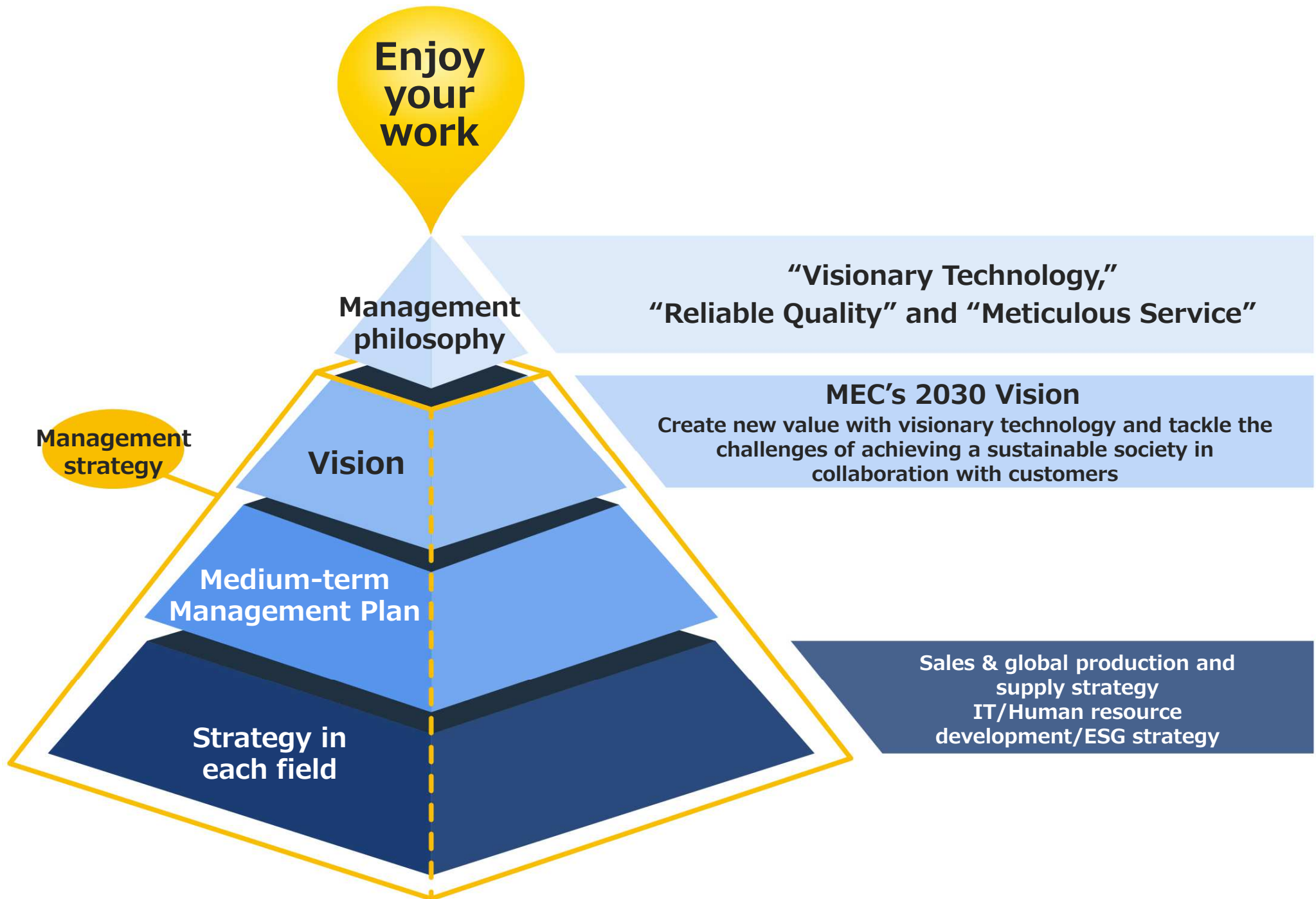
⑤ ESG Field



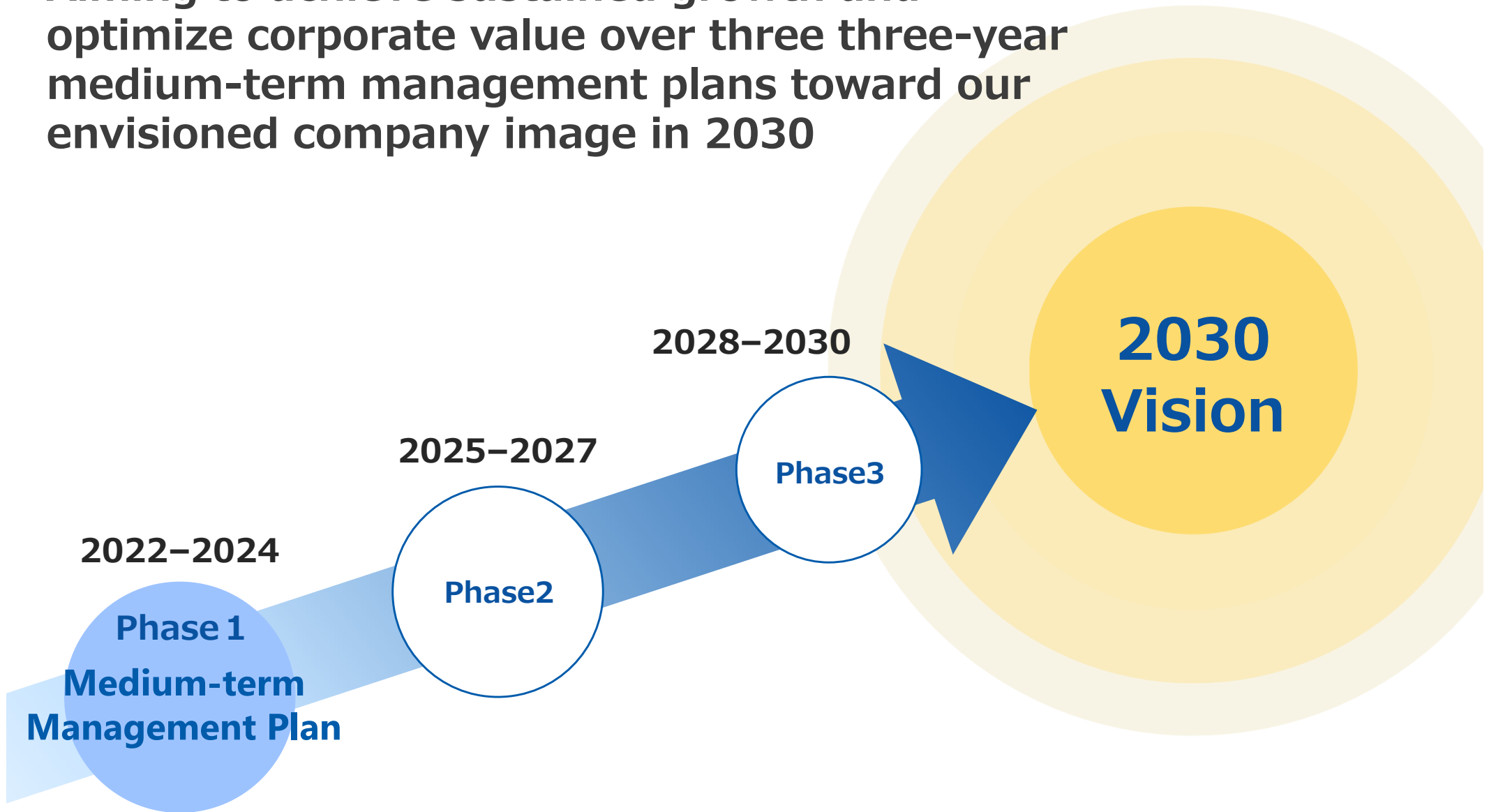
**Capital Policy**

## 1

# Concepts for Formulation of the Medium-term Management Plan



Aiming to achieve sustained growth and optimize corporate value over three three-year medium-term management plans toward our envisioned company image in 2030





## **Corporate Image to Be Achieved by 2030**



**Become a truly global company that creates new value with visionary technology**



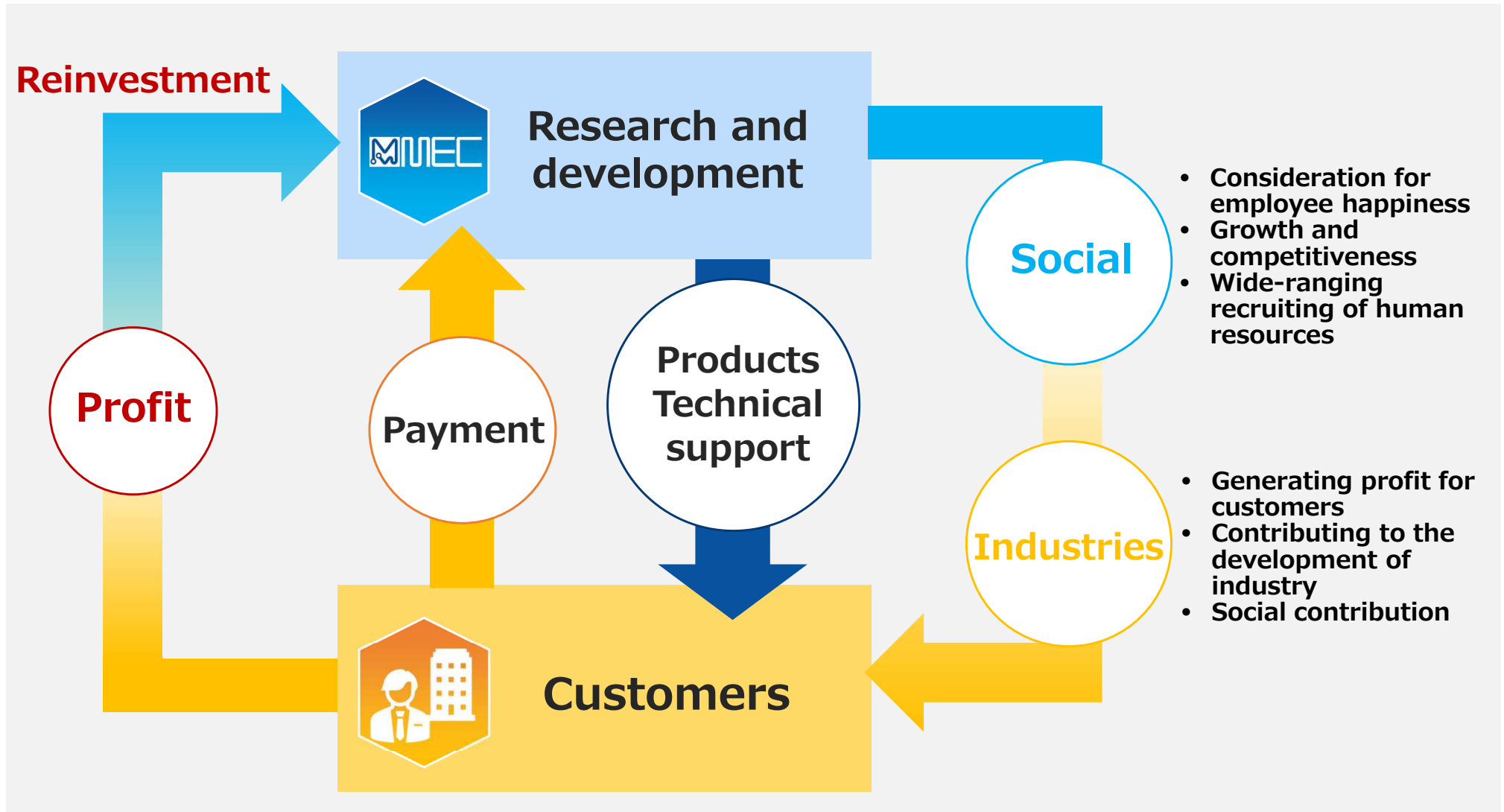
**Continue to be an R&D-based company**



**Present an image as a visionary AI company**

# Our Business Model to Be a Company That Grows Continuously

As an R&D-oriented company, continue to supply valuable products to customers and contribute to society





# Create and Transform

**Change the concept  
of "Making"**

**Change the concept  
of "Selling" and "Gaining"**



## Human resource image

**Strive to develop human resources capable of self-reliance, self-discipline, and solidarity**

**Be enthusiastic and continuously challenge oneself**

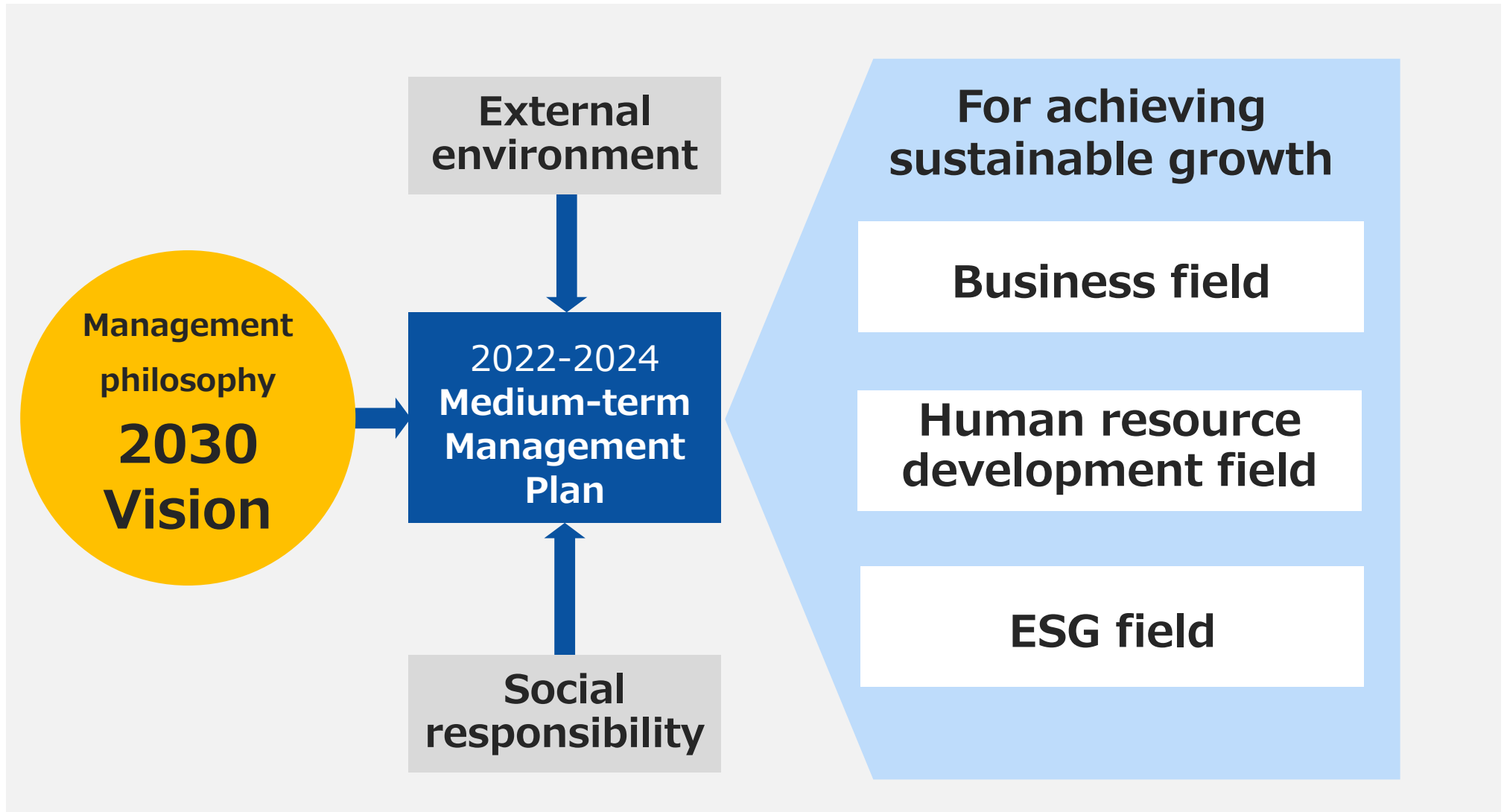
**Acquire fundamental digital literacy**



## Organizations

**Strive to recruit excellent human resources according to their roles, assign them appropriately, and prepare an environment where they can fulfill their potential**

Keeping an eye on changes in the external environment and striving to achieve sustained growth toward our vision and guiding principles for 2030



# Medium-term Management Plan 2022-2024

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## ① Quantitative Targets

# Social change and transformation

- **Advancement of DX**
- **U.S.-China dual axis worldview**
- **Shift toward decarbonization**
- **Tackling on the SDGs**

## 2024 quantitative targets (consolidated)

**Operating  
margin**

At least **20%**

**ROE**

At least **10%**

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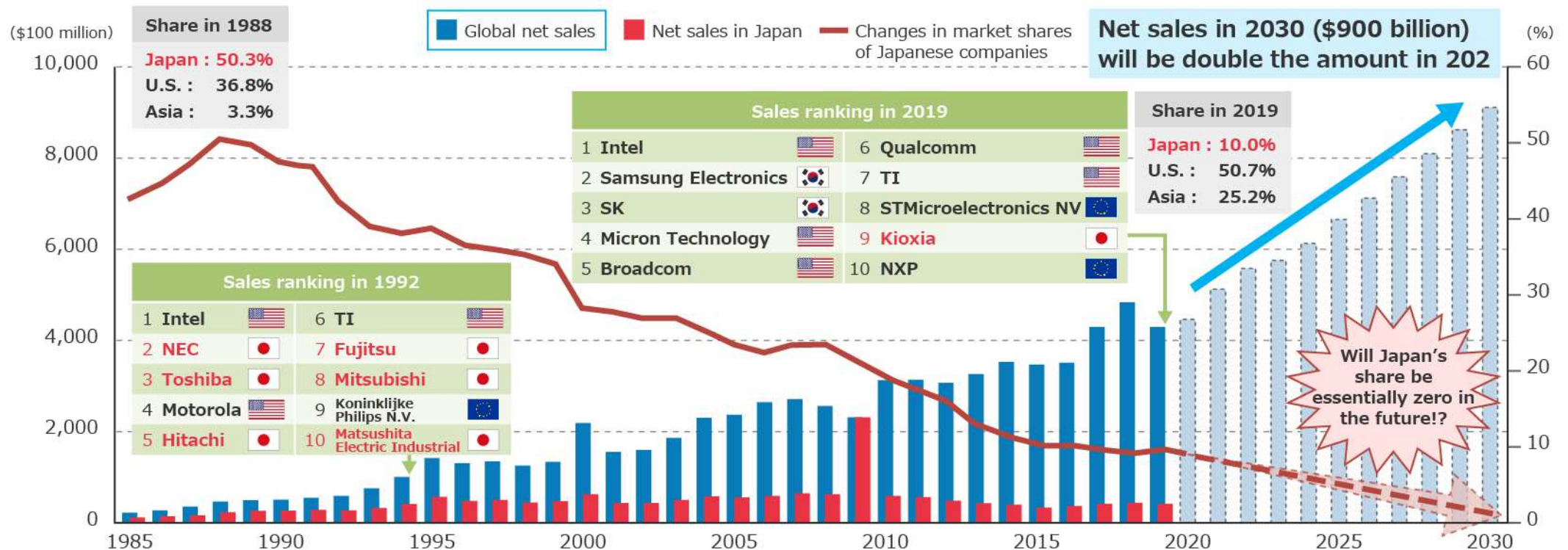
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## ② Business Environment

Against the backdrop of social trends such as progress in DX and decarbonization,

- Increase data volumes and higher communication speeds will be promoted
- Sensing, monitoring, and simulating will become essential

**➔ The dramatic increase in semiconductors will drive the company's growth**



Source: Ministry of Economy, Trade and Industry, "The Strategy for Semiconductors (Summary) ," June 2021, p. 60.



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## ③ Business Field

## Technology & marketing

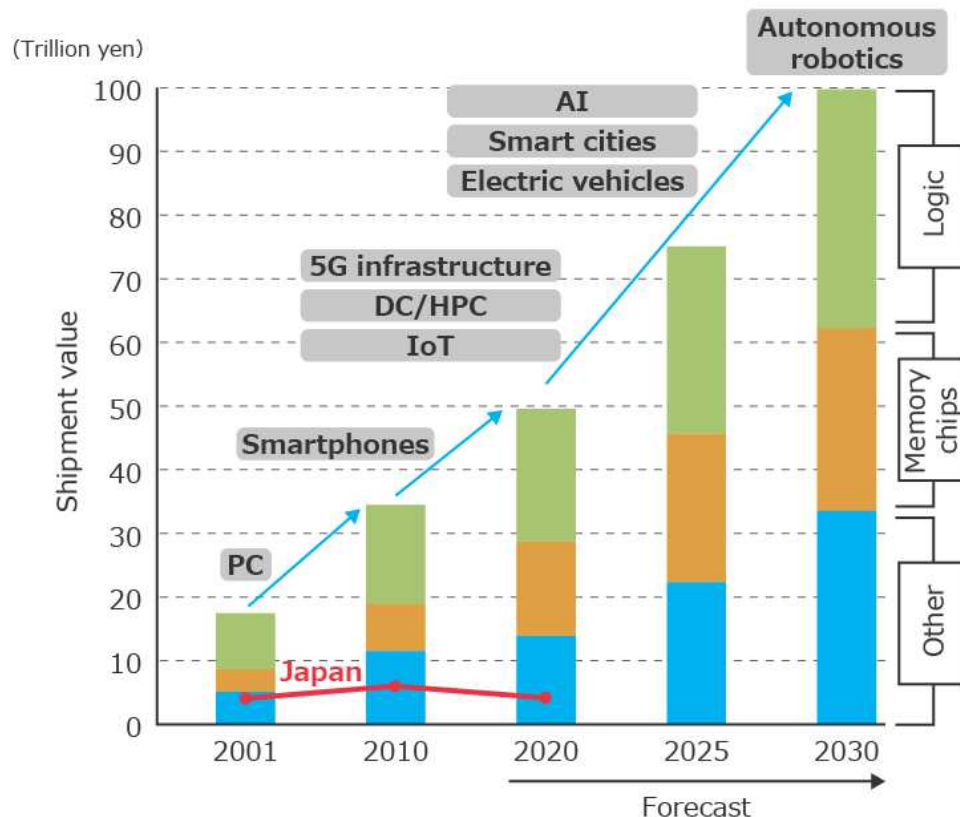
- **Respond to the technological change resulting from the shift from physical adhesion to chemical adhesion**
  - Establish chemical adhesion technologies
  - Establish next-generation de facto standards
- **Develop applications for existing technologies**
- **Enter new markets**
- **Create new business**

## Production & logistics

- **Develop a global production strategy**
  - Establish a stable procurement, production, and supply system from a consolidated perspective

- The semiconductor market will continue to grow steadily as the digital revolution advances (approximately 100 trillion yen in 2030)
- The volume zones are logic and memory chips used in smartphones, PCs, DCs, and 5G infrastructure, with the U.S., South Korea, and Taiwan dominating the market
- In the future, new semiconductor demand is expected to grow in edge computing application devices (autonomous driving, factory automation, etc.) on the foundations of the 5G and post-5G infrastructure, and this will be the last chance for Japan to enter this business

Global semiconductor market

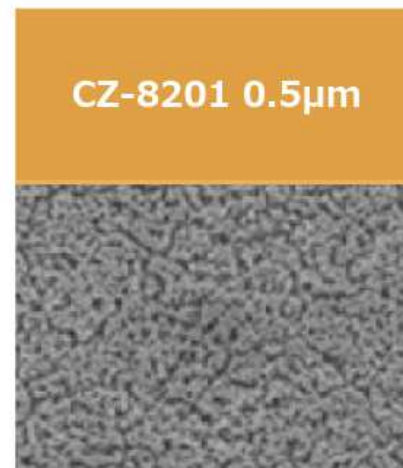
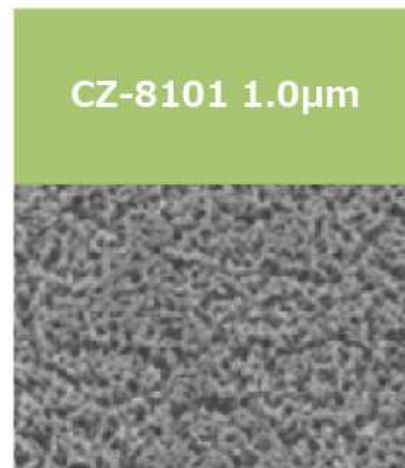
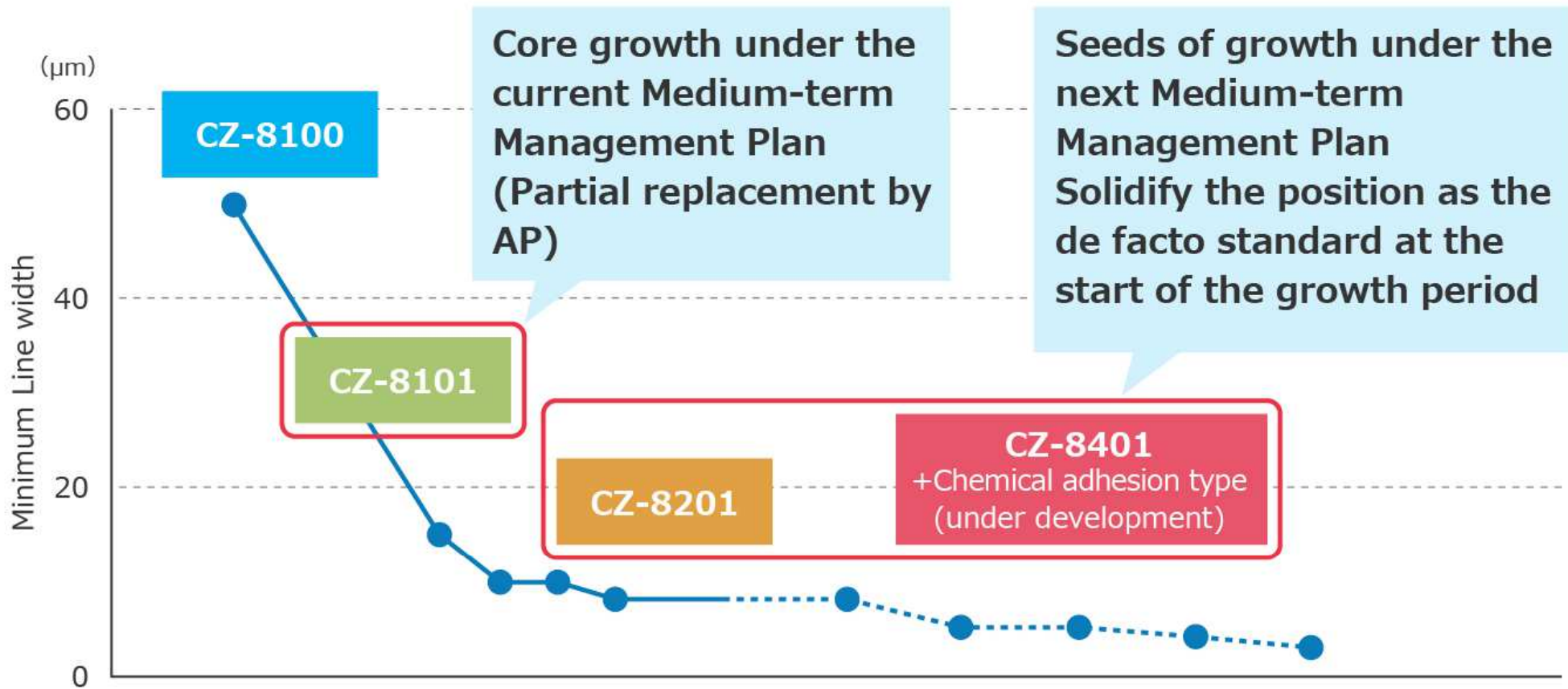


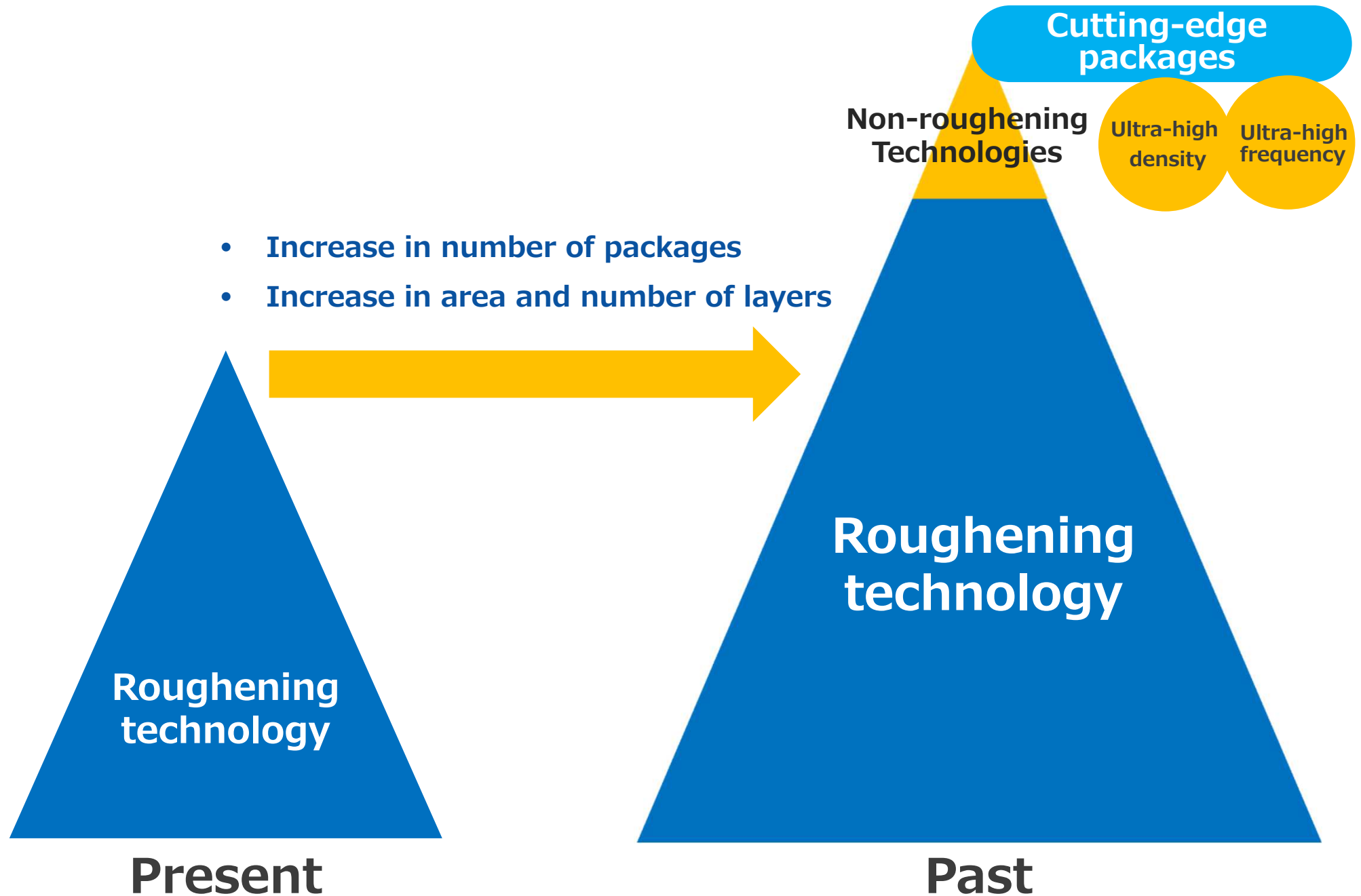
	Market scale 2018	Example of product	Leading companies
Logic (For control)	21 Trillion yen	Processors	intel, tsmc
		GPU	Qualcomm, NVIDIA
		SoC	
Memory chips (For data recording)	18 Trillion yen	DRAM	SAMSUNG, SK hynix
		NAND	Micron, KIOXIA
Other	15 Trillion yen	Analog LSI	Infineon, SONY
		Power semiconductors	ON Semiconductor, MITSUBISHI ELECTRIC
		Image sensors	

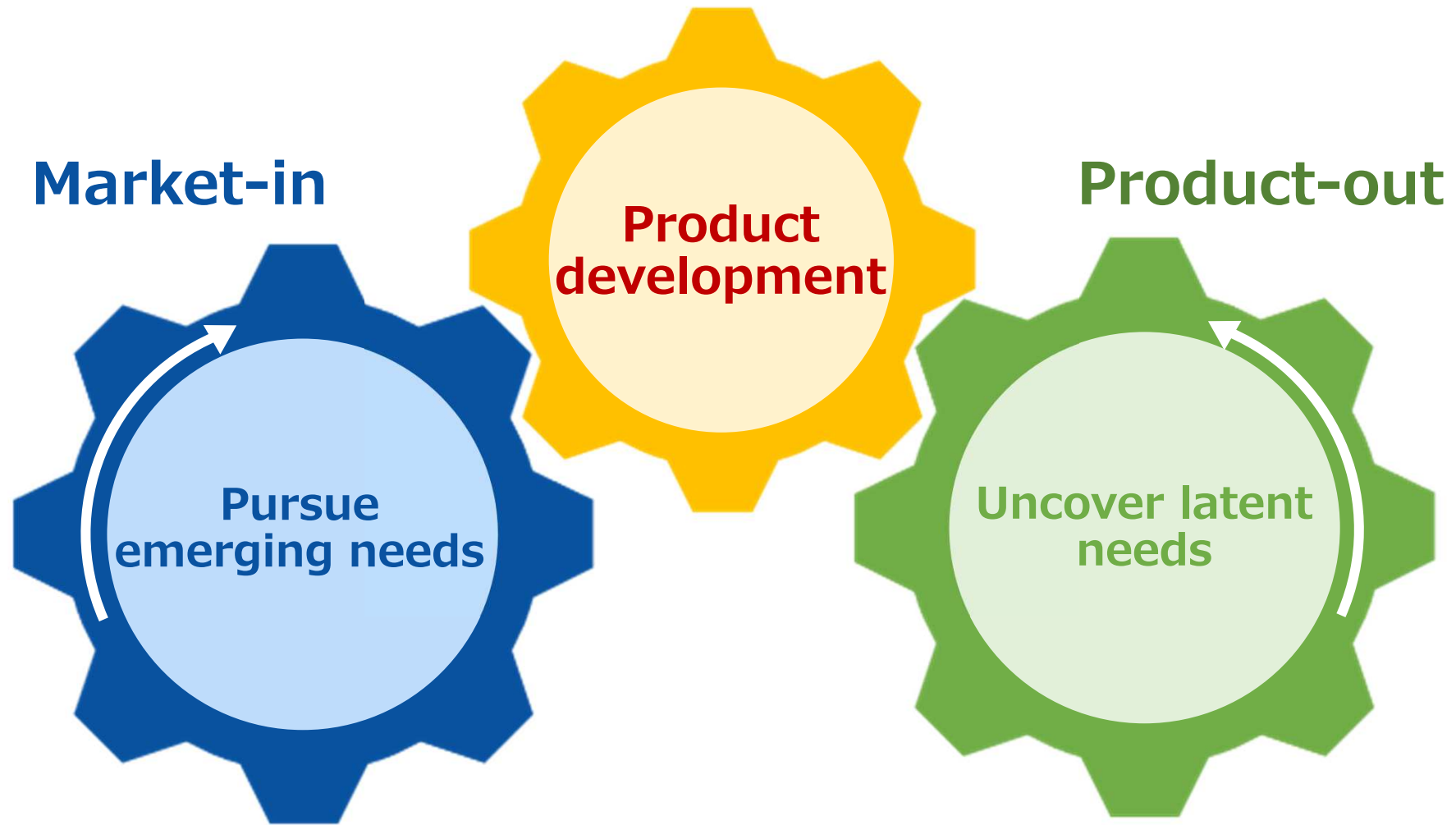
Analog LSI: RF, PMIC, etc.

Source: Prepared by the Ministry of Economy, Trade and Industry based on data from Omdia

# The Transformation of Physical Adhesion





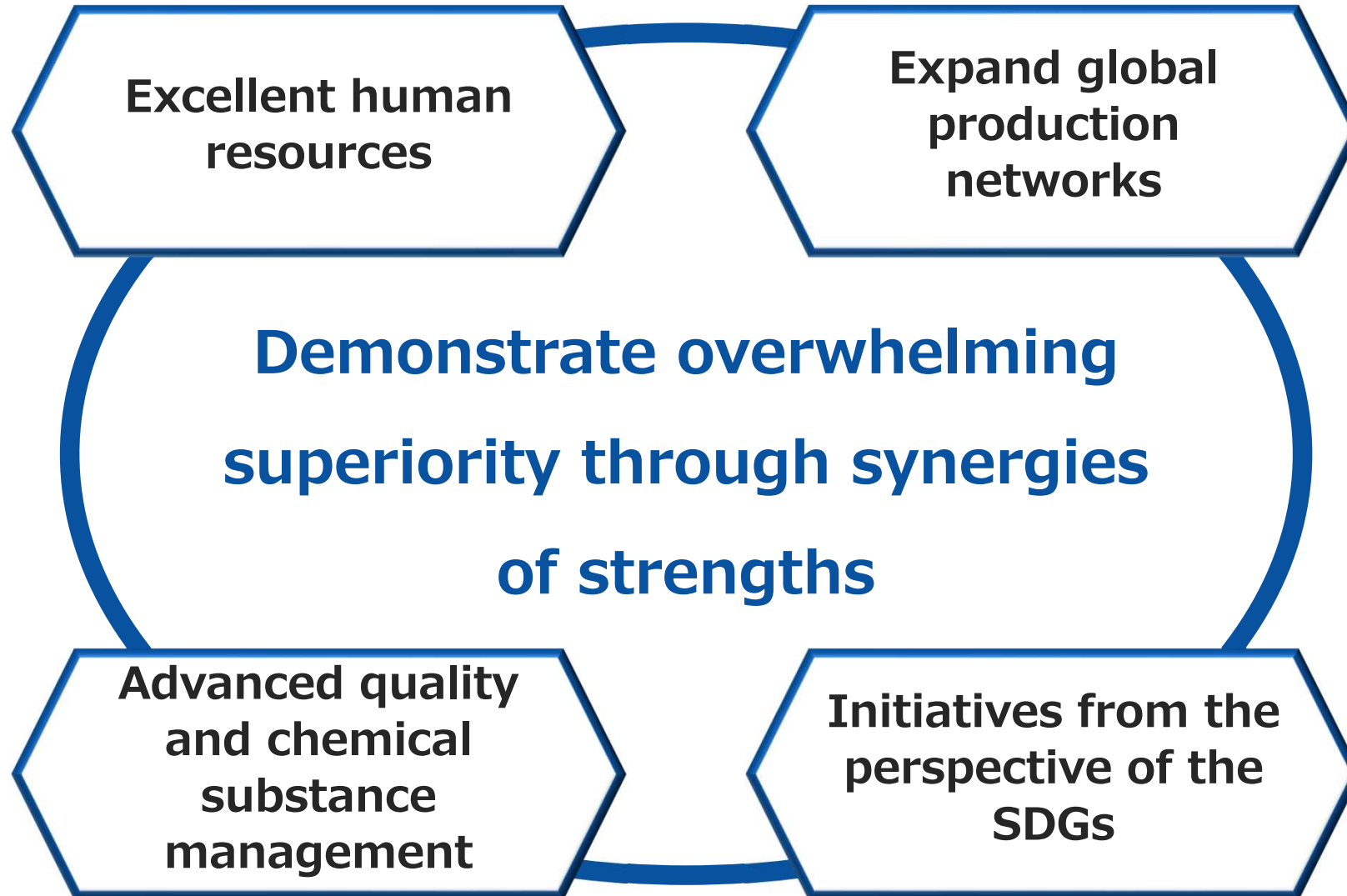


## Visible markets

- Semiconductor manufacturing processes
- Power devices
- Optical fusion devices, etc.

## Potential markets

- Based on core technologies, develop new markets and establish the top niche position





# Medium-term Management Plan 2022-2024

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## ④ Human Resource Development Field



Corporate motto & management philosophy



Management strategy

2030 Vision

Medium-term management plan



Human resource strategy for achieving the desired image of human resources and organizations

① Building a dynamic human resource portfolio

③ Re-skilling

② Responding to diversification (work formats and styles)

④ Employee engagement



Implementation of specific measures during each personnel phase

Hiring

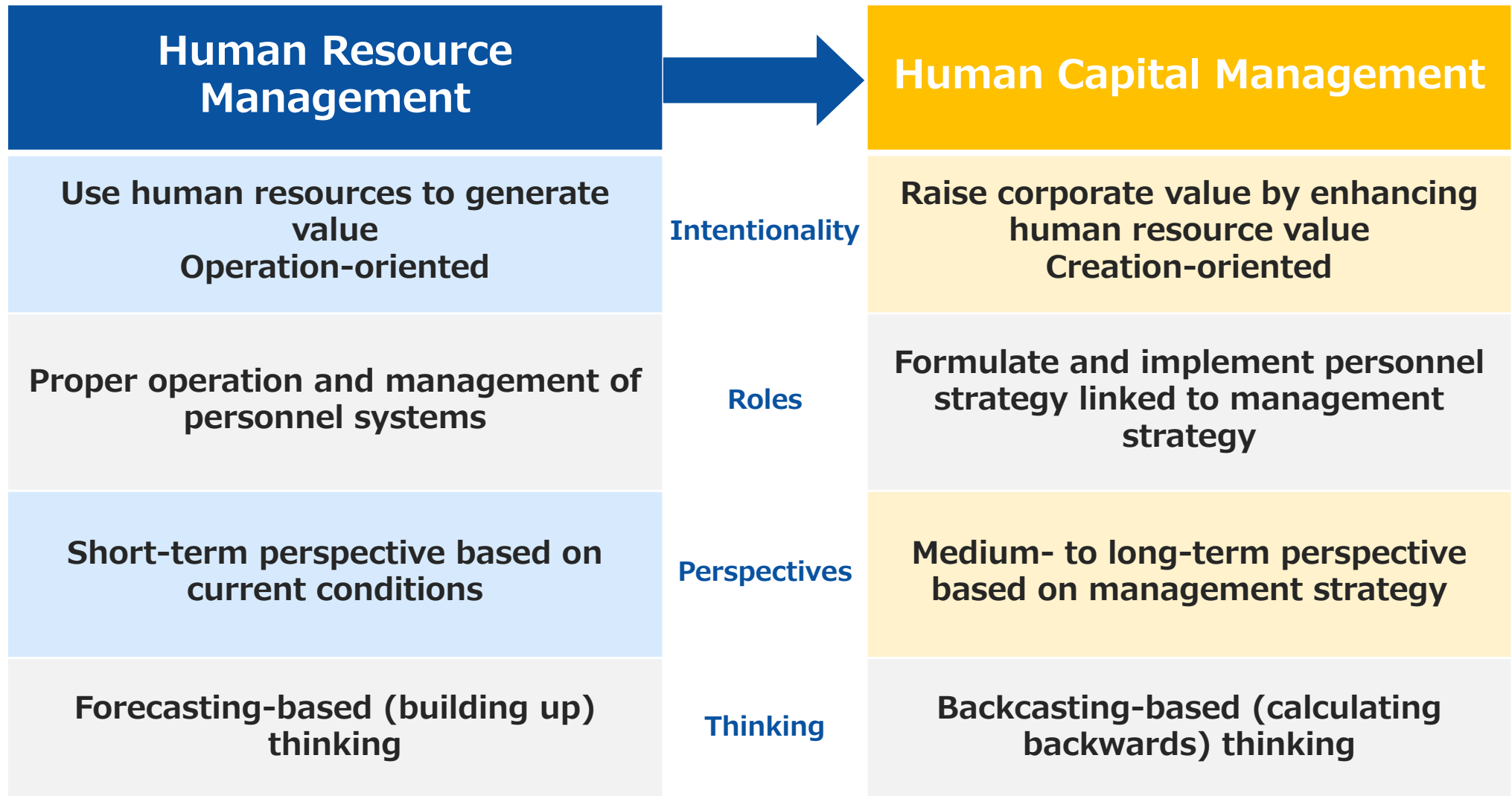
Assignment

Training

Evaluation

Remuneration

Activation



By implementing a personnel strategy based on human capital management as well as human resource management, we will create and provide human value information that contributes to management from short-term, medium-term, and long-term perspectives

# Medium-term Management Plan 2022-2024

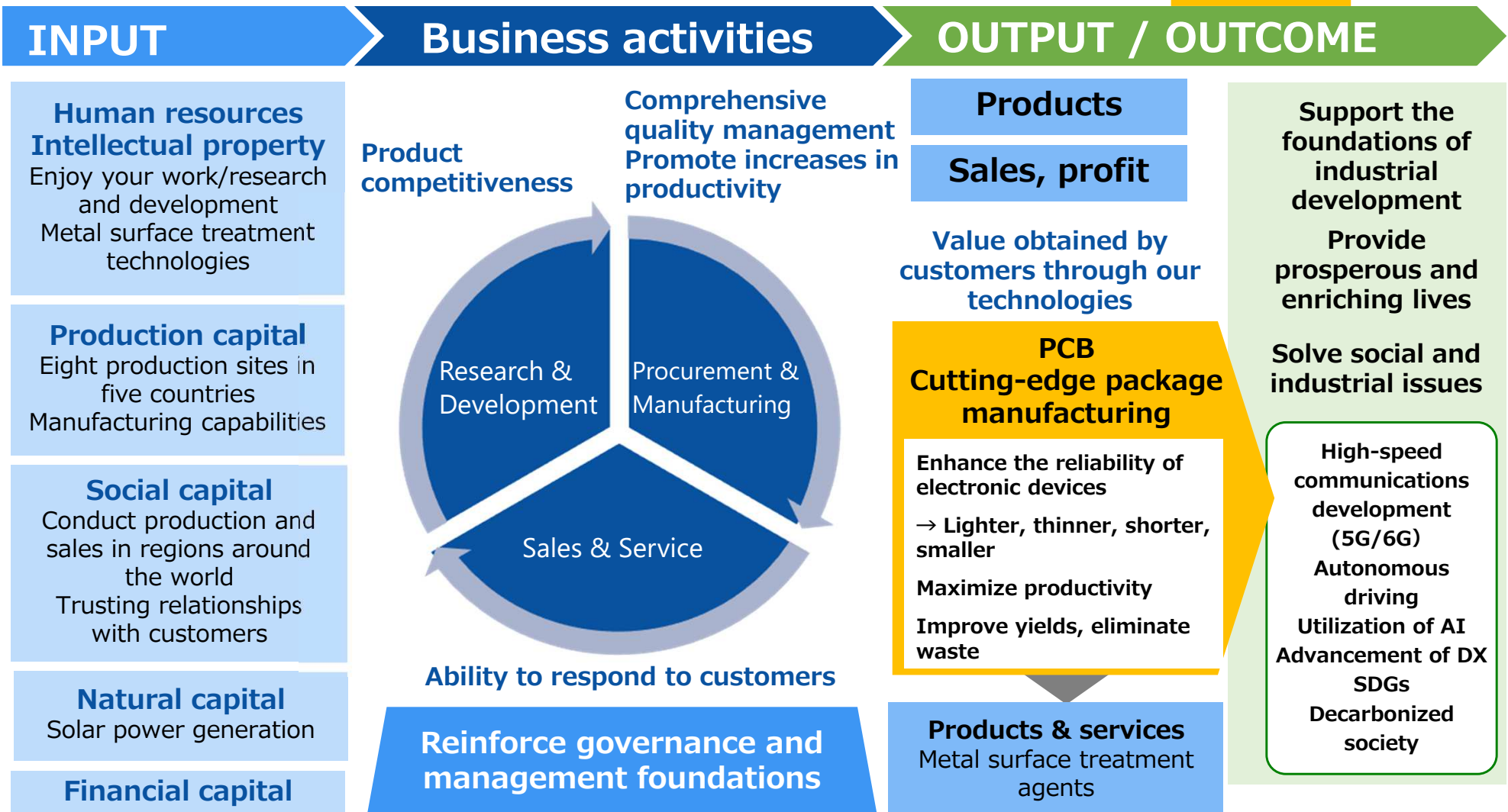
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## ⑤ ESG Field

## Achieving the management philosophy

The MEC group will contribute to the creation of a prosperous and diverse society and sustainable environment, inspired by an unconventional approach based on the principles of "Visionary Technology", "Reliable Quality" and "Meticulous Service", thereby creating and fostering value at various interfaces through our global activities.



<b>Research and development to open up the future</b>	Development and provision of high added value products Contribution to higher customer productivity and yields Development of products that reduce environmental impact
<b>Proper procurement, production, and logistics</b>	SCM, green procurement, global procurement Creation of global production and supply system
<b>Environmental preservation</b>	Appropriate chemical substance management BCP responses
<b>Quality and safety</b>	Health and safety management, quality assurance Building long-term trusting relationships with stakeholders
<b>Utilization of diverse human resources</b>	Health management, work-life balance Career development, self-reliance, self-discipline, solidarity (engagement)
<b>Reinforcement of management foundations</b>	Governance Appropriate information disclosure, security Risk management

<b>Our mission</b>	Grow as a company by contributing to the development of industry
<b>Our responsibility</b>	Responsibility for procurement, handling, product development, manufacturing, and disposal as a company that uses resources and handles chemical substances
<b>The world to be achieved through business</b>	Happiness and growth as people
	Water
	Equality Collaboration
<b>Issues</b>	Contributing to climate change Energy issues
<b>Social contribution</b>	Afforestation

## Ongoing issues

**Contribute to the development of society,  
industry, and customers**

**Contribute to reducing environmental impact  
throughout the value chain**

## New issues to be addressed and societal demands

**Take additional action to reduce environmental  
impact and preserve the environment**

<b>Investment in research and development</b>	Approximately <b>10%</b> of consolidated sales every year
<b>Capital investment</b>	Approximately <b>500</b> million yen over three years
<b>Shareholder returns</b>	Maintain and increase the annual dividend per share Consolidated payout ratio target: <b>30%</b> Flexibly implement share buybacks according to the circumstances



# Creating and Fostering Value at Various Interfaces



<https://www.mec-co.com/en>

MEC COMPANY LTD.  
Corporate Communication Office  
Email. [mec\\_ir@mec-np.com](mailto:mec_ir@mec-np.com)

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