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February 14, 2022

To Whom It May Concern:

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(Securities Code: 4971)
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Considering establishment of a new base in Japan

We hereby notify you that at a meeting of the board of directors held on February 14, 2022, the Company resolved to consider the establishment of a new production base in Japan for the purpose of strengthening the production system. The details are as follows.

1. Background to the capital investment plan

The Group has launched the “2030 Vision Phase 1 Medium-Term Management Plan (From FY2022 to FY2024)” that started during the current period. We are working on initiatives to improve the productivity of each base in order to “establish a stable procurement, production and supply system,” which is one of the priorities for Phase 1.

In the electronics industry, the market is expected to expand due to an increase in demand for semiconductors as a result of the progress of new information and communication technologies as well as infrastructure development such as digitization and 5G, and the trend for digital transformation (DX) and decarbonizing.

Also, in the electronic substrate/parts industry, one of the Group’s main markets, we will begin considering the establishment of a new base to ensure the stable supply of our products as a further increase in demand for semiconductor package boards is expected.

2. Outline of the capital investment plan

Purpose: Our chemicals are widely used for manufacturing electronic substrates that are used in items such as information and communication equipment, automobiles and digital home appliances. Among those, our main products, the CZ Series of super-roughening adhesion enhancers, have a high market share in the package board manufacturing process. Expecting strong demand, we are making efforts to strengthen the production system from the current period through 2024. The purpose of the capital investment plan is to establish a new production base in Japan and improve the production capability in order to meet the customer demand which is forecast to increase further.

Total investment: Approx. 3 billion yen (planned)

Location: Japan (details TBD)

Start of operation: FY2025 (planned)

Investment plan: Use of the funds on hand and debt financing (planned)

3. Future outlook

While we believe that the impact of this plan on our consolidated earnings for the year ending December 2022 will be insignificant, we will disclose information as necessary depending on the circumstances.