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To Whom It May Concern

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(Securities Code: 4971, TSE Prime Market)
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Notice Concerning Conclusion of Agreement on Establishment of New Business Facility with City of Kitakyushu and Change in Total Investment Amount

Today, at the city hall of Kitakyushu in Fukuoka Prefecture, the Company entered into a business location agreement with Kitakyushu City, Fukuoka Prefecture. Please note that this is an update of previous disclosure in relation to the releases “Considering establishment of a new base in Japan” (announced on February 14, 2022) and “Acquisition of Fixed Asset” (announced on March 17, 2023).

1. Purpose of entering into a business location agreement

The Company’s main business is the development, manufacture, and sale of chemicals for the manufacture of electronic circuit boards and components. In particular, copper surface treatment agents for organic package circuit boards (hereinafter, “package substrates”), which are used for semiconductors, have been adopted by package substrate manufacturers around the world. We expect the electronic circuit board and components industry to expand in the future due to the development of a digital society, and so we have entered into a business location agreement in order to facilitate business development with the support of Fukuoka Prefecture and Kitakyushu City, with the aim of ensuring a stable supply of our related products, particularly in anticipation of further increases in demand for package substrates, which are closely related to our Company.

2. Outline of business plan

(1) Name	MEC COMPANY LTD. Kitakyushu Plant (tentative name)
(2) Location	10 Koyomachi, Wakamatsu-ku, Kitakyushu City, Fukuoka Prefecture
(3) Site area	29,889 m ²
(4) Start of construction	October 2023 (planned)
(5) Total investment	Approx. 4 billion yen (including land acquisition costs)
(6) Investment plan	Own funds and debt financing (planned)
(7) Production capacity	Approx. 30,000 t/year (planned)
(8) Number of newly hired employees	10 to 20 (planned)
(9) Commencement of operations	January 2025 (planned)

The total investment amount has been changed from the disclosure on February 14, 2022, as a result of securing the site area in anticipation of future business expansion, as well as anticipating investments to improve profitability, enhance BCP response capabilities, take environmental measures, etc.

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3. Future outlook

This plan will have only a minor impact on the business results for the current fiscal year (ending December 2023). We will promptly disclose any information that requires disclosure in the future.

(Conceptualized image of completed facility)

