

# Notice of 52nd Ordinary General Meeting of Shareholders

**Date & Time** 10 a.m. on Wednesday, March 24, 2021  
\*Reception starts at 9:30 a.m.

**Venue** HO-OH, 3rd floor, Miyako Hotel Amagasaki  
2-7-1, Showa-dori, Amagasaki City, Hyogo Prefecture

Matters to be Resolved

- < Company Proposals No. 1 to No. 3 >
- Proposal No. 1: Partial changes to the Articles of Incorporation
- Proposal No. 2: Appointment of four Directors (excluding Directors who are Audit and Supervisory Committee Members)
- Proposal No. 3: Appointment of one substitute Director who is an Audit and Supervisory Committee Member
- < Shareholder Proposal No. 4 >
- Proposal No. 4: Changes to the Articles of Incorporation

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MEC COMPANY LTD.



Securities Code: 4971

## Novel Coronavirus Measures

Please see the "Novel Coronavirus Measures for Our Shareholders' Meeting" on page 7.

To Our Shareholders

3-4-1, Kuise-minami-shinmachi, Amagasaki City, Hyogo Prefecture

MEC COMPANY LTD.

CEO & President

Kazuo Maeda

## Notice of 52nd Ordinary General Meeting of Shareholders

We are pleased to announce that the 52nd Ordinary General Meeting of Shareholders of MEC COMPANY LTD will be held as detailed below.

If you do not attend the meeting on the day, you can exercise your voting rights in writing or via the Internet. Please examine the Reference Documents for the General Meeting of Shareholders shown below, and exercise your voting rights by 5:20 p.m. on Tuesday, March 23, 2021 in accordance with the guidance provided below.

### Details

1. Date & Time 10 a.m. on Wednesday, March 24, 2021 (reception starts at 9:30 a.m.)
2. Venue HO-OH, 3rd floor, Miyako Hotel Amagasaki,  
2-7-1, Showa-dori, Amagasaki City, Hyogo Prefecture  
(Please refer to the map of the venue for the shareholders' meeting provided at the end of this document.)
3. Purposes  
Items to be Reported:
  1. The business report, the consolidated financial statements, and the results of consolidated financial statement audits by the accounting auditor and the Audit and Supervisory Committee for the 52nd business period (January 1, 2020 to December 31, 2020)
  2. The non-consolidated financial statements for the 52nd business period (January 1, 2020 to December 31, 2020)

Matters to be Resolved:

< Company Proposals No. 1 to No. 3>

Proposal No. 1: Partial changes to the Articles of Incorporation

Proposal No. 2: Appointment of four Directors (excluding Directors who are Audit and Supervisory Committee Members)

Proposal No. 3: Appointment of one substitute Director who is an Audit and Supervisory Committee Member

< Shareholder Proposal No. 4>

Proposal No. 4: Changes to the Articles of Incorporation

A summary of the proposal is described in the Reference Document for the Annual Meeting of Shareholders below.

#### 4. Guidance for Exercise of Voting Rights

(1) Exercising voting rights in writing:

Please indicate whether you are “for” or “against” each proposal on the voting form enclosed herein, and return it to us to arrive by 5:20 p.m. on Tuesday, March 23, 2021.

(2) In the event that you do not enter a “for” or “against” vote:

If you fail to enter a “for” or “against” for each proposal, your vote will be registered as “for” the company proposals and “against” the shareholder proposal.

(3) Exercising voting rights via the Internet:

Please see the “Guidance for Exercise of Voting Rights via the Internet” on page 6, and exercise your voting rights by 5:20 p.m. on Tuesday, March 23, 2021.

If you exercise your voting rights twice, once by mail and once via the Internet, we will treat your Internet vote as the valid exercise of your voting rights. If you exercise your voting rights several times via the Internet, or if you exercise your voting rights more than once using a computer and a smartphone, we will treat the most recent vote as the valid exercise of your voting rights.

(4) If you wish to exercise your voting rights in a non-uniform manner, please notify us in writing of the reasons therefor at least three days before the day of the shareholders’ meeting.

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- ◎ When you attend the meeting, please hand in the enclosed voting form at the reception desk.
  - ◎ Please note that if the need arises to revise the business report, consolidated financial statements, non-consolidated financial statements or reference documents for the general meeting of shareholders, we will post the revisions on our website (<https://www.mecco.com/en/>).
  - ◎ We will post the following documents that we are required to provide in accordance with the provisions of laws and regulations and Article 15 of the Company's Articles of Incorporation on our website (<https://www.mec-co.com/>). For this reason, they are not included in the attachments to this Notice of Ordinary General Meeting of Shareholders.
    - 1) From the Business Report: "Matters concerning the Company's shares," "matters concerning new share subscription rights in the Company," and "basic policy on control of the Company"
    - 2) From the consolidated financial statements: "Consolidated statements of changes in net assets" and "notes to the consolidated financial statements"
    - 3) From the non-consolidated financial statements: "Non-consolidated statements of changes in net assets" and "notes to the non-consolidated financial statements"The Audit and Supervisory Committee has audited 1), 2) and 3) above, in addition to the business report, consolidated financial statements, and non-consolidated financial statements stated in the documents attached to this Notice of the Ordinary General Meeting of Shareholders. The accounting auditor has audited 2) and 3) above, in addition to the consolidated financial statements and non-consolidated financial statements stated in the documents attached to this Notice.

## Guidance for Exercise of Voting Rights

There are three ways to exercise your voting rights.

### If you are able to attend the meeting:



Please hand in the enclosed voting form at the reception desk.

Date and time

**10 a.m.,  
Wednesday, March 24, 2021**

### If you are unable to attend the meeting:



#### Exercising voting rights by mailing the voting form:

Please indicate whether you vote “for” or “against” each proposal on the voting form enclosed and drop it into a post box.

Deadline for arrival

**5:20 p.m.,  
Tuesday, March 23, 2021**



#### Exercising voting rights via the Internet (with PC or smartphone):

Enter whether you vote “for” or “against” each proposal. For how to exercise your voting rights, please read pages 4 and 8.

Deadline for entry

**5:20 p.m.,  
Tuesday, March 23, 2021**

### Notes

1. If you are attending the meeting, it is not necessary to exercise your voting rights by mail or via the Internet. Please hand in the enclosed voting form at the reception desk on the date of the meeting.
2. Internet fees (connection fee, communication expenses, etc.) will be borne by the shareholders.
3. Exercising your voting rights via the Internet may not be possible depending on your Internet usage environment, Internet subscriber service and type of device.

# Guidance for Exercise of Voting Rights in Writing



Deadline for arrival: 5:20 p.m., Tuesday, March 23, 2021

Please indicate whether you are “for” or “against” each proposal on the voting form enclosed and return it to us.

For the shareholder proposal, if you agree with the opinion of the Company’s Board of Directors, please put a circle in the “against” column.

\* If you fail to enter a “for” or “against” for each proposal, your vote will be registered as “for” the company proposals and “against” the shareholder proposal.

## How to fill in the voting form

Proposals No. 1 to No. 3 are proposed by the Company’s Board of Directors.

Proposal No. 4 is proposed by some shareholders. The Board of Directors objects to this proposal. For details, please see page 20 and subsequent pages.

Please indicate whether you are “for” or “against” each proposal here.

- ▶ If “for,” put a circle in the “for” column.
- ▶ If “against,” put a circle in the “against” column.

## Example of completed form

If you **agree** to the company proposals and the opinion of the Company’s Board of Directors

結果	第1号議案	第2号議案 (120株)	第3号議案	結果	第4号議案
会社提案	賛	賛	賛	株主提案	賛
	反対	反対	反対		反対

If you **object** to the company proposals and the opinion of the Company’s Board of Directors

結果	第1号議案	第2号議案 (120株)	第3号議案	結果	第4号議案
会社提案	賛	賛	賛	株主提案	賛
	反対	反対	反対		反対

# Guidance for Exercise of Voting Rights via the Internet

## How to scan the QR code for "Smart Voting"

You can log into the website for exercising voting rights without entering your voting code and password.

- 1 Scan the QR code printed on the right bottom of the voting form.



- 2 Follow the instructions on the screen to register whether you vote "for" or "against" each proposal.



Exercising your voting rights via "Smart Voting" is eligible for one time only.

If you want to change your registration, as explained in "How to enter your voting code and password" shown on the right on this page, please enter your "voting code" and "password" as indicated on the voting form to log into the website and re-register whether you vote "for" or "against" each proposal.

\* Scanning the QR code again will take you to the website for exercising your voting rights as shown on the right on this page.

\* The QR code is a registered trademark of DENSO WAVE INCORPORATED.

## How to enter your voting code and password

Website for exercising voting rights <https://www.web54.net>

- 1 Access the website for exercising voting rights.



Click "Go to the next page."

- 2 Enter the "voting code" indicated at bottom left on the back of the voting form.



Enter your "voting code."  
Click "Login."

- 3 Enter the "password" indicated at bottom left on the back of the voting form.



Enter the "password."

Set a new password. You use the new password when you vote.

Click "Registration."

- 4 Follow the instructions on the screen to register whether you vote "for" or "against" each proposal.

## Inquiries about exercising voting rights via the Internet

If you have any questions about exercising your voting rights via the Internet, please call the following numbers:

Web Support, Stock  
Transfer Agency,  
Sumitomo Mitsui Trust  
Bank, Limited

Dedicated  
number



**0120-652-031**

(9:00-21:00 Japan time;  
accessible only in Japan)

To request forms and  
make other inquiries



**0120-782-031**

(weekdays 9:00-17:00 Japan  
time, accessible only in Japan)

## Novel Coronavirus Measures for Our Shareholders' Meeting

### <Requests for shareholders:>

- You are requested to check your state of health prior to attending our shareholders' meeting, and also check your state of health on the day. If you do not feel well, please take care not to push yourself too hard.
- If you are an elderly person, have an underlying ailment or are pregnant we ask that you do not attend the shareholders' meeting in person.
- You can also exercise your voting rights for the shareholders' meeting by mail or via the Internet. The deadline for submission in writing and voting via the Internet is 5:20 p.m. on Tuesday, March 23, 2021.

### <Requests for visitors to the venue:>

- If you intend to come to the venue, please wear a mask, use a hand sanitizer and allow us to take your temperature before entering the venue. If you are not wearing a mask, you may be refused entry.
- Please note that if you appear to be unwell, our organizing staff may need to check that you are all right.

### <Measures by MEC COMPANY LTD.>

- Please understand that our organizing staff treat visitors at the venue. They also check their state of health, including their body temperature, and wear a mask.
- We will take your body temperature at the reception. If it is 37.5 degrees Celsius or higher, we cannot allow you to participate in the meeting.
- We plan to deliberate on the proposals at the shareholders' meeting for a shorter time than usual to avoid the spread of coronavirus. Please note that the reports including the audit report as raised in the matters to be resolved will not be explained in detail in the meeting.
- If significant changes have to be made to the holding of the shareholders' meeting because of the changing situation, we will update you on the status of the meeting on our company website (<https://www.mec-co.com/ir/general-meeting/>).



## To Our Shareholders

# Shareholder Return

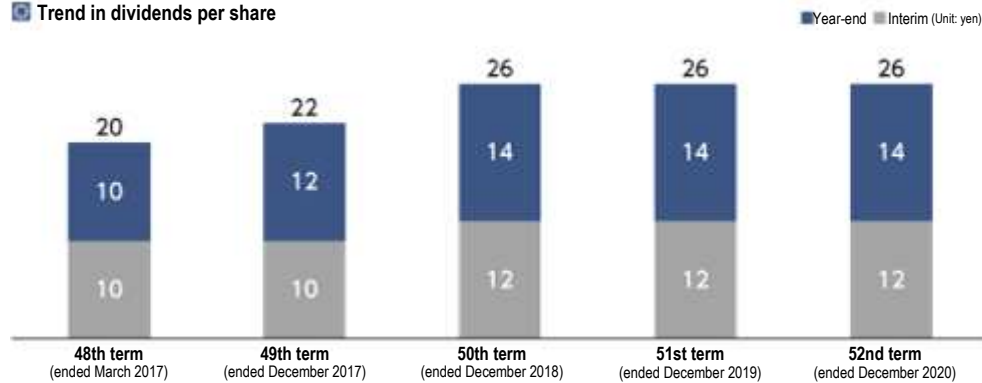
### Shareholder return policy

The Company has a policy of actively returning profits to shareholders, with a medium-term target for the consolidated payout ratio of 30%.

### Situation of dividends

The annual dividend for the 52nd business period will be 26 yen per share, the same dividend as for the 51st business period.

### Trend in dividends per share



### Introduction to Our Shareholder Benefits Program

Once a year, a QUO Card reflecting the number of shares owned will be issued to shareholders who are listed or registered on the shareholder register at December 31. The QUO Card will be sent around the end of March each year.

Number of Shares Owned	Benefit
100–999	1,000-yen QUO Card
1,000 or more	2,000-yen QUO Card

<Company Proposals No. 1 to No. 3>

## Proposal No. 1 Partial Amendment to the Articles of Incorporation

### 1. Reason for changes

Changes are made to the purpose of business in Article 2 "Purpose" of the Articles of Incorporation to clarify business under the current circumstances and to prepare for the development of future business.

The partial changes to the Articles of Incorporation under this proposal will take effect at the conclusion of this General Meeting of Shareholders.

### 2. Details of changes

The following changes have been made:

(Changes are underlined.)

Current Articles of Incorporation	Change Proposal
<p>(Purpose) Article 2. The purpose of the Company shall be to engage in the following lines of business:</p> <ol style="list-style-type: none"> <li>1. <u>Manufacture, sale, and import and export of industrial chemicals for forming circuits on substrates used in the production of printed circuit boards and semiconductors;</u></li> <li>2. <u>Development and provision of know-how on special surface treatment techniques for various metals such as copper, ferroalloys, aluminum, etc.;</u></li> </ol>	<p>(Purpose) Article 2. The purpose of the Company shall be to engage in the following lines of business:</p> <ol style="list-style-type: none"> <li>(1) <u>Business related to the development, manufacturing, sales, import and export of the following products:</u> <ol style="list-style-type: none"> <li>1) <u>Surface treatment chemicals used in the process of manufacturing electronic boards, electronic components and semiconductors</u></li> <li>2) <u>Materials related to those stated in the previous item</u></li> </ol> </li> <li>(2) <u>Business related to the development, manufacturing, sales, lending, import and export of equipment and devices used in the process of manufacturing electronic boards, electronic components and semiconductors;</u></li> </ol>

Current Articles of Incorporation	Change Proposal
3. <u>Development and provision of know-how on techniques for enhancing adhesion of metals and resins;</u>	(3) <u>Secondary processing of metals and resins</u>
4. <u>Development and provision of know-how on surface modification techniques for metals, glass, resins, etc.;</u>	(4) <u>Business related to the development, manufacture, sale, import and export of functional cosmetics and quasi-drugs and their raw materials;</u>
5. <u>Manufacture, sale, and import and export of industrial chemicals for techniques in the above 2, 3, and 4;</u>	(5) <u>Operation of information processing and information provision services and consulting business related to them;</u>
6. <u>Design, production, installation, sale, lease, rental, and import and export of printed circuit board manufacturing equipment and semiconductor manufacturing equipment;</u>	(6) <u>Advertising and publicity business;</u>
7. <u>Manufacture, sale, and import and export of metal-to-resin connected parts;</u>	(7) <u>Business related to agriculture, forestry and fisheries;</u>
8. <u>Secondary processing of ferrous and nonferrous metals;</u>	(8) <u>Business of contracting research investigations and technical consulting;</u>
9. <u>Development, obtainment, licensing, and sale of industrial property rights and related know-how;</u>	(9) <u>Worker dispatch business</u>
10. <u>Contracting and technical consultancy business for research and study;</u>	(10) <u>All other business incidental or related to the above items;</u>
11. <u>Any business incidental to the business outlined in the preceding items.</u>	[Deleted]

**Proposal No. 2** Appointment of four Directors (excluding Directors who are Audit and Supervisory Committee Members)

The term of office of all four Directors (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply hereinafter in this proposal) will expire at the conclusion of this General Meeting of Shareholders. Therefore, the Company proposes the appointment of four Directors. With regard to this proposal, the Audit and Supervisory Committee has decided that all candidates for Directors are qualified. The candidates for Directors are as follows:

Candidate No.		Name	Position at the Company and Responsibility
1	Re-appointment	Kazuo MAEDA	Representative Director and President and Chief Executive Officer
2	Re-appointment	Toshiko NAKAGAWA	Director, Managing Executive Officer and Head of Corporate Planning Division
3	New appointment	Sadamitsu SUMITOMO	Executive Officer and Head of Business Headquarters
4	Re-appointment	Toshihiko HOJO	Independent Outside Director

Candidate No.	Name (Date of Birth)	Career History, Position, Responsibility & Important Concurrent Positions	Number of Shares of the Company Owned
1	<p style="text-align: center;"><b>Re-appointment</b></p> <p style="text-align: center;">Kazuo MAEDA (April 15, 1962)</p>	<p>January 2000    Joined the Company</p> <p>April 2000     General Manager of President's Office</p> <p>June 2000     Director and General Manager of President's Office</p> <p>April 2001     Managing Director</p> <p>June 2002     Representative Director and President</p> <p>April 2011     Representative Director and President, and Head of Research and Development Division</p> <p>June 2012     Representative Director and President (current)</p> <p>July 2015     CEO (current)</p> <p>[Important concurrent positions]</p> <p>Director of MEC TAIWAN COMPANY LTD.</p> <p>Representative Director of MEC FINE CHEMICAL (ZHUHAI) LTD.</p> <p>Director of MEC EUROPE NV.</p> <p>Director of MEC SPECIALTY CHEMICAL (THAILAND) CO., LTD.</p>	726,900 shares
<p>[Reason for nomination]</p> <p>Since Mr. Kazuo Maeda assumed the position of Representative Director and President of the Company in June 2002, he has committed himself to revitalizing the Board of Directors as Chairman thereof and strengthening corporate governance. In addition, as CEO, he took the lead in corporate management and demonstrated strong leadership in addressing business challenges, thereby promoting sustainable growth and enhancing corporate value across the entire MEC Group. Therefore, we have determined that he is a suitable candidate and have nominated him to be re-appointed as a Director.</p>			

Candidate No.	Name (Date of Birth)	Career History, Position, Responsibility & Important Concurrent Positions	Number of Shares of the Company Owned
2	<p style="text-align: center;"><b>Re-appointment</b></p> <p style="text-align: center;">Toshiko NAKAGAWA (August 3, 1961)</p>	<p>April 1984      Joined the Company</p> <p>April 2004      Head of Research and Development Center</p> <p>June 2004      Executive Officer and Head of Research and Development Center</p> <p>June 2010      Managing Executive Officer and Head of Research and Development Center</p> <p>April 2011      Managing Executive Officer and Head of Business Headquarters</p> <p>July 2011      Managing Executive Officer, Head of Business Headquarters, and Head of Business Support Office</p> <p>April 2012      Managing Executive Officer, Head of Business Headquarters, and Head of Business Planning Office</p> <p>April 2013      Managing Executive Officer, Head of Research and Development Division, and Head of Planning Office</p> <p>June 2014      Director, Managing Executive Officer, Head of Research and Development Division, and Head of Planning Office</p> <p>July 2015      Director, Managing Executive Officer, Head of Planning Office, and Head of Innovation Office</p> <p>October 2016    Director, Managing Executive Officer, and Head of Corporate Planning Division (current)</p> <p>[Important concurrent positions]</p> <p>Director of MEC TAIWAN COMPANY LTD.</p> <p>Director of MEC (HONG KONG) LTD.</p> <p>Director of MEC FINE CHEMICAL (ZHUHAI) LTD.</p> <p>Director of MEC SPECIALTY CHEMICAL (SUZHOU) CO., LTD.</p> <p>Director of MEC EUROPE NV.</p> <p>Director of MEC SPECIALTY CHEMICAL (THAILAND) CO., LTD.</p>	61,400 shares
<p>[Reason for nomination]</p> <p>Leveraging her deep knowledge of research and development, Ms. Toshiko Nakagawa has greatly contributed to enhancing corporate value through the development and promotion of medium-term management plans as a Director of the Company. In addition, she has endeavored to improve the Company's corporate structure and enhance corporate value as the Head of the Corporate Planning Division by building the Company's management system, promoting ESG, facilitating the use of ICT, and proactively engaging in IR activities. Furthermore, since April 2020 when she assumed the managerial position of the accounting and financial unit, she has been committed to creating a highly reliable organization. Therefore, we have determined that she is a suitable candidate and have nominated her to be re-appointed as a Director.</p>			

Candidate No.	Name (Date of Birth)	Career History, Position, Responsibility & Important Concurrent Positions	Number of Shares of the Company Owned
3	<div style="border: 1px solid black; padding: 2px; display: inline-block; background-color: #4a7ebb; color: white; font-weight: bold;">New appointment</div> Sadamitsu SUMITOMO (July 9, 1964)	October 1988    Joined the Company April 2000      Transferred to MEC EUROPE NV October 2003    Deputy Manager of MEC International Business Center January 2006    Head of Business Promotion Group in MEC International Business Center April 2008       Transferred to MEC FINE CHEMICAL (ZHUHAI) LTD. Director and Vice President of MEC FINE CHEMICAL (ZHUHAI) LTD. April 2012       President of MEC (HONG KONG) LTD. (current) President of MEC FINE CHEMICAL (ZHUHAI) LTD. (current) March 2019      Executive Officer January 2021    Executive Officer and Head of the Business Headquarters (current) [Important concurrent positions] Director of MEC (HONG KONG) LTD. Director of MEC FINE CHEMICAL (ZHUHAI) LTD.	20,400 shares
[Reason for nomination] Mr. Sadamitsu Sumitomo has broad knowledge and extensive experience regarding overseas business as he has worked in overseas business divisions for many years since he joined the Company. In addition, he is adept at corporate management because he has experienced in managing subsidiaries of the Company through his presidency of MEC (HONG KONG) LTD. and MEC FINE CHEMICAL (ZHUHAI) LTD. since 2012. Furthermore, he has been managing all sales divisions, including overseas subsidiaries, as the Head of the Business Headquarters since January 2021. Therefore, we have determined that he is a suitable candidate and have nominated him as a Director.			

Candidate No.	Name (Date of Birth)	Career History, Position, Responsibility & Important Concurrent Positions	Number of Shares of the Company Owned
4	<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Re-appointment</div> Toshihiko HOJO (December 18, 1956)	April 1981      Joined Sumitomo Electric Industries, Ltd. January 1999    President of SEI Brake Systems (Thailand), Ltd. July 2005        General Manager of Sales Department, Electrical Equipment Department 1, Toyota Branch, Sumitomo Electric Industries, Ltd. July 2007        General Manager of Western Sales Department, Sumitomo Electric Industries, Ltd. May 2008        President of SEWS-Asia Technical Center Ltd. (Thailand) February 2012   President of SEWS-STC Co., Ltd. (Shanghai) June 2017        CEO of Precious Solution Company "SUBARU" Co., Ltd. (current) March 2020      Executive Officer of the Company (current) [Important concurrent position] CEO of Precious Solution Company "SUBARU" Co., Ltd.	—
[Reason for nomination] Leveraging his extensive experience and deep insight as an independent Outside Director of the Company and as a corporate manager, and his broad knowledge of overseas business management, Mr. Toshihiko Hojo has exercised supervision and provided recommendations from a neutral stance. Therefore, we have determined that he is a suitable candidate and have nominated him to be re-appointed as an independent Outside Director.			

- Notes: 1. There are no special interests between the candidates and the Company.
2. Mr. Toshihiko Hojo is a candidate for an independent Outside Director, and is a candidate for registration as an independent officer with the Tokyo Stock Exchange.
3. Mr. Toshihiko Hojo is currently acting as an independent Outside Director of the Company, and his term of office will have been one year at the conclusion of this General Meeting of Shareholders.
4. The Company has entered into a limited liability agreement with Mr. Toshihiko Hojo, with the following content. If his reappointment is approved, the Company plans to continue the limited liability agreement with him. In the event that he assumes liability for damages to the Company as a result of the acts stated in paragraph 1 of Article 423 of the Companies Act, he shall be liable to pay up to 10 million yen or the amount prescribed by laws and regulations, whichever is higher.
5. The Company has, with an insurance company, entered into an officer's liability insurance contract naming each Director as the insured party according to paragraph 1 of Article 430-3 of the Companies Act, and plans to continue the contract. When each candidate is reappointed or appointed as Director, they will become the insured under this contract. An outline of the contract is given in "(2) Outline of liability for damages of Officers, etc." under "2. Matters Concerning Officers" in the Business Report on page 31.



Opinion of the Audit and Supervisory Committee:

Two of the three independent Outside Directors who are Audit and Supervisory Committee Members are among the three members of the Nomination and Compensation Advisory Committee, accounting for a majority. When electing and dismissing any Director, whether he or she is qualified is determined after examination according to the appointment and dismissal standards of the Nomination and Compensation Advisory Committee and a further review by the Audit and Supervisory Committee. Regarding compensation, the Company adopts the performance-based monetary compensation system and the performance-based stock compensation system, which are highly transparent because short-term performance and medium-to-long-term performance are heavily weighed. Therefore, the performance of each Director is evaluated in a reasonable manner.

**Proposal No. 3** Appointment of one substitute Director who is an Audit and Supervisory Committee Member

To be prepared for cases in which there is a shortfall in the number of Directors who are Audit and Supervisory Committee Members provided for by laws and regulations, we propose the appointment of one substitute Director who is an Audit and Supervisory Committee Member. In addition, we will be able to cancel the appointment of the substitute Director who is an Audit and Supervisory Committee Member by a resolution of the Board of Directors and with the consent of the Audit and Supervisory Committee, but only before such Director takes office. We have also obtained the consent of the Audit and Supervisory Committee with regard to this proposal. The candidate for substitute Director who is an Audit and Supervisory Committee Member is as follows:

Name (Date of Birth)	Career History and Important Concurrent Positions	Number of Shares of the Company Owned
Takao Okuda (September 25, 1967)	April 1996 Registered with Osaka Bar Association	—
	Joined Kitahama Partners	
	October 2002 Founded Okuda Kinoshita Law Firm	
	Co-Representative Lawyer	
	October 2005 Renamed to Minami-morimachi Law Firm	
	Co-Representative Lawyer (current)	
	May 2015 Auditor of the Company	
	June 2015 Resigned from the position of Auditor of the Company	
June 2017 Outside Director of FueTrek Co., Ltd. (current)		
May 2020 Part-time Executive Director of Ashiya Gakuen (current)		
[Important concurrent positions]		
Co-Representative Lawyer of Minami-morimachi Law Firm		
Outside Director of FueTrek Co., Ltd.		

- Notes:
1. There are no special interests between the candidate and the Company.
  2. Mr. Takao Okuda is a candidate for substitute independent Outside Director and meets the requirements for an independent officer stipulated by the Tokyo Stock Exchange.
  3. The reason for proposing Mr. Takao Okuda as a candidate for substitute Outside Director is that in the event the Company has an insufficient number of Directors who are Audit and Supervisory Committee Members as stipulated in laws and regulations, we have determined that it is appropriate for him to serve as an Outside Director since he is familiar with corporate legal affairs.
  4. The reason why Mr. Takao Okuda is deemed able to appropriately perform the duties of an Outside Director is that, although he does not have past experience of being directly involved in company management other than by serving as an Outside Officer, he is familiar with corporate legal affairs and has sufficient insight to govern company management.
  5. An outline of the limited liability agreement that is planned to be concluded if Mr. Takao Okuda is appointed as an Outside Director is as follows: In the event that he assumes liability for damages to the Company as a result of the acts stated in paragraph 1 of Article 423 of the Companies Act, he shall be liable to pay up to 10 million yen or the amount prescribed by laws and regulations, whichever is higher.
  6. When Mr. Takao Okuda assumes the position of Outside Director, he will become the insured under the officer's liability insurance contract that the Company plans to continue and update according to paragraph 1 of Article 430-3 of the Companies Act. An outline of the contract is given in "(2) Outline of liability for damages of Officers, etc." under "2. Matters Concerning Officers" in the Business Report on page 32.

#### <Shareholder Proposal No. 4>

Proposal No. 4 was proposed by four shareholders. These four shareholders own a total of 1,225 voting rights. Details and reasons for this proposal are given below as per the original texts submitted by these shareholders.

### Proposal No. 4 Changes to the Articles of Incorporation

#### 1. Details of the proposal

<Changes to the Articles of Incorporation>

The following article shall be added to the current Articles of Incorporation:

Article 24-2

Notwithstanding the provisions of the preceding Article, publishing a company history shall require a resolution of the Board of Directors as part of the execution of important operations.

2. To secure accuracy and objectivity in the content of company history, an independent panel of former executive officers and intellectuals shall be set up to supervise the publication.

#### 2. Reasons for the proposal

A company history represents the company and the content must be grounded in facts and have objectivity. A company history is distributed widely to shareholders, executive officers, employees as well as former executive officers, concerned bodies, business partners, and other interested parties. The publishing costs will be large. If the content of the company history is not grounded on facts and is inappropriate, the company's credibility will be damaged, which may discourage executive officers and employees, negatively affect shareholders, concerned bodies, business partners, and other interested parties, and then severely undermine the company's profits. However, the official company history "50-Year History of MEC—Pursuing Creativity" published in May 2019 on the 50th anniversary of the founding of the Company was decided arbitrarily by the Representative Director and President in August 2017 and compiled for one year and nine months under the leadership of the Director and Managing Executive Officer as the chief editor. In particular, serious mistakes were made in the description of the company's inaugural period, including the following: i. the description suggested that the Company was founded by the former president alone while the cofounders were ignored; ii. the model number of the product, which became the basis for the company to grow, was incorrect, and a photo of a machine used for processing chemicals did not match the description; iii. some photos were posted without the consent of the subjects, infringing portrait rights; and iv. an article written by a former executive officer included two wrong dates that were the result of misremembering. These mistakes were made because i. they avoided interviewing the cofounders who were the proposers of this proposal, but solely relied on the memory of the former president; and ii. when the Audit and Supervisory Committee was established based on the amendment to the Companies Act in 2014, Article 24 in the Articles of Incorporation allowed the President to strengthen his dictatorial color in the execution of operations (auditors were abolished while Outside Directors were not functioning). The proposed changes to the Articles of Incorporation should be made to correct the aforementioned inadequacies and failures.

#### <Opinion of the Company's Board of Directors on Proposal No. 4>

The Company's Board of Directors objects to this proposal. The reasons are as follows:

1. The Articles of Incorporation stipulates the basic principles of corporate activities. However, the article raised by this proposal is related to specific problems. In the first place, this proposal lacks appropriateness as a description for the Articles of Incorporation.
2. The "execution of important operations" (the main sentence in paragraph 4 of Article 362 of the Companies Act) requiring resolutions of the Board of Directors refers to corporate management operations that significantly affect the Company's financial situation, business performance, and the like. What is regarded as the "execution of important operations" is not defined unambiguously, except for legal matters. Therefore, it is appropriate that specific operations, when executed, should be judged individually depending on the Company's situation as to whether they significantly affect the Company, and it is not appropriate for specific operations to be defined uniformly in the Articles of Incorporation. (The Company believes that the company history "50-Year History of MEC—Pursuing Creativity" raised in "2. Reasons for the proposal" was published for existing and projected new employees of the Company only, which is not the "execution of important operations" in any sense.)
3. The Company established an Audit and Supervisory Committee after obtaining the approval of shareholders at the 47th Ordinary General Meeting of Shareholders held on June 20, 2016 to further enhance corporate governance. At the same time, the Company was allowed to delegate some decision-making on the "execution of important operations" to

the Representative Director to increase the efficiency of management and expedite decision-making. Requiring a resolution of the Board of Directors on the compilation of a company history, which is not regarded as the “execution of important operations”, runs counter to the purport and policy of the Company’s corporate governance approved by shareholders. (After the Company established the Audit and Supervisory Committee, Audit and Supervisory Committee Members, who meet the requirements as independent Outside Directors, have utilized their expertise and experience to supervise the execution of operations by Directors, thereby enhancing the governance. It is not a fact that the President strengthened his dictatorial color in the execution of operations as stated in “2. Reasons for the proposal.”)

4. The Corporate Governance Code (revised on June 1, 2018) issued by the Tokyo Stock Exchange Inc. applies to listed companies and states that the Board of Directors in such a listed company appropriately fulfills the following roles and responsibilities, to take fiduciary responsibility and accountability for its shareholders, encourage the Company to promote sustainable growth and enhance corporate value for the medium-to-long term, and improve profitability, capital efficiency and the like: (1) giving broad directions for corporate strategy and others; (2) creating an environment that supports the top management in taking appropriate risks; and (3) effectively supervising the top management (including executive officers) and Directors from an independent and objective position. Therefore, requiring a resolution of Board of Directors on the compilation of a company history, which is irrelevant to the improvement of profitability, capital efficiency and the like, or broad directions for corporate strategy and others, also runs counter to the requirements of this Corporate Governance Code.
5. Finally, an independent panel is only comprised of members independent of a company or organization in the case where the company or organization has caused or is suspected to have caused a scandal, such as a wrongful or inappropriate act that may constitute a criminal act, a violation of the law or social criticism. The independent panel carries out thorough investigations, analyzes causes based on their professional knowledge and experience, and recommends specific measures to prevent a recurrence where necessary. Even if the company history includes a simple misdescription or the like, this will not significantly affect the investment decisions of investors or cast grave doubt on the effectiveness of internal control or the reliability of the top management. Therefore, it is not necessary for an independent panel to be set up and for such members independent of the Company to supervise the publication of a company history. (The “serious mistakes” stated in “2. Reasons for the proposal” are nothing but different evaluations of historic facts, simple typing errors (and an inaccurate description by a former Executive Officer), and a claim of the violation of portrait rights from a unique perspective.)

Business Report  
( From January 1, 2020  
to December 31, 2020 )

1. Matters Concerning the Current State of the Group

(1) Progress and results of business

The consolidated fiscal year under review (January 1, 2020 – December 31, 2020) began with a moderate recovery of the global economy. However, the novel coronavirus (hereinafter “COVID-19”) pandemic pushed the global economy into negative territory. The Japanese economy enjoyed continued improvement of employment and income and a virtuous cycle of growth, bringing hope for a recovery centered on domestic demand, but COVID-19 put the economy in a difficult situation.

The International Monetary Fund, or IMF, forecast the 2021 global and Japanese economies to recover from negative growth in 2020, up by 5.5% and 3.1%, respectively. However, the situation remains extremely uncertain and the economic outlook is unclear.

In the electronics industry, there was strong demand for servers, PCs, tablets, and other electronic devices because the impact of COVID-19 accelerated online and remote work in many countries, thereby increasing data traffic. In the automobile industry, sales decreased due to the impact of COVID-19 but were on a recovery track in the second half of the year. Sales of some advanced models of smartphones were brisk but overall sales were sluggish.

In the electronic substrates and components industry related to the Group, demand for products for servers, PCs, and tablets was robust thanks to strong demand in the electronics industry. Following a recovery trend in automobile production, semiconductors and electronic components mounted in vehicles saw a recovery in demand. On the other hand, sales of products related to smartphones were stagnant.

Backed by advancing technology, including IoT, AI, and 5G, electronic substrates are undergoing high density and technological innovation. The related markets are expected to continuously grow. As for mobile communication systems in the spotlight, efforts are being made to shift from 4th generation (4G) networks and penetrate large-capacity 5th generation (5G) networks. In particular, manufacturers are making capital investments to strengthen their production systems for high-performance package substrates related to next-generation data centers.

Under these circumstances, the Group focused on developing and selling products for high-density electronic substrates. Regarding sales of the Group’s main products, sales of the CZ Series of super-roughening adhesion improvers, which have a high market share in use for semiconductor package substrates, significantly increased from the previous term thanks to higher demand for servers and PCs. Sales of the SF Series for displays slowed down in the second half of the year, but were better than the previous term due to strong demand for tablets. Sales of the EXE Series for micro wiring remained almost the same as in the previous term because a round of demand for related electronic devices was completed. Sales of the V-Bond Series of adhesion improvers for multi-layer electronic substrates recovered thanks to the recovering automobile industry, but decreased from the previous term.

As a result, total consolidated sales for the consolidated fiscal year under review amounted to 11,956 million yen, up 10.0% by 1,090 million yen from the previous term. Selling, general and administrative expenses were 5,025 million yen, up 0.9% by 44 million yen from the previous term. Operating income amounted to 2,370 million yen, up 44.8% by 733 million yen from the previous term and the operating margin was 19.8%, up 4.7 points from 15.1% in the previous term. Ordinary income ended at 2,388 million yen, up 38.7% by 666 million yen from the previous term. Income before income taxes amounted to 2,309 million yen, up 35.0% by 598 million yen from the previous term, and net income attributable to the owners of the parent was 1,595 billion yen, up 29.1% by 359 million yen from the previous term.

A breakdown of sales showed that sales of chemicals were 11,598 million yen, up 8.8% by 940 million yen from the previous term, sales of machinery were 282 million yen, up 237.4% by 198 million yen from the previous term, sales of materials were 68 million yen, down 35.6% by 37 million yen from the previous term, and other sales were seven million yen, down 59.3% by 11 million yen from the previous term.

The overseas sales ratio was 53.3%, down 1.9 points compared to the previous term.

Sales by segment were as follows:

In Japan, due to the impact of restrictions on outing and the strong demand for PCs and tablets, sales of related products were brisk. Sales for the consolidated fiscal year under review amounted to 5,785 million yen, up 14.7% by 741 million yen from the previous term. Profit from this segment was 1,660 million yen, up 56.5% by 599 million yen from the previous term.

In Taiwan, sales of package substrates for servers and base stations were robust, and sales of related products increased. Sales for the consolidated fiscal year under review amounted to 2,432 million yen, up 11.5% by 251 million yen from the previous term. Profit from this segment was 316 million yen, up 16.0% by 43 million yen from the previous term.

In Hong Kong (Hong Kong and Zhuhai), demand fell temporarily due to the impact of COVID-19, but sales recovered in the aftermath of the slump. Sales for the consolidated fiscal year under review amounted to 1,139 billion yen, up 11.1% by 113 million yen from the previous term. Profit from this segment was 247 million yen, up 38.6% by 68 million yen from the previous term.

In China (Suzhou), the production of tablets decreased because it was moved to Japan and Zhuhai, but due to solid sales of package substrates for servers and PCs and strong shipments of highly profitable products, sales for the consolidated fiscal year under review amounted to 2,012 million yen, up 1.1% by 21 million yen from the previous term. Profit from this segment was 335 million yen, up 103.1% by 170 million yen from the previous term.

In Europe, because demand for vehicle-mounted substrates fell due to the impact of COVID-19, sales of related products were sluggish. Sales for the consolidated fiscal year under review amounted to 546 million yen, down 12.5% by 78 million yen from the previous term. Profit from this segment was 61 million yen, down 2.2% by one million yen from the previous term.

In Thailand, the sixth subsidiary for the Group, which was established on May 29, 2017 to expand business in the growing Southeast Asian market, went into operation in September 2019. However, this did not make much contribution to sales. Sales for the consolidated fiscal year under review amounted to 40 million yen (no contribution to profit in the previous term). Loss from this segment was 176 million yen (loss of 136 million yen in the previous term).

Regarding cash flows, cash and cash equivalents at the end of the consolidated fiscal year under review amounted to 4,471 million yen, an increase of 518 million yen from the end of the previous term. This was because the cash gained from operating activities came to 2,429 million yen, the cash used for investing activities 1,149 million yen, and the cash used for financial activities 771 million yen.

As a result, ROE was 9.5%.

For the return to shareholders, the annual dividend is 26 yen, bringing the consolidated dividend payout ratio to 30.9%.

Sales by product category are as follows:

Category	51st term (previous consolidated fiscal year)		52nd term (consolidated fiscal year under review)		
	Net sales (millions of yen)	Composition ratio (%)	Net sales (millions of yen)	Composition ratio (%)	Year-on-year comparison (%)
Chemicals for electronic substrates and electronic components	10,657	98.1	11,598	97.0	108.8
Machinery for electronic substrates	83	0.8	282	2.4	337.4
Materials for electronic substrates	105	1.0	68	0.6	64.4
Other	18	0.1	7	0.0	40.7
Total	10,865	100.0	11,956	100.0	110.0

## (2) Capital investment

The Company made a total capital investment of 847 million yen in the facilities below during the fiscal year under review:

- 1) Major facilities completed during the fiscal year under review  
Higashi-hatsushima R&D Center (renewed)  
R&D equipment, testing devices, and Amagasaki Factory's production equipment in Amagasaki Headquarters  
Production equipment in Nagaoka Factory (renewed)
- 2) Major facilities under construction or expansion during the fiscal year under review  
Amagasaki Factory's hazardous substance manufacturing building in Amagasaki Headquarters
- 3) Significant fixed assets sold, removed or lost during the fiscal year under review  
N/A

## (3) Financing

The Company borrowed short-term debts of 400 million yen for operating capital from domestic financial institutions during the consolidated fiscal year under review.



#### (4) Changes in assets, profits, and losses

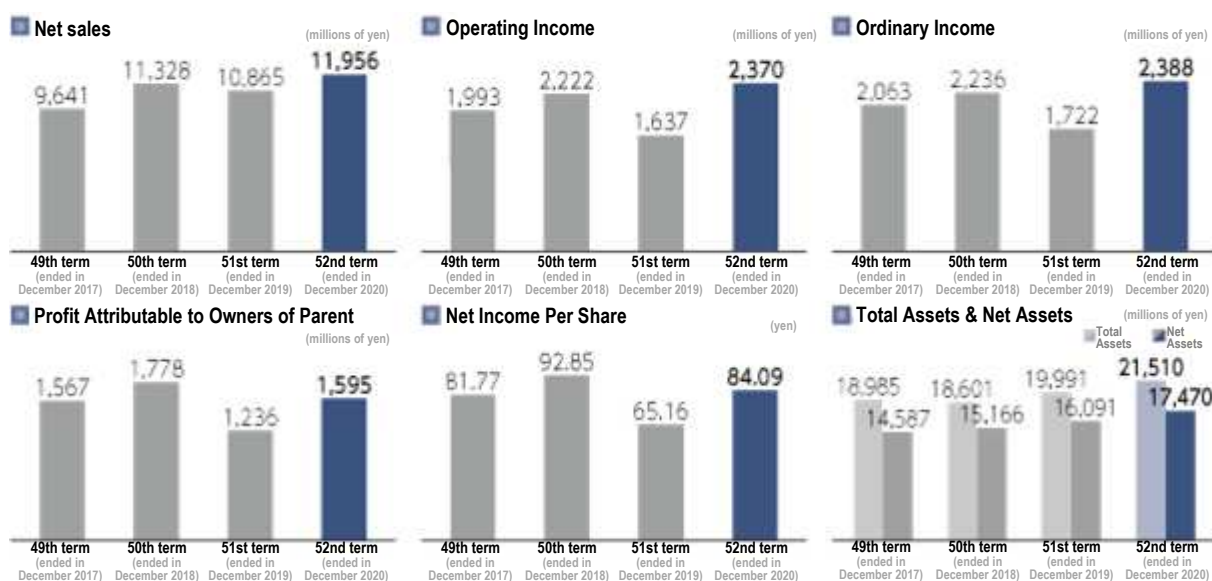
Category		49th term (ended in Dec. 2017)	50th term (ended in Dec. 2018)	51st term (ended in Dec. 2019)	52nd term (consolidated fiscal year under review) (ended in Dec. 2020)
Net sales	(millions of yen)	9,641	11,328	10,865	11,956
Operating income	(millions of yen)	1,993	2,222	1,637	2,370
Ordinary income	(millions of yen)	2,063	2,236	1,722	2,388
Profit attributable to owners of parent	(millions of yen)	1,567	1,778	1,236	1,595
Net income per share	(yen)	81.77	92.85	65.16	84.09
Total assets	(millions of yen)	18,985	18,601	19,991	21,510
Net assets	(millions of yen)	14,587	15,166	16,091	17,470
Net assets per share	(yen)	760.92	799.46	847.94	920.60
ROE	(%)	11.3	12.0	7.9	9.5
No. of employees	(persons)	333	351	365	367

Notes: 1. Per-share indicators are calculated after deducting the number of treasury shares.

2. The number of employees is the number of regular employees and does not include part-time and fixed-term employees.

3. The 49th term is a nine-month period due to the change of the account closing date to December 31.

4. "Partial Amendment to the Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28 dated February 16, 2018) was adopted from the beginning of the 51st term. This accounting standard is applied to total assets retroactively from the 49th term.



Note: The 49th term is a nine-month period due to the change of the account closing date to December 31.

## (5) Issues to be addressed

The environment surrounding the Group is described in “(1) Progress and results of business” in “1. Matters Concerning the Current State of the Group,” and the economic outlook remains uncertain.

The Group is a research and development entity that provides highly value-added products to customers around the world by making full use of its technological development capability for electronics, in particular electronics interface treatment. To sow seeds to meet market needs appropriately and commercialize innovative technology, we at the Group will hone our creative technological development capabilities, capture global trends and stimulate potential demand in the electronics industry, its related industries, and potential business fields, thereby providing high-quality products and engineering services. In addition, we will consider the environment and safety, achieve a work-life balance, and take various measures, thereby adding greater impetus to business.

To identify further routes for growth under the corporate motto of “Enjoy your work,” which is the source of our corporate value, and in line with the basic management principle of “The Group will add value to interface technology via freewheeling thinking and global business activities based on the credos of visionary technology, reliable quality, and meticulous service, thereby contributing to creating a rich and affluent society and environment,” we are taking various measures according to our medium-term management plan. Specifically, we are focusing on the following challenges, which constitute the bedrock of our management strategy. The Group will overcome these challenges to become a one-and-only company or No. 1 company in multiple fields. We are fully committed to maintaining high growth.

### 1) Enhancing technology marketing

Traditionally, most of the Group’s customers have been manufacturers of electronic substrates and parts. The Group will continue to expand its scope and strengthen activities, such as joint assessment with “upstream” material manufacturers, introduction of our technologies to “downstream” end users and assembly manufacturers, and acquisition of certifications. We believe that enhanced technology marketing will also contribute to faster product development. We will identify potential customers, expand sales, and develop new products through global marketing activities that emphasize the Company’s core technologies.

## 2) Promoting open innovation

In recent years, progress and innovation in technology using the IoT, AI and data has been dramatic around the world. To quickly capture these trends and seize opportunities for business expansion, the Group will add external ideas and development capabilities to its principle of “visionary technology,” thereby tapping its latent strengths and identifying new values for commercialization. We also believe that making active use of not only internal sources but also external ones will enable us to expedite our development activities.

## 3) Promoting the ESG-H strategy

The strategy for ESG-H, which stands for environmental, social, governance and human resources, is a cornerstone of corporate business.

The Company has an ESG Committee chaired by the Representative Director and President. The Committee meets when necessary to promote the ESG strategy.

In the area of “environment,” for example, the Company, which is engaged in the chemicals business, will focus on managing chemical substances properly and protecting nature and biodiversity. The Company will push forward with product development with a mind to improve the production site environment, enhance the yields of electronic substrate and parts manufacturers, and take other measures to contribute to higher efficiency. In the area of “social” efforts, we will engage in developing industry and society by making progress in 5G and the technology for autonomous driving vehicles through our products. Furthermore, we are helping our employees to achieve a good work-life balance (WLB), and actively promote activities and contributions to fulfill corporate social responsibilities to our stakeholders, including shareholders, customers, and local communities. For example in the area of WLB, the Company adopted the flextime system. In addition, after the spread of the novel coronavirus, it recommended teleworking and increased commuting options. This way, the Company is taking flexible measures to prioritize the safety and security of its employees and offer flexible work options to them.

As a contribution to local communities, the Head Office in Amagasaki also serves as an evacuation site for local residents. In the area of “governance,” we actively invite Outside Officers in light of management diversification and ensuring transparency. In doing so, we always work on information disclosure and the improvement of capital efficiency. Furthermore, the greatest source of competitiveness for the Company to achieve its medium-to-long-term goals is human resources. We are working on establishing an environment in which employees can leverage individual differences such as nationality, gender, sexual minorities (LGBT), age and disabilities to respect diversity and to fully demonstrate their various abilities. We will make efforts to develop human resources so that each employee can fully demonstrate their abilities and maximize our corporate value.

## (6) Status of the parent company and significant subsidiaries

### 1) Status of the parent company

N/A

### 2) Status of significant subsidiaries

Company Name	Capital	Investment Ratio	Main Business
MEC TAIWAN COMPANY LTD.	NT\$ 200 million	100 %	Materials for electronic substrates and parts
MEC (HONG KONG) LTD.	HK\$ 4.5 million	100 %	Materials for electronic substrates and parts
MEC FINE CHEMICAL (ZHUHAI) LTD.	HK\$ 8 million	100 % (100) (*1)	Materials for electronic substrates and parts
MEC CHINA SPECIALTY PRODUCTS (SUZHOU) CO., LTD.	US\$ 4 million	100 %	Materials for electronic substrates and parts
MEC EUROPE NV.	EUR 1 million	100 %	Materials for electronic substrates and parts
MEC SPECIALTY CHEMICAL (THAILAND) CO., LTD.	THB 215 million	100 % (*2)	Materials for electronic substrates and parts

(\*1) This is the portion owned by MEC (HONG KONG) LTD.

(\*2) MEC TAIWAN COMPANY LTD. and MEC (HONG KONG) LTD. invest 0.009% and 0.005%, respectively.

### (7) Main businesses (as of December 31, 2020)

The Group positions materials for electronic substrates and parts as its main business. The product and merchandise classification and the main products and merchandise are as follows:

Product and Merchandise Classification		Main Products and Merchandise
Products	Chemicals for use in electronic substrates Chemicals for use in electronic parts	Adhesion improvers, etching agents, and other surface processing agents
	Machinery for electronic substrates	Machinery for chemical treatment, and various types of machinery for use before and after chemical treatment
Merchandise	Materials for electronic substrates	Copper foils and dry films
Other		Machinery repair

### (8) Main offices and factories (as of December 31, 2020)

Name	Location
Head Office, R&D Center, and Amagasaki Factory of MEC COMPANY LTD.	Amagasaki, Hyogo
Higashi-hatsushima R&D Center of MEC COMPANY LTD.	Amagasaki, Hyogo
Nishinomiya Factory of MEC COMPANY LTD.	Nishinomiya, Hyogo
Nagaoka Factory of MEC COMPANY LTD.	Nagaoka, Niigata
Tokyo Sales Office of MEC COMPANY LTD.	Tachikawa, Tokyo
Head Office and Factory of MEC TAIWAN COMPANY LTD.	Taoyuan, Taiwan
Head Office of MEC (HONG KONG) LTD.	Kowloon, Hong Kong
Head Office and Factory of MEC FINE CHEMICAL (ZHUHAI) LTD.	Zhuhai, China
Head Office and Factory of MEC CHINA SPECIALTY PRODUCTS (SUZHOU) CO., LTD.	Suzhou, China
Head Office and Factory of MEC EUROPE NV.	Ghent, Belgium
Head Office and Factory of MEC SPECIALTY CHEMICAL (THAILAND)	Ayutthaya, Thailand

(9) Employees (as of December 31, 2020)

1) Employees of the Group

Number of Employees	Change from the End of the Previous Fiscal Year
367 persons	+2 persons

Note: The number of employees shows the number of regular employees excluding part-time and fixed-term employees.

2) Employees of the Company

Number of Employees	Change from the End of the Previous Fiscal Year	Average Age	Average Years of Service
198 persons (142 males and 56 females)	-1 person	41.1 years old	12.9 years

Note: The number of employees shows the number of regular employees excluding part-time and fixed-term employees.

(10) Major borrowings (as of December 31, 2020)

Creditors	Balance of Borrowings
MUFG Bank, Ltd.	200 million yen
Mizuho Bank, Ltd.	200 million yen

## 2. Matters Concerning Officers

### (1) Directors (as of December 31, 2020)

Position	Name	Responsibility and Important Concurrent Positions
Representative Director and President	Kazuo MAEDA	Chief Executive Officer Director of MEC TAIWAN COMPANY LTD. Representative Director of MEC FINE CHEMICAL (ZHUHAI) LTD. Director of MEC EUROPE NV. Director of MEC SPECIALTY CHEMICAL (THAILAND) CO., LTD.
Director	Makoto NAGAI	Senior Managing Executive Officer and Head of Business Headquarters Representative Director of MEC TAIWAN COMPANY LTD. Representative Director of MEC (HONG KONG) LTD. Director of MEC FINE CHEMICAL (ZHUHAI) LTD. Representative Director of MEC CHINA SPECIALTY PRODUCTS (SUZHOU) CO., LTD. Director of MEC EUROPE NV. Representative Director of MEC SPECIALTY CHEMICAL (THAILAND) CO., LTD.
Director	Toshiko NAKAGAWA	Managing Executive Officer and Head of Corporate Planning Division Director of MEC TAIWAN COMPANY LTD. Director of MEC (HONG KONG) LTD. Director of MEC FINE CHEMICAL (ZHUHAI) LTD. Director of MEC CHINA SPECIALTY PRODUCTS (SUZHOU) CO., LTD. Director of MEC EUROPE NV. Director of MEC SPECIALTY CHEMICAL (THAILAND) CO., LTD.
Director	Toshihiko HOJO	CEO of Precious Solution Company "SUBARU" Co., Ltd.
Director (Audit and Supervisory Committee Member)	Mitsutoshi TAKAO	Outside Auditor of TechnoPro Holdings, Inc.
Director (Audit and Supervisory Committee Member)	Kaoru HASHIMOTO	Outside Auditor of Oie Sangyo Co., Ltd. Partner in Osaka Semba Law Office
Director (Audit and Supervisory Committee Member)	Mitsuo HAYASHI	Chairperson of Amagasaki City Equity Commission Visiting professor of the School of Business Administration, the University of Hyogo

- Notes: 1. Director Toshihiko Hojo and Directors Mitsutoshi Takao, Kaoru Hashimoto, and Mitsuo Hayashi (Audit and Supervisory Committee Members) are independent Outside Directors and have been registered as independent officers with the Tokyo Stock Exchange.
2. Director Mitsutoshi Takao (Audit and Supervisory Committee Member) has long experience in the finance and accounting department of another company. Director Kaoru Hashimoto (Audit and Supervisory Committee Member) is a certified public accountant. They have considerable knowledge of finance and accounting.
3. The Audit and Supervisory Committee utilizes the framework for appointing Audit and Supervisory Committee members to determine annual roles and responsibilities. The Audit and Supervisory Committee works with the Internal Audit Office to conduct field audits of all business facilities, thereby maintaining the quality of audits. In addition, Audit and Supervisory Committee Members as independent Outside Directors serve as members of the Nomination and Compensation Advisory Committee and the ESG Committee as well as other organs including the Board of Directors, in an effort to fulfill the referred supervisory function. The monthly Audit and Supervisory Committee meetings are also attended by Outside Directors who are not Audit and Supervisory Committee Members and the Internal Audit Office as observers to share information and exchange opinions. Furthermore, the Company intends to select one of the Audit and Supervisory Committee Members to handle appropriate duties as the occasion demands. The Company places the Audit and Supervisory Committee Office directly under the Audit and Supervisory Committee. Therefore, the Company does not appoint full-time Audit and Supervisory Committee Members.
4. Director Kaoru Hashimoto, who is not an Audit and Supervisory Committee Member, and Directors Takayuki Satake and Akiko Tanaka, who are Audit and Supervisory Committee Members, have retired at the conclusion of the 51st General Meeting of Shareholders held on March 24, 2020 due to the expiry of their terms of office.
5. In accordance with the provisions of paragraph 1 of Article 427 of the Companies Act, the Company and each of Mr. Toshihiko Hojo, Mr. Mitsutoshi Takao, Ms. Kaoru Hashimoto, and Mr. Mitsuo Hayashi have entered into an agreement to limit their liability for damages as specified in paragraph 1 of Article 423 of the Companies Act. The maximum amount of liability for damages for each of the four persons under this agreement is 10 million yen or the amount stipulated in laws and regulations, whichever is higher.

## (2) Outline of liability for damages of Officers, etc.

The Company has concluded with an insurance company an insurance contract for liability for damages of Officers, etc. under paragraph 1 of Article 430-3 of the Companies Act. The amount of insurance premiums to be borne by the insured under this insurance contract covers damages suffered by the insured in the case of a claim for damages as a result of an act of the insured in their services as Officers of the Company during the coverage period. However, certain grounds for immunity are attached in cases involving damages as a result of an act of the insured despite knowing there has been a violation of law, which are not covered by the insurance. The insured under the insurance for liability for damages of Officers, etc. include Directors, Executive Officers, and management employees of the Company and its subsidiaries. All the premiums, including special contract insurance premiums, for all insured persons are borne by the Company.



### (3) Total compensation, etc. of Directors

Category	Number of Persons	Total Compensation, etc.
Directors (excluding Audit and Supervisory Committee Members) (of whom, independent Outside Directors)	5 (2)	135 million yen (5)
Directors (Audit and Supervisory Committee Members) (of whom, independent Outside Directors)	5 (5)	30 (30)
Total	10	165

- Notes: 1. The above includes one Outside Director serving as a non-Audit and Supervisory Committee Member and two Outside Directors serving as Audit and Supervisory Committee Members, who retired at the conclusion of the 51st Ordinary General Meeting of Shareholders held on March 24, 2020.
2. The compensation limit for Directors (excluding Audit and Supervisory Committee Members) was resolved to be an annual amount of no more than 170 million yen (of which no more than 20 million yen for Outside Directors; does not include employee salaries for employees who are Directors) at the 47th Ordinary General Meeting of Shareholders held on June 21, 2016.
3. The compensation limit for Directors serving as Audit and Supervisory Committee Members was resolved to be an annual amount of no more than 50 million yen at the 47th Ordinary General Meeting of Shareholders held on June 21, 2016.
4. The compensation for independent Outside Directors is a fixed monthly compensation.
5. The compensation for Directors (excluding independent Outside Directors) includes a fixed monthly compensation, a performance-based compensation, and a fixed stock compensation. The performance-based compensation consists of the performance-based monetary compensation linked to consolidated ordinary income and the performance-based stock compensation as medium- to long-term compensation, and the weightings of these are decided depending on the position of the relevant person.
6. The total compensation for Directors (excluding independent Outside Directors) includes stock compensation.

#### (4) Matters concerning Outside Officers

##### 1) Establishment of criteria to identify Outside Officers who are not independent

We have established the following strict criteria to identify Outside Officers who are not independent from the Company. The criteria enable us to verify that all Outside Officers are independent.

- a. Has worked for an organization that is our major shareholder with voting rights of 5% or more or that is a major shareholder.
- b. Has worked for the main bank or major creditor of the Company.
- c. Has worked for a major business counterparty of the Company or an organization for which the Company is a major business counterparty.
- d. Has worked for the Company's audit corporation, law firm, or main securities firm.
- e. There have been cases where compensation such as consulting fees, attorneys' fees and tax accountant compensation have been paid by the Company in addition to executive compensation.
- f. The corresponding period for the above a through e is within the past 5 years from the present time.
- g. Is next of kin to a person listed in either of the following:
  - A) Persons listed in a through f.
  - B) Person who executes business, person who does not execute business, or employee at the Company or its subsidiaries or affiliates.

##### 2) Relationship between organizations in which important concurrent positions are held and the Company

As a general rule for concurrent directorates of all Officers, the number of companies is limited to four including the Company for Non-Executive Officers, and two including the Company for Executive Officers. Officers with concurrent positions are as follows:

Category	Name	Important Concurrent Positions	Relationship with the Company
Independent Outside Director	Toshihiko HOJO	CEO of Precious Solution Company "SUBARU" Co., Ltd.	No special relationship
Independent Outside Director (Audit and Supervisory Committee Member)	Mitsutoshi TAKAO	Outside Auditor of TechnoPro Holdings, Inc.	No special relationship
Independent Outside Director (Audit and Supervisory Committee Member)	Kaoru HASHIMOTO	Outside Auditor of Oie Sangyo Co., Ltd. Partner of Osaka Semba Law Office	No special relationship
Independent Outside Director (Audit and Supervisory Committee Member)	Mitsuo HAYASHI	Chairperson of Amagasaki City Equity Commission Visiting professor of the School of Business Administration, the University of Hyogo	No special relationship

### 3) Major activities during the fiscal year under review

The attendance rate required of each Outside Director at Board of Directors meetings and the attendance rate required of each Outside Director who is an Audit and Supervisory Committee Member at Audit and Supervisory Committee meetings is at least 85%.

Category	Name	Major Activities
Independent Outside Director	Toshihiko HOJO	He attended all of the 13 Board of Directors meetings and, as an observer, the 13 Audit and Supervisory Committee meetings held during the fiscal year under review after he assumed the post on March 24, 2020. He actively provided recommendations on a wide range of managerial issues based on his extensive knowledge and broad insight on overseas business management as a corporate manager. In addition, as a member of the ESG Committee, he actively provided recommendations on promotion of corporate governance and other matters.
Independent Outside Director (Audit and Supervisory Committee Member)	Mitsutoshi TAKAO	He attended all of the 17 Board of Directors meetings and the 17 Audit and Supervisory Committee meetings held during the fiscal year under review. He served as chairperson to administer the Audit and Supervisory Committee. He also actively pointed out issues and made recommendations on the overall business management based on his knowledge of management operations, including his professional knowledge of accounting and finance, as well as his wealth of insight gained as a manager of another company. In addition, he actively provided recommendations on issues concerning executive compensation systems and promotion of corporate governance as a member of the Nomination and Compensation Advisory Committee and the ESG Committee.
Independent Outside Director (Audit and Supervisory Committee Member)	Kaoru HASHIMOTO	She attended all of the 17 Board of Directors meetings held during the fiscal year under review. Of the 17 Audit and Supervisory Committee meetings, she attended as an observer four meetings held before she became a Director who is an Audit and Supervisory Committee Member, and attended as an Audit and Supervisory Committee Member all the meetings held after she assumed the post on March 24, 2020. She actively provided recommendations from legal and accounting perspectives by utilizing her professional knowledge as a lawyer and a certified public accountant. In addition, as a member of the Nomination and Compensation Advisory Committee and the ESG Committee, she actively provided recommendations on issues concerning executive compensation systems and promotion of corporate governance.
Independent Outside Director (Audit and Supervisory Committee Member)	Mitsuo HAYASHI	He attended all of the 13 Board of Directors meetings and the 13 Audit and Supervisory Committee meetings held during the fiscal year under review after he assumed the post on March 24, 2020. He actively provided recommendations on a wide range of managerial issues based on his extensive knowledge and expertise as a corporate manager. In addition, as a member of the ESG Committee, he actively provided recommendations on promotion of corporate governance and other matters.

### 3. Matters concerning the Accounting Auditor

(1) Name of accounting auditor: Deloitte Touche Tohmatsu LLC

(2) Compensation, etc. for the accounting auditor

Category	Compensation, etc.
Compensation, etc. to be paid by the Company	31 million yen
Total amount of money to be paid by the Company and its subsidiaries and other economic benefits	34 million yen

- Notes: 1. In the audit contract entered into between the Company and the accounting auditor, the fees for an audit based on the Companies Act and an audit based on the Financial Instruments and Exchange Law are not clearly distinguished and cannot be distinguished in practice. Therefore, the compensation, etc. stated above that is to be paid by the Company is indicated as the total amount of these fees.
2. The Audit and Supervisory Committee has given consent to the compensation, etc. for the accounting auditor after obtaining the necessary documents and reports from Directors, the relevant departments of the Company and the accounting auditor, and then reviewing the appropriateness and validity of the detailed audit plan performed by the accounting auditor, execution of the accounting auditor's duties, and the basis for the calculation of compensation estimates.
3. Of the Company's subsidiaries, the financial statements of MEC EUROPE NV., MEC (HONG KONG) Ltd. and MEC SPECIALTY CHEMICAL (THAILAND) CO., LTD. were audited by an audit firm that is outside the network of the Company's accounting auditor. As audit fees for audits of other subsidiaries, the total amount to be paid to the accounting auditor in the same network as the Company's accounting auditor, Deloitte Touche Tohmatsu, is 12 million yen.

(3) Contents of non-audit services

The Company entrusted the following non-audit services to the accounting auditor: the provision of advice, information, and the like regarding the application of "accounting standards on revenue recognition," which refers to operations other than those set forth in paragraph 1 of Article 2 of the Certified Public Accountants Act.

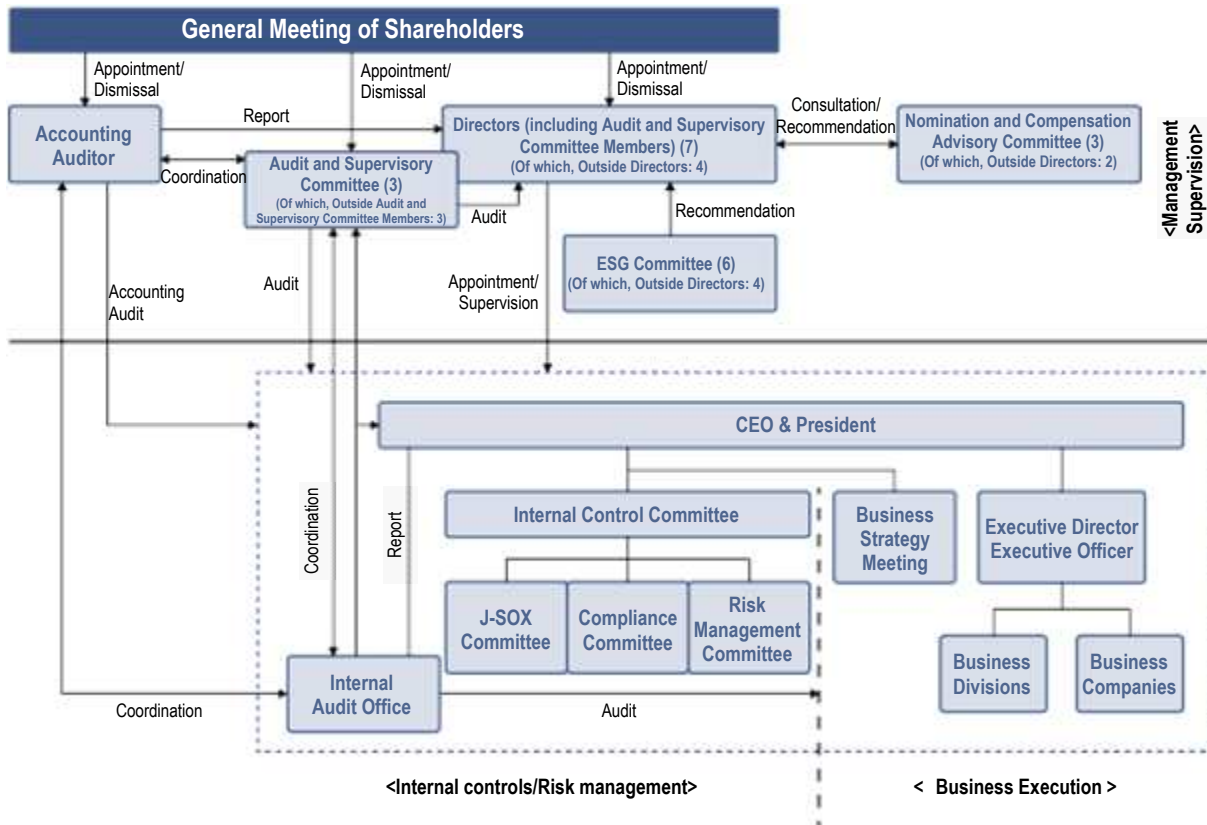
(4) Policy for determining the dismissal or non-reappointment of the accounting auditor

The Audit and Supervisory Committee has appointment criteria and evaluation standards for the accounting auditor, and confirms the independence and expertise of such Auditor each term. If a change in the accounting auditor is deemed desirable, the Committee determines the content of the proposal for the dismissal or non-reappointment of the accounting auditor that is to be submitted to the General Meeting of Shareholders in response to a report from the Review Committee. In addition, if the Audit and Supervisory Committee deems that the accounting auditor falls under any of the items listed in paragraph 1 of Article 340 of the Companies Act, it will dismiss the accounting auditor with the consent of all Audit and Supervisory Committee Members. In this case, an Audit and Supervisory Committee Member appointed by the Audit and Supervisory Committee shall, at the first General Meeting of Shareholders to be convened after the dismissal, report the fact that the accounting auditor has been dismissed and the reasons therefor.

(5) Overview of the content of liability limitation agreements

N/A

#### 4. Systems and Policies of the Company [Group corporate governance]



(1) Systems to ensure the appropriateness of business operations of the Company and its subsidiaries and affiliates (hereinafter, referred to as the “MEC Group”)

An overview of the system to ensure Directors’ performance of their duties is in compliance with laws and regulations and the Articles of Incorporation and other systems to ensure the appropriateness of the company’s business is as follows.

- 1) System to ensure that the performance of duties of the MEC Group's Directors and employees complies with laws and regulations and the Articles of Incorporation
  - (i) As the basis for the internal control and compliance systems of the MEC Group, the Company stipulates MEC Group's Charter of Corporate Behavior and Corporate Code of Conduct, as well as MEC Group's Internal Control, Internal Audit and J- SOX Regulations, and Compliance Regulations. The Company shall establish the Internal Control Committee and as its subordinate organization, the Compliance Committee, which are chaired by the President, and while promoting the building, maintenance and improvement of the internal control system, the Company shall also develop the relevant regulations and guidelines, and implement employee education as necessary.
  - (ii) If the Directors discover a material fact on serious legal violations or other compliance issues in the MEC Group, they shall report immediately to the Audit and Supervisory Committee Members and other Directors.
  - (iii) The Company shall establish the Internal Audit Office, which is an internal audit department, with the aim of carrying out appropriate and efficient operations as well to audit the development and operation of the internal control system so that it prevents fraud before it occurs.

The Internal Audit Office shall conduct internal audits according to the annual plan and report on the audit results to the Audit and Supervisory Committee, Directors and other relevant organs.
  - (iv) As the MEC Group's whistleblowing system for reporting facts relating to acts in violation of laws and regulations, acts in violation of internal rules such as work rules, and inhumane acts such as sexual harassment, the Company shall establish a whistleblowing system. With it, one person from the Outside Directors, the head of the Internal Audit Office and external lawyers shall be the direct recipients of information. The Company ensures that it prevents disadvantageous treatment of any whistleblower or other persons due to their reporting or cooperating with investigations.
  - (v) If the Audit and Supervisory Committee finds that there is a problem with the operation of the Company's legal compliance system and internal reporting system, they shall give their opinion to the CEO & President and at the same time request the development of improvement measures.
  - (vi) The Audit and Supervisory Committee shall hold meetings by requesting Outside Directors who are not Audit and Supervisory Committee Members and the Internal Audit Office to attend as observers at the Audit and Supervisory Committee meetings once a month, in principle, to report on audit results and other matters and exchange opinions.
  - (vii) The Company shall never engage in transactions with anti-social forces and organizations that threaten the social order and safety, and shall coordinate with police-related administrative organs and our legal counsels, etc. where necessary, and take appropriate measures.
- 2) System to ensure that the duties of MEC Group's Directors are performed efficiently
  - (i) In order to ensure that the duties of MEC Group's Directors are performed efficiently in accordance with basic management policies, the Board of Directors shall meet monthly and on an ad hoc basis as the occasion demands. With regard to important matters relating to the business strategy of the Company, discussions shall be held and results shall be made known to all at the business strategy meeting held once a month and composed of Directors and Executive Officers, etc., and at the company-wide policy meetings held twice a year and consisting of managers.
  - (ii) In order to enhance the supervisory function over the performance of duties by the Directors, Outside Directors appointed will account for a majority or half of the Board of Directors. At the same time, the Company shall enhance the Executive Officer System with the aim of separating supervision and execution.
  - (iii) The Company shall establish the Nomination and Compensation Advisory Committee and the ESG Committee, the majority of whose members are Outside Directors. These Committees shall nominate candidates and provide various recommendations to the Board of Directors based on multifaceted discussions.
  - (iv) In principle, the Outside Directors shall hold a meeting with the President and other Directors and senior executives twice a year to exchange opinions and information.
  - (v) In order to ensure the decisions made by the Board of Directors are carried out efficiently, the Company shall establish relevant internal regulations, and stipulate the details of the responsible persons, decision-making authorities and enforcement procedures of each business.
- 3) System for the storage and management of information related to the performance of duties by Directors of the MEC Group
  - (i) The MEC Group shall establish matters concerning creating, storing and managing minutes of important meetings such as the Board of Directors' meetings and ringi documents in the relevant internal regulations, based on which business processes shall be carried out.
  - (ii) In accordance with relevant internal regulations such as Information Security Management Regulations, the MEC Group shall protect information assets including personal information, and hold training on information security for all officers and employees on a regular basis.

4) Regulations and other systems for management of risk of loss in the MEC Group

- (i) The Company shall recognize the following risks as the main risks that arise in the Company's business activities: A. risk of violation of laws, regulations or the Articles of Incorporation; B. quality risk; C. environmental risk; D. personal information protection and risk of lack of protection of specific personal information; E. information leakage and security risk; F. disaster risk; G. supply-chain risk; and other risks. Based on this recognition, it shall develop an internal system in order to capture and manage the risks.
- (ii) As the basic framework of risk management, the Company shall establish the Risk Management Committee chaired by the President which is a subordinate organization of the Internal Control Committee, as well as MEC Group Risk Management Regulations and related regulations, and establish a system where management responsibilities are set out for each individual risk.
- (iii) The Company shall formulate a business continuity plan (BCP) and, if unforeseen circumstances arise, shall act quickly by setting up a task force headed by the President and obtaining support of external experts where necessary, to prevent or minimize any damage.



5) System to ensure the appropriateness of business in each Group company

- (i) In order to ensure the proper operation of business in each Group company, relevant internal regulations shall be shared throughout the Group such as the group-wide management philosophy, the mission statement and the Group Charter of Corporate Behavior. In addition, each company in the MEC Group shall formulate relevant regulations, rules and guidelines, and implement employee training.
- (ii) In order to manage the business of each Group company, the Company shall establish the Regulations on Affiliate Management, based on which each Group company makes decisions and reporting. For important matters, group companies are managed by requiring resolution of the Company's Board of Directors for such matters. In addition, domestic business divisions including the Business Headquarters shall oversee, and coordinate/cooperate with, business divisions of each Group company in their respective business areas.
- (iii) If the Directors discover an important matter about legal violations or other compliance issues in a Group company, they shall report immediately to the Audit and Supervisory Committee and other Directors.
- (iv) If a Group company recognizes there is a violation of laws or other compliance issues in the business management and management guidance provided by the Company, it shall report to the Audit and Supervisory Committee and the Internal Audit Office, which shall give their opinion to the CEO & President or request the development of improvement measures.
- (v) To enhance the MEC Group's audit and internal control, the Company shall make it a policy whereby the Auditor and Supervisory Committee and the Internal Audit Office both survey all business offices, departments and offices in Japan and abroad. When conducting a survey on overseas Group companies, information shall be exchanged not only with the Group's Accounting Auditor but also with local accounting auditors.

6) System for Directors (excluding Directors who are Audit and Supervisory Committee Members) and employees of the MEC Group to report to the Audit and Supervisory Committee, and other systems for reporting to the Audit and Supervisory Committee

- (i) With regard to the matters that Directors (excluding Directors who are Audit and Supervisory Committee Members) and employees should report to the Audit and Supervisory Committee and the timing of such reporting, the said Directors (excluding Directors who are Audit and Supervisory Committee Members) and employees shall report the Audit and Supervisory Committee on important matters that affect the Company's business or financial performance each time they arise in accordance with relevant internal regulations. In addition, the Company shall ensure that the person who has submitted the report will not be treated disadvantageously as a result of his or her reporting.
- (ii) Notwithstanding the preceding paragraph, the Audit and Supervisory Committee may, whenever necessary, request reports from Directors (excluding Directors who are Audit and Supervisory Committee Members) and employees.

- 7) Other systems to ensure that audits by the Audit and Supervisory Committee are conducted effectively
- (i) The Audit and Supervisory Committee and the Internal Audit Office, in principle, shall hold four meetings per year with the Accounting Auditor to exchange opinions and information in order to achieve cooperation and mutual checks and balances.
  - (ii) The Audit and Supervisory Committee may, when they deem it necessary in the practice of an audit, independently appoint a lawyer, certified public accountant or other external experts. Any prepayment or reimbursement of expenses arising from the execution of each Audit and Supervisory Committee Member's duties shall be properly treated upon request from the Audit and Supervisory Committee Member.
- 8) Matters relating to the corresponding employee in cases where the Audit and Supervisory Committee requests the stationing of an employee (auxiliary employee) to assist them in their duties
- The Company shall establish regulations on assistance to the Audit and Supervisory Committee that set for the procedures for appointing an auxiliary employee upon request by the Audit and Supervisory Committee.
- The secretariat to which such auxiliary employee belongs will be established in the Audit and Supervisory Committee in accordance with the provisions on assistance of the Audit and Supervisory Committee Regulations.
- 9) Matters concerning independence of auxiliary employees from Directors (excluding Directors who are Audit and Supervisory Committee Members)
- To ensure the independence of auxiliary employees from Directors (excluding Audit and Supervisory Committee Members), the Board of Directors shall make decisions on personnel affairs (e.g., transfer, compensation) of auxiliary employees after obtaining the consent of the Audit and Supervisory Committee. Auxiliary employees who have received necessary orders for their auditing work from Audit and Supervisory Committee Members shall not receive orders or instructions related to the Audit and Supervisory Committee Members' orders from any Director (excluding Audit and Supervisory Committee Members) or employee.
- (2) Overview of the operational status of the system to ensure the appropriateness of the MEC Group's business operations
- 1) Operational status regarding the system to ensure compliance with laws and regulations and the Articles of Incorporation
- (i) The Company held meetings of the Internal Control Committee three times and the Compliance Committee twice semiannually during the fiscal year under review, and all Directors attended them. In either meeting, there was no identification of significant deficiencies that required disclosure.
- The Internal Audit Office has reported the annual audit plan approved by the Audit and Supervisory Committee to the Board of Directors, as well as the results of internal audits to the Audit and Supervisory Committee, the Board of Directors and other organs on a case by case basis.

- (ii) In order to further enhance the whistle-blowing system, the Company has developed a global whistle-blowing system for the MEC Group. The operational status of the whistle-blowing system was reported in the Compliance Committee.
- (iii) Outside Directors who are not Audit and Supervisory Committee Members and the head of Internal Audit Office attend meetings of the Audit and Supervisory Committee held monthly, in principle, as observers and exchange opinions effectively with Directors who are Audit and Supervisory Committee Members.
- (iv) To ensure employees' understanding and compliance with the MEC Group's management policy and the Corporate Code of Conduct so that they can act as good corporate citizens, the Company provides thorough compliance education to all newly joined employees (including contract and temporary workers) with "Labor and Ethics Guidelines."
- (v) To encourage Directors, Operating Officers and employees of Group companies to understand and act on the MEC Group's management philosophy and the medium-term management plan with shared values, we provided dissemination and training programs to have them penetrate.
- (vi) The Company conducts monitoring surveys on a regular basis for the purpose of understanding the compliance status of the entire company, and reports to the Compliance Committee.

2) Operational status regarding the system to ensure efficient execution of duties by Directors

- (i) The Company held 17 Board of Directors meetings during the fiscal year under review, and actively deliberated and discussed the follow-up on the medium-term management plan, personnel system, enhancement of corporate governance, establishment of overseas subsidiaries and other matters.
- (ii) The Nomination and Compensation Advisory Committee held eight meetings and the ESG Committee held four meetings, to provide useful recommendations to the Board of Directors. The meetings focused on the deliberation of the proposal for electing Directors, the share-based compensation system, assessment of the Board of Directors, responding to Japan's Corporate Governance Code, response to COVID-19 and other matters.
- (iii) Opinion exchange meetings are held twice a year between Outside Directors, the CEO & President and senior executives where active discussions take place mainly on themes relating to the basics of management.
- (iv) The Company has delegated decisions on the execution of important operations to the CEO & President, and delegated authority properly to execute duties to contribute to prompt execution of duties.

3) Operational status regarding the storage and management of information

The Company has established record-keeping periods for the minutes of the General Meeting of Shareholders, minutes of the Board of Directors meetings, financial statements, and the like, in accordance with laws and regulations, and stores archived records appropriately.

#### 4) Operational status of risk management

Being engaged in an industry where chemicals are handled, the Company focuses on safety and the risk assessment of chemicals. During the fiscal year under review, the Company conducted inspections on the management system for poisonous materials at all business offices and confirmed that they were appropriate. Information sharing and identification of deficiencies are conducted and checked at the Risk Management Committee held twice a year.

#### 5) Operational status regarding the system to ensure the appropriateness of Group companies' business operations

As a result of the spread of COVID-19 infection, the appointed Audit and Supervisory Committee Member and the Internal Audit Office conducted remote audits of Group companies and remotely exchanged opinions with local accounting auditors as necessary.

#### 6) Operational status regarding audits by the Audit and Supervisory Committee

- (i) Audit and Supervisory Committee Members attended discussions held by important bodies such as the Business Strategy Meeting and company-wide policy meetings, and confirmed the status of design and operation of the internal control system together with the results of on-site audits.
- (ii) The Audit and Supervisory Committee held opinion and information exchange meetings four times a year with the Accounting Auditor and 17 times a year with the Internal Audit Office, as well as attending meetings with the Accounting Division. The Audit and Supervisory Committee reports to the Board of Directors on the details of discussions with the Accounting Auditor each time a meeting takes place.

#### <Reference>

##### Major initiatives regarding Japan's Corporate Governance Code

#### 1) Early disclosure of convening notices for general shareholder meetings and electronic voting

The Company strives to effectively secure shareholder rights including voting rights at general shareholder meetings. In order to allow sufficient time for shareholders to exercise their voting rights, the Company sent the convening notice of the general shareholders meeting three weeks in advance of the meeting and disclosed it electronically on the Company's website one week earlier, in an effort to provide accurate information promptly and fairly. However, for 2020, although electronic disclosure was made on the Company's website four weeks prior to the date of the general shareholders meeting, due to the spread of the COVID-19 infection, notice was not given until two weeks prior to the date of the meeting.

The Company also introduced electronic voting in consideration of shareholders' convenience.

2) Introduction of a share-based compensation system

The Company introduced a share-based compensation system for Directors and Executive Officers to further align interests with shareholders, to contribute to enhancing medium-to-long-term performance and to increase the corporate value of the Company.

3) Assessment of the Board of Directors and the Audit and Supervisory Committee

The Company has assessed the Board of Directors and the Audit and Supervisory Committee to ensure the effectiveness of these organs.

With regard to the assessment of the Board of Directors, the Company ensures the effectiveness of the Board of Directors by conducting self-assessment of all Directors. The results are used to improve subsequent operations and contents of the Board of Directors. With regard to the assessment of the Audit and Supervisory Committee, self-assessment by Audit and Supervisory Committee Members as well as outside assessment by independent Outside Directors (excluding Audit and Supervisory Committee Members) and the head of the Internal Audit Office are conducted on selected items concerning auditing and supervision.

(3) Policy related to determining dividend of surplus

1) Policy on determining dividend of surplus

Regarding the allocation of a surplus, the Company's policy is to allocate the surplus after taking into account the business performance for the corresponding term and the future, based on a balance between re-investing profits in business activities for long-term corporate value expansion and returning profits to stakeholders such as shareholders. As examples of re-investment of profits in business activities, at the Company we will strive to build up internal reserves to establish a stable financial structure that can support our ongoing business activities, with a focus on investment in R&D to maintain and strengthen competitiveness, investment in production facilities, and international strategic investment. With regard to dividends, the Company intends to reflect the profits of the period in dividends while maintaining the concept of paying stable dividends.

2) Appropriation of surplus for the term under review

With regard to the appropriation of retained earnings brought forward of 1,715,463,558 yen, we based our decision on the above-mentioned basic policy and set the dividend to thank our shareholders for their daily support. By a resolution of the Board of Directors meeting held on February 12, 2021, the year-end per share dividend was set at 14 yen. Adding this to the interim dividend of 12 yen that has already been paid, the annual dividend comes to 26 yen per share. The total amount of the year-end dividend to be paid will be 268,455,894 yen. In addition, we have added 700,000,000 yen of funds to a separate reserve, and the balance of 747,007,664 yen will be retained earnings carried over to the next term.

## Consolidated Balance Sheet

(As of December 31, 2020)

(Thousands of yen)

ASSETS		LIABILITIES	
Current assets:	10,575,499	Current liabilities:	3,528,677
Cash and deposits	5,579,463	Notes and accounts payable – trade	1,263,258
Notes and accounts receivable – trade	3,620,577	Short-term loans payable	400,000
Electronically Recorded Monetary Claims	329,006	Accounts payable – other	477,481
Merchandise and finished goods	415,861	Accrued expenses	143,020
Work in process	159,982	Income taxes payable	362,044
Raw materials and supplies	350,560	Allowance for bonuses	317,936
Other	123,606	Provision for directors' bonuses	38,005
Allowance for doubtful accounts	-3,558	Accounts payable – facilities	247,948
Noncurrent assets:	10,935,253	Other	278,982
Property, plant and equipment	8,998,594	Noncurrent liabilities:	511,213
Buildings and structures	4,232,222	Deferred tax liabilities	369,916
Machinery, equipment and vehicles	936,501	Net defined benefit liability	24,997
Tools, furniture and fixtures	322,938	Provision for share-based compensation	79,699
Land	2,935,817	Other	36,599
Right-of-use assets	40,153	Total liabilities	4,039,890
Construction in progress	530,961	<b>NET ASSETS</b>	
Intangible assets	140,370	Shareholders' equity:	16,543,283
Investments and other assets	1,796,289	Capital	594,142
Investment securities	859,665	Capital surplus	541,273
Net defined benefit assets	809,578	Retained earnings	16,583,712
Deferred tax assets	3,256	Treasury stock	-1,175,844
Other	123,788	Total of other comprehensive income:	927,578
		Valuation difference on available-for-sale securities	373,484
		Foreign currency translation adjustment	363,902
		Remeasurements of defined benefit plans	190,190
		Total net assets	17,470,862
Total assets	21,510,752	Total liabilities and net assets	21,510,752

Consolidated Statement of Income  
(From January 1, 2020 to December 31, 2020)

(Thousands of yen)

Item	Amount	
Net sales		11,956,625
Cost of sales		4,560,825
Gross profit		7,395,800
Selling, general and administrative expenses		5,025,528
Operating income		2,370,271
Non-operating income		
Interest income	23,579	
Dividend income	10,882	
Trial products income	10,028	
Other	27,079	71,569
Non-operating expenses		
Interest expenses	1,594	
Sales discounts	3,305	
Foreign exchange losses	42,536	
Other	5,928	53,365
Ordinary income		2,388,475
Extraordinary income		
Gain on sales of noncurrent assets	812	
Gain on sales of investment securities	2,018	2,830
Extraordinary losses		
Loss on sales of noncurrent assets	10,694	
Loss on retirement of noncurrent assets	71,567	82,261
Income before income taxes		2,309,044
Income taxes – current	636,348	
Income taxes – deferred	76,777	713,125
Net income		1,595,919
Profit attributable to owners of parent		1,595,919

## Non-consolidated Balance Sheet

(As of December 31, 2020)

(Thousands of yen)

ASSETS		LIABILITIES	
Current assets:	5,624,234	Current liabilities:	2,838,899
Cash and deposits	2,735,049	Notes payable – trade	628,533
Notes receivable – trade	92,418	Accounts payable – trade	278,268
Electronically Recorded Monetary Claims	329,006	Short-term loans payable	400,000
Accounts receivable – trade	2,027,294	Accounts payable – other	358,546
Merchandise and finished goods	179,681	Accrued expenses	123,523
Raw materials and supplies	187,904	Income taxes payable	261,623
Prepaid expenses	11,022	Deposits received	66,375
Accounts receivable – other	48,518	Allowance for bonuses	315,726
Other	13,339	Provision for directors' bonuses	38,005
Noncurrent assets:	10,149,876	Notes payable - facilities	120,589
Property, plant and equipment	7,065,849	Accounts payable – facilities	245,179
Buildings	3,312,188	Other	2,528
Structures	145,269	Noncurrent liabilities:	223,134
Machinery and equipment	649,984	Deferred tax liabilities	96,992
Vehicles	16,754	Asset retirement obligations	587
Tools, furniture and fixtures	206,181	Provisions for retirement benefits	22,000
Land	2,274,036	Provision for share-based compensation	79,699
Construction in progress	461,435	Other	23,855
Intangible assets	130,641	<b>Total liabilities</b>	<b>3,062,034</b>
Leasehold rights	29,380	<b>NET ASSETS</b>	
Software	99,238	Shareholders' equity:	12,338,592
Other	2,023	Capital	594,142
Investments and other assets	2,953,385	Capital surplus	541,273
Investment securities	859,665	Legal capital surplus	446,358
Shares of subsidiaries and affiliates	1,057,492	Other capital surplus	94,914
Investments in capital	77,630	Retained earnings	12,379,021
Long-term loans receivable from subsidiaries and associates	414,000	Legal retained earnings	63,557
Long-term prepaid expenses	28	Other retained earnings	12,315,463
Prepaid pension cost	529,943	General reserve	10,600,000
Other	14,625	Retained earnings brought forward	1,715,463
		Treasury stock	-1,175,844
		Valuation and translation adjustments:	373,484
		Valuation difference on available-for-sale securities	373,484
<b>Total assets</b>	<b>15,774,111</b>	<b>Total net assets</b>	<b>12,712,077</b>
		<b>Total liabilities and net assets</b>	<b>15,774,111</b>



## Non-consolidated Statement of Income

(From January 1, 2020 to December 31, 2020)

(Thousands of yen)

Item	Amount	
Net sales		8,397,576
Cost of sales		3,224,223
Gross profit		5,173,352
Selling, general and administrative expenses		3,512,616
Operating income		1,660,736
Non-operating income		
Interest and dividend income	339,716	
Trial products income	10,028	
Other	11,850	361,595
Non-operating expenses		
Interest expenses	500	
Foreign exchange losses	39,965	
Other	324	40,790
Ordinary income		1,981,541
Extraordinary income		
Gain on sales of noncurrent assets	149	
Gain on sales of investment securities	2,018	2,168
Extraordinary losses		
Loss on retirement of noncurrent assets	64,490	
Loss on valuation of shares of subsidiaries and associates	344,398	408,889
Income before income taxes		1,574,820
Income taxes – current	393,971	
Income taxes – deferred	17,467	411,439
Net income		1,163,380

Independent Auditor's Report

February 16, 2021

MEC COMPANY LTD.

**Deloitte Touche Tohmatsu LLC**  
**Kobe Office**

Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Shoichi ITO (Seal)
Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Tetsuya IKEDA (Seal)

**Opinion**

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and notes to consolidated financial statements of MEC Co., Ltd. for the year from January 1, 2020 to December 31, 2020 in accordance with Article 444, paragraph 4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above, which were prepared in accordance with accounting standards that are generally accepted in Japan, present fairly, in all material respects, the status of profit and loss of MEC Co., Ltd. and its consolidated subsidiaries for the period for which the consolidated financial statements were prepared.

**Basis of Audit Opinion**

Our audit was conducted in accordance with auditing standards that are generally accepted as being fair and reasonable in Japan. Our responsibility under auditing standards is described in "Auditor's Responsibility in an Audit of Consolidated Financial Statements." Our audit is independent of the Company and its consolidated subsidiaries in accordance with the ethical standards of the profession in Japan, and have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Management's and Audit Committee's Responsibility for the Consolidated Financial Statements**

Management is responsible for the general preparation and fair presentation of consolidated financial statements in conformity with the corporate accounting standards that are accepted as fair and reasonable in Japan. This includes putting in place and managing internal control that the management deems to be necessary in order to properly prepare and present consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements on the basis of the going concern assumption and for disclosing, if necessary, matters related to going concern in conformity with the corporate accounting standards that are accepted as fair and reasonable in Japan.

Audit and Supervisory Committee is responsible for monitoring the execution of duties by Directors in the development and operation of the financial reporting processes.

#### Auditor's Responsibility in an Audit of Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement due to fraud or error, and to express an opinion on the consolidated financial statements from an independent position in the auditor's report based on our audit as independent Auditor. A material misstatement is considered to exist when it is reasonably likely that the misstatement was caused by fraud or error and, individually or in the aggregate, would have an effect on the decisions of users of the consolidated financial statements.

The auditor, in accordance with auditing standards that are generally accepted as being fair and reasonable in Japan, exercises professional judgment throughout the audit process and maintains professional skepticism in performing the following.

- The auditor identifies and assesses the risks of material misstatement due to fraud or error. In addition, the auditor drafts and performs audit procedures that address the risks of material misstatement. The selection and application of audit procedures shall be at the auditor's discretion. In addition, the auditor obtains sufficient appropriate audit evidence to provide a basis for expressing an opinion.
- The audit purpose of consolidated financial statements is not to express an opinion on the effectiveness of internal control. However, in making those risk assessments, the auditor considers internal control relevant to the audit in order to draft audit procedures that are appropriate in the circumstances.
- The auditor evaluates the appropriateness of accounting policies and their application methods adopted by management and the reasonableness of the accounting estimates made by management and the related notes.
- The auditor concludes whether it is appropriate for management to prepare the consolidated financial statements on the basis of the going concern assumption, and based on the audit evidence obtained, whether there is any material uncertainty regarding events or conditions that might raise critical questions about the validity of the going concern assumption. If there is a material uncertainty about the validity of the going concern assumption, the auditor is required to draw attention to the notes to the consolidated financial statements in the auditor's report or, if the notes to the consolidated financial statements regarding the material uncertainty are inappropriate, to express a qualified opinion on the consolidated financial statements. Although the auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report, it is possible that future events or circumstances may affect the company's ability to continue as a going concern.
- The auditor evaluates whether the presentation of the consolidated financial statements and the notes thereto are in conformity with the corporate accounting standards that are accepted as fair and reasonable in Japan, and also evaluates the presentation, composition, and content of the consolidated financial statements, including the related notes, and whether the consolidated financial statements present fairly the underlying transactions and accounting events.
- The auditor obtains sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for the direction, supervision and implementation of the audit of the consolidated financial statements. The auditor is solely responsible for the audit opinion.

The auditor reports to the Audit and Supervisory Committee on the scope of the planned audit and the timing of its implementation, and significant findings of the audit, including significant deficiencies in internal control identified in the course of the audit, and other matters required by auditing standards.

The auditor reports to the Audit and Supervisory Committee on the auditor's compliance in accordance with the ethical standards of the profession in Japan regarding independence, as well as any matters that could reasonably be considered to affect the auditor's independence, and the nature of any safeguards taken to remove or mitigate any disincentive.

#### Interest

Our firm and engagement partners have no interest in the Company and its consolidated subsidiaries that should be disclosed pursuant to the provisions of the Certified Public Accountants Act.

Independent Auditor's Report

February 16, 2021

MEC COMPANY LTD.

Deloitte Touche Tohmatsu LLC  
Kobe Office

Designated Limited  
Liability Partner  
Engagement Partner

Certified Public  
Accountant

Shoichi ITO (Seal)

Designated Limited  
Liability Partner  
Engagement Partner

Certified Public  
Accountant

Tetsuya IKEDA (Seal)

Opinion

We have audited the non-consolidated financial statements, comprising the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity and notes to non-consolidated financial statements and supplementary schedules (hereinafter, referred to as the "Non-consolidated Financial Statements") of MEC Co. Ltd. for the 52nd term from January 1, 2020 to December 31, 2020 in accordance with Article 436, paragraph 2, Item 1 of the Companies Act.

In our opinion, the non-consolidated financial statements referred to above, which were prepared in accordance with accounting standards that are generally accepted in Japan, present fairly, in all material respects, the status of profit and loss of the non-consolidated financial statements for the period for which the non-consolidated financial statements were prepared.

Basis of Audit Opinion

Our audit was conducted in accordance with auditing standards that are generally accepted as being fair and reasonable in Japan.

Our responsibility under auditing standards is described in "Auditor's Responsibility in an Audit of Non-consolidated Financial Statements." Our audit is independent of the Company in accordance with the ethical standards of the profession in Japan, and have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's and Audit Committee's Responsibility for the Non-consolidated Financial Statements

Management is responsible for the general preparation and fair presentation of non-consolidated financial statements in conformity with the corporate accounting standards that are accepted as fair and reasonable in Japan. This includes putting in place and managing internal control that the management deems to be necessary in order to properly prepare and present consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements on the basis of the going concern assumption and for disclosing, if necessary, matters related to going concern in conformity with the corporate accounting standards that are accepted as fair and reasonable in Japan.

Audit and Supervisory Committee is responsible for monitoring the execution of duties by Directors in the development and operation of the financial reporting processes.

#### Auditor's Responsibility in an Audit of Non-consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement due to fraud or error, and to express an opinion on the non-consolidated financial statements from an independent position in the auditor's report based on our audit as independent Auditor. A material misstatement is considered to exist when it is reasonably likely that the misstatement was caused by fraud or error and, individually or in the aggregate, would have an effect on the decisions of users of the non-consolidated financial statements.

The auditor, in accordance with auditing standards that are generally accepted as being fair and reasonable in Japan, exercises professional judgment throughout the audit process and maintains professional skepticism in performing the following.

- The auditor identifies and assesses the risks of material misstatement due to fraud or error. In addition, the auditor drafts and performs audit procedures that address the risks of material misstatement. The selection and application of audit procedures shall be at the auditor's discretion. In addition, the auditor obtains sufficient appropriate audit evidence to provide a basis for expressing an opinion.
- The audit purpose of non-consolidated financial statements is not to express an opinion on the effectiveness of internal control. However, in making those risk assessments, the auditor considers internal control relevant to the audit in order to draft audit procedures that are appropriate in the circumstances.
- The auditor evaluates the appropriateness of accounting policies and their application methods adopted by management and the reasonableness of the accounting estimates made by management and the related notes.
- The auditor concludes whether it is appropriate for management to prepare the non-consolidated financial statements on the basis of the going concern assumption, and based on the audit evidence obtained, whether there is any material uncertainty regarding events or conditions that might raise critical questions about the validity of the going concern assumption. If there is a material uncertainty about the validity of the going concern assumption, the auditor is required to draw attention to the notes to the non-consolidated financial statements in the auditor's report or, if the notes to the non-consolidated financial statements regarding the material uncertainty are inappropriate, to express a qualified opinion on the non-consolidated financial statements. Although the auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report, it is possible that future events or circumstances may affect the company's ability to continue as a going concern.
- The auditor evaluates whether the presentation of the non-consolidated financial statements and the notes thereto are in conformity with the corporate accounting standards that are accepted as fair and reasonable in Japan, and also evaluates the presentation, composition, and content of the non-consolidated financial statements, including the related notes, and whether the non-consolidated financial statements present fairly the underlying transactions and accounting events.

The auditor reports to the Audit and Supervisory Committee on the scope of the planned audit and the timing of its implementation, significant findings of the audit, including significant deficiencies in internal control identified in the course of the audit, and other matters required by auditing standards.

The auditor reports to the Audit and Supervisory Committee on the auditor's compliance in accordance with the ethical standards of the profession in Japan regarding independence, as well as any matters that could reasonably be considered to affect the auditor's independence, and the nature of any safeguards taken to remove or mitigate any disincentive.

#### Interest

Our firm and engagement partners have no interest in the Company that should be disclosed pursuant to the provisions of the Certified Public Accountants Act.

## Audit Report

The Audit and Supervisory Committee audited the execution of duties by Directors during the 52nd business year from January 1, 2020 to December 31, 2020. We report on the methods and results of the audits as follows.

### 1. Method and details of the audit

With regard to the details of the resolution by the Board of Directors on matters listed in Article 399-13, paragraph 1, Item 1, (B) and (C) of the Companies Act and the system established based on said resolution (internal control system), the Audit and Supervisory Committee received regular reports from the Directors, the Internal Audit Office and other employees on the development and operation of the system, sought explanations where necessary, and expressed opinions. In addition, we conducted an audit according to the following method.

In accordance with the audit and supervisory standards set out by the Audit and Supervisory Committee as well as audit policies, audit plans and division of duties, we gathered information and worked to improve the environment for conducting audits in coordination with the Internal Audit Office. We also attended the Board of Directors' meetings, the business strategy meetings and other important meetings, etc., sought explanations as necessary, inspected important decision documents, and examined the status of the business and assets at the head office and all business offices. Outside Directors including the Audit and Supervisory Committee Members had semiannual meetings with the CEO & President and senior executives, and 17 meetings in total with the Internal Audit Office, to exchange opinions. In addition, with respect to subsidiaries, we communicated and exchanged information with the directors and employees of the subsidiaries, and received business reports from the subsidiaries where necessary. We also conducted remote audits, inspected important documents, and investigated the status of their businesses and assets.

With respect to the basic policy presented in the Business Report stipulated in Article 118, Item 3, (A) of the Enforcement Regulations of the Companies Act, and each measure stipulated in Article 118, Item 3, (B) of said act, we examined the content thereof in light of the status of discussions by the Board of Directors and other organs.

We monitored and examined whether the Accounting Auditor had maintained an independent position and had implemented an appropriate audit backed by expertise. At the same time, we received an explanation of the audit plan in advance from the Accounting Auditor, as well as a report on the performance of their duties, and sought explanations where necessary. Furthermore, we received a notice from the Accounting Auditor saying that the "system for ensuring that duties are performed properly [matters set out in each item of Article 131 of the Company Accounting Regulations] is established in accordance with the Quality Management Standards Regarding Audits" (Business Accounting Council; October 28, 2005) and other standards, and sought explanations where necessary. We had four meetings with the Accounting Auditor. In addition, we held meetings and exchanged opinions and information remotely with the accounting auditors of our subsidiaries as necessary.

Based on the above methods, we examined the business report and supplementary schedules thereof, and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity and notes to consolidated financial statements) as well as the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity and notes to non-consolidated financial statements) and supplementary schedules thereof, for the relevant fiscal year.

2. Results of the audit

(1) Results of audit of the business report, etc.

- (i) We acknowledge that the business report and supplementary schedules thereof fairly present the Company's conditions in accordance with laws, regulations and the Articles of Incorporation.
- (ii) With regard to the performance of duties of Directors, no unfair conduct, nor any material breach of laws, regulations or the Company's Articles of Incorporation has been found.
- (iii) The details of resolutions approved by the Board of Directors concerning the internal control system are proper and fair. In addition, no matters that necessitate comment have been found regarding the details defined in the Company's Business Report and performance of duties of Directors both with respect to the internal control system.
- (iv) No matters that necessitate comment have been found regarding the basic policy related to the individuals responsible for determining the financial and business policies presented in the Company's Business Report. As described in the Business Report, we recognize that the measures stated in Article 118, Item 3, (B) of the Enforcement Regulations of the Companies Act are in line with the basic policy and do not detract from the common interests of shareholders; in addition, we recognize that they are not intended for the Directors of the Company to maintain their positions.

(2) Results of audit of the consolidated financial statements

The method and results of audit by the Accounting Auditor, Deloitte Touche Tohmatsu LLC are fair and reasonable.

(3) Results of audit of the non-consolidated financial statements and supplementary schedules

The method and results of audit by the Accounting Auditor, Deloitte Touche Tohmatsu LLC are fair and reasonable.

February 17, 2021

Audit and Supervisory Committee MEC COMPANY LTD.

Audit and Supervisory Committee Member	Mitsutoshi TAKAO (Seal)
Audit and Supervisory Committee Member	Kaoru HASHIMOTO (Seal)
Audit and Supervisory Committee Member	Mitsuo HAYASHI (Seal)

(Note) All three Audit & Supervisory Board Members are Outside Directors as stipulated in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.





# Map to the venue for the general meeting of shareholders

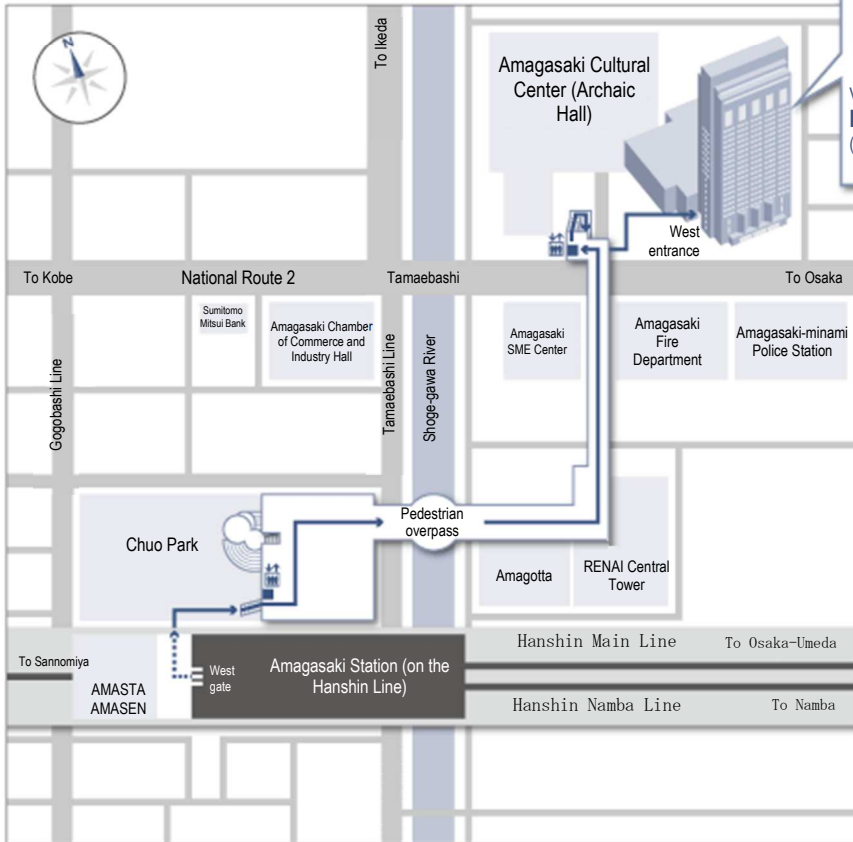
## Venue

2-7-1, Showa-dori, Amagasaki, Hyogo  
**3rd floor, HO-OH, Miyako Hotel Amagasaki**

\* Please use public transport to get to the venue since there is no parking lot dedicated for the Meeting.



Venue for the General Meeting of Shareholders  
**Miyako Hotel Amagasaki**  
 (Former Miyako Hotel New Archaic)



Floor map of Miyako Hotel Amagasaki



## Access

### Amagasaki Station (on the Hanshin Line)

Exit the West gate and proceed north. Approx. six minutes on foot via a pedestrian overpass from the Chuo Park