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October 22, 2024

To Whom It May Concern:

Company Name: MEC COMPANY LTD.
Representative: CEO & President Kazuo MAEDA
(Securities Code: 4971, TSE Prime Market)
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Notice Regarding Change in Overseas Consolidated Subsidiary (From a Sub-subsidiary Into a Subsidiary)

MEC COMPANY LTD. (hereinafter, the “Company”) hereby announces that at a meeting of the Board of Directors held today, it has resolved to acquire all shares of MEC FINE CHEMICAL (ZHUHAI) LTD. (hereinafter, “MEC Zhuhai”), a subsidiary of MEC (HONG KONG) LTD. (hereinafter, “MEC Hong Kong”), which is itself a consolidated subsidiary of the Company, in order to make MEC Zhuhai a wholly owned subsidiary. The details are as follows.

1. Reason for the transfer

In accordance with the “Notice Regarding Dissolution and Liquidation of Overseas Consolidated Subsidiary,” announced today by the Company, we are acquiring the shares of MEC Zhuhai, our sub-subsidiary, that are currently held by our consolidated subsidiary MEC Hong Kong following their dissolution.

The transfer of this subsidiary is within the scope of consolidation, and so there will be no change to the scope of consolidation for the Company.

2. Overview of the sub-subsidiary to be changed (into a subsidiary)

(1) Name	MEC FINE CHEMICAL (ZHUHAI) LTD.	
(2) Address	530 An Ji East Road, Sanzao Town, Jinwan Qu, Zhuhai City, GD, 519040, P.R.China	
(3) Name and Title of Representative	President Sadamitsu SUMITOMO	
(4) Business Description	Manufacture and sale of chemicals for electronic substrates	
(5) Capital Stock	8.0 million HKD	
(6) Established	December 2002	
(7) Major Shareholders and Shareholding Ratio	MEC Hong Kong 100%	
(8) Relationship Between MEC COMPANY LTD. and MEC (HONG KONG) LTD.	Capital relationship	A wholly owned subsidiary of MEC Hong Kong, which is itself a wholly owned subsidiary of the Company. MEC Zhuhai is a sub-subsidiary of the Company.

	Personnel relationship	An officer of the Company serves as the representative (President) of MEC Zhuhai. One officer and one employee of the Company also serve as officers of MEC Zhuhai.
	Business relationship	The Company sells products to MEC Hong Kong.
	Status as a related party	MEC Hong Kong is a consolidated subsidiary of the Company and a related party.

(9) Results of Operations and Financial Position for the Past Three Years			(thousands of CNY)
Fiscal Year	FYE 12/2021	FYE 12/2022	FYE 12/2023
Net assets	91,464	98,374	99,227
Total assets	112,775	110,104	116,942
Net sales	111,786	106,275	90,836
Operating income	26,289	17,868	13,090
Ordinary income	26,932	19,924	13,892
Profit attributable to owners of parent	20,174	14,910	10,352

3. Overview of the subsidiary that will be transferring shares of its subsidiary to the Company

(1) Name	MEC (HONG KONG) LTD.	
(2) Address	No.8, 12/F., Tower 3 China Hong Kong City, 33 Canton Road, Tsimshatsui, Kowloon, Hong Kong, Hong Kong Special Administrative Region, People's Republic of China	
(3) Name and Title of Representative	President Sadamitsu SUMITOMO	
(4) Business Description	Sale of chemicals for electronic substrates	
(5) Capital Stock	4.5 million HKD	
(6) Established	March 1996	
(7) Major Shareholders and Shareholding Ratio	MEC COMPANY LTD. 100%	
(8) Relationship Between MEC COMPANY LTD. and MEC (HONG KONG) LTD.	Capital relationship	A wholly owned subsidiary of the Company.
	Personnel relationship	An officer of the Company serves as the representative (President) of MEC Hong Kong. One officer and one employee of the Company also serve as officers of MEC Hong Kong.
	Business relationship	The Company sells products to MEC Hong Kong.
	Status as a related party	MEC Hong Kong is a consolidated subsidiary of the Company and a related party.

4. Status of the Company's equity before and after the acquisition

(1) Company Equity Before Transfer	0%
(2) Total Amount	104.9 million CNY
(3) Company Equity After Transfer	100%

5. Schedule

(1) Date of Resolution by Board of Directors	October 22, 2024
(2) Date of Contract Conclusion	Early November, 2024 (planned)

6. Future outlook

The Company is currently examining the impact of this transaction on consolidated business performance. We will promptly announce any matters which require disclosure that may arise in the future.