

| TOP Message |

We will contribute to the future of a sustainable society as a truly global company that creates new value with creative technologies.

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CEO & President



Business environment

Recognizing the Rapidly Changing Market Environment as a "Growth Opportunity"

The business environment has seen rapid changes arising from varied factors, including the novel coronavirus (hereafter, "COVID-19") that has not yet settled down even in 2022, the invasion of Ukraine by Russia, and the depreciation of the yen as well as global inflation. These factors have caused various impacts not only on the market but also on our lives. Although some of the impacts were caused by COVID-19, we made efforts to minimize the impact on production activities. On the other hand, Russia's invasion of Ukraine could invite uncertainties in the future, such as the tightening of oil, natural gas, and other energy resources, which could have a significant impact on our business operations, including production and

sales costs.

Even under these circumstances, we will further enhance our ability to respond to customers and earn the trust of customers so that our services and product quality is maintained and we satisfy our customers. In the medium to long term, we will benefit our customers through R&D and marketing activities, which, in return, will contribute to the Company's earnings.

As a global company, we believe that we have the ability to change risks to opportunities by agilely adapting to various changes in the environment. Even in the case of the depreciation of the yen, we are more competitive regarding costs derived from Japan. Overseas sales and assets are highly valued when denominated in yen, and there are many good aspects. In this way, there is also the aspect of profit and loss factors being equalized in the Group, so we will lead to new growth without

being totally concerned about change.

Medium-term Management Plan Formulation of the 2030 Vision

When we consider how we can continue to grow and contribute to the prosperity of society in this turbulent era where society changes on a global scale, we believe it is necessary to once again look at "creation and transformation", which is the foundation of our efforts. Along with the advancement of digitalization in society, the Company has built a foothold as a leading company in the industry with its unique "interfacial value creation technology" as a manufacturer that develops, manufactures, and sells chemicals for manufacturing electronic substrates. In recent years, the market has grown with the evolution of the IoT and AI. Last year, however, demand for

PCs and displays increased due to the prevalence of remote work and online classes due to the effects of COVID-19. In addition, as digital transformation (DX) and 5G become more widespread, the opportunities for our Company's technology and product services are also expanding.

"Looking back at fiscal 2021, we focused on developing and selling products for high-density electronic substrates that respond to changes in the external environment and to higher speeds and higher performance.

The CZ Series, an ultra-roughening adhesion improver for mainstay products, has been adopted by package substrate manufacturers around the world. As 5G becomes more widespread, the volume of data communication has increased, and demand for packaging substrates for servers and base stations has gone up, which has been a tailwind for growth".

Sales of the EXE Series used in displays and the V-Bond Series used mainly as adhesion improvers for multilayer electronic substrates for automobiles and smartphones were also robust. As a result, net sales in fiscal 2021 were 15,038 million yen, up 25.8% from the previous year, and operating income was 3,939 million yen, up 66.2% from the previous year, with both figures being record highs.

Realization of Our Vision by 2030

In February this year, the Company announced its Medium-term Management Plan (2022–2024) under the Vision 2030 Phase 1. Aiming to achieve our vision for 2030, we will work to achieve sustainable growth and maximize corporate value through the implementation of our three-year medium-term management plan over three fiscal years.

Our corporate vision is: (1) to become a truly global company that creates new value through original technologies; (2) to continue to be an R&D-oriented company; and (3) to be a representation of an original AI company.

Our Company's strength lies in its unique technology. By solving customers' problems with technologies unique to our Company that cannot be easily duplicated, and by generating profits for customers and the Company and advancing the industry as a whole, we aim for a future that brings sustainable prosperity to society.

The Company's technology has been widely used in the manufacture of high-performance, compact and thin electronic substrates. In the future, the growth of 5G, DX, decarbonization, and other social trends will further accelerate an increase in data volumes and communication speeds. Demand is expected to grow for packaging substrates that incorporate semiconductors, such as next-generation data centers, automated driving and electric vehicles. We will create new value by refining and applying the technologies we have cultivated to date, and by combining creative technologies with AI. That is our growth strategy for 2030. To this end, we plan to

invest approximately 10% of our consolidated net sales in research and development each year.

Growth Strategy

HR and Organizational Strategies

In order to realize a sustainable and prosperous society, the Company will focus on human resource development and ESG areas under "2030 Vision Phase 1". We will implement personnel strategies based on human capital management and create human value that contributes to management from a short-, medium-, and long-term perspective. Human resources are the most important assets of a company.

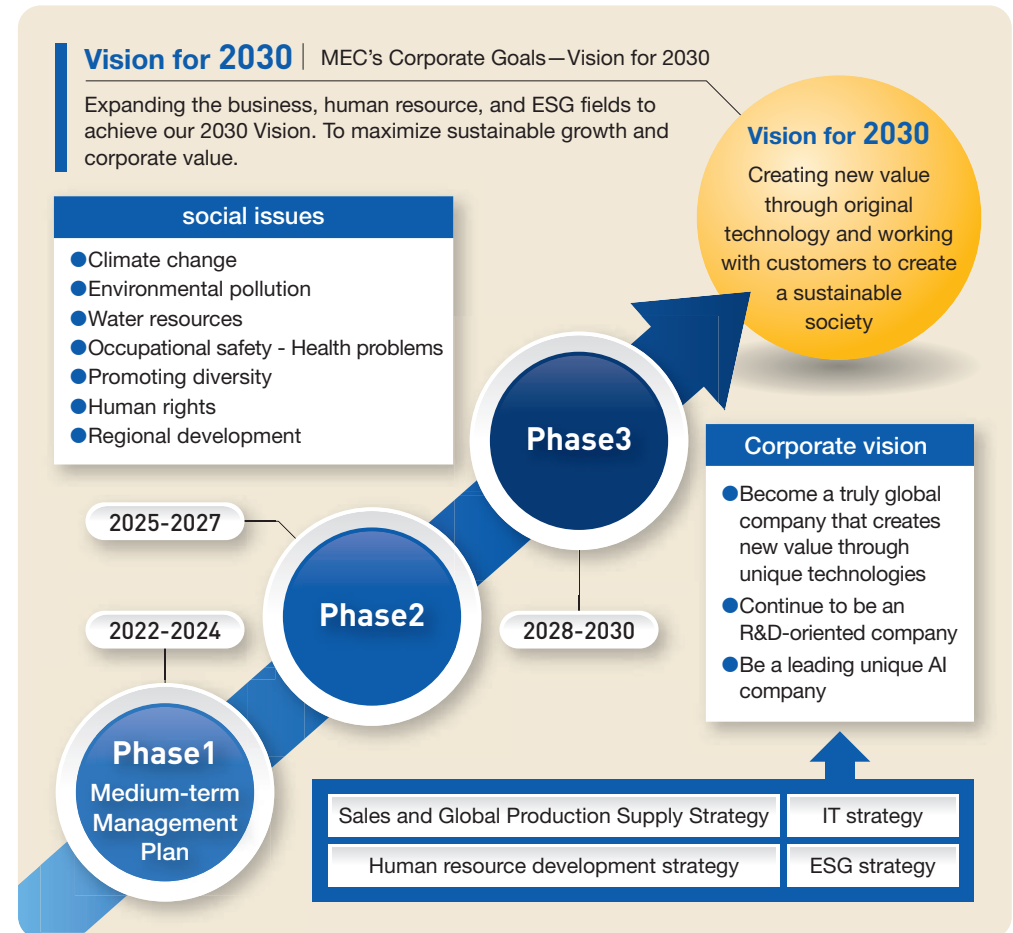
The source of our Company's continued growth lies in the utilization of diverse human resources, and we recognize that increasing human resource value is the key to increasing corporate value. Human capital management is a pillar of our growth strategy. Not only in the technical field, but also in trade, sales, marketing, and other areas, we will work to identify and improve human resources. The ideal image of human resources is "autonomous driving and solidarity". By gathering these human resources, we believe that our philosophy of becoming a truly global company that creates new value with creative technologies will be realized.

In addition, as an organizational strategy for promoting human resource strategies, we will secure and assign outstanding human resources in their relevant roles, establish a strategic human resources department to create an environment in which people can play an active role, and actively invest in human resources. We have just begun to launch this program, but we will further enhance education and training programs for each rank and job category in order to improve our skills to create "unique technologies", develop human resources capable of responding to customers and cultivate human resources capable of playing an active role globally. Also, starting this fiscal year, we have revised our compensation system

in the hope that it will lead to greater job satisfaction among employees.

Our Company creed is "enjoying work". It would be so wonderful if we could seriously and fully enjoy the work that occupies the majority of time in our lives so that we contribute to people's well-being and a sustainable society. To this end, we have established systems and environments that enable employees to work in a diversified way with a view to achieving a work-life balance. For example, we have established our own leave and

benefit systems for childbirth, childcare, and nursing care, and are working to create an environment where people can work with peace of mind. Both men and women take childcare leave, and we provide support as needed to ensure a smooth return to work. We also conduct annual employee satisfaction surveys to improve the workplace environment. The entire Company strives to create a workplace where employees can enjoy their work in a lively manner, and to contribute to a prosperous and enjoyable society.

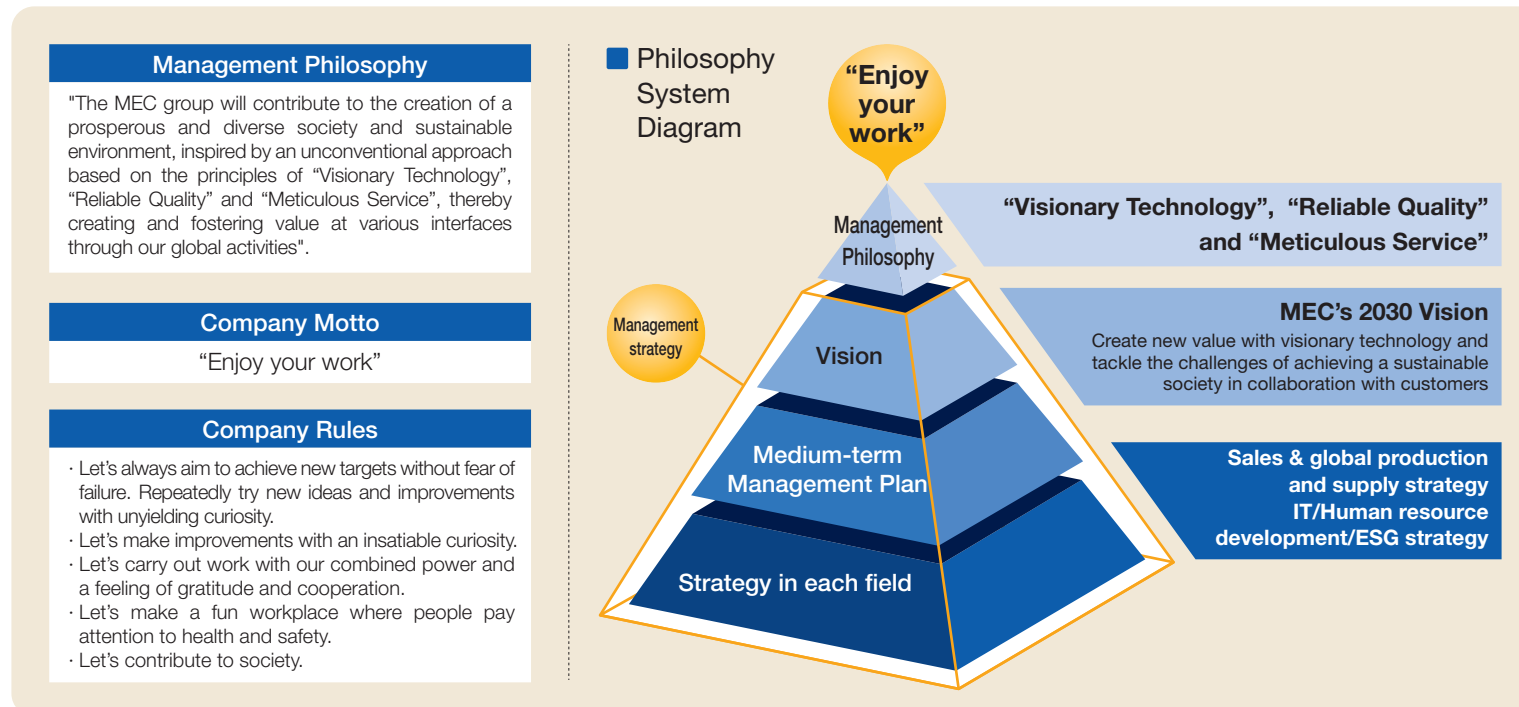


Promoting Sustainability Management as a Foundation for Sustainable Growth

With regard to ESG-related initiatives, we have formulated six CSR material initiatives that are important to our business operations, and are proceeding with these efforts from the perspective of the SDGs in relation to our business operations. We believe that achieving the six materiality initiatives—research and development to open up the future; proper procurement, production, and logistics; environmental preservation; quality and safety; utilization of diverse human resources; and reinforcement of management foundations—will lead to improved profitability and productivity for our customers. In addition, we will continue to tackle social issues like environmental problems, such as reliable quality, procurement, production

and logistics, as we can only produce results from our efforts by seeing things from the perspective of the entire value chain beyond the Company. As a chemical manufacturer, our Company has always focused on contributing to the resolution of environmental issues. We are working to develop products that reduce environmental load by increasing customer productivity. Through product development and sales, we will continue to contribute to global issues such as climate change countermeasures and the realization of a decarbonized society. It is difficult to quantify, but in the future, we will continue to report on this sustainability report and other materials released by the Company. We also use a large amount of water in the manufacturing and R&D processes. In order to protect water resources and contribute to local

communities, we are working on MEC Forestation in Nagaoka City, Niigata Prefecture, where the Nagaoka Plant is located, and Amagasaki City, Hyogo Prefecture, where the head office is located. Forests absorb carbon dioxide and contribute to the prevention of global warming. Interactions with local governments and residents have also become an opportunity to hear a variety of opinions. In addition, we informed neighboring municipal associations that the Amagasaki Plant can be used as a temporary evacuation site in the event of a disaster. Once a year, we also cooperate in evacuation drills at nursery schools in the neighborhood (not implemented in fiscal 2021). We will contribute to the sustainable development of society, industry as a whole, and our customers by working to reduce environmental impact, conserve the environment, and contribute to local communities.



To Our Stakeholders

There are many global issues, such as COVID-19, which still affects social life, and global warming, which is the most important issue from now, and society is undergoing a major transformation. Against this backdrop, the Company announced its 2030 Vision Phase 1, which outlines medium- and long-term issues and initiatives to be taken. We have created strong synergies in each business field by nurturing human resources who take on challenges, which is the source of our value, and creating ideas with the enthusiasm and power of each and every employee to reform themselves, and we have drawn up steps toward growth by 2030. A sustainable future cannot be achieved by the MEC Group alone. We will work with our stakeholders to achieve sustainable growth. We will continue to meet the expectations and interests of our stakeholders in order to contribute to the realization of a safe, secure, and prosperous society. We would appreciate your continued support and encouragement.