

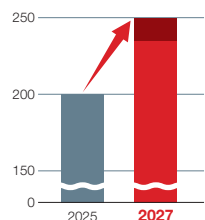
Medium-term Management Plan to Solidify the Foundation for Growth: 2030 Vision Phase 2

In Phase 1 (2022-2024), we worked to strengthen our core businesses under the guideline of "Creation and Transformation", and in the final year of 2024, although ROE was 8.9%, slightly below our target of 10%, we achieved results that exceeded our consolidated operating profit margin target. This was the result of efficiency improvements accompanied by the reorganization of our global operations.

We view Phase 2 (2025-2027) as a three-year period for "building the foundation for growth", during which we will pursue strategic investments, human resource development, and market expansion in core technologies and new technology domains to realize our vision for 2030.

Phase 2 Quantitative/Qualitative Targets

Quantitative Targets



Consolidated sales
FY2027 Consolidated sales

¥25 billion

Core business: **¥23.5 billion**

Application and Expansion:

¥1.5 billion

Consolidated operating margin

At least 20%

ROE

At least 10%

Qualitative Targets

- Maintain and bolster profitability in existing markets
- Develop business in areas where existing technologies can be applied and expanded
- Create new business
- Build structures for stable global supply
- Advance and strengthen ESG management

Phase 3

2028-2030

Work toward further growth

- Create new business

Phase 2

2025-2027

Build the foundations for growth

- Establish a position using new technology
- Build business applying existing technologies

2022-2024

Reinforce core business

- Deepen priority areas
- Secure profitability and invest in growth

2030 Vision

Becoming the world's best creator of interfaces and connecting them to the world.

Growth Strategy and Basic Policy

Operating cash flows External procurement, etc

Investment in growth

- Investment in R&D **Approximately 10%** of consolidated sales every year
- M&A
- Reinforce global supply structures
- Reinforce technical support and marketing structures

Reinforce foundations

- Investment in human capital
- Capital investment **Approximately 8 billion yen** over three years
- Reinforce ESG management
- **Reduce actual** total Scope 1 and 2 emissions in Japan **by 50%** by FY2030 (base year: FY2017)

Shareholder returns

- Dividends
- Maintain and increase the annual dividend per share
- Consolidated payout ratio target: **30%**
- Flexibly implement share buybacks according to the circumstances

Indicators and Targets (2030)

Ratio of women in management positions

At least 30%

Percentage of men taking childcare leave

At least 85%

Gender wage gap

At least 90%

Moving to the revenue expansion stage through market development

Expansion of core business

(Semiconductor and electronic substrate markets)

Expanding demand in new technology fields

Adhesion enhancement using ultra-fine and non-roughening technologies (Higher signal speeds, higher densities)

Formulation of Phase 2 of the 2030 Vision Medium-term Management Plan

Focusing on new technology areas in our core business, we will aim to maximize corporate value enhancement with a product lineup that anticipates the megatrends of the times, from cutting-edge substrates to applied substrates.

Tetsuya Taniguchi

Director / Executive Operating Officer,
General Manager, Management Planning Unit



Formulation of “2030 Vision Phase 2” (2025-2027), the second term of the medium-term management plan

Director Taniguchi, could you please introduce yourself?

Over the past 35 years, I have been involved in and witnessed the course of development in the electronic materials business. I have long years of experience in sales and marketing and new business development, as well as overseas assignments. In my private life, I keep active, enjoying outdoor sports and international travel.

At MEC, I was engaged in implementing growth strategies, addressing management issues and developing markets, making use of my past experience and ability to take the initiative. Starting from fiscal year 2025, I have assumed the position of Director/Executive Operating Officer and General Manager of Management Planning Unit. I will be concentrating my efforts on strengthening our business based on the medium-term management plan, including management strategies, market growth strategies, and intermittent growth.

This year, we commenced “Vision 2030 Phase 2” Could you please share the review of the past three years and how Phase 2 was developed?

Our “2030 Vision Phase 1 (2022-2024)” was a three-year period that saw significant market fluctuations, including a year of strong demand for PCs and smartphones due to the COVID-19 pandemic followed by a year of inventory adjustments. In these circumstances, MEC proceeded to

invest in long-term growth while minimizing the impact of the temporary slump in demand by making management efforts. Through conducting marketing analysis and new technology development, we have established our chemical adhesion technology as a next-generation product and formulated a deployment strategy, responded to a wide range of customer needs from cutting-edge package substrates to applied substrate areas, and provided our chemical adhesion process technology tailored to customer needs. In addition, we marked all-time high net sales and achieved our operating margin target in the final fiscal year, and also achieved almost all of the numerical targets set in Phase 1.

On the other hand, some issues also became apparent. I believe we did not do enough to examine our intermittent growth business while we strategically addressed the risks associated with market changes. By verifying whether we have a balanced allocation of next-generation human resources that will achieve the corporate vision for 2030, we recognized the urgent need for a personnel development program to make up for the shortage of human resources. We will also focus on investment in human capital.

In formulating Phase 2, we quantified data based on the issues identified in Phase 1 once again and shared the KPI settings with management. We identified strategically important markets such as AI, next-generation information and telecommunications, and new automotive technology, and have also begun to build a framework for “horizontal coordination and deployment of each function” as envisioned by the President.

Through pursuing the task of reorganizing the various departments, mainly sales, development, and logistics, to secure efficiency and incorporating them into a roadmap, we will aim to expand business areas in the market, nurture new business, and ensure the growth of our core business.

Growth Strategies for Megatrend Markets

What technological domains will you focus on strengthening for future growth?

MEC develops surface treatment agents for metals used in package substrates and boasts the world’s top share in interface treatment technology. In terms of technology, we have both “physical adhesion” and “chemical adhesion” technology, as well as “selective etching” and “anisotropic etching” for related processes, which can be utilized in various solutions according to customer needs.

We are also enhancing optimal technical support for our customers’ production processes through the operating sites in our global network. Our strength lies in the fact that we have established a style of providing advanced technology and being involved in the entire production process, rather than just selling chemicals. I hope we can advance our medium-term management plan using these strengths as our banner and continue to be at the forefront as a leading company in the world.

We are aiming to achieve, in the final fiscal year of Phase 2, net sales of 25 billion yen, 1.5 billion yen of which is expected to come from new business areas.