



June 10, 2020

Company name: **C. Uyemura & Co., Ltd.**

Stock code: 4966

Listing: Second Section of the Tokyo Stock Exchange

Representative: Hiroya Uyemura, President

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### **Notice of Consolidated Subsidiary Capital Reduction and Change in Specified Subsidiary**

C. Uyemura & Co., Ltd. is taking the following action in accordance with a resolution approved by the Board of Directors meeting held on June 10, 2020 for reducing the capital of consolidated subsidiary Sumix Corporation. Due to this reduction in capital, Sumix Corporation will no longer meet the requirements for classification as a specified subsidiary.

#### 1. Reason for reduction in capital and end of specified subsidiary classification

Sumix Corporation started as a company that performed plating jobs on home appliances, automotive parts, electronic components and other products. The environment for the plating market in Japan became smaller as major client companies moved production to other countries and other events. Due to this challenging business climate, the electroplating business was terminated on March 31, 2019. The purpose of the capital reduction is to achieve the proper composition of capital in relation to the scale of operations of Sumix Corporation.

As this capital reduction lowers the share capital of Sumix Corporation to less than the equivalent of 10% of the capital of Uyemura, this company will no longer be a Uyemura specified subsidiary.

#### 2. Profile of Sumix Corporation

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|-----------------------|--|
| (1) Company name      | Sumix Corporation                      |
| (2) Location          | 1-5-1, Deguchi, Hirakata, Osaka, Japan |
| (3) Representative    | Koji Shimada, President                |
| (4) Main business     | Real estate rental business            |
| (5) Share capital     | JPY 490 million                        |
| (6) Established       | September 25, 1963                     |
| (7) Major shareholder | C. Uyemura & Co., Ltd. 100%            |

### 3. Overview of capital reduction

#### (1) Amount of reductions to be made to share capital and capital reserves

Share capital of JPY 490 million is to be reduced by JPY 480 million to JPY 10 million and the amount of reduction is to be transferred to other capital surplus.

Legal capital surplus of JPY 400 million is to be reduced by JPY 397.5 million to JPY 2.5 million and the amount of reduction is to be transferred to other capital surplus.

#### (2) Method of capital reduction

Share capital and the legal capital surplus will be reduced with no compensation to shareholders. There will be no decrease in the number of Sumix Corporation shares issued.

#### (3) Summary of disposal of retained earnings

If share capital and the legal capital surplus are reduced as planned, JPY 36,554,026 of other capital surplus, which was increased to JPY 877,500,000, will be transferred to retained earnings brought forward and used to offset a loss.

### 4. Schedule for the capital reduction

(1) Resolution date for Board of Directors (Uyemura):	June 10, 2020
(2) Resolution date for Shareholders' Meeting (Sumix):	June 25, 2020 (tentative)
(3) Date of public notice:	June 26, 2020 (tentative)
(4) Effective date:	August 1, 2020 (tentative)

### 5. Outlook

This reduction in capital will have no effect on consolidated results of operations.

Note: This release is based on information available at the time it was prepared. Actual results may differ from these figures for a number of reasons.