

Fiscal Years 3/2022-3/2024

Mid-Term Business Plan

C. Uyemura & Co., Ltd.

May 14, 2021

Basic Policy

- Our management philosophy has remained unchanged since our founding in 1848.

“We are committed to action with sincerity”

- **Management Policies**

1. SDGs (Sustainable Development Goals) • ESG (Environment, Social, Governance) • promotion of safety enhancement
2. Ensure thorough compliance
3. Promotion of environmental improvement and acceleration of research and development
4. Promotion of long-term business in view of the next 10 to 20 years
5. Establish a total solutions business models
6. Increase synergies among group companies and divisions
7. Explore and examine new overseas manufacturing and sales bases with an eye to the future
8. Ensure a quick response to changes in the business environment

Our Vision and Mid-Term Business Plan Concept

Promoting investment in development, human resources, and equipment to become a strong and competitive company

Investment in Development

- ✓ Develop high-density mounting technology
- ✓ Develop automotive electronics
- ✓ Enhance compliance with semiconductor standard specifications

Investment in Human Resources

- ✓ Develop autonomous human resources in the Uyemura style
- ✓ Develop decision-making skills

Investment in Equipment

- ✓ Establish market-specific plating equipment and machinery manufacturing systems
- ✓ Strengthening the total solution for plating technology (chemicals, machinery, automatic plating solution controller, and processing)

Our Vision

By discovering new possibilities in plating technology and continuing to add value to the surface of "things," we will contribute to manufacturing around the world.

- ✓ Develop ultra-fine wire circuit conductor formation technology
- ✓ Develop surface treatment technology for new materials
- ✓ Expansion of environmentally friendly products

- ✓ Promote diversity
- ✓ Foster critical thinking ability
- ✓ Promote awareness and understanding of the Uyemura Group Code of Conduct

- ✓ Establish a system for supplying chemicals for semiconductors
- ✓ Supply chemicals for ultra-fine line circuits and quality systems
- ✓ Ensure uniform quality at domestic and overseas chemical manufacturing bases
- ✓ Support high-mix, low-volume production

-2021

2021-2024

2025 and beyond

Three-Year Performance Targets

Results for fiscal year 3/2021

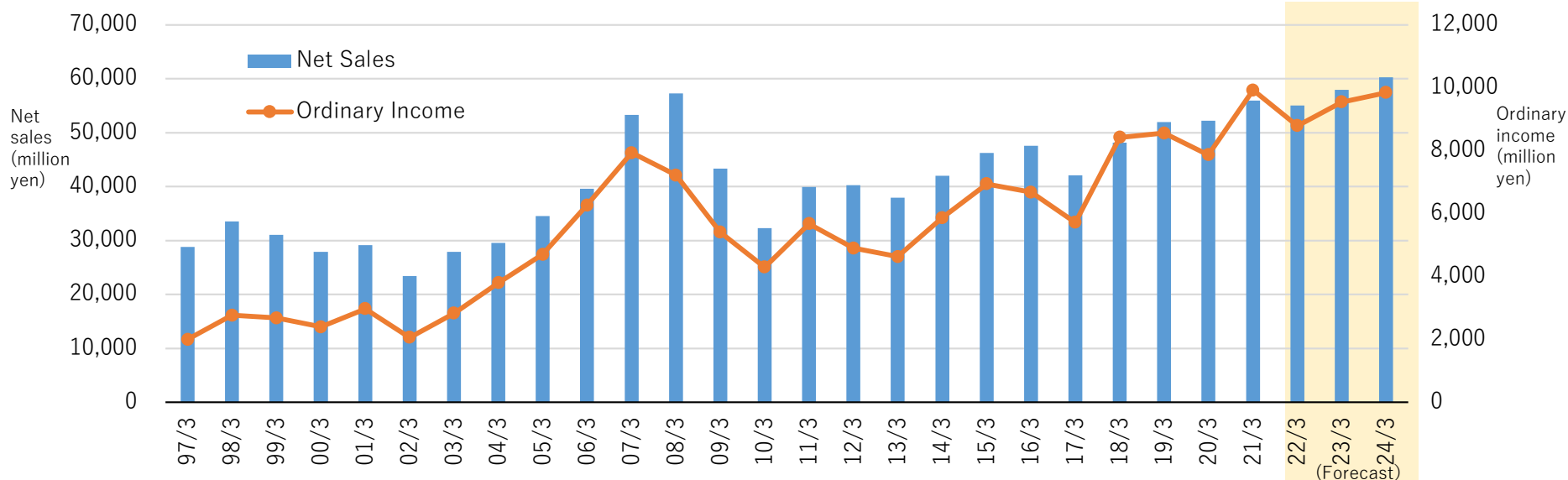
Plan for fiscal year 3/2024

Net Sales 55.9 billion yen ⇒ 60.2 billion yen

Ordinary Income 9.9 billion yen※ ⇒ 9.8 billion yen

※In the fiscal year ending in 3/2021, sales of mainstay plating chemicals for packages and UBM-related chemicals were strong, reaching a record high due to increased demand for mobile devices, PCs, and servers in line with the rapid spread of telework and online learning, as well as increased production of automobiles capable of advanced automated driving, and further expansion of environmentally friendly automobiles and trains.

Changes in business performance after stock listing



Capital Investment Plan

Total for Fiscal Years 3/2022 - 3/2024 Investment Plan

(Investment Details)

Investment in Growth

13.6 billion yen

- Enhancing ultra-fine wire circuit conductor formation technology
- Enhancing surface treatment technology for new materials
- Enhancing environmentally friendly products
- Enhancing chemical supply system for clean rooms

Investment in Improvement

5.5 billion yen

- Improving efficiency and manufacturing quality
- Enhancing development analysis capabilities
- Improving responsiveness to natural disasters
- Improving compliance with environmental regulations

Commitment for M&A Investment※

10 billion yen

- Capital acquisition of third parties, alliances, and investment

※We will consider the usage of treasury shares depending on the content and nature of the investment based on our capital policy.

Global Strategy



Europe

- Expand sales for and gather information on automobile and aircraft markets

China

- Strengthen technical support capability for existing customers
- Expand sales to high value-added products and strengthen support capabilities
- Strengthen chemical production capacity
- Strengthen technical support bases
- Strengthen sales to markets complying with environmental regulations

Southeast Asia and India

- Strengthen technical support capabilities for existing customers
- Strengthen sales and technical support for companies entering Southeast Asia and India as an alternative to the Chinese market
- Increase production capacity in Thailand and Malaysia
- Strengthen compliance with laws and regulations in each country
- Strengthen sales in markets that comply with environmental regulations

North America

- Gather information on OEM companies
- Increase the number of joint development projects with OEM companies
- Raise awareness among OEM companies
- Strengthen technical support capacity for manufacturing within OEM companies

South America

- Gather information on automotive & electronics markets
- Raise awareness of the company

Business Strategy

Provision of full-range business (chemicals, machinery, automatic plating solution controller, processing) to customers

Chemicals for Plating

- Develop and improve chemicals for PLP(Panel Level Package), RDL, and interposers, and enhance the product lineup
- Develop and improve chemicals for ADAS, power devices, and environmentally friendly automobiles, and enhance the product lineup
- Develop and improve chemicals for mobile devices, personal computers, and servers, and enhance the product lineup
- Develop and improve general organic and inorganic chemicals
- Develop and improve chemicals for ADAS and environmentally friendly automobiles
- Develop and improve environmentally friendly chemicals

Machines for Plating

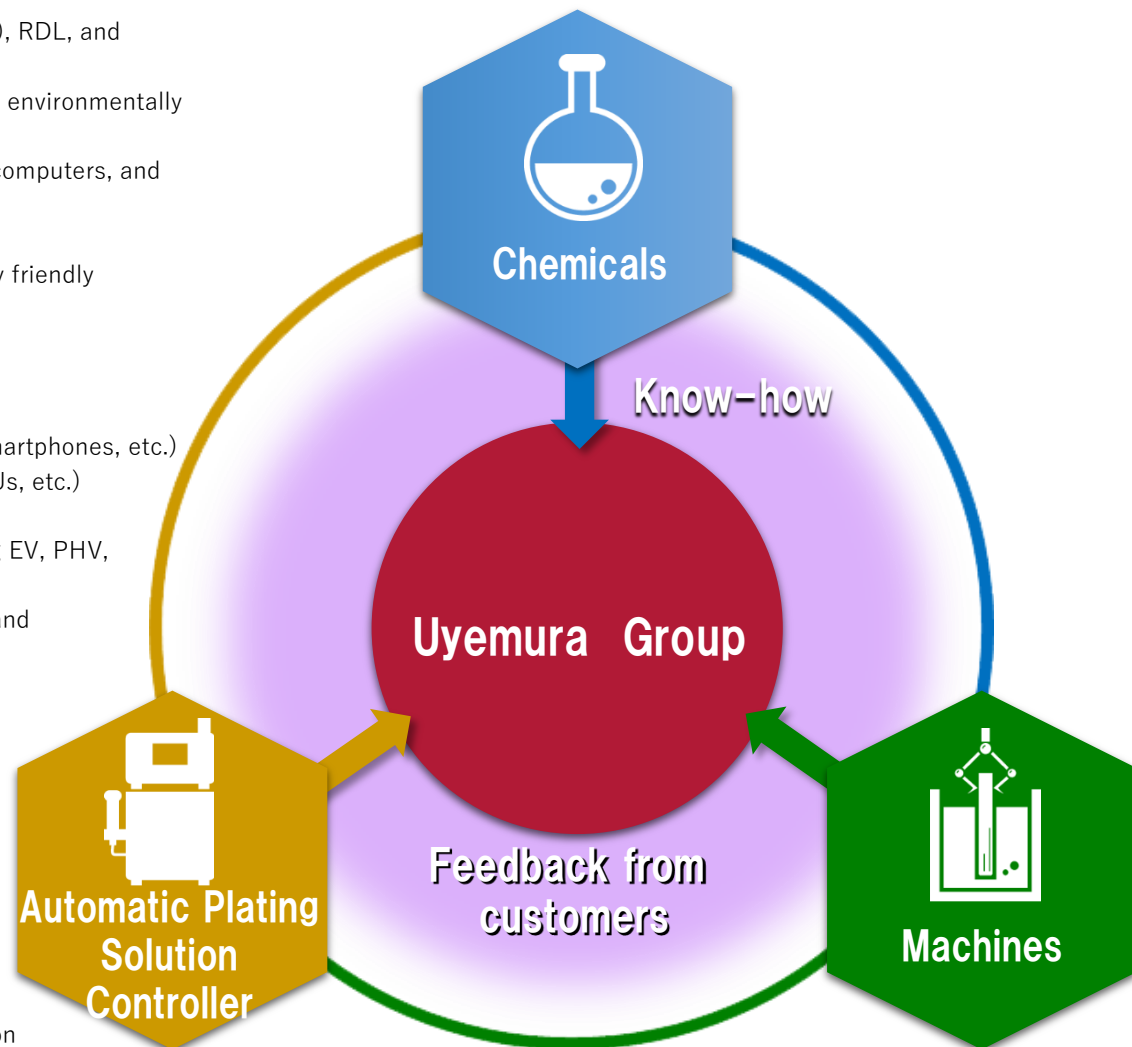
- PLP-compatible equipment (including ADAS, PCs, servers, smartphones, etc.)
- Bump-supporting equipment (including servers, high-end CPUs, etc.)
- Equipment supporting organic and inorganic chemicals
- Equipment for environmentally friendly automobiles (including EV, PHV, FCV, and HV cars)
- Segregation of machinery manufacturing plants for high-end and other markets

Automatic Plating Solution Controller



- Product lineup of automatic plating solution controllers for all chemicals sold and support for IoT environments

Plating Process

- Establish processing treatment technology from the development process to mass production
- Continue the processing business to hand down basic surface treatment technology
- Support for small-volume manufacturing up to mass production



Initiatives related to ESG and SDGs

Under the Uyemura Group slogan “Growing together with  ( :You),” our aims are to grow and prosper together with our stakeholders and to be a company that is able to contribute to society.

Environment

Development and expansion of sales of environmentally friendly products and technologies



Development and delivery of products that will lead to the development of society and improvement of the environment



Reduction of waste and water consumption



Use of clean energy and reduction of electricity consumption



Realization
of a
sustainable
society

Promotion of social and community contribution activities



Automation of factory process from order receipt to shipment

Implementation of business continuity plan



Thorough compliance with laws and regulations and respect for human rights



Development of workplace environments where employees can work energetically



Social

Governance

Capital Policy

We are working on a capital policy in view of the basic policy of securing a stable management base and improving the return on shareholders' equity.

Goal: 30% for the total return ratio on a consolidated basis and 8.5% ROE

Flexible acquisition of treasury shares worth 6 billion yen during the 3-year period from FY3/2022 to FY3/2024

Target for 10% ROE in the medium- to long-term

- Realization of stable dividends and flexible implementation of treasury shares based on a total return ratio
- Flexible acquisition of treasury shares considering the economic conditions, financial conditions, etc.
- Securing internal reserves for fields and regions where future growth is expected, new technology acquisition, M&A, unexpected events, and natural disasters

*We hold a certain amount of treasury share as a reward in order to serve as motivation to achieve sustainable corporate value creation with our executives and employees as well as to implement our M&A strategy (M&A, business and capital alliances, etc.).

*If we do not implement our M&A strategy, we will consider cancelling treasury shares which exceed 10% of the total number of shares outstanding.

Planned Adoption of Restricted Stock Compensation Scheme (RS)

- **Planned adoption of a restricted stock compensation scheme (RS)**

We plan to adopt a restricted stock compensation scheme (RS) for our directors (excluding outside directors) to provide incentives for sustainable enhancement of the corporate value of the company and to promote further value-sharing with shareholders.

We will further consider adopting a performance based restricted stock compensation scheme.

Disclaimer

This document contains plans and forecasts of the company current as of the creation of the document. These plans and forecasts are based on information available to the company as of the creation of the document. As actual performance may differ from these plans and forecasts due to various future conditions or factors, this document shall provide no commitment or guarantee, express or implied, regarding the realization of plans and forecasts contained herein.

【Contact】

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Growing together with

Uyemura Group Companies

- **Japan** C.Uyemura & Co., Ltd.
Sumix Corporation
- **USA** Uyemura International Corporation
- **Hong Kong** Uyemura International (Hong Kong) Co., Ltd.
- **Shenzhen** Uyemura (Shenzhen) Co., Ltd.
- **Shanghai** Uyemura (Shanghai) Co., Ltd.
- **Taiwan** Taiwan Uyemura Co., Ltd.
- **Korea** Uyemura Korea Co., Ltd.
- **Singapore** Uyemura International (Singapore) Pte., Ltd.
- **Malaysia** Uyemura (Malaysia) Sdn. Bhd.
- **Thailand** Sum Hitechs Co., Ltd.
- **Indonesia** PT.Uyemura Indonesia

