

Fiscal Years 3/2022-3/2024

# Mid-Term Business Plan

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C. Uyemura & Co., Ltd.

May 14, 2021

**(Updated on May 13, 2022)**

# Basic Policy

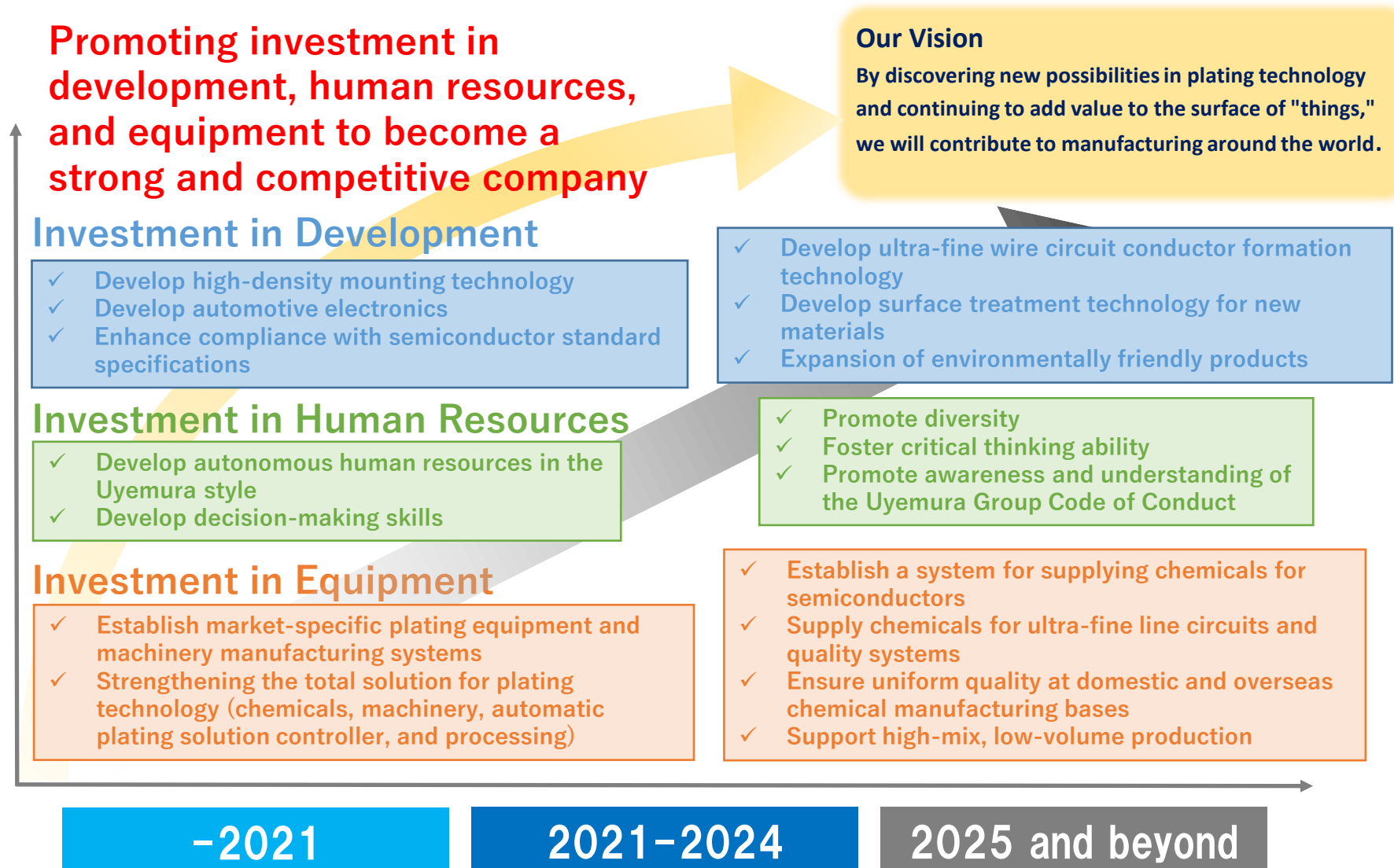
- Our management philosophy has remained unchanged since our founding in 1848.

**“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



# Three-Year Performance Targets

Updated on May 13, 2022

Results for Fiscal Year 3/2021

Plan for Fiscal Year 3/2024

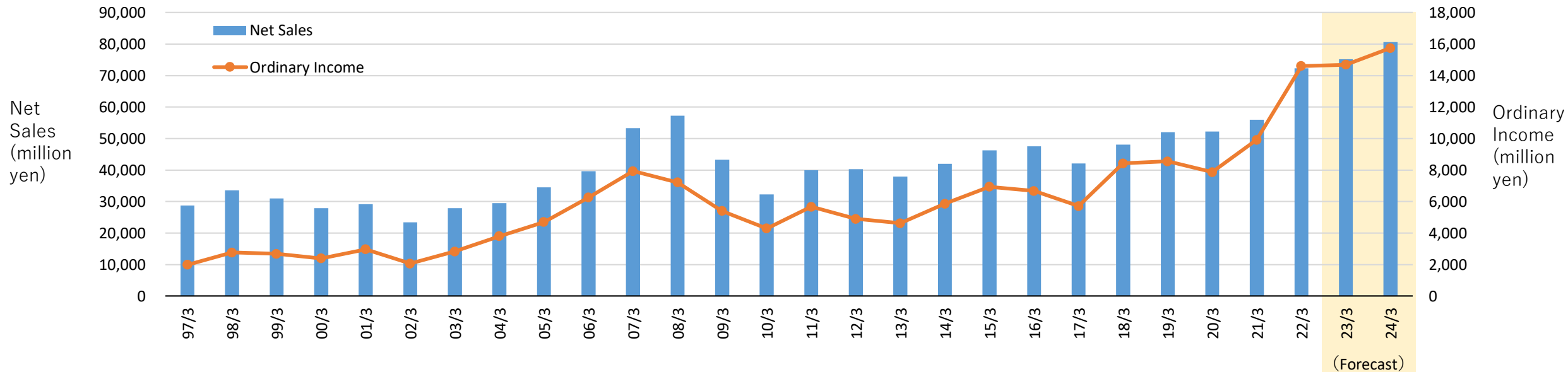
**Net Sales 55.9 billion yen ⇒ 80.6 billion yen**  
(Updated May 13, 2022)

**Ordinary Income 9.9 billion yen ⇒ 15.7 billion yen**  
(Updated May 13, 2022)

## Changes in business performance after stock listing

### 【Reasons of planned value】

The upward revision of the previous forecast was made because of the announced investments in FC-BGA (Flip Chip-Ball Grid Array) and Embedded substrate manufacturing facilities by domestic and overseas package substrate manufacturers. The figures reflect the increase in the number of our products that will be added to the relevant facilities once they are in operation. Package substrate manufacturers, which are our clients, are trying hard to have their facilities up and running in time for the announced timeframe. However, all electronic parts, piping materials, and electric motors have been difficult to obtain due to Covid-19, and we are concerned that we will not be able to receive of the parts we have ordered by the original delivery dates. Furthermore, the war between Russia and Ukraine is expected to affect all economies in the near future, and there is a concern that consumers will lose purchasing power, which may affect the upwardly revised figures.



# 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

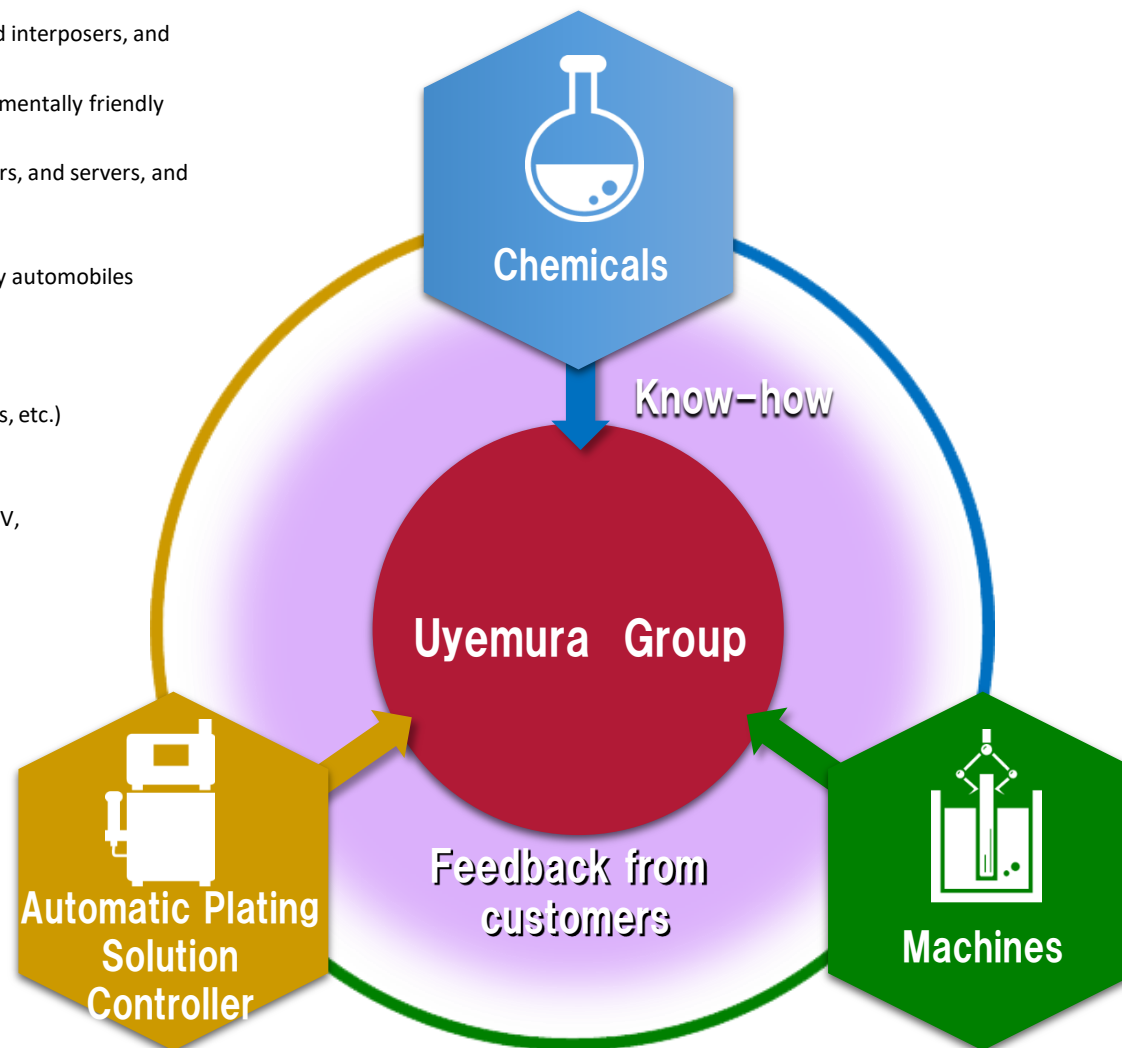
- PLP-compatible equipment (including ADAS, PCs, servers, smartphones, etc.)
- Bump-supporting equipment (including servers, high-end CPUs, etc.)
- Equipment supporting organic and inorganic chemicals
- Equipment for environmentally friendly automobiles (including EV, PHV, FCV, and HV cars)
- Segregation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



ESG Field	Initiatives	State of Progress	Association with SDGs
<b>E</b> (Environment)	Develop and expand sales of hazardous chemical-free products (free from Cyan, Lead, Formalin, etc.)	We set an ISO 14001 target and continue to expand sales of environmentally friendly eco-friendly products, launching three products in FY2021.	
	Electroless Ni Recovery System	Demonstration equipment for electroless Ni recovery system already has been installed in March 2022.	
	Adoption of chemical link containers	Reduce waste containers by using domestic returnable containers that can be used many times.	
<b>S</b> (Social)	Human resource development through in-house training, etc.	In addition to in-house on-the-job training, we offer a variety of human resource development programs.	  
	Eliminate discrimination in management positions based on gender and nationality	We are promoting woman directors and managers. Non-Japanese nationals are working in management positions.	 
<b>G</b> (Governance)	Initiatives for Business Continuity Planning (BCP)	BCP measures have been implemented, such as installation of seismic isolators, generators, and flood prevention equipment.	   

**\* The initiatives listed here are only part of our efforts. For more detailed information on the initiatives and their achievement rates, please see our website.**

**Aim to reduce our Group's CO<sub>2</sub> emissions by 40% in Japan and 25% overseas by 2030 (compared to 2017)**

## Major Initiatives

- Rooftop and wall greening
- Installation of solar power generation and air circulation systems
- Promote introduction of delivery trucks equipped with exhaust gas purification systems (Urea SCR system)
- Promote introduction of eco-cars (HVs and EVs) for company vehicles



**Toward the realization of a sustainable society, we will seek to become a carbon neutral (virtually zero emissions) company by 2050**

**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: 50% (Updated May 13, 2022) for the total return ratio on a consolidated basis and 8.5% ROE**

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

\* We hold a certain amount of our shares in treasury to be used as a reward to motivate our executives and employees to achieve sustainable corporate value creation as well as to implement our M&A strategy (M&A transactions, business and capital alliances, etc.).

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

# Regarding Adoption of Restricted Stock Compensation Scheme (RS)

Updated on May 13, 2022

- Regarding Adoption of Restricted Stock Compensation Scheme

The following progress has been made on the Restricted Stock Compensation Scheme, which was announced as planned for adoption in the mid-term business plan announced in May 2021.

We have introduced a Restricted Stock Compensation Scheme, following the approval of the “Determination of Compensation for Granting Restricted Stock to Directors (Excluding Outside Directors)” at the 93rd Ordinary General Meeting of Shareholders held on June 29, 2021. We will consider adopting a performance linked restricted stock compensation scheme in the future.

In addition, at the Board of Directors meeting held on February 10, 2022, we determined to introduce a scheme to grant Restricted Stock to our employees through the Employee Shareholding Association, and the introduction of such scheme has been implemented.

# 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	• Taiwan	Taiwan Uyemura Co., Ltd.
• USA	Uyemura International Corporation	• Korea	Uyemura Korea Co., Ltd.
• Hong Kong	Uyemura International (Hong Kong) Co., Ltd.	• Singapore	Uyemura International (Singapore) Pte Ltd
• Shenzhen	Uyemura (Shenzhen) Co., Ltd.	• Malaysia	Uyemura (Malaysia) Sdn. Bhd.
• Shanghai	Uyemura (Shanghai) Co., Ltd.	• Thailand	Sum Hitechs Co., Ltd.
		• Indonesia	PT. Uyemura Indonesia

