

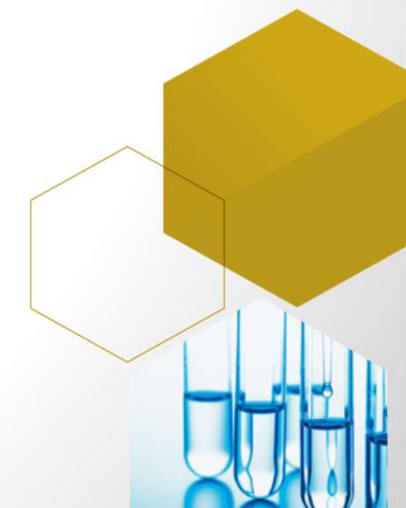
Medium-Term Management Plan

FY2025-2027

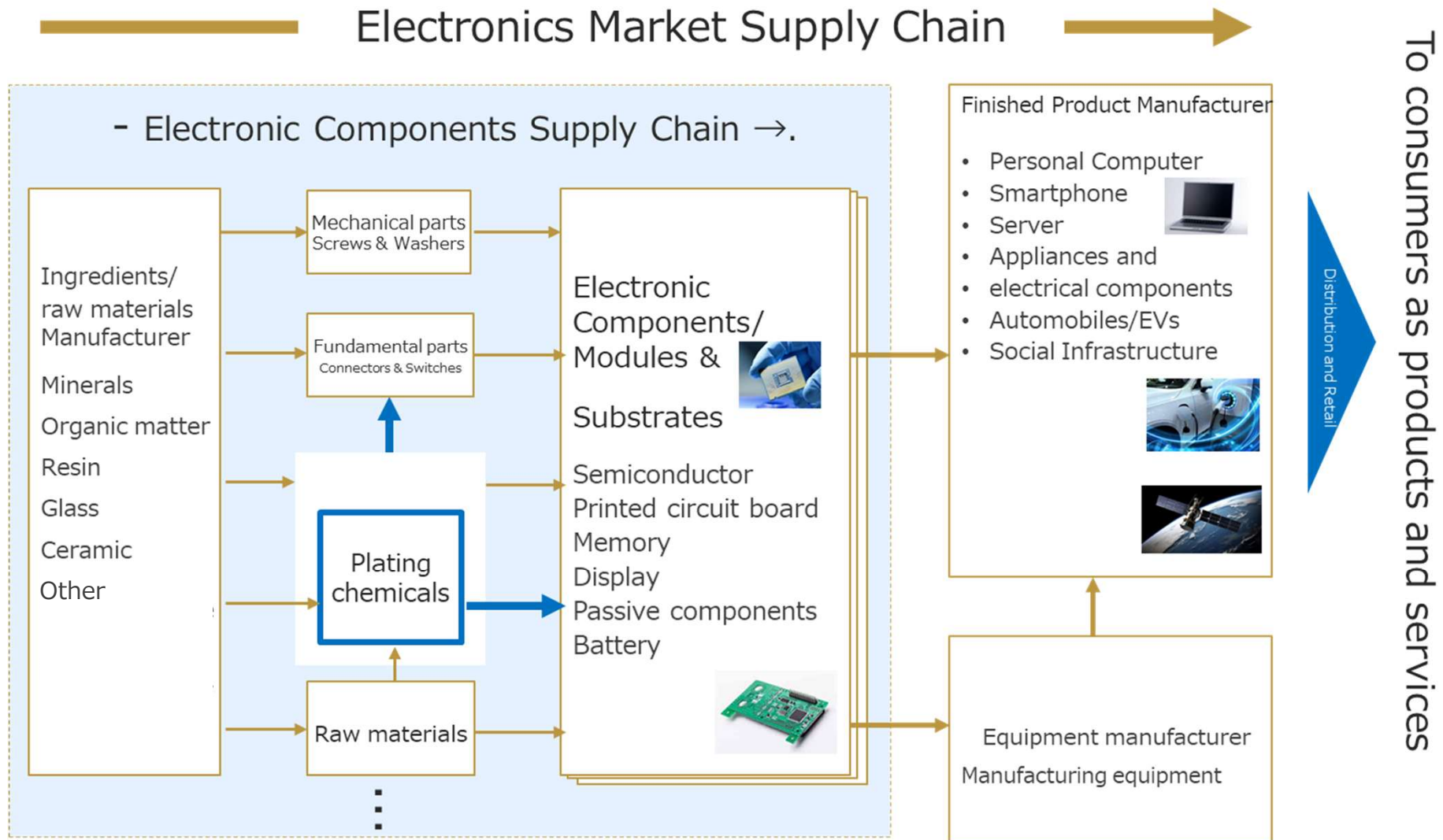
 JAPAN PURE CHEMICAL CO.,LTD

Code : 4973

April 28,2025



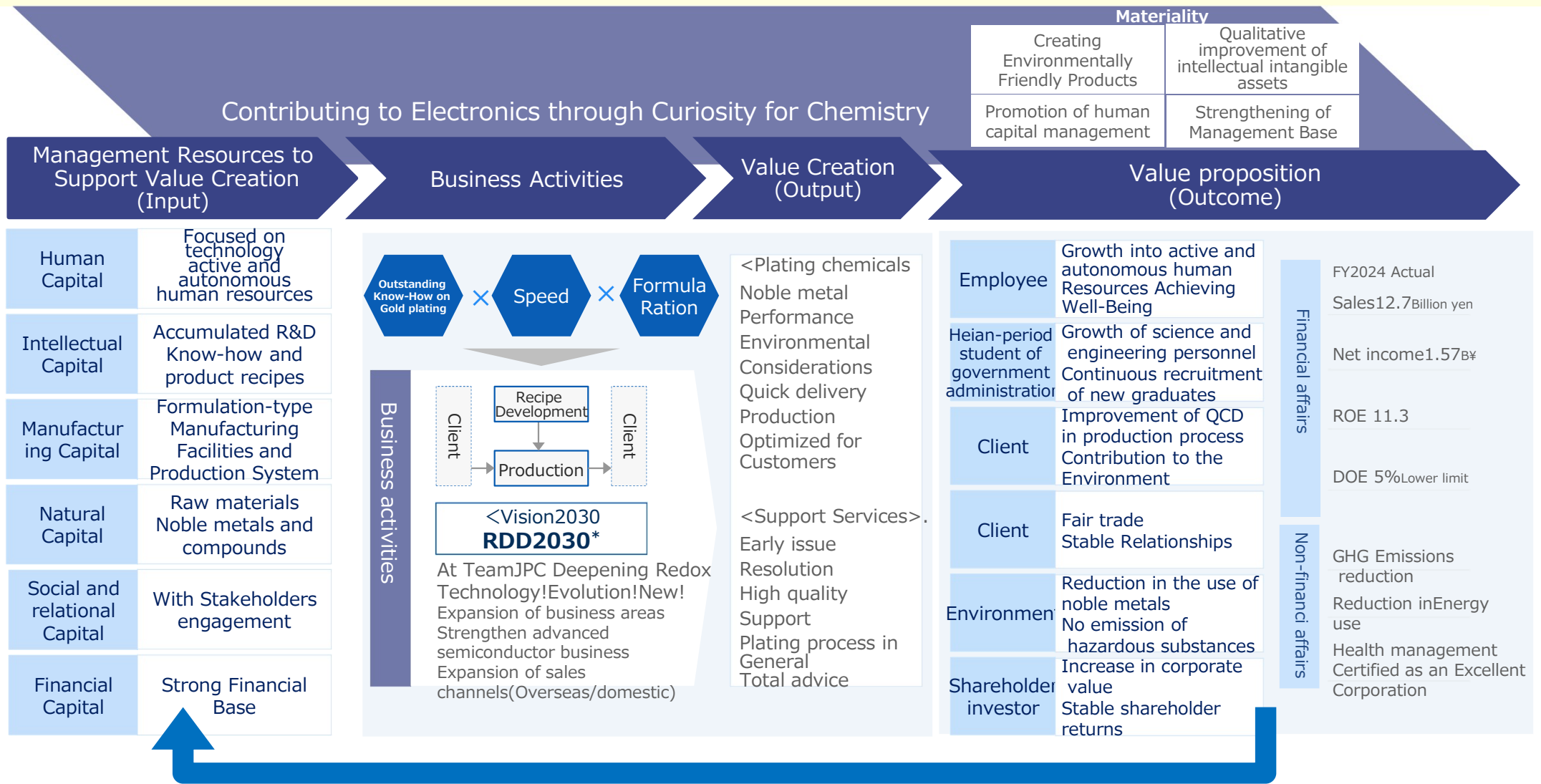
JPC manufacture and sell chemicals for **Noble metal plating**, an important contact material for electronic components.



Introduction~.

Japan Pure Chemicals' Value Creation Model

Circular growth model By reinvesting the value generated by business activities ss management resources



Sustainably expand financial and non-financial value

*Redox-innovation through Discovery & Development toward 2030

(Redox, a hybrid of Reduction/oxidation, meaning oxidation-reduction)

With 50 Years of experience **In noble metal plating technology,**
We Have established a **Leading** Position in the **Industry.**

**Outstanding
Know-How on
Gold plating**

- Concentration on Noble metal plating

Outstanding expertise in Gold

- Excellent noble metal saving performance
- Environmentally friendly product development

Speed

- Technical sales with expertise in chemistry

- Speedy response using Advanced Analytical equipment
- Quick decision making

Formulation

- Fables(Fabrite). No-holds-barred management

- Supports high-mix low-volume production
- Making high value-added products

Positioning of the Medium-Term Management Plan (Phase 2)

Under the corporate philosophy of
“Contributing Electronics Through Curiosity for Chemistry”,
Phase 2 of the Medium-Term Management Plan
For the 2030 Vision “**RDD2030**” is about to begin.

Contributing to Electronics through Curiosity for Chemistry

Corporate
Philosophy

Vision

RDD2030

RDD2030 *

Deepening Redox Technology at Team JPC! Evolution! New!

* Redox-innovation through Discovery & Development toward **2030**
(Redox, a hybrid of reduction/oxidation, meaning oxidation-reduction)

Mid-term Management
Plan

-Phase 1 2022-2024

-Phase 2 2025-2027

-Phase 3 2028-2030

Medium-term Management Plan (Phases 1-3)

As a development-oriented company, we gather
market needs and
Develop creative products

Introduction~.

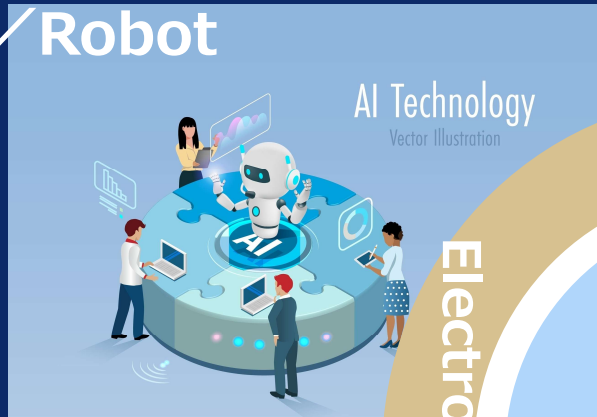
RDD2030: Deepening Redox Technology with TeamJPC! Evolution! Newization!

What we aim for in RDD2030

Redox Technology cultivated in plating* Supports A prosperous future from the nano-level**

Redox: Redox is a hybrid of Reduction/oxidation, meaning oxidation-reduction** 1 Nanometer = one Billionth of a meter

Harmonious society with AI/Robot



Smart city / Energy



-RDD2030-
Redox
Innovation

Electronic Parts

Battery Material



Space Development



Health Tec



Mid-term Management Plan Phase 1 (2022-2024) Review





General Summary

Performance targets were not met.

-Although we expected stable growth in the electronic components market in line with the projected increase in demand for smartphones, PCs, etc,
Failed to reach the target due to market stagnation caused by the backlash of Corona demand, inventory adjustment, and slow recovery of the Chinese economy.

Steady progress in building a foothold for growth toward Phase 2 and Phase 3

-Gain contacts with new customers, including overseas customers, by strengthening participation in domestic and international exhibitions.

In addition, investments in environmentally friendly products and noble metal performance are heading for a harvest season

-Toward the expansion of business areas through discontinuous growth,
Seeking collaboration and capital alliances that are expected to complement each other, and discussions with several companies have materialized (ongoing).

Capital policy and corporate governance have made significant progress.

Strengthening of good relationships with all stakeholders based on a multi-stakeholder approach

-In addition to setting the lower limit ofDOE at 5% inOrder to become a company that shareholders can support over the long term, we will also set the lower limit ofDOE at 5%,
Flexible and flexible shareholder returns through board-driven sales of strategic shareholdings, share buybacks, etc.

-Included outside experts as members of the Board of Directors to increase awareness of cost of capital and improve management quality.

MonthlyCX ProgressCommittee meetings (see below)

(Reference) Results of Business Expansion and Strengthening of Management Base

Increased awareness
(#Of exhibits at trade shows)

FY18*

3 times

(Domestic/Overseas
2 times)

FY24

5 times

(including 3 overseas)

(Exhibited in FY2024)

NEPCON Japan, Battery Japan(Japan)
Electronica China(Shanghai)
SEMICON TAIWAN, Taiwan
TPCA Show(Taiwan)

*Comparison with before Covit-19

Business
Expansion
effort

- Discussions with several companies for collaboration and capital tie-ups for discontinuous growth (in progress)
Development and commercialization of environmentally friendly products such as nickel-free products and cyanide-free products
- Completed implementation of CRM to improve customer service and strengthen contacts with overseas customers

Management
Base
reinforce

- Proactive information dissemination *Renewal of public website from 2024/10
- Expansion of information disclosure on sustainability management
 - Enhancement of technical and product information
 - Strengthen information dissemination to shareholders & investors
- Human capital management through human resource development and renewal of personnel/employment systems

(Reference) Results of capital policy and shareholder return

	FY21		FY24
Stock Prices	¥2,403 <small>Closing price on 3/31/2022</small>	▶	¥3,115 <small>2025/3/31 Closing price</small>
Dividend (Per share)	¥90	▶	¥126
Total amount of dividends	M¥466	▶	M¥725
Specified Investment Shares (Balance)	M¥8,341 <small>As of 3/31/2022</small>	▶	M¥ 5,974 <small>As of 3/31/2025</small>
Communication with investors	14 Times	▶	57 Times

Medium-term Management Plan

Phase 2 (FY2025-2027)

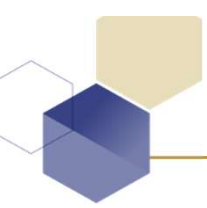
Environmental awareness

Business Strategy

3. efforts to enhance corporate value

Management Objectives





Environmental awareness

- External Environment
- Internal Environment

1. Environmental Awareness

External environment (1) – Prosperous and sustainable digital society through electronics

AI/robots harmonize with daily life
Convenient and affluent society



Smart city/energy based
Sustainable Society



Convenient and safe daily life
Society Supported from Space



Health, medical care, food safety and
sustainability.

Society Supported by Technology

1. Environmental Recognition

External environment (2) - Increase and sophistication of electronic devices and components

Explosive growth in the total number of electronic components and contacts that support an electronics society

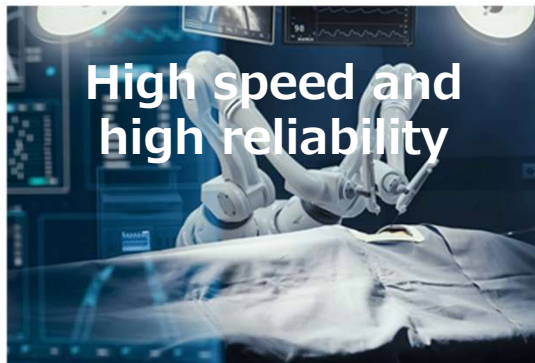
As electronic devices become more sophisticated, the characteristics of gold (Au) will be increasingly demonstrated, and **our business opportunities will expand.**

Total number of electronic components in 10 years

1 trillion → **100 trillion**

Total number of electronic contacts after 10 years

100 trillion → **500 K**

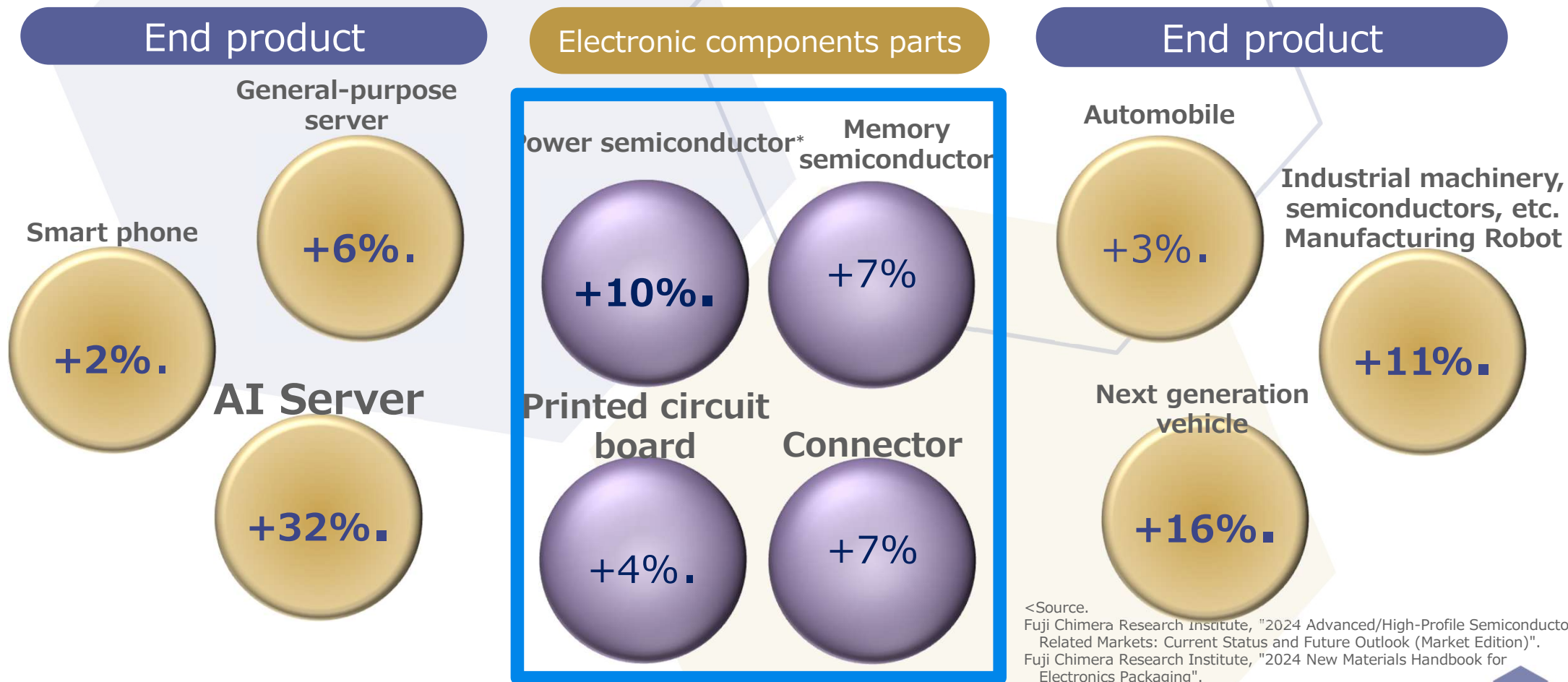


1. Environment Recognition

External environment (3) - Electronics market forecast (CAGR: FY24→FY27)

Market growth is expected for both electronic components and end products in sync with the development of the digital society.

Uncertainty in the near term, but recognition that the long-term trend will remain unchanged.



<Source.
Fuji Chimera Research Institute, "2024 Advanced/High-Profile Semiconductor Related Markets: Current Status and Future Outlook (Market Edition)".
Fuji Chimera Research Institute, "2024 New Materials Handbook for Electronics Packaging".
Fuji Keizai, "2024 Worldwide Robotics Market Status and Future Outlook (FA Robot Edition)".
Connectors Market in 2023
CAGR from 2020 to 2027

Internal Environment (1) - Our Business Domain

Mastery of noble metal plating through a strategy of "selection and concentration" and **absolute presence in gold plating** in particular

While there are many similar companies in the industry, the strength of the industry can be demonstrated by integrating equipment and multiple processes.



1. Environmental Awareness

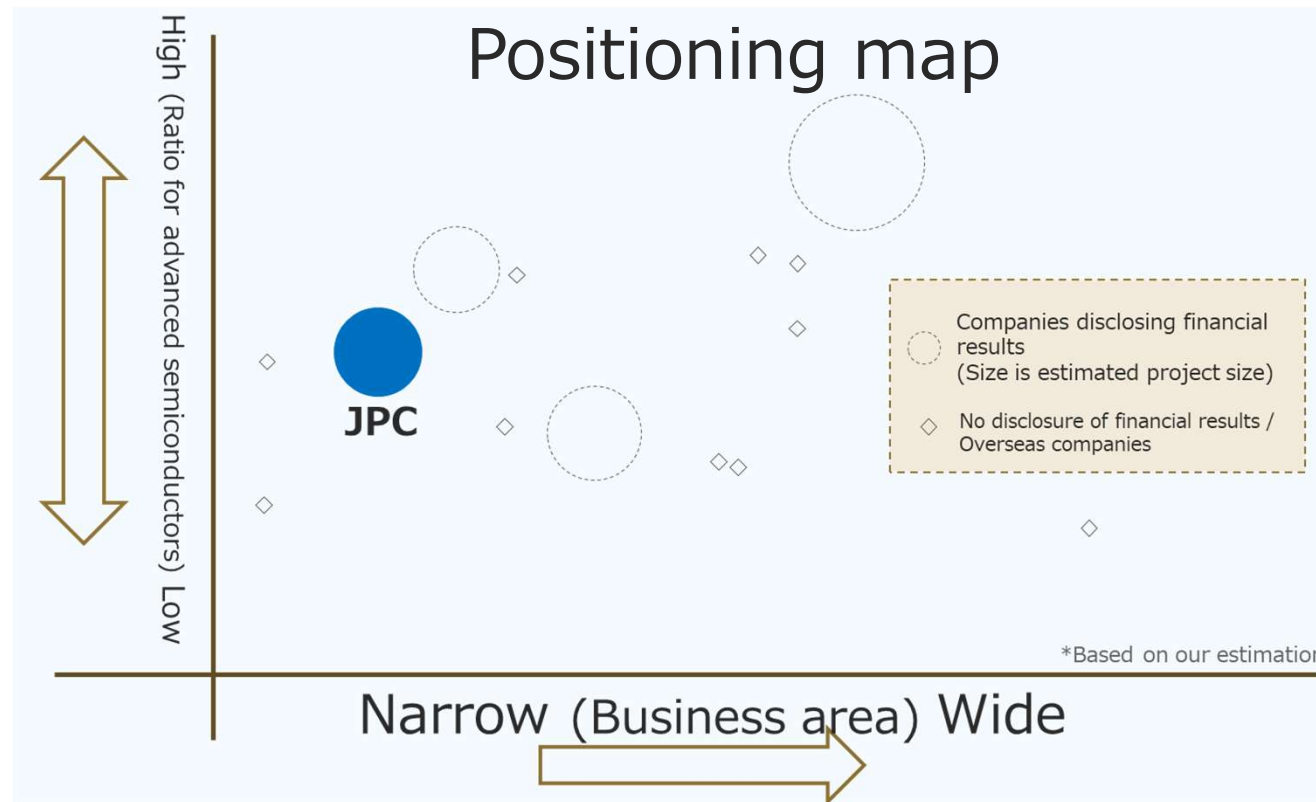
Internal environment (2) - Positioning within the industry

The company is positioned in the left-most zone in the industry due to the "selection and concentration" strategy (see previous page).
The percentage of advanced semiconductors (new material semiconductors, etc.) is not that high.
The rising price of gold has shifted the use of gold to "higher-end" applications and accelerated the trend of not using gold for general-purpose products.

Advanced



General purpose



1. environmental awareness

Summary - Strategic Direction

<Market Trends

Toward a Future Society
Semiconductor growth

<Situation of our company

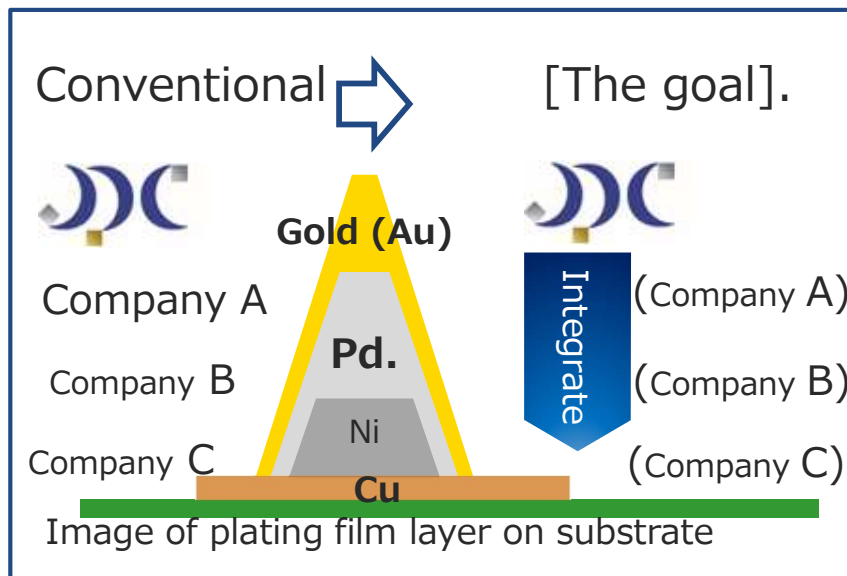
Gold's (Au) strength is unwavering, but gold's surge
Increasing mismatch with business areas against the
backdrop of

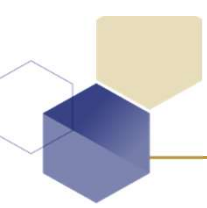
<Competition and Collaboration

Can take advantage of the strength of scale,
Niche-top small companies also exist

To be Niche tops unite to create a synergistic corporate entity

As a leading gold company, we take the leadership to integrate the entire process from the final
Transformation into a total process company for the plating process





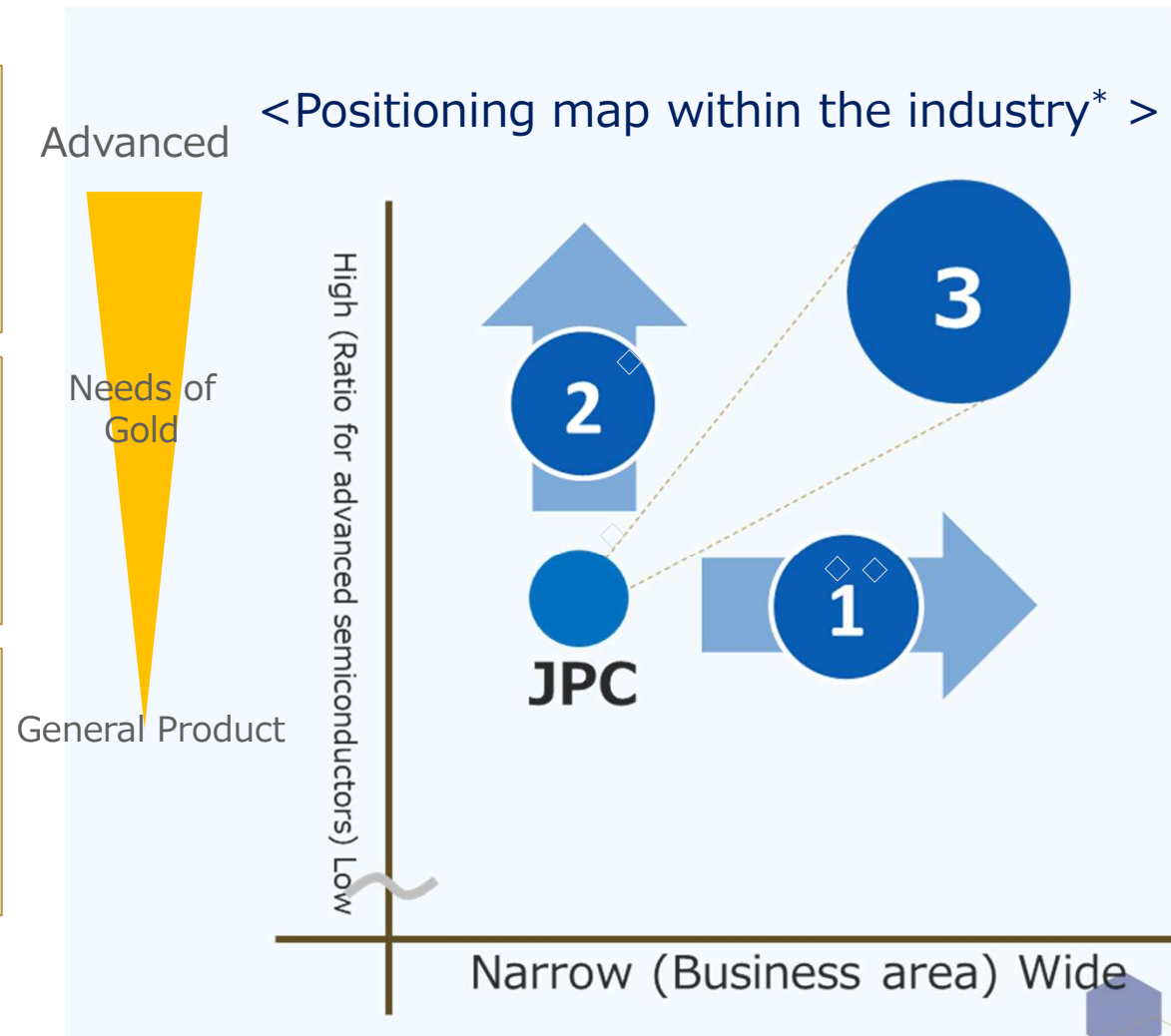
Business Strategy

-Keynote Theme: Business Expansion through Investment

1 Expansion of Business Domain

2 Strengthening Advanced Semiconductor Business

3 Expansion of sales channels (Overseas/domestic)



-Keynote Theme: Business Expansion through Investment

1 Expansion of Business Domain

2 Strengthening Advanced Semiconductor Business

3 Expansion of sales channels
(Overseas/domestic)

**Business expansion
through strategic investments**

**Resilience of business
through investment**

Strengthening Execution

(1) Business expansion through strategic investments

-ACTION-

■ Acceleration of M&A

- Acceleration of ongoing discussions
- Search for new partners
- Maximize territory through collaboration with multiple companies

■ Active participation in technology Ualliances and capital participation

- Progressing in 9 technical areas
- Expanding participation in consortiums

■ Investment in Intellectual Intangibles

- Strengthening the IP portfolio

*I will refrain from making specific reference to the matter under discussion.



Acquisition of Before/After "Gold" plating process



Acquisition of technology for Other than plating & gold



Acquisition of bases (Overseas / Domestic)



Semiconductor Field customer development



Acceleration of Battery Business

(2) Strengthen business through investment

-ACTION-

■ Enhancement of development functions

- Resource enhancement of advanced semiconductors (GaN, SiC, etc.)
- Development and expansion of development facilities
- Advanced and efficient R&D through the use of AI

■ Reform of sales style

- Improved customer engagement through -CRM
- Establishment of an integrated sales style

■ Development of the JPC brand

- Advertising and CSR development
- Improve employee wellbeing



Accelerate
Develop technologies
in semiconductor area



Strengthen sales function
Quality & Quantity
(Overseas/Domestic)



Total process
Strengthening proposals



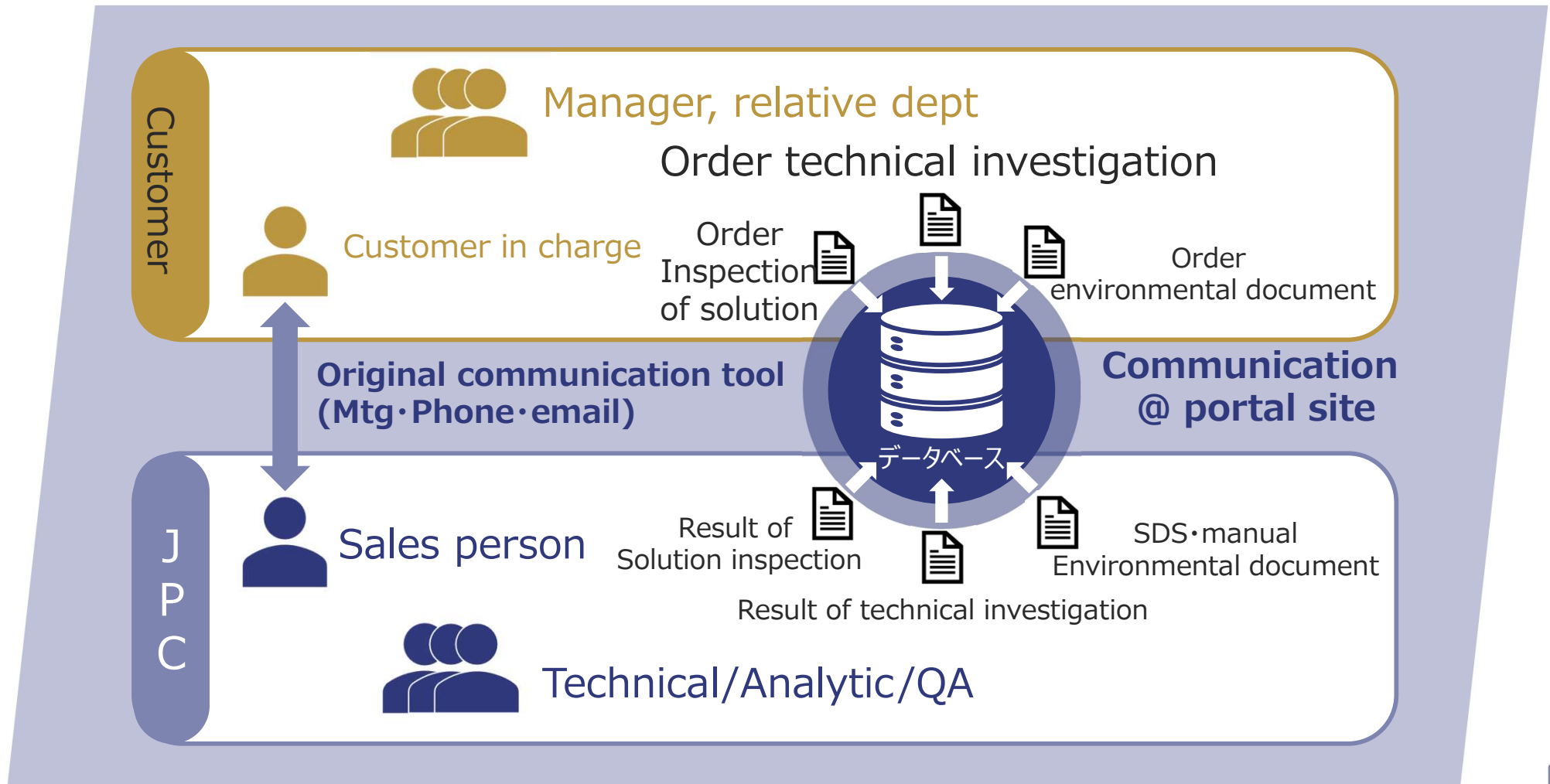
Customer Engagement
fostering of



Employee performance
improvement

【Topix】 CRM System launch

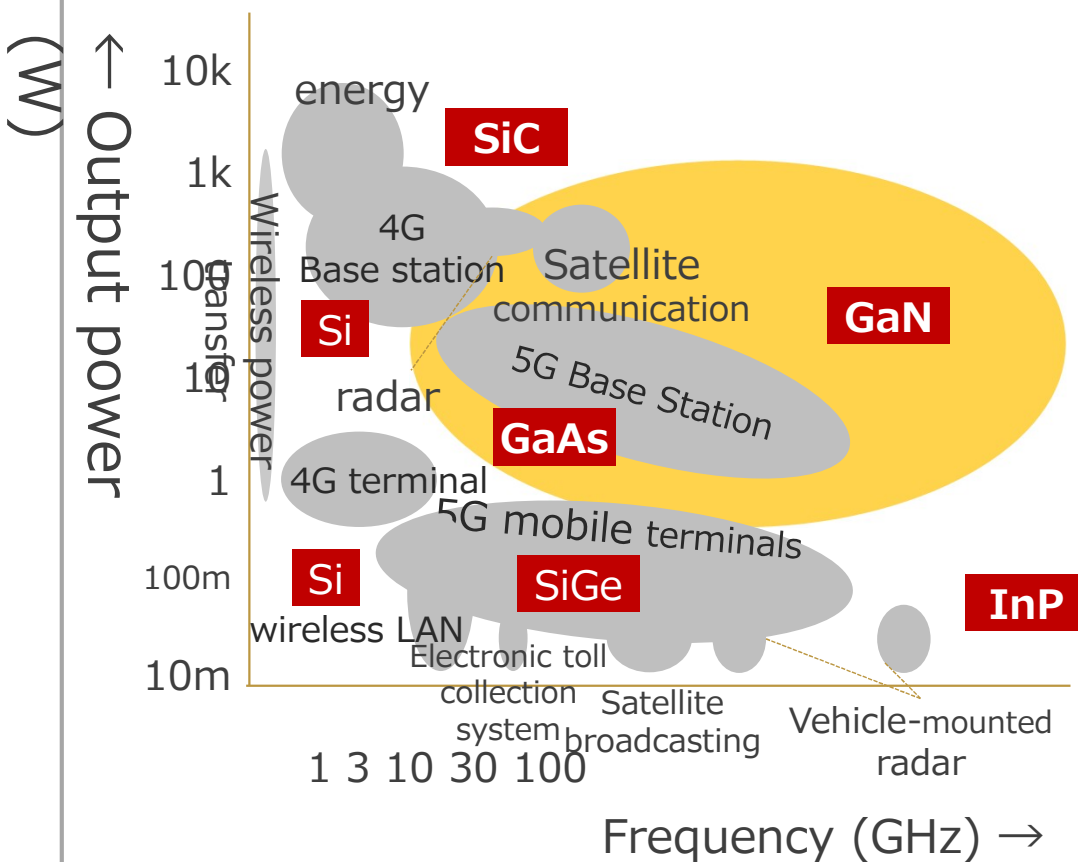
- Build a CRM system to improve engagement with customers.
- After the test deployment, we will gradually start to roll out to domestic and international customers.



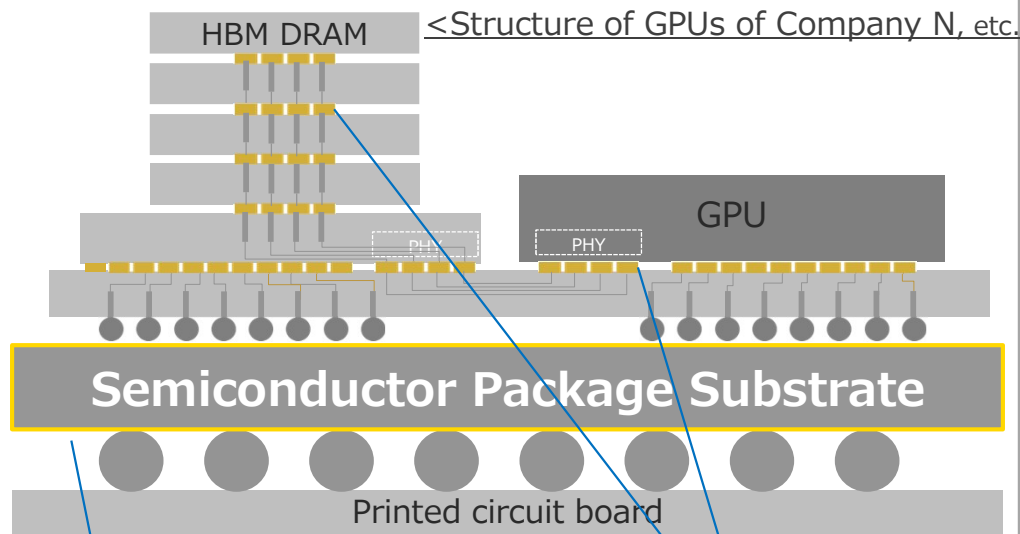
Gold performance is important for high-power x high-frequency areas

Semiconductor Materials

Areas where gold performance comes into play



Responding to the evolution of advanced semiconductors



Surface of package substrate

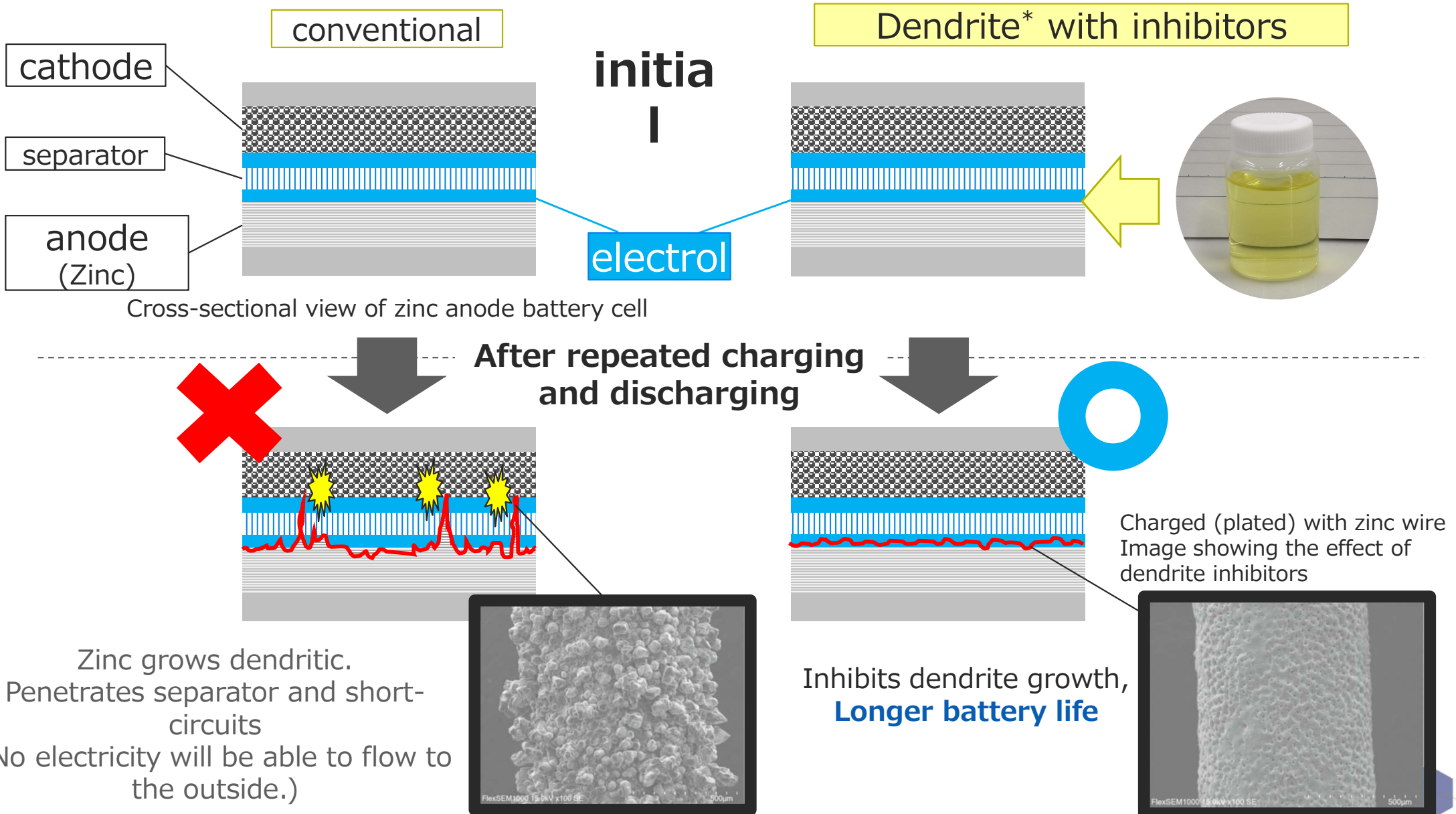
Issue: Support for miniaturization
 ↓ arrow (mark or symbol)
 Nickel (Ni)-less
 ↓ arrow (mark or symbol)
full EPIG

Microbump

Issue: Tin (Sn) plating junction defect
 ↓ arrow (mark or symbol)
 • **Reduction Sn plating**
 • **Development of new materials**

Topics] Business Opportunities (Battery Materials - Dendrite for Electrolyte* Inhibitors)

*Dendrites (dendritic crystals): When they occur during battery charging, they cause short circuits inside the battery, resulting in battery deterioration and ignition.



-ACTION-

■ **Establishment of a stable management infrastructure**

- Acquisition of specialized personnel
- Expansion of information disclosure
- Strengthening of safety and quality management systems
- Proactive PR, IR, and SR activities

■ **Strengthen supervision by the Board of Directors**

- Oversight of plan execution
- Operation of the checking process by the CX Progress Committee



To consolidated Accounting support



Between locations Cooperative system construction



Group Management Functions Strengthening of



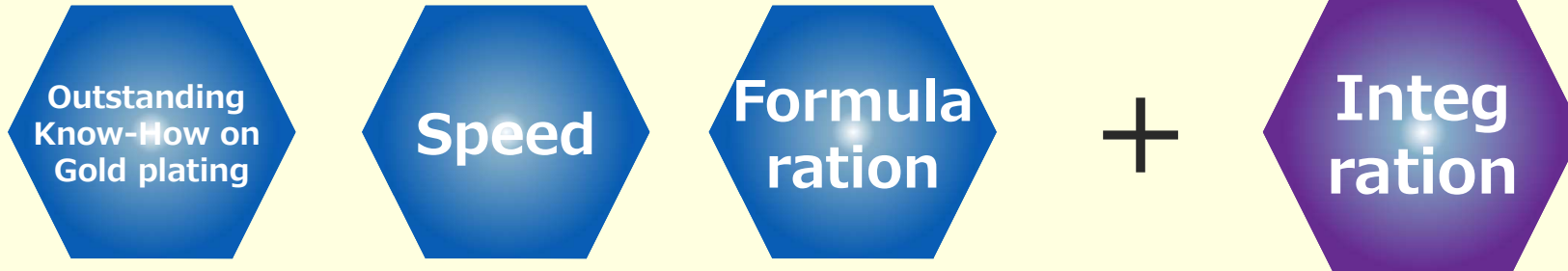
With Shareholders and Investors engagement



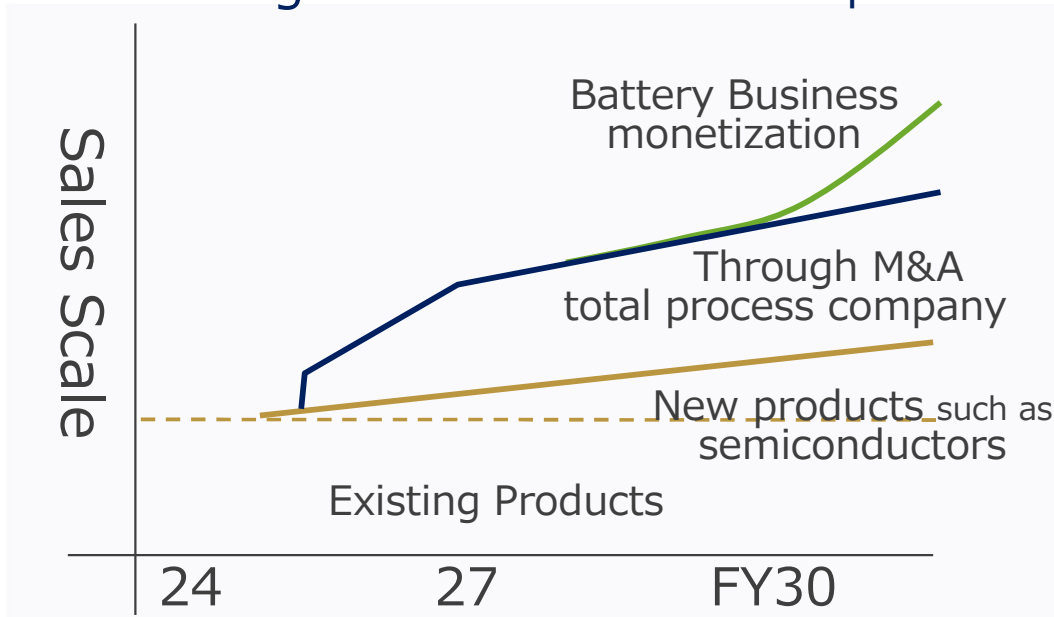
Reliable Strategy Execution

Medium-Term Management Plan

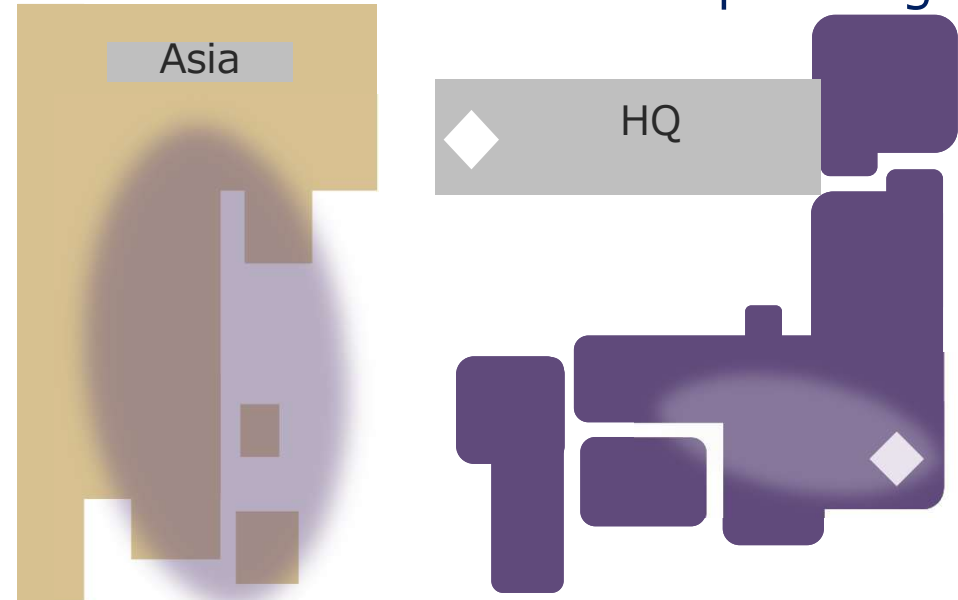
- Continuous growth through the development of new areas such as semiconductors, and discontinuous development through M&A
- Promote total process business of plating process by integrating domestic and overseas group companies.

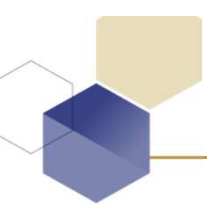


Growth model through business domain expansion



Promotion of Domestic and Overseas Group Management





3. Efforts to enhance corporate value

3. Initiatives to Enhance Corporate Value

(1) Sustainability Management Initiatives

<Basic Sustainability Policy

- We will conduct business activities based on the premise of making effective use of resources and contributing to the creation of a sustainable society.
- Facing social issues based on the corporate philosophy of “using chemistry’s curiosity to benefit electronics, Deepening collaboration with stakeholders and building bridges between fine chemicals and electronics
- The following four materialities will not only reduce the risk of the business but also lead to profit opportunities, Recognizing these issues as important management challenges, we will work diligently to address them.

(1) Creating environmentally friendly products

- Develop and commercialize environmentally friendly products such as nickel-free and cyanide-free products (continue).
- We are working with several organizations to bring our knowledge of redox to the rechargeable battery field Conduct evaluation (continued)
- Revised CSR guidelines.
- Promote consideration for the environment and human rights throughout the supply chain (FY24)

(2) Promotion of human capital management

- New personnel system to define active and autonomous human resources and to recruit and train them, Evaluation system, new ways of working, educational programs, etc. are in place (to be developed and expanded).
- Started and continued fixed-point checks through engagement surveys
- We also have a growth support and incentive system that emphasizes employee wellbeing. Gradual expansion of benefit programs (continued)

(3) Qualitative improvement of intellectual and intangible assets

- CRM is used to strengthen information linkage with customers and improve services. (FY25 - main operation)
- Improved paperless and information availability through the introduction of workflow and electronic stamping Promotion of (~FY24)

(4) Strengthening of management base

- CX Progress Committee consisting of internal and external directors, corporate auditors, and outside experts The meeting is held to discuss important themes and check progress in a timely manner.
(Actual in 2024: 12 times → Expansion to be continued)
- Enhance sustainability disclosure (continue to expand) Annual reports, CG reports, CDP responses, public website, etc.

3. Initiatives to Enhance Corporate Value

(2) Basic Approach to Corporate Governance

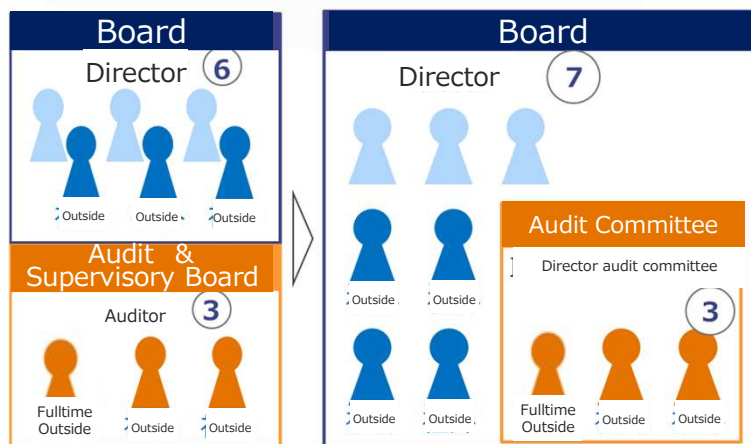
- We are committed to transparent, fair, prompt, and decisive decision-making that takes into account the perspectives of all stakeholders. The Company will respond to changes in the business environment and aim to continuously improve its corporate value by This is our basic approach to corporate governance.
- The following two measures are planned to be introduced subject to resolution at the annual general meeting of shareholders on June 20, 2025.

(1) Transition to a

Company with an Audit Committee

<Objective.>

Governance through voting rights for audit committee Members Strengthen and enhance the internal control system and reinforcement of the



(2) Review of performance-based executive compensation system

<Objective.>

- Strengthening incentives for management to improve performance and corporate value Promote sustainable improvement
- Improve management soundness by ensuring transparency and fairness

<Points of Change>.

Change in the composition of compensation:

- Increase in the ratio of variable compensation and stock-based compensation
- Introduce achievement of non-financial targets as an evaluation axis (50%)
- Adopted ROE/TSR as evaluation criteria

(3) Efforts to improve the effectiveness of the Board of Directors

- The Company's Board of Directors consists of ten members, seven of whom are independent outside directors* , with experience in corporate management, overseas experience, legal affairs, and Comprised of a diverse group of individuals with expertise in financial accounting, capital policy, technology, etc.
- Deepen discussion of important management issues at the CX Progress Committee, which was established through the effectiveness evaluation process.
Enhancing the effectiveness of this medium-term management plan by acting as a check on it

*Subject to resolution at the Annual General Meeting of Shareholders on 6/20/2025

< Evaluation of Effectiveness >

Questionnaires on the effectiveness of the Board of Directors are distributed to all directors and corporate auditors each year, and their effectiveness is analyzed and evaluated based on discussions based on the answers to these questionnaires, leading to improvements in operations.

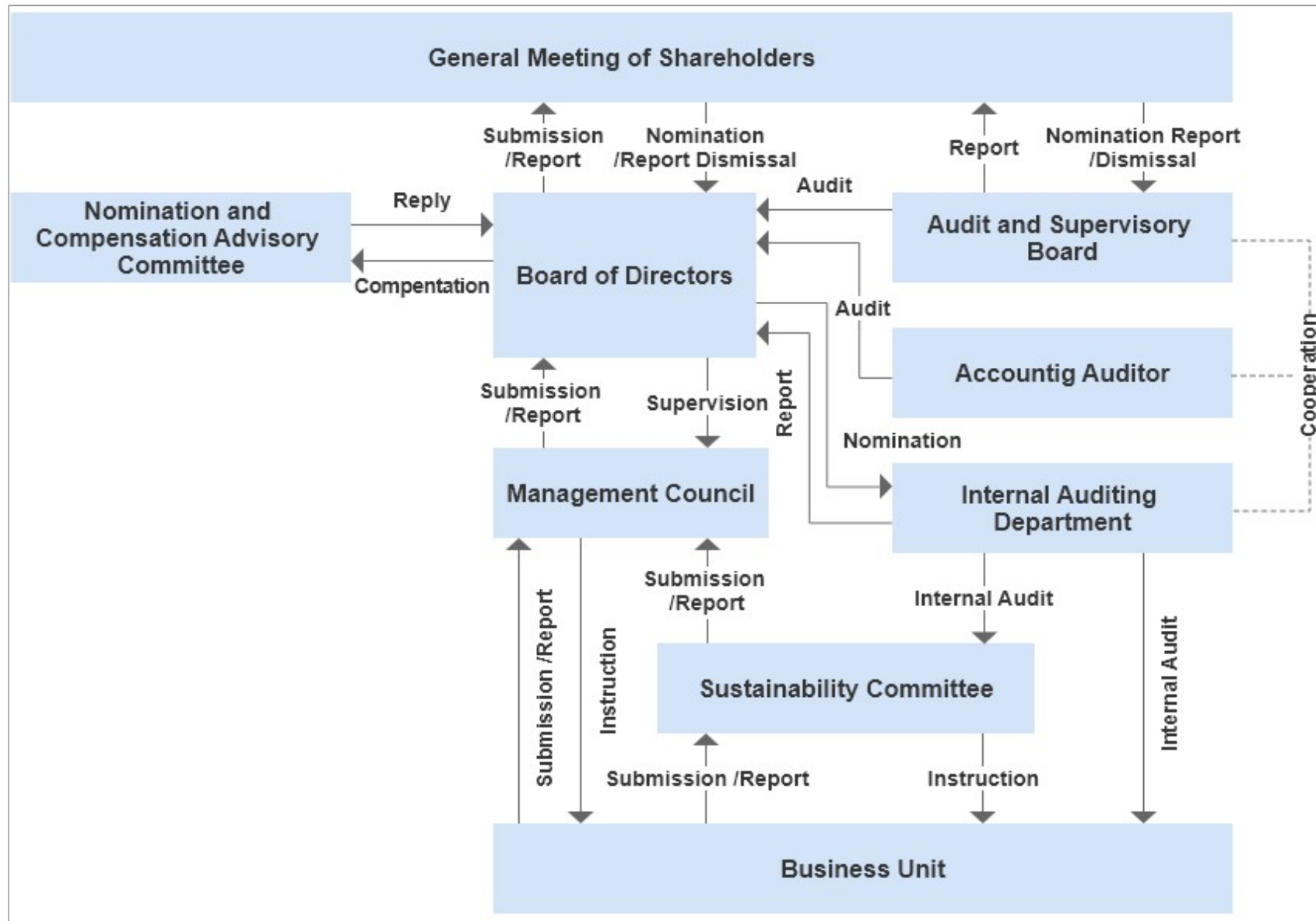
< CX* Improvement Conference >

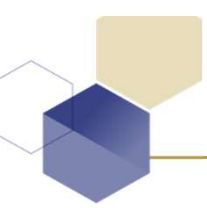
The CX Progress Committee, established as a result of the effectiveness evaluation, is held about once a month as a forum for discussing important management issues with board members, along with internal and external experts and advisors.

Major themes for FY2024: M&A study, enhancement of shareholder returns, sale of strategic shareholdings, study of R&D facilities, formulation of mid-term management plan (ph.2), etc.

*Curiosity x Chemistry, Creed penetration, Creation of value, Customer experience,
Corporate transformation, cash allocation, capital optimization

(Reference) Corporate Governance Structure (as of April 25, 2025)





Management Objectives

- (1) Financial Targets
- (2) Non-financial targets

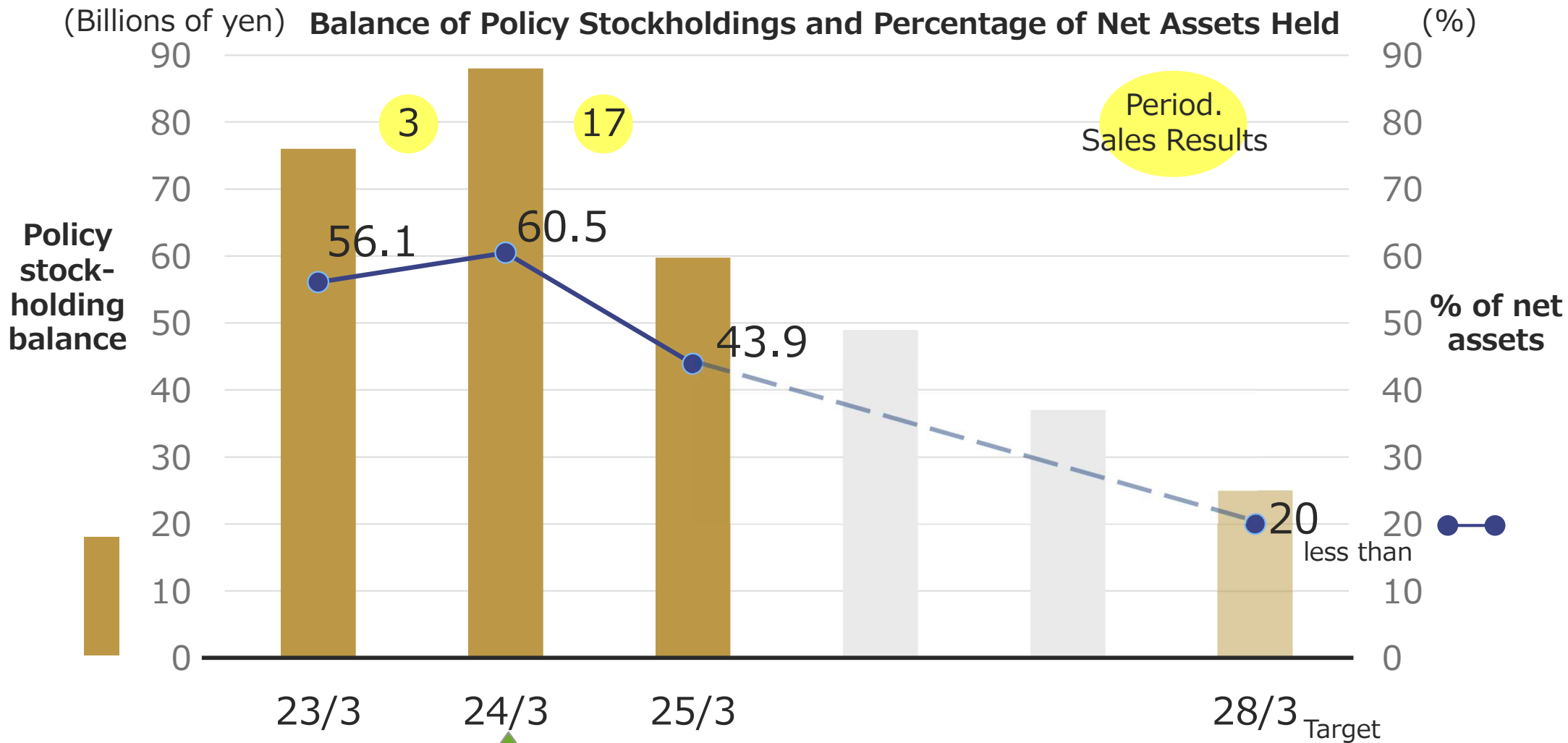
4. Management Objectives

(1) Financial Objectives - Financial Policy

- Although business performance is on the way to recovery, operating cash flow (C/F) to be generated during the 3-year period of the medium-term management plan will be allocated to "investment in existing businesses" and "stable shareholder returns."
- Execute medium- to long-term growth investments by leveraging ample cash reserves and liquidation of strategic equity holdings

Cash-Out	FY25-27	usual FY25-27	Growth	
			investment FY25-27	
Investment for growth of existing businesses Growth of existing business: infrastructure enhancement, investment in sales expansion	5	5	—	
Establishment of Strategic Investment Limits • M&A • Expansion and enhancement of technical facilities (development & manufacturing) • R&D related to battery materials (including investment, CVC, etc.)	50~60 10~20 5~20	—	50~60 10~20 5~20	• Toward realization within the period of this medium-term management plan • M&A and facility related Expanded investment limits
Stable shareholder returns Dividends and share buybacks	35~40	20~25	15	• Due to reduction of policy shareholdings Return a portion of revenues to shareholders
	105~145	25~30	80~115	
Operating CF from normal operations	25~30	25~30	—	
Cash and cash equivalents in excess of working capital	35~45	—	35~45	Adjustment of high level of cash and cash equivalents Percentage of net assets within the period of this medium-term management plan Reduced to less than 20
Liquidation of policy shareholdings	25~30	—	25~30	
External financing	20~40	—	20~40	Allocation to strategic investments, etc., as needed
Cash-In				

(1) Financial targets - Reduction of policy stockholdings



March 22, 2024 Disclosure
 Management with an awareness of cost of capital and stock price on the realization of the "The response to the

Reduction target (conventional)
 Within the next 1~2 years
 Less than 20% of net assets

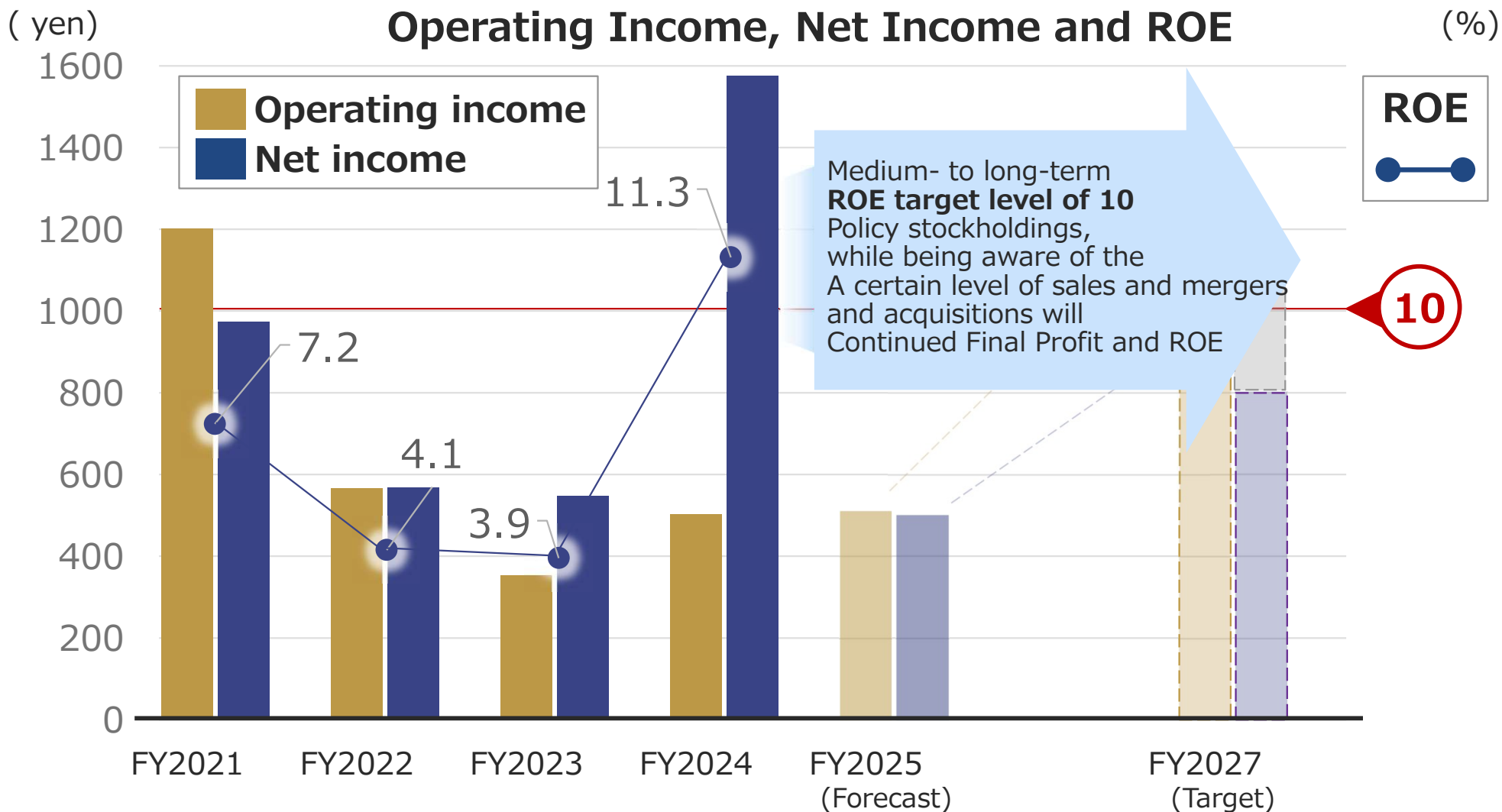


Reduction target (after review)
 Within the Medium-Term Management Plan Ph.2 period
 Less than 20% of net assets

4. Management Objectives

(1) Financial Targets - ROE Targets

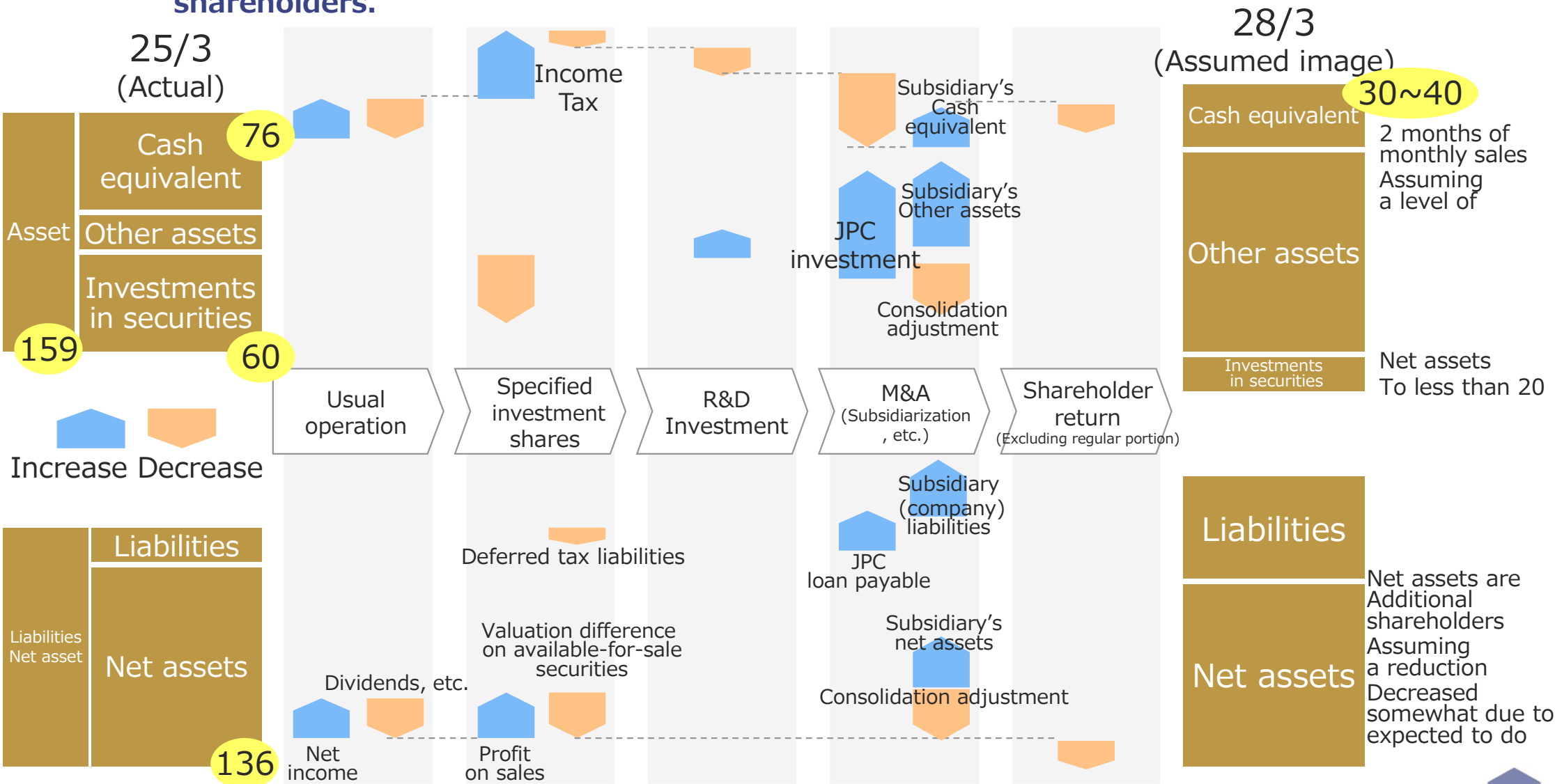
- During the period of this medium-term management plan (FY2025-2027), we expect to maintain a certain level of net income and ROE in line with the sale of strategic shareholdings.
- Aim for ROE of over 10% in the long term by realizing growth investments and optimizing the capital structure



4. Management Objectives

(1) Financial Objectives - Optimal Capital Structure, Balance Sheet and C/F Image

- Execute medium- to long-term growth investments by leveraging ample cash reserves and liquidation of strategic equity holdings
- A portion of the proceeds from the reduction of policy shareholdings will be returned to shareholders.



4. Management Objectives

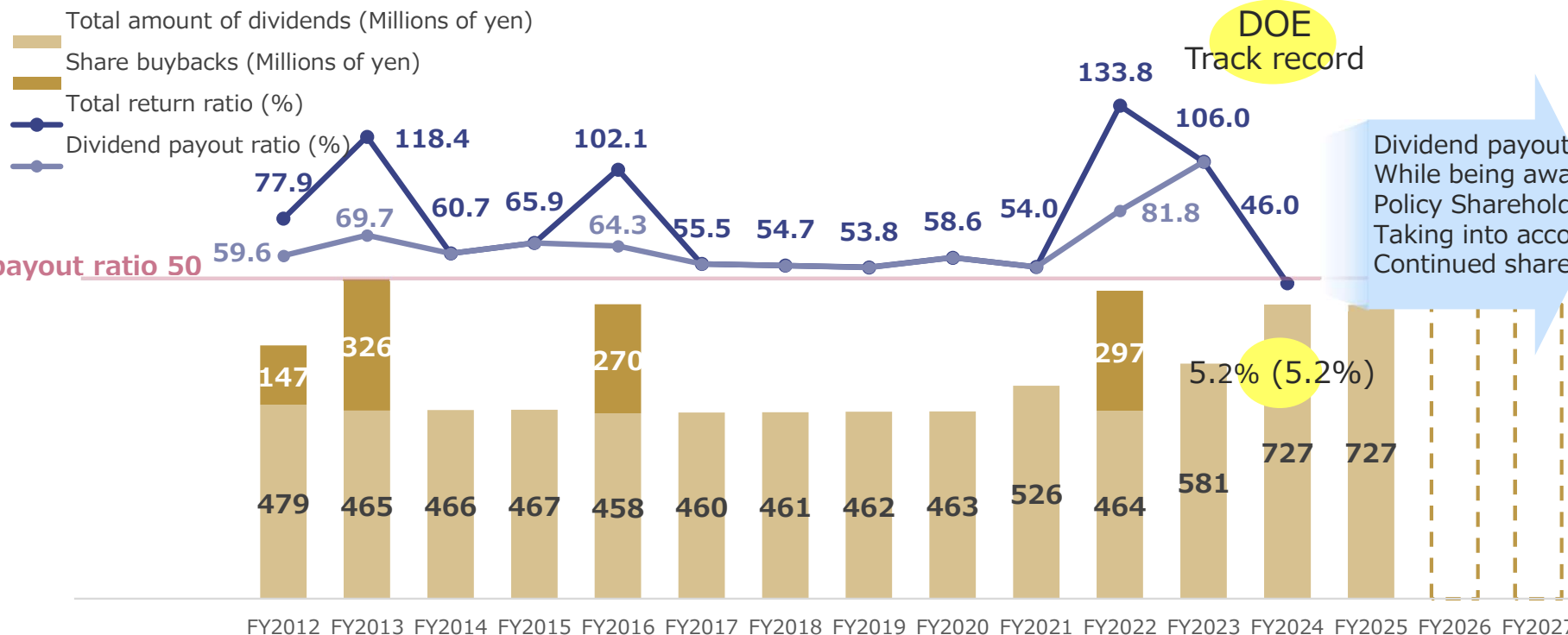
(1) Financial Targets - Shareholder Return Policy

Basic Policy (FY2025-2027)

- Balancing capital efficiency and financial soundness for long-term growth
- As a prime market listed company, actively engage in a certain level of shareholder return that is not greatly influenced by immediate business performance
- Adopt a dividend policy with a minimum DOE (dividend on equity ratio) of 5% in addition to the dividend payout ratio
- In the course of optimizing capital adequacy levels, capital-related indicators (ROE, DOE) are calculated on an equity basis.
- Consider implementing share repurchases in a flexible manner, depending on the situation.

Dividend payout ratio, share buybacks, and total return ratio

*Rounded down to the nearest million yen.



Dividend payout ratio 50%.
While being aware of Policy Shareholdings
Taking into account the sale
Continued shareholder returns

(4) Management Objectives
(2) Non-financial targets

	FY24 *Provisional values	FY27 Target
GHG emissions	173t*	150t
Energy consumption	109t*	100t
Employee Engagement	65pt	68pt (+3pt)
Other Indicators and Targets	<ul style="list-style-type: none">•Certification as a Corporation of Excellent Health : Certification continued.•Male parental leave utilization rate: 100%.•Ratio of female executives: 15% (FY30)•Percentage of female executives: 30% (FY30)	



A Chemical Curiosity. Helping Electronics

Contributing to Electronics through Curiosity for Chemistry



Precautions and Disclaimer

All forecasts and forward-looking statements in this document are based on management's assumptions and beliefs in light of the information available to it regarding industry trends, domestic and international economic conditions, currency exchange rate fluctuations, and other factors that may affect our business performance.

These are subject to a number of uncertainties, including market conditions, competition, the introduction and success or failure of new products and services, and global conditions in the information and telecommunications related industries. Therefore, please be aware that actual results may differ materially from those projected in the materials distributed to you and in the presentation of financial results.

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日本高純度化学株式会社