

## **Notice on Adding a New Factory to Our Manufacturing Subsidiary in Precision Components Business**

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Star Micronics is pleased to announce that we have recently completed the construction of a new factory (2nd factory) building for Micro Sapporo Company (100% of the equity owned by Star Micronics, located in Ishikari, Hokkaido, Japan). This domestic manufacturing subsidiary of our Precision Products Division has begun operation since March 2016.

Micro Sapporo engages primarily in manufacturing wristwatch components. We have built the second factory to meet increasing orders and build an integrated system of manufacturing wristwatch components, by installing new heat-treat furnace facilities.

The addition of the second factory will allow us to project an increase of 300 million yen in annual sales. Furthermore, the Japanese Government and automobile manufacturers have been working together for integration in the automobile industry in Hokkaido. Star Micronics is determined to grab the demand stemming from the integration and boost sales.

### **1. Outline of the Subsidiary**

- (1) Trade name: Micro Sapporo Company
- (2) Name of representative: Junichi Murakami, President
- (3) Location: 705-2 Shinkominami 3-chome, Ishikari, Hokkaido, Japan
- (4) Main line of business: Manufacture of wristwatch components and cutting components
- (5) Capital: 250 million yen (100% of the equity owned by Star Micronics Co., Ltd.)

### **2. Outline of the Existing Building and the 2nd Factory Building**

- (1) Location: 705-2 Shinkominami 3-chome, Ishikari, Hokkaido, Japan
- (2) Site area: 14,302 m<sup>2</sup>
- (3) Total floor space: 6,836 m<sup>2</sup>
  - Existing space: 5,430 m<sup>2</sup> (3-stories building)
  - Space expanded: 1,406 m<sup>2</sup> (Single-storied building)
- (4) Amount of investment: Roughly 400 million yen (for the building and facilities)

Photo: Appearance of the factories



Blue roof of the new factory building (2nd factory). Seen behind is the existing 3-storied building.