

Notice Regarding Plant Expansion at a Machine Tools Manufacturing Subsidiary in China

STAR MICRONICS CO., LTD. (“STAR MICRONICS” or “the Company”) today announced details of its decision to expand the plant at its machine tools manufacturing subsidiary, Star Micronics Manufacturing Dalian Co., Ltd. (“Dalian Plant”), in China. Brief details are presented as follows.

Established as an overseas manufacturing base in Dalian City, China in 1989, Dalian Plant engages in the manufacture of products for sale in East Asia (mainly China). Market conditions in the Machine Tools Segment are currently exhibiting a remarkable recovery as the COVID-19 pandemic subsides worldwide. Against this backdrop, orders in China, where this recovery was particularly rapid, remain at a high level.

In order to respond to these strong orders, the Company will boost its production capacity to 300 units per month, a 25% increase over the current capacity. In bolstering its manufacturing structure, STAR MICRONICS will expand its Dalian Plant and add manufacturing facilities as it works toward further increasing sales in the Chinese market.

1. Outline

Location:	Dalian Economic & Technical Development Zone (land adjacent to the current plant leased factory building), Dalian, China
Total floor space:	5,266 m ² (1st floor 1,861 m ² , mezzanine floor 900 m ² , 2nd floor 2,077 m ² , common area 428 m ²)
Planned start of operations:	February 2022
Amount of investment:	Approx. ¥650 million

The plant will mainly be used as an area for assembly processes. At the same time, steps will be taken to expand the processing area and increase processing facilities by redesigning the layout of the existing plant (22,818 m²).

2. Impact on Operating Results

The measures outlined will have no impact on consolidated operating results for the fiscal year ending December 31, 2021.

Building exterior

