

May 28, 2018

For Immediate Release

KAGA ELECTRONICS CO., LTD.
Tokyo Stock Exchange, First Section: 8154

Announcement of Establishment of Indian Subsidiary

Kaga Electronics Co., Ltd. (Head Office: Chiyoda-ku, Tokyo; President & COO: Ryoichi Kado; “The Company”), today announced that at a meeting of the Board of Directors on May 24, 2018, it passed a resolution to establish an Indian subsidiary, as detailed below.

1. Purpose of Establishment

The Company currently provides electronics manufacturing services (EMS) for printed circuit boards to its major customers, production bases in India, through a Thai subsidiary. The establishment of an Indian subsidiary will put in place a framework for meeting the need for expansion into India as customers’ product volumes grow, along with serving as part of the Kaga Electronics Group’s strategy for global EMS bases, together with existing sites in China, ASEAN, Europe, and North America.

Northern India, where the Company plans to make its entry, is home to production bases for many Japanese companies in various areas of industry, including automobiles, air-conditioning equipment, and home appliances, forming one of India’s largest industrial zones. The new subsidiary will provide a foothold for the Company as it first absorbs EMS demand in Northern India and then expands into Southern India as well, gradually growing its customer base.

Following the institutional decision, preparations for establishment of the subsidiary will begin, with company registration to be completed in fall of this year and mass production planned to start in spring of 2019.

The Company’s targets for the new subsidiary are sales of two billion yen after three years, and three billion yen after five years.

2. Overview of Indian Subsidiary

1) Company Name	KAGA ELECTRONICS (INDIA) PVT. LTD. (tentative)
2) Representative	Yukou Muramatsu
3) Location	Gurugram, Haryana State, Republic of India
4) Establishment of Company	Fall 2018
5) Start of Mass Production	Spring 2019
6) Capital	\$2.8 million (approx. ¥300 million)
7) Business Description	EMS for in-car devices, air-conditioning equipment, and home appliances

3. Impact on Business Performance

This decision by the Company will have a minimal impact on consolidated financial results for the current period.

■ Contact Person

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