

May 29, 2018

For Immediate Release

Kaga Micro Solution Co., Ltd.
KAGA ELECTRONICS CO., LTD.

Kaga Micro Solution to Construct New Plant in Sukagawa City, Fukushima Prefecture

Creating new jobs and supporting the revival of industry in Fukushima Prefecture
as it works toward recovery from the 2011 East Japan Earthquake and Tsunami

Kaga Micro Solution Co., Ltd. (Head Office: Chiyoda-ku, Tokyo; President: Satoshi Eguchi), a wholly owned subsidiary of KAGA ELECTRONICS CO., LTD. (Head Office: Chiyoda-ku, Tokyo; President & COO: Ryoichi Kado), today announces the construction of a new plant in Sukagawa City, Fukushima Prefecture, aimed at boosting its production capacity in Japan.

1. Objective of New Plant Construction

Kaga Micro Solution has four locations in Japan and two overseas that handle electronics such as communications equipment, computers, and computer peripherals in a wide range of business activities, from development, production, and sales to repair, reuse, and recycling.

The construction of the new plant is aimed at strengthening Kaga Micro Solution's manufacturing functions in Japan by transferring over the manufacturing functions of the Iida Plant (Nagano Prefecture), which closed in March of this year, as well as some of the functions of the Yamagata Plant (Nagai City, Yamagata Prefecture), which lacks the spatial capacity to cope with a recent surge in orders, as part of the company's plan for domestic locations. Together with the Tokyo Plant (Iruma City, Saitama Prefecture) and other existing facilities, this will create a network of five locations. In addition, the new plant will be positioned as a "mother" factory to strengthen cooperation with the company's two overseas locations in China and Malaysia, as well as partner with the Kaga Electronics Group's other overseas locations, thereby pursuing further company-wide optimization and boosting the business structure along with profitability.

The construction plan has also been selected as a designated project under the Ministry of Economy, Trade and Industry's "Subsidies for the Location of Businesses that Create Employment in Regions Affected by the Tsunami and Nuclear Power Plant Disaster."

2. Overview of New Plant

- | | |
|---------------------|---|
| 1) Name | Kaga Micro Solution Co., Ltd. Fukushima Plant (tentative) |
| 2) Location | Morijuku, Sukagawa City, Fukushima Prefecture |
| 3) Site Area | Approx. 29,400 m ² |
| 4) Total Floor Area | Approx. 6,000 m ² |
| 5) Total Investment | Approx. ¥1.2 billion
(including land acquisition and building/machinery) |

3. Future Schedule

- | | |
|----------------------------------|--------------------------------|
| 1) Start of Construction | November 2018 |
| 2) Completion/Start of Operation | July 2019 |
| 3) Number of Employees | About 50 (permanent employees) |

■ Contact Person:

Kaga Micro Solution Co., Ltd.

Masayuki Zenji, Executive Director, Administrative Headquarters

20 Kandamatsunagacho, Chiyoda-ku, Tokyo 101-0023

TEL: 03-5657-0150 zenji@microsol.co.jp