

September 3, 2019
KAGA ELECTRONICS CO., LTD.

KAGA ELECTRONICS to Construct a New EMS Plant in Thailand

To increase production capacity in the ASEAN region and accelerate growth strategies

Kaga Electronics Co., Ltd. (Headquarters: Tokyo, Japan; President & COO: Ryoichi Kado, hereafter “the Company”) today announced the construction of a second production plant of its Thai subsidiary, KAGA ELECTRONICS (THAILAND) CO., LTD., to increase production capacity of EMS business in the ASEAN region.

1. Objective of the new plant construction

Since its foundation in 1968, the Company has expanded its business domains by responding to the various needs of customers in accordance with its philosophy of “everything we do is for our customers.” Within this process, the Company has positioned the EMS business (electronic equipment manufacture contracting services) as a core driver of growth and has focused its efforts on expanding and enhancing overseas production bases in response to increasing calls from customers. While pushing forward with the development of the production base network primarily in China and the ASEAN region, the Company has added production bases in Mexico and Vietnam in 2017, and in Turkey and India in 2018. Currently, the Company has sixteen EMS production plants in ten countries, including Japan.

Construction of the second production plant in Thailand to increase production capacity aims to meet requests from existing customers for production expansion and to respond to orders from new customers. Taking into consideration possible moves by manufacturers to relocate production out of China to the ASEAN region in order to avoid the impact of US-China trade issues that are feared to persist, the target is to achieve sales of 10 billion yen within two years from the start of operations.

The Company will leverage its competitive advantage in the EMS business to form “Japan’s No. 1 corporate group in the industry” with net sales in the 500 billion yen range, as indicated in its medium-term management plan, and will work on expanding the scope and improving the quality of Group business with the aim of becoming a company that can survive global competition with massive overseas businesses generating net sales in the trillions yen range.

2. Overview of the New Plant

1) Name of the plant	Amatanakorn Plant 2 (provisional name)
2) Location	Amatanakorn Industrial Estate, Chonburi, Thailand
3) Total floor area	Approx. 5,300 m ²
4) Scheduled start of operations	December 2019
5) Production items	Electrical circuit boards for multi-function printers and single-function printers
6) Number of employees	200 (maximum 350)
7) Investment	Approx. 500 million yen (land and building will be rented)

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