

Notice Concerning the Renovation of Domestic Factories in the Machine Tools Segment

Star Micronics Co., Ltd. (“Star Micronics” or “the Company”) announced that its Board of Directors has resolved to renovate its Kikugawa Factory and construct a new factory as a part of its Machine Tools Segment activities. Brief details are presented as follows.

1. Purpose

- (1) Star Micronics will look to increase its production capacity to meet the growing global demand for Swiss-Type CNC Automatic Lathes. The Company will also build a new factory in Japan to assemble high value-added products and cutting-edge models. In addition to putting in place a monthly production capacity of 100 units, efforts will be made to strengthen the Company’s ability to respond to geopolitical risks through these means.
- (2) Star Micronics current Kikugawa Factory building was constructed more than 35 years ago. The decision to renovate the Factory is therefore geared toward improving the Company’s BCP by strengthening its response to earthquakes and other disasters.
- (3) Star Micronics will work to increase operational and production efficiency, improve quality, and reduce costs by automating operations through such measures as the introduction of robots and the promotion of Digital Transformation (DX) to create a smart factory.
- (4) Star Micronics will install solar panels and other equipment and promote environmentally friendly design and facilities in a bid to realize sustainable factories. Through these endeavors, the Company aims to obtain ZEB certification^(Note 1) and contribute to the realization of a sustainable society.

2. Overview of the Kikugawa Factory Renovation

- (1) Name: Kikugawa South Factory (tentative)
- (2) Location: Misawa, Kikugawa City, Shizuoka Prefecture
- (3) Activities: Manufacture of core components
- (4) Structural overview: Steel-framed three-story building
- (5) Building area: Approx. 10,300 m² (approx. 3,120 tsubo)
- (6) Total floor area: Approx. 13,700 m² (approx. 4,150 tsubo)
- (7) Total project expenses: Approx. ¥10 billion
- (8) Start of construction: July 2024 (planned)
- (9) Start of operations: November 2025 (planned)

3. Overview of the New Factory

- (1) Name: Makinohara Factory (tentative)
- (2) Location: Nunohikihara, Makinohara City, Shizuoka Prefecture
- (3) Activities: Body assembly of cutting-edge models
- (4) Structural overview: Steel-framed two-story building

- (5) Building area: Approx. 6,900 m² (approx. 2,090 tsubo)
- (6) Total floor area: Approx. 9,100 m² (approx. 2,760 tsubo)
- (7) Total project expenses: Approx. ¥5 billion
- (8) Start of construction: May 2025 (planned)
- (9) Start of operations: July 2026 (planned)

4. Impact on the Company's business results

The impact of renovating its Kikugawa Factory and constructing a new factory on the Company's consolidated business results for the fiscal year ending December 31, 2024 is expected to be minimal.

Conceptual image of the Kikugawa South Factory (tentative) on completion



Conceptual image of the Makinohara Factory (tentative) on completion



Note 1: ZEB Certification

A system in which third-party institutions evaluate the energy-saving performance of buildings. ZEB is the acronym for Net Zero Energy Building. A building that aims to reduce the annual primary energy consumption of the building to zero while achieving a comfortable indoor environment. While energy consumption cannot be reduced completely to zero owing to the activities of the people that work and reside within each building, energy consumption can be reduced to net zero by reducing the energy used through energy conservation initiatives and generating energy for use through energy creation.

* Source: Japan's Ministry of the Environment

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