



News Release

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Notice Regarding Expansion of Chinese Subsidiary's Plant

On May 10, 2021, our subsidiary in Dalian, Liaoning Province, China, Seikoh Giken Dalian Co., Ltd., entered into an agreement as described below with Showa Denko (Dalian) Co., Ltd. to take over the land and buildings used by the company as a factory.

Details

1. About Seikoh Giken Dalian Co., Ltd.

Seikoh Giken Dalian Co., Ltd. was established in 2006 as a manufacturing plant for ferrules, a key component of optical communication connectors. Currently, the company has 200 employees and mass produces 3 million ferrules per month.

The main raw material for ferrules is ceramic. Ceramic is known to be a hard and brittle material that is difficult to process.

Recently, Seikoh Giken Dalian has been planning to expand its business by applying the high processing technology it has cultivated in ceramic processing to products other than ferrules. In order to promote this new business development, the existing plant could not offer enough space, and the acquisition of a plant site had become an issue.



Ferrule, a key component of optical communication connectors

2. Overview of the land and buildings to be acquired

The land to be acquired by Seikoh Giken Dalian from Showa Denko (Dalian) Co., Ltd. is 33,335 m². The site includes a one-story plant, a three-story cafeteria and dormitory for employees, and a hazardous materials warehouse. The total floor area of these buildings is 10,910 m², which is about 1.6 times larger than the current total floor area of Seikoh Giken Dalian. There is a large area of unused land on the site, which can be used to expand the plant. The distance from the existing plant to the new plant is about 3 km, so there will be little time loss in moving between plants.



View of the plant to be transferred

3. Schedule of the transfer and future outlook

Seikoh Giken Dalian will take over the plant from Showa Denko (Dalian) Co., Ltd. by the end of June, and after deciding on the layout of equipment and rooms, will renovate the interior of the buildings. In addition to the optical communications market, the new plant will be used to develop new businesses targeting growth industries such as data centers, automobiles, medical and biotechnology. The total investment in the new plant is expected to be approximately 1 billion yen, including the acquisition of the land and buildings, renovation of the interior of the plant, and enhancement of facilities for the launch of new businesses.

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