

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



May 15, 2023

Company name: UNION TOOL CO.
Name of Representative: Takao Katayama, CEO
Code No. 6278 TSE Prime
Contact: Norimasa Kurata
Executive Officer
Phone: 03-5493-1017

Notice on Construction of the Mitsuke Plant, Third Factory

At the meeting of the Board of Directors held on May 15, 2023, Union Tool Co. decided to construct a third factory on the premises of the Mitsuke Plant, which already consists of two factories.

1. Overview of the Mitsuke Plant, Third Factory construction

- (1) Scale: Two-story structure of reinforced concrete with a total floor area of 6,599 m²
- (2) Construction period: from June 2023 to the end of May 2024 (delivery is scheduled for the end of May)
- (3) Estimated cost (construction cost): 2.6 billion yen

2. Background and purpose of construction

The land for the Mitsuke Plant, which currently consists of two factory buildings, was purchased in 2005. The plant has been operating as the group's only facility dedicated to carbide end mills. In order to further strengthen the carbide end mills business, our group is determined to increase the output of standard products, improve tool performance, and respond to the diversification of materials and processing methods.

In building a third factory, the group's goal is not only to expand the mass production of existing products but also to accelerate the introduction of new products, like the Value series, and to actively develop special products for users.

We develop carbide end mill products mainly for the automobile-related sector and the mold processing sector. Believing that demand will continue to grow by approximately 10% in the future, we determined the scale of the building on the assumption of deploying equipment that would increase production capacity by 2.5 times the current level.

Our group's sales of carbide end mills for the fiscal year ending December 2022 amounted to approximately 5.8 billion yen; however, we are determined to exceed the 6-billion-yen target as soon as possible and then increase sales even further.

3. Impact on business in the fiscal year ending December 2023

We estimate that the impact of this matter on the group's business results for the current fiscal year will be minor. If any matters subject to disclosure come up in the future, they will be reported immediately.