



# Notice Regarding Construction of New “M1” Factory

KANUMA, March 30, 2022

**Nakanishi Inc. (the “Company”) announces that it has resolved at the Board of Directors meeting held on March 30, 2022 to construct the new “M1” factory on the site of its headquarters.**

## 1. Reasons for constructing new “M1” factory

The Company is working to achieve consolidated net sales of JPY 50 billion and an operating income ratio of 28% in the fiscal year ending December 31, 2025, as announced in the Mid-term Management Plan “NV2025” published in February 2020. To achieve these targets, the Company considers it essential to increase its production capability. In addition, with the aim to accurately address the demand heightened globally in the wake of COVID-19, the Company is pressing forward with measures to enhance its production ahead of its initial plans. Now that an increase in parts processing capability has come into sight with the new “A1+” factory currently under construction (slated for completion in August 2022), the Company must enhance the back-end assembly process and expand the warehouse space for parts and finished products. For these reasons, the Company decided to construct “M1,” an additional factory.

The new “M1” factory will be built upon the site on which an aging building stands, which will be demolished for the new construction. The new factory will be able to double at maximum the current assembly area and the warehouse space for parts and finished goods. Bearing the final phase of the Mid-term Management Plan “NV2025” currently underway, the construction will establish a stable production system for the Company to achieve sustainable growth, toward realizing the long-term vision “VISION2030” that lies beyond. Through the construction of the new “M1” factory, the Company pursues enhancement of productivity and cost competitiveness and high-quality manufacturing. At the same time, the Company seeks to reduce environmental impacts by improving the efficiency of buildings and facilities, while also establishing a work environment where each and every employee can demonstrate high performance.

## Contact

### Investors

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## About Nakanishi Inc.

To achieve the mission of “To create brilliant progress via innovative grinding technology,” NSK has continued to hone the three core technologies of high-speed rotary technology, ultrasound technology and micro motor technology.

Using these core technologies, NSK will continue to provide innovative products in the dental, medical and industrial fields, and keep contributing toward the creation of all kinds of progress, such as bringing inspiration, happiness, benefits and joy to society and people.

NSK has two main locations for development and production: headquarters and A1 factory in Kanuma, Japan that handle the main ultra-high speed rotating equipment and ultrasonic equipment.

The company's shares are listed in the Tokyo Stock Exchange.

Visit [www.en.nakanishi-inc.jp](http://www.en.nakanishi-inc.jp) for more information about Nakanishi Inc. and NSK products.

## 2. Overview of the new factory

Factory name:	M1
Location:	700 Shimohinata, Kanuma, Tochigi
Floor area:	Approx. 17,000m <sup>2</sup>
Factory function:	Assembly; warehouse for parts and finished goods
Design and supervision:	Atsushi Kitagawara Architects Inc.
Investment value:	Approx. JPY 6.2 billion
Funding plan:	Appropriated by own funds
Construction start:	April 2023 (scheduled)
Operation start:	First phase: March 2024 (scheduled); Second phase: December 2024 (scheduled)



Image of the new "M1" factory at completion

## 3. Future outlook

The construction of the new factory has minimal impact on the consolidated results for the fiscal year ending December 31, 2022. The Company will promptly disclose any matters that require public announcement.

Note:

This document is a translation of the original Japanese document and is only for reference purposes. All readers are recommended to refer to the original version in Japanese of the release for complete information.

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