

November 13, 2020

Company name: Nikkiso Co., Ltd.  
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(Stock code: 6376, First section of the Tokyo Stock Exchange)  
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## **Notice of Reorganization of Domestic Manufacturing Bases (update)**

Nikkiso Co., Ltd. (“NIKKISO”) resolved, at its Board of Directors meeting held today, to integrate domestic manufacturing bases of the Aerospace Business into the Miyazaki Factory as described below.

### 1. Purpose of reorganizing domestic manufacturing bases

As disclosed in the “Notice of Reorganization of Domestic Manufacturing Bases” dated June 10, 2019, and the “Notice of Establishment of Training Center for the Medical Business” dated May 15, 2020, NIKKISO is currently pursuing the reorganization of its domestic manufacturing bases, aiming to optimize the business base, improve efficiency, and achieve functional enhancement.

In connection with the reorganization of the Aerospace Business, NIKKISO planned to integrate the manufacturing bases into two factories in Kanazawa and Miyazaki, but decided to integrate them into the Miyazaki Factory instead due to declined aircraft demand amid prolonged COVID-19 travel restrictions.

The Aerospace Business is expected to face difficult conditions for the time being, but aims to promote R&D in anticipation of future demand recovery and strengthen its business structure, including the restructuring of manufacturing systems in Miyazaki and Vietnam, while reducing costs and enhancing manufacturing efficiency in line with recent changes in business environments.

### 2. Overview of reorganization

NIKKISO aims to increase efficiency by transferring manufacturing functions of the Kanazawa Plant’s Aerospace Factory to Miyazaki Nikkiso by the end of 2021, and by integrating domestic manufacturing bases of the Aerospace Business into one location.

After transferring the manufacturing functions of the Aerospace Business, the Kanazawa Plant will expand the Medical Products Factory’s manufacturing functions.

### 3. Impact on business performance

The impact on the consolidated results of operations for the current fiscal year is minimal. If any matter that should be disclosed arises going forward, we will promptly make the disclosure.

(Reference) Outline of businesses and functions by base

	As of November 2020	After reorganization
Higashimurayama	Industrial Business Aerospace Business	Research and technology development bases, etc.
Shizuoka	Research and technology development	Logistics base
Kanazawa	Medical Business Aerospace Business	Medical Business
Miyazaki	Aerospace Business	Aerospace Business Industrial Business Medical Business (research training facility)
Hakusan	Deep UV-LED Business	Deep UV-LED Business

(Reference) Progress and future schedule of reorganization of manufacturing bases

[Aerospace Business]

June 2021 Terminate manufacturing at the Aerospace Factory in Kanazawa

December 2021 Complete the transfer of manufacturing functions to the Aerospace Factory in Miyazaki

[Industrial Business]

December 2020 Complete the construction of the Industrial Factory and test facility in Miyazaki

July 2021 Start manufacturing at the Industrial Factory in Miyazaki

[Medical Business]

October 2020 Start the construction of “M.ReT Miyazaki,” a research training facility for the Medical Business

May 2021 Complete the construction of “M.ReT Miyazaki,” a research training facility for the Medical Business

June 2021 Start the operation of “M.ReT Miyazaki,” a research training facility of the Medical Business

[R&D functions]

January 2022 Start the construction of a research and technology development base in Higashimurayama

August 2023 Complete the construction of the research and technology development base in Higashimurayama