

June 13, 2023

Company name: Kyokuto Kaihatsu Kogyo Co., Ltd.
Name of representative: Tatsuya Nunohara,
Director, President, CEO
(Securities code: 7226; Prime Market)
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Kyokuto Kaihatsu Kogyo Co., Ltd. has signed a Memorandum of Understanding for its subsidiary company in India named Satrac Engineering Pvt Ltd with Chief Minister of Tamil Nadu Government toward its new plant to be constructed in the vicinity of Chennai city.

We, Kyokuto Kaihatsu Kogyo Co., Ltd. have signed the Memorandum of Understanding toward the investment in constructing the new plant located in the vicinity of Chennai city in Tamil Nadu for our subsidiary company in India named Satrac Engineering Pvt Ltd (hereinafter referred to as “SATRAC”).

In a fiscal year ended in March 2023, SATRAC achieved the highest record ever of its sales quantity, revenue, and profit through a strong performance with a background of strong demand for special purpose vehicles in India.

Demand in the country is expected to remain strong in the future as well and SATRAC plans to build the new plant in addition to its head office plant located in Somapula Industrial Area near Bengaluru City in Karnataka, in order to increase its market share by capturing orders, expanding sales channels, and strengthening its production capacity for its main products such as tipper trucks and trailers, and to aim for future export expansion of its products.

The new plant is expected to be constructed near Chennai city which is the capital city of Tamil Nadu and one of the largest cities in India as well. We met Mr. M. K. Stalin, Chief Minister of Tamil Nadu Government, and signed the Memorandum of Understanding for the investment. Further, we received his comment that he would welcome SATRAC's investment in Tamil Nadu, including 600 local people recruitment, and provide full support during the plant construction and even after the project was launched with the background of outstanding human resources and infrastructures in Tamil Nadu.

Capital investment related to this project is expected to be approximately 1.2 billion Indian rupees (approximately 1.9 billion Japanese yen: calculated by 1 Indian rupee = 1.6 Japanese yen). The site area is planned to be approximately 58,000 m2, and we aim for completing the plant construction and its production commencement during a fiscal year of 2025 (to be ended in March 2026).

We regard the new plant commencement as an important step to develop SATRAC's business into the next stage.

Our Group will continue to focus on various measures to expand our overseas business, while proactively promoting capital investment to increase corporate value over the medium to long term.

[Signing ceremony (May 29, 2023)]



(from left)

Mr. V. Vishnu

Managing Director, CEO, Guidance (Tamil Nadu Government's agency for investment promotion).

Mr. S. Krishnan

Additional Chief Secretary, Industries, Investment Promotion and Commerce,
Government of Tamil Nadu.

Dr. T. R. B. Rajaa
Minister for Industries, Government of Tamil Nadu.

Mr. M. K. Stalin
Chief Minister, Government of Tamil Nadu.

Tatsuya Nunohara
Director, President, CEO, Kyokuto Kaihatsu Kogyo Co., Ltd.

Takeo Norimitsu
Director, Associate Senior Executive Officer, Kyokuto Kaihatsu Kogyo Co., Ltd.

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