

## Notice Regarding Construction of Headquarters and Plant

DAISHINKU CORP. (hereinafter, the "Company", President: Minoru Iizuka) announces that it is constructing a headquarters and plant on a site adjacent to its Central Laboratory in Kakogawa City, Hyogo Prefecture, with construction scheduled for completion in August 2024, in order to realize a smart factory that creates new value and to enhance communication across organizational boundaries by securing flexible office areas.

In the plant area, we aim to make a smart factory be the one that can create the future of our company, mainly through the fully-automatic production of the Arkh series\*1. Under our 10-year Long-term Business Plan, "OCEAN+2 Strategy\*2," we aspire to be a game changer in the quartz device industry based on our new product strategy, mainly the Arkh series. Moreover, the headquarters and plant under construction will be a game changer not only in terms of products, but also in terms of production, aiming to become a true mother plant for our company as a plant that creates new value through new production methods. In terms of the environment, in addition to the installation of solar panels, the plant will use heat pumps, which reduce CO<sub>2</sub> emissions compared to gas or oil combustion methods, thereby reducing both decarbonization and energy consumption. Furthermore, we plan to introduce 100% sustainable energy, making this our first carbon-neutral factory in Scope1/Scope2.

Currently, the office area where members working at the current Head Office, Distribution Center and Central Laboratory are gathered in one place is an open space without partitions, aiming to foster "mutual trust" and "a sense of unity in the organization" and to "revitalize communication." We will also accelerate our DX efforts and aim to move away from being a cost center by increasing the productivity of indirect operations through the use of AI. In addition, we create spacious and flexible office spaces that promote work efficiency, including work concentration areas, relaxation areas and web booths. By introducing a lighting system that synchronizes lighting and color temperature with changes in sunlight to regulate people's biological rhythms and body clocks, a comfortable work environment will be created. We believe that these activities will provide employees with "leeway," and that the company will grow with the experience of success gained from the new actions that this leeway generates, ultimately leading to the fostering of "all employees work with hope," as stated in our management vision.

In addition to creating a safe and secure work environment, improve the quality of our work and create even higher value-added output to achieve the 10-year Long-term Business Plan "OCEAN+2 Strategy."

### <Outline of Headquarters and Plant>

Name: DAISHINKU CORP. Headquarters and Plant

Location: Noguchi-cho, Kakogawa City,  
Hyogo Prefecture, Japan

Site area: Approx. 12,000m<sup>2</sup>

Floor area: Approx. 9,700m<sup>2</sup>  
(5 floors above ground)

Scheduled completion: August 2024

Total construction cost: Approx. 6.4 billion yen  
(Building + Utilities)

CO<sub>2</sub> emissions: 0 t

(Reference)

FY2023 CO<sub>2</sub> emissions from the current Head Office: 106 t-CO<sub>2</sub>/year



<Impact on Business Performance>

We expect that the impact of this matter on our consolidated results for the fiscal year ending March 31, 2025 will be minor, but we will promptly announce any matters that should be disclosed.

\*1 Arkh series:

These are a group of quartz devices produced with a new structure adopting a wafer-level package (WLP) technique. Three layers of crystal-based wafers are bonded by using fine seal technology, our proprietary joining technology, without using the ceramic package and conductive adhesive that is used for conventional products. In addition, the adoption of a WLP technique can reduce the footprint of manufacturing equipment, 7 times the productivity per floor area, and reduce energy consumption, including utility costs, compared to the conventional production technique. The downsizing and thinning of products can lead to a reduction in packaging materials and thus the energy required for transportation. The products are environmentally friendly from various aspects.

\*2 OCEAN+2 Strategy:

This 10-year Long-term Business Plan was developed on the occasion of the Company's 60th anniversary in November 2019.