

January 24, 2011

Establishment of a cutting and processing factory in China

Hayashi Seiko Co., Ltd. and Okaya & Co., Ltd. has resolved the establishment of "Hayashiseiko (Suzhou) Co., Ltd." as a joint company in Jiangsu Suzhou City, China, providing cutting and processing services of construction machinery parts and automotive parts, etc.

The market of construction machinery is growing since economic stimulus measures by Chinese government started in 2009, and its market is expected to be growing more from 2011 onward by infrastructure maintenance. On the other hand, the automotive market is also expected to be growing more and continuously with demand stimulation by governmental support policy for car purchase.

Among such circumstances as rising needs of high-quality cutting parts in China, high technology of Hayashi Seiko Co., Ltd. will satisfy all demands of Chinese and Japanese companies with high quality control of Hayashi Seiko Co., Ltd.

At the same time, Okaya & Co., Ltd. and Okaya(Shanghai) Co., Ltd. will support it aggressively by market research, sourcing material and sales of products, with the experience and knowhow of business development in China.

We're going to aim at sales of 430 million yen up to 2013 in such growing Chinese market.

The outline of the new company is as follows;

1.Name	Hayashiseiko (Suzhou) Co., Ltd.
2.address	Suzhou New District, Suzhou, Jiangsu Province, China (About 100km to the west from Shanghai City)
3.Operations	Production of metal fittings for oil pressure hoses and automotive parts. Sales of polish steel bars.
4.Capital	Yen 300 million Hayashi Seiko Co., Ltd. 60%, Okaya & Co., Ltd. 20%, Okaya (Shanghai) Co., Ltd. 20%
5.Employees	24 employees (plan)
6.Date of constitution	February, 2011 (plan)
7.Starting production	May, 2011 (plan)
8.Sales plan	Yen 110 million through December, 2011 (8 months) Yen 430 million through December, 2013