

Epson Atmix to Triple Superfine Alloy Powder Production Capacity with New Plant

- TOKYO, Japan, December 8, 2011 -

Seiko Epson Corporation (“Epson,” TSE: 6724) today announced that Group company Epson Atmix Corporation, the world leader*¹ in the manufacture of superfine alloy powder, would invest 3.2 billion yen in a new plant at the Hachinohe Kita-Inter Industrial Park in Aomori Prefecture, Japan. The new plant will approximately triple Atmix's current production capacity in water-atomized*² superfine alloy powder, enabling it to meet expanding demand from growing markets for goods such as smartphones and other high-performance mobile devices, automobiles, and medical equipment.

“We are very excited to announce the establishment of our new plant,” said Satoshi Oguchi, president, Epson Atmix. “We are determined to serve our customers’ growing demands for high quality magnetic powder and MIM powder, and this plant will help us to better serve their needs.”

To accommodate these expanding markets, Epson Atmix will invest in the new plant, which will increase Atmix's magnetic powder and MIM powder production capacity to approximately 10,000 tons per year, or about triple its current capacity. The company plans to break ground on the new facility in the first half of fiscal 2012 and begin operations in the second half of 2013.

Epson Atmix is a customer-focused company that is committed to leveraging its unique metal powder manufacturing technology to continue to create customer-pleasing, trusted products and services of the highest quality.

New plant profile

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|-----------------------|--|
| Location | 2 Hachinohe Kita-Inter Industrial Park, Aomori Prefecture |
| Investment | Approximately 3.2 billion yen |
| Manufactured products | Magnetic powder and MIM powder |
| Completion date | Second half, FY2013 |
| Floor area | Approximately 3,300 m ² of factory floor space on a 20,000 m ² lot |
| Employees | Approx. 40–50 (at start of operations in FY2013) |

Epson Atmix profile

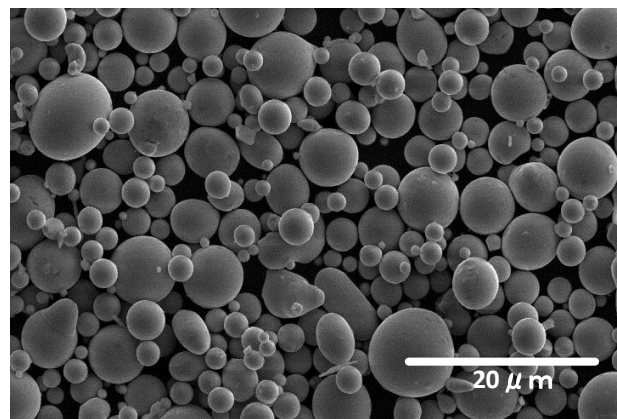
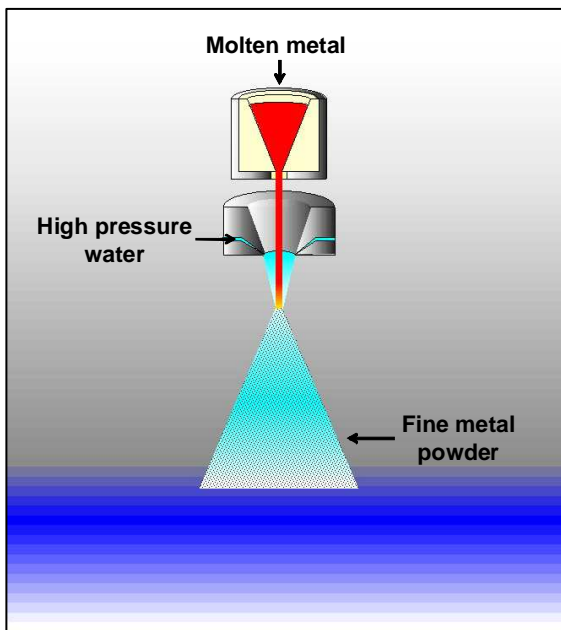
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| Company name | Epson Atmix Corporation |
| Location | 4-44 Kaigan, Aza, Kawaragi, Hachinohe-shi, Aomori, Japan 039-1161 |
| President | Satoshi Oguchi |
| Established | October 1, 1999 |
| Employees | Approx. 280 (as of December 1, 2011) |
| Capital | 450,000,000 yen (Epson Atmix is a wholly owned subsidiary of Seiko Epson Corporation) |
| Businesses | Development, manufacture, and sales of metal powder, metal injection molded parts, and synthetic quartz crystals |

For further information, please visit the Epson Atmix web site at http://www.atmix.co.jp/eng/E_index.html

*¹ Market share on an annual sales basis of 2010 (according to Epson Atmix research as of April 2011).

*² Water atomized

A method of manufacturing superfine alloy powder. In this process, metal that has been melted in a high-frequency induction furnace is atomized by blasting it with pressurized water. The atomized metal is then rapidly cooled, producing a superfine alloy powder



Magnified photo of superfine alloy powder

More information on Epson Atmix superfine alloy powders

Epson Atmix's superfine alloy powders are divided into two main types according to the materials from which they are made and their uses: magnetic powder and metal injection molding (MIM)* powder. The company produces these superfine alloy powders using a modified high-pressure water atomization process. In this process, metal that has been melted in a high-frequency induction furnace is atomized by blasting it with pressurized water. The atomized metal is then rapidly cooled, producing a powder with regularly-sized, micron-order particles, and uniform composition and characteristics.

Magnetic powder is used in electronic components such as inductors, choke coils, and reactors that are needed to control voltages in smartphones, notebook PCs, and other high-performance mobile equipment. Epson Atmix's magnetic powder exhibits particularly good energy conductance and thus contributes significantly to reducing the power consumption and size of voltage control components, as well as to supporting high frequencies and large currents. The expanding global mobile equipment market is not the only market driving demand for magnetic powder. This powder is also attracting considerable attention from the likes of the automotive industry and other industries demanding efficient power consumption, which see the potential for an expanding number of new applications.

MIM powder is used in the production of metal injection molded parts for applications that require parts with complex shapes yet high accuracy and strength. The applications range from special medical equipment to automobile engines. Epson Atmix has a broad lineup of MIM powders that includes, for example, stainless steel and low-alloy steel. In addition, the size of powder particles can be adjusted to suit a given application, helping to increase the strength of metal injection molded parts. There is expected to be steady future demand for MIM powder as the markets grow in the medical, automotive and other industries.

*** Metal injection molding (MIM)**

A metalworking process that has the features of both injection molding and powder metallurgy. MIM enables very fine alloy powder to be used to produce parts with complex configurations yet that are highly accurate, dense and strong.