

Technical and Business Agreement with VIKAS Group in India

Tokyo, Japan, February, 7th.2013—Hitachi Metals, Ltd. (TOKYO : 5486, ISIN : JP3786200000, hereinafter referred to as Hitachi Metals) has today announced that Hitachi Metals and Nam Yang Metals Co., Ltd. (hereinafter referred to as Nam Yang Metals), a member of the Hitachi Metals Group, have entered into technical transfer and business collaboration agreement for automotive casting products with RPS VIKAS Castings Pvt. LTD (hereinafter referred to as RPS VIKAS) and Garima Vikas Metals Pvt. LTD (hereinafter referred to as Garima) of the VIKAS Group in India. The partnerships with local companies will help speed up market expansion in India where auto production is increasing.

1. Background

The tenacious ductile cast iron “HNM” for automotive parts produced by the Hitachi Metals Group is mainly used in suspension parts* because of its high-strength and tenacious features. Hitachi Metals has recently developed suspension parts that are more than 20% lighter (weight reduction) than the existing parts, and they are being adopted by many automotive manufacturers in the world.

In a global market, 80 million units of automobiles were produced in 2012, and it is expected to surpass 100 million in 2017 (Data, IHS), five years from now. The production volume is expected to show continuous growth in North America and Asia; particularly in India from 3.7 million units in 2012 to 6.1 million - its market significance increasing more than ever.

2. Outline

Hitachi Metals and Nam Yang Metals have entered into technical and business agreement for automotive casting products with RPS VIKAS and Garima of the VIKAS Group in India who has the customer base of Japanese, American, and European automobile manufacturers in addition to the Indian based customers. Technical and business partnerships with local companies will help speed up market expansion in India where the market is expected to rise significantly.

Based on this agreement, technical assistance to the VIKAS Group and marketing activities for the VIKAS Group suspension parts will start from February, 2013. In addition, we will build the marketing channel/ production system in the Indian market.

3. Sales Goals

FY2016 2 billion yen/ annually for suspension products.

*The suspension parts are designed to support automobiles and absorb the collision energy in case of emergency collision by changing shape instead of breaking, and there is an increasing demand for lighter weight parts from the perspectives of automobile’s environmental and engine performance. The ductile cast iron HNM is currently being produced in three manufacturing facilities in Japan (Moka plant), South Korea (Nam Yang Metals), and the U.S. (Hitachi Metals Automotive Components USA, LLC), and they are being delivered mainly to the Japanese domestic market, Asian market, and the North America market.

About Hitachi Metals, Ltd.

Hitachi Metals has built a solid position as a manufacturer of materials and components, developing businesses in broad range of industrial fields. Since our inception in 1910, our management philosophy has been to contribute to society by embodying the optimum corporate performance. With our highly distinctive products, we will provide the desired impetus that helps society achieve sustainable growth.

Additional information about Hitachi Metals is available on the company’s web site at <http://www.hitachi-metals.co.jp/e/>

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