

Creating an Organization to Produce and Supply Automotive Castings in India Faster

Tokyo, Japan, March 17, 2014—Hitachi Metals, Ltd. (TOKYO : 5486, ISIN : JP3786200000) has today announced that it has decided to make two Indian automotive castings companies it has technical and sales partnerships with into subsidiaries. This will create a more robust manufacturing and supply organization in India for its automotive castings—particularly the high-toughness ductile iron castings HNM™ series¹—capable of reliably meeting burgeoning demand in India, and at a faster pace.

1. Background

Projections are that the number of cars manufactured in India will climb to over seven million units by 2020, up from 3.9 million in 2013, with expectations that the market will rise in importance². Building a stronger manufacturing and supply organization in India was necessary to meet the substantial increase in demand.

With this in mind, Hitachi Metals and Nam Yang Metals Co., Ltd.³ formed a technical and sales partnership in February 2013 with Indian firms RPS Vikas Castings Pvt. Ltd.⁴ and Garima Vikas Metals Pvt. Ltd.⁵ focused on automotive castings. The two Indian companies have an automotive firm customer base that covers India and extends to Japan, the U.S. and Europe. Along with providing technical guidance, Hitachi Metals already had a manufacturing and supply organization in place, but to handle rapidly expanding demand needed to accelerate the expansion of the organization.

2. Overview

The Hitachi Metals Group will take a 51 percent share through group members Nam Yang Metals and Hitachi Metals Singapore Pte. Ltd.⁶, which will take equity stakes in RPS Vikas and Garima Vikas, with whom they already have a technical and sales partnership in India.

By accelerating the building of an organization to manufacture and supply its highly competitive high-toughness ductile iron castings HNM™ series in India, Hitachi Metals will be prepared to reliably handle expanded demand.

Moreover, by adding India to the locations already producing the high-toughness ductile iron castings HNM™ series—located in Japan (Moka Works), Korea (Nam Yang Metals) and the U.S. (Hitachi Metals Automotive Components USA, LLC)—Hitachi Metals will have four global manufacturing and supply bases. This will enable us to dynamically respond to worldwide automotive demand as the Hitachi Metals Group strives for additional worldwide growth.



HNM™ series
manufacturing and supply locations

3. Sales Target

¥5 billion per year by FY2016

4. Schedule

March 2014: Joint venture contract concluded with RPS Vikas and Garima Vikas

April 2014: Equity stakes to render both RPS Vikas and Garima Vikas consolidated subsidiaries

Change the name of Garima Vikas to HNV Castings Private Limited (tentative)

Later in FY2014: RPS Vikas to be absorbed into the merged entity tentatively named HNV Castings Private Limited

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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High-toughness ductile iron castings HNM™ series is a registered trademark of Hitachi Metals, Ltd.

For Reference

¹ High-toughness ductile iron castings HNM™ series

These castings are characterized by their high strength as well as extreme toughness (durability), and are used for key automotive safety components, primarily suspension parts. Suspension parts both support vehicle frames and change shape without breaking to absorb the shock if a collision occurs. Hitachi Metals has recently developed groundbreaking suspension components that are more than 20 percent lighter than existing products, and these are being widely adopted. This meets the need for lighter components to improve vehicle performance in terms of the environment and energy use.



High-toughness ductile iron castings HNM™ series

² Indian car manufacturing volume projections

Based on Hitachi Metals estimates

³ Nam Yang Metals Co., Ltd.

1. Name: Nam Yang Metals Co., Ltd.
2. Address: Daegu, South Korea
3. Representative: Kim Seung-Cheon
4. Business lines: Manufacturing of steering knuckles, manifolds, crankshafts, brake drums and other automotive castings
5. Date of establishment: March 1987
6. Lead shareholder: Hitachi Metals, Ltd. 90.8%

⁴ RPS Vikas Castings Pvt. Ltd.

1. Name: RPS Vikas Castings Pvt. Ltd.
2. Address: Village Mitnol, Tehsil Hodal, Dist. Palwal, India
3. Representative: Abhimanyu Sharaff
4. Business lines: Manufacturing of manifolds, differential cases, flywheels, hubs, and other automotive castings

⁵ Garima Vikas Metals Pvt. Ltd.

1. Name: Garima Vikas Metals Pvt. Ltd.
2. Address: RIICO Industrial Area, NH-8, Neemrana, Rajasthan, India
3. Representative: Abhimanyu Sharaff
4. Business lines: Manufacturing of automotive castings

⁶ Hitachi Metals Singapore Pte. Ltd.

1. Name: Hitachi Metals Singapore Pte. Ltd.
2. Address: 12 Gul Avenue, Singapore 629656
3. Representative: Akira Saito
4. Business lines: Sales of Hitachi Metals products in the ASEAN region
5. Date of establishment: January 1979
6. Lead shareholder: Wholly owned by Hitachi Metals, Ltd.