

October 20, 2015

To Whom It May Concern:

Hitachi Metals, Ltd.

Notice Concerning Conclusion of an Agreement
for the Transfer of Assets of Diehl Steel Company of the U.S.

To build a sales structure that provides solutions for tool steel
and expand sales in the North American market

Hitachi Metals, Ltd. has concluded an agreement with Diehl Steel Company in the U.S. (hereafter, “Diehl”) for the transfer of assets owned by Diehl to a subsidiary of Hitachi Metals America, LLC (hereafter, “HMA”), the regional headquarters for Hitachi Metals, Ltd. in the Americas, to expand global sales of die, mold and tool steels in our specialty steel business.

This acquisition will secure a tool steel cutting and processing location and sales network in North America, enabling Hitachi Metals to build an important base for expanding sales.

We will increase the value of Yasugi Specialty Steel and aim for growth in the global market through our materials technology and materials development capacity at our manufacturing location in Japan (Yasugi Works: Yasugi, Shimane Prefecture), the source of our competitiveness, and by building a sales structure for providing solutions that meet the needs of customers in each region.

1. Summary of the Asset Transfer

HMA established Diehl Tool Steel, Inc. (hereafter, “DTS”), a wholly owned tool steel distribution subsidiary, on October 16, 2015, and the assets of Diehl will be transferred to DTS.

DTS will use the assets of Diehl as the locations for distribution services, including the processing of Hitachi Metals tool steel, in the North American market, and will secure a sales network and work to expand sales.

This asset transfer is scheduled to take effect on November 2, 2015.

2. Future Expansion

Hitachi Metals will use the distribution services function of DTS as the main asset for expanding sales of tool steel in the North American market, where the automotive industry is concentrated. We will accelerate expansion of our customer base, promote synergies between Hitachi Metals and HMA, and enhance our capabilities for expanding sales of the Hitachi Metals Group in the Americas.

The current management will maintain its position at Diehl and operate DTS to ensure business continuity.

3. Profile of Diehl Steel Company

Name	Diehl Steel Company, Inc.
Location	Cincinnati, Ohio, U.S.A.
Name & title of representative	Michael Sheehan, Owner & President
Business details	Processing and sale of specialty steel, etc.
No. of employees	28 (as of September 30, 2015)

4. Profile of New Tool Steel Distribution Company

Name	Diehl Tool Steel, Inc.
Location	Cincinnati, Ohio, U.S.A.
Name & title of representative	Mike Sheehan, president & COO
Business details	Processing and sale of specialty steel, etc.

For inquiries regarding this matter:

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Yasugi Specialty Steel is the world's leading specialty steel manufacturer in a wide range of markets, including tools and cutlery, razor blades, automotive parts, electronics, and components for aircraft and power plants.

We are continually refining our technological prowess and practical wisdom, building on the tradition of Tataka iron-making and the 1,000 year old craft of "Wako," to create unique and innovative solutions for all our customers.

Our Heritage, Your Advantage: Shaping global innovation from a unique Japanese tradition. Each one of us is a vital part of a Japanese global brand. As long as we understand and share the visions of our customers, and develop new ideas that bring those visions to life, customers will always select us as their partner of choice.
