

To Whom it may Concern:

**Initiatives Aimed at Achieving Greater Synergy
in the North American Automotive Casting Business
(Merger between Consolidated Subsidiaries)**

On April 1, 2016, an absorption-type merger was completed for Waupaca Foundry, Inc. (Wisconsin, U.S.A.; hereafter, “WFI”) and Hitachi Metals Automotive Components USA, LLC (Pennsylvania, U.S.A.; hereafter, “HMAC”), both wholly owned subsidiaries of Hitachi Metals, Ltd. WFI became the surviving company and HMAC was absorbed.

As the world’s largest iron casting supplier, the Hitachi Metals Group is targeting sustained growth in the global market by strengthening and expanding its customer base through the provision of high value-added products, services, and solutions for its customers and the market. The group regards this merger as one important step toward realizing this goal.

1. Purpose of Merger

Hitachi Metals, Ltd. acquired WFI, the world’s largest supplier of iron castings, as a wholly owned subsidiary in November 2014, with the goals of achieving decisive strength in our iron casting business and global medium to long-term growth. We have subsequently been working to achieve synergy with HMAC by sharing the manufacturing expertise, procurement capability, and other strengths of WFI with HMAC, which is engaged in the same iron casting business in North America. Thus far, we have succeeded in improving productivity, reducing procurement costs, and other improvements for HMAC. Management of the two companies was effectively unified on April 2015 by appointing officers of WFI to serve concurrently as main officers HMAC. With this merger, we are aiming to achieve greater efficiency in management, utilize the strengths of both companies to achieve optimal production and reallocation as well as expansion of sales, and achieve even greater synergistic benefits and growth in global markets.

2. Profiles of Merged Companies

(1) Waupaca Foundry, Inc.

Location	1955 Brunner Drive, Waupaca, Wisconsin 54981, U.S.A.
Names and titles of representatives	Gary Gigante, Director & CEO Michael Nikolai, Director, President & COO
Capital	USD— (as of April 1, 2016)
Description of business	Manufacturing of automotive iron casting products

(2) Hitachi Metals Automotive Components USA, LLC

Location	18986 Route 287, Tioga, Pennsylvania 16946, U.S.A.
Name and title of representative	Michael Nikolai, Director, President & CEO
Capital	USD 35,800,000 (as of March 31, 2016)
Description of business	Manufacturing of automotive iron casting products

3. Date of Merger

April 1, 2016

4. Impact on Business Results

The consolidated business results forecast for fiscal year ending March 2017 incorporating the effects of this merger will be disclosed when the consolidated business results for fiscal year ended March 2016 are announced on April 27, 2016.