

Hitachi Metals to Enhance Solutions Business for Tool Steel in the Asian Market

Hitachi Metals, Ltd. is set to enhance its solutions business for tool steel in the Asian market at three bases in the region, installing surface treatment facilities and cutting and processing facilities to boost capacity. All facilities are scheduled to go online during fiscal 2016. This upgrade is part of Hitachi Metals' global sales expansion strategy for tool steel in the specialty steel business.

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. Purpose of Investment

Hitachi Metals is committed to expanding its specialty steel business in the global market. Our growth strategies are underway in businesses for tool steel and materials for industrial equipment, electronics-related products and aircraft components as well as energy-related products and other goods. Particularly, our focus is on expanding sales of tool steel in overseas markets. In November 2015, Hitachi Metals acquired Diehl Tool Steel, Inc. in the U.S., turning it into a consolidated subsidiary to serve as our distribution base in the North American market. Diehl Tool Steel will offer services that include cutting and processing, and solidify our tool steel sales network there. Additionally, we started commercial production of SLD-i™ cold work tool steel in the spring of 2016. The composition of this new tool steel is comparable to Western-standard products and boasts superior features such as better dimensional changes after heat-treatment and enhanced abrasion resistance.

Hitachi Metals has also decided to install new facilities for cutting, processing and surface treatment at sales bases in Korea, Thailand and Taiwan to reinforce the tool steel solutions business in the Asian region. The Asian market continues to expand as production bases for automobiles and automotive components and parts are added. In particular, the increased use of high-tensile automotive steel sheets is creating demand for sophisticated dies. This is expected to ramp up requirements not only for materials but also for solutions such as processing and surface treatment.

With these measures, Hitachi Metals hopes to realize a 140 percent jump in tool steel sales in the Asian market for fiscal 2018 (compared to fiscal 2015).

Hitachi Metals will continue to expand our customer base and work for sustainable growth in the global market by reinforcing our material technologies and product development capabilities, as well as by offering new products and solutions that markets and customers expect.

2. Outline of Investment

- (1) Overseas bases and facilities involved:
 - Hitachi Metals Korea Co., Ltd.: Cutting and processing and surface treatment
 - Hitachi Metals (Thailand) Ltd.: Cutting and processing
 - Hitachi Metals Taiwan, Ltd.: Surface treatment
- (2) Investment amount: Approx. ¥1 billion
- (3) Projected startup: Fiscal 2016

For inquiries from the press: Corporate Communications, Hitachi Metals, Ltd. hmcc.sa@hitachi-metals.com

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 Tataro 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.