

May 29, 2017  
Hitachi Metals, Ltd.

## Merger of SH Copper Products and Hitachi Metals Neomaterial to Strengthen Clad Metals Business

Hitachi Metals, Ltd. (hereinafter, “Hitachi Metals”), with the aim of strengthening its business in clad metals, will transfer SH Copper Products Co., Ltd. (hereinafter, “SH Copper”), which manufactures copper products, from the Cable Materials Company to the Specialty Steel Company as of July 1, 2017. In addition, as of April 1, 2018, SH Copper will be merged with Hitachi Metals Neomaterial, Ltd. (hereinafter, “Hitachi Metals Neomaterial”), which manufactures clad metals. The newly merged company will serve as the core of the electronic materials business, which includes clad metals, and will seek synergistic benefits with Hitachi Metals.

SH Copper is a copper products company that manufactures copper strips used for lead frames as well as copper rod bars for switchboards, etc. In particular, dual-gauge copper strips, which are a combination of thin plates and thick plates enabled by SH Copper’s unique processing technology, are widely employed in power transistors used for electronic automotive components, among others.

Hitachi Metals Neomaterial is an electronic materials company that manufactures clad metals used for electrodes and current collectors of lithium-ion batteries as well as heat-dispersion materials for automobiles. It has met the demands of clients through its integrated system of production from materials to processing, as well as by creating materials that bring out the properties of metals.

The demand for clad metals used in lithium-ion batteries is expected to increase due to the growing prominence of electric cars in recent years. The market for electric cars is forecast to grow by approximately 30% annually up to 2023\*. As such, it is necessary to ramp up the production capacity of clad metals to meet this rising demand. Thus, the decision was made to transfer SH Copper from the Cable Materials Company to the Specialty Steel Company as of July 1, 2017 in order to strengthen the copper products business, as well as to merge the two companies as of April 1, 2018, with Hitachi Metals Neomaterial as the surviving company. SH Copper will become the Tsuchiura Works of the newly merged company, thus establishing production capacity that can meet the growing demand for clad metals.

The two companies have the same technical base in areas such as melting or rolling of metals, and SH Copper has ample space for expansion on its premises. We aim to generate synergistic benefits by strengthening SH Copper’s copper products business as well as using SH Copper as the new hub for supplying clad metals. In addition, SH Copper and the Electronic Materials Business Unit of the Specialty Steel Company will merge their sales structure as of October 1, 2017, as they share the same client base in market segments such as lead frames and target materials for liquid crystal panels.

By enacting these growth strategies, we will further strive for the continuous growth of our electronic materials business by generating synergistic benefits among Hitachi Metals, SH Copper, and Hitachi Metals Neomaterial.

### ■ Overview of surviving company

Company name	Hitachi Metals Neomaterial, Ltd.
Location	19-1, Minami-Suita 2-chome, Suita, Osaka, 564-0043, Japan
Representative	Masafumi Araki, President
Line of business	Manufacturing and sales of metal materials and processed products for electronic components, electric and IT devices.
Major offices	Corporate Headquarters (Suita Works), Akita Works, Kagoshima Works, Niigata Works, Tsuchiura Works
Capital	¥400 million
Incorporated	October 1, 2004

\* Source: Estimate by Hitachi Metals based on various materials

For press inquiries: Corporate Communications Office, Hitachi Metals, Ltd. [hmcc.sa@hitachi-metals.com](mailto:hmcc.sa@hitachi-metals.com)