

Price Revision on Specialty Steel Company Products

Hitachi Metals, Ltd. (hereinafter : HM) has decided to revise its selling prices for its Specialty Steel Company related products in accordance with the increase in costs of essential resources needed for operation (i.e. scrap metals and alloys (e.g. chromium), other materials, electricity, fuel, transportation fees and others due to a spike in labor costs). The revised prices will be applied to products delivered on and after October 2017.

In recent years, HM has absorbed the effects of price increases in raw materials (i.e. scrap metals and alloys) as well as increased costs of operation, such as for electricity, fuel, transportation fees and secondary materials for steel making. Unfortunately, the increase in such costs has reached a level that overwhelms the achievements of corporate cost reduction efforts (such as improvement in yield, rationalization of production). Therefore, HM has decided to reflect a portion of the cost increases, which cannot be offset by corporate efforts, to selling prices to mitigate their adverse effects.

- 1) Applicable products : Products of the Specialty Steel Company
- 2) Price change : 3–15%
- 3) Effective date : Applied to products delivered on and after October 1st 2017.
- 4) Scope of application : That will be applied to both domestic and export transactions.

HM will allocate its resources, obtained through revision of selling prices, to:

- Improve and sustain the ability to stably and continuously provide quality products,
- Improve and sustain the quality of customer support,
- Improve productivity,
- Improve the capability to develop products based on requirements.