

Hitachi Metals to Establish New Company for Processing and Sales of Tool Steel –Aimed at Enhancing Solution Business for Tool Steel

Hitachi Metals, Ltd. (hereinafter, “Hitachi Metals”), will establish a new company named Hitachi Metals (Ningbo) Co., Ltd., in Ningbo, Zhejiang Province. The purpose of the establishment is to enhance the solution business for tool steel in the People’s Republic of China (hereinafter, “China”). The new company is scheduled to be established in November 2018.

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 Establishment of New Company

Hitachi Metals is committed to expanding business in the global market through the execution of growth strategies to enhance and expand its tool steel business. As part of our growth strategy, we have decided to install a new 10,000-ton class free forging press in Yasugi Works (Yasugi, Shimane Prefecture) to improve the product performance of hot tool steel and to boost productivity. The preparations for the installment are currently underway. Moreover, we have been implementing a range of measures aimed at enhancing solution business. These include the acquisition of Diehl Tool Steel, Inc., in the U.S. by turning it into a consolidated subsidiary, as well as the installment of new facilities for cutting, processing and surface treatment at sales bases in the regions such as Korea, Thailand and Taiwan.

Amid such circumstances, Hitachi Metals will establish a new company in Ningbo, Zhejiang Province of China, installing new cutting, processing and heat treatment facilities. The aim is to reinforce the solution business for tool steel in the Chinese market. China is the world’s largest automobile manufacturing country and further growth is anticipated in the future. With the new addition of Ningbo as one of our business bases, it will become possible for us to swiftly respond to demand in the Ningbo region.

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 New Company

(1) Company name:	Hitachi Metals (Ningbo) Co., Ltd.
(2) Address:	Chunxiao Industrial Park, Ningbo, Zhejiang Province, China
(3) Representative:	Masahiro Otsuka
(4) Capital:	US\$10 million
(5) Date of establishment:	November 2018 (tentative)
(6) Line of business	Cutting, processing and heat treatment of inventories of steel materials and die steel
(7) Number of employees	Approximately 30

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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 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.
