

May 21, 2018
Hitachi Metals, Ltd.

Investment to increase production capacity of cables for factory automation and robot applications

Hitachi Metals, Ltd. (hereinafter referred to as “the Company”) sees cables for factory automation and robot applications as a growing field and will invest a total of approximately 3.0 billion yen in its production plants in Japan, China and Vietnam to increase production capacity.

1. Background to investment

With advances in factory automation and the spread of IoT in recent years, global demand for machining equipment and industrial robots is growing rapidly. In particular, the market for industrial robots is expected to grow at a rate of around 20% per year to 2020.*

Our Cable Materials Company has produced highly bend-resistant cables for factory automation and robot applications, making use of technologies developed for products such as movable cables for industrial applications and sensor cables for automotive applications. Highly rated for stable quality, our cables are used by many customers.

Cables used in industrial robots are required to have specific properties (bend resistance, oil resistance, heat resistance) and comply with safety standards. There is strong demand for industrial robots in Japan as well as in China and Southeast Asia. There is also increasing demand for production systems that allow for the global supply of cables.

Under these circumstances, our cable materials company sees cables for factory automation and robot applications as a growing field and will invest a total of approximately 3.0 billion yen in the production plants at Ibaraki Technos, Ltd., Hitachi Cable (Suzhou) Co., Ltd. and Hitachi Cable Vietnam Co., Ltd. as part of the Global Growth Strategy.

With this investment, we will install equipment with high productivity, such as wire drawing machines and wire bunching machines, develop an IoT-based continuous production equipment monitoring system, stabilize cable quality at a high level, and automate quality management.



Cables for factory automation and robot applications

Our Cable Materials Company aims for annual sales of 10 billion yen by 2020 in the business of cables for factory automation and robot applications through the implementation of the growth strategy, including the increase in production capacity and new product development.

2. Summary of investment

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| (1) Plants | ·Ibaraki Technos, Ltd. (Hitachi, Ibaraki Prefecture)
·Hitachi Cable (Suzhou) Co., Ltd. (Jiangsu, China)
·Hitachi Cable Vietnam Co., Ltd. (Hai Duong Province, Vietnam) |
| (2) Equipment Invested | Wire drawing machines, wire bunching machines, wire extruding machines, etc. |
| (3) Amount Invested | Approx. 3.0 billion yen |
| (4) Time of Completion | 2nd half of 2020 |

* According to information obtained by Hitachi Metals (as of May 21, 2018)

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