

Global Expansion

The Hitachi Metals Group regards tightening environmental regulations and infrastructure projects in each nation and region as business opportunities and supplies products globally to achieve growth in each respective market. Our overseas sales account for 56% of total revenue, and we have solidified our position as a global high-performance materials company.

Scope of operations by region in fiscal 2016

Europe

Revenues **¥42.8 billion**

Number of employees **240**

Regional topics

Cable materials

- Introduced a harness assembly line for wires and cables for rolling stock in the Czech Republic to strengthen the solutions system for Europe, where railway network development is extremely active.

China

Revenues **¥62.7 billion**

Number of employees **3,294**

Regional topics

Specialty steel

- Developed soft ferrite core material with excellent temperature characteristics for automotive use, as well as a new soft ferrite core material with excellent high-frequency characteristics; production under way in Japan and at Hitachi Metals Hong Kong Ltd.'s Pan Yu Factory.
- Reinforced our production lines in Japan and Suzhou, China, to address growing demand for stainless steel piston ring materials for automobile engines; strengthened the global supply system for piston ring materials.

Magnetic materials

- Established Hitachi Metals San Huan Magnetic Materials (Nantong) Co., Ltd.; built an integrated system for neodymium magnets, ranging from raw materials procurement to production and sales, to deliver competitive products with the same quality as those produced in Japan.

Cable materials

- Introduced a new production line in Suzhou, China, to strengthen the rolling stock electric wire business.

Other Asia

Revenues **¥111.5 billion**

Number of employees **5,325**

Regional topics

Specialty steel

- As part of measures to expand sales of our tool steel globally, we upgraded our cutting and processing capabilities at our various bases in South Korea, Thailand, and Taiwan, while strengthening our solution sales system in the Asian market.

Japan

Revenues **¥403.6 billion**

Number of employees **12,296**

Regional topics

Specialty steel

- Developed block core for 100kW ultra high-frequency power converters, using FINEMET® (nanocrystalline magnetic alloys) and Metglas® (amorphous alloys).
- Opened surface treatment plant for tool steel at Hitachi Metals Tool Steel, Ltd. and reinforced surface treatment equipment for Tribec™ (composite PVD technology) coating; accelerated reinforcement of solution sales structure for tool steel.
- Centralized and reinforced R&D functions at Hitachi Ferrite Electronics, Ltd. to strengthen R&D in soft magnetic components and materials business.
- Increased production capacity for precision casting turbine wheels at Hitachi Metals Precision, Ltd.; addressed rapidly growing demand for gasoline turbo engines.
- SH Copper Products Co., Ltd. to be integrated with Hitachi Metals Neomaterial, Ltd. in April 2018 to reinforce cladding materials business.

Magnetic materials

- Introduced innovative production line for neodymium magnets and ferrite magnets at the Kumagaya Works; relocated the Magnetic Materials Research Laboratory to the Kumagaya district, combining it with the production facility to accelerate development of technologies that reflect customer needs.

Functional components

- Increased production capacity of HERCUNITE™ heat-resistant cast components at the Kyushu Works to meet rapidly growing demand for gasoline turbo engines.

North America

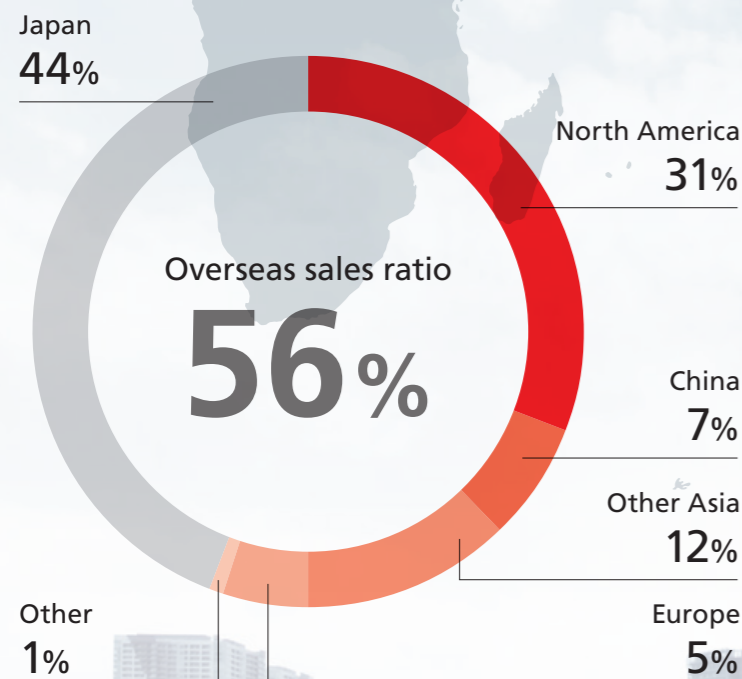
Revenues **¥276.8 billion**

Number of employees **6,774**

Regional topics

Functional components

- Merged Hitachi Metals Automotive Components USA, LLC with Waupaca Foundry, Inc. (surviving company) in April 2016 to expand synergies across North American automotive casting business; deployed strengths of both companies to optimally arrange production and bolster sales.
- Enhanced product quality and production efficiency by establishing dedicated factories for ductile cast iron and gray iron in Waupaca Foundry, Inc.



Note: Regional topics pertain to the period from April 2016 to the end of June 2017.