

March 31, 2017  
Hitachi Metals, Ltd.

## Notice Concerning Establishment of Hitachi Metals Advanced Machining, Ltd. to strengthen the functional components machining (cutting) business

Following the merger<sup>\*1</sup> scheduled for April 1, 2017 between Moka Technos, Ltd. (Head Office: Moka City, Tochigi Prefecture; hereinafter, “MTS”) and Auto-tech, Ltd. (Head Office: Iwaki City, Fukushima Prefecture; hereinafter, “AT”), both of which are Hitachi Metals Group companies engaging in the functional components<sup>\*2</sup> machining (cutting) business, the newly established company will take its first step forward as Hitachi Metals Advanced Machining, Ltd. (Head Office: Moka City, Tochigi Prefecture; hereinafter, “Hitachi Metals Advanced Machining”).

Hitachi Metals Advanced Machining will play a part in strengthening competitiveness of the functional components business and boosting the ability to provide suggestions to customers in the Hitachi Metals Group by improving management efficiency, setting up R&D systems, and building flexible production systems that are adjustable to product mix.

### 1. Background and overview

The Hitachi Metals Group, in an effort to strengthen and expand its functional components business, has accumulated not only casting technology but also other technologies including the development of materials, structural design, machining (cutting), surface treatment and product evaluation, thereby promoting differentiation through increased added value. In particular, machining (cutting) is not only the pivot of improving production efficiency but also a critical process for strengthening competitiveness amid the increased difficulty of processing needed to pursue functionality and weight reduction.

Under these circumstances, we have decided to establish Hitachi Metals Advanced Machining by way of merger between MTS and AT, both of which are Hitachi Metals Group companies engaging in the functional components machining (cutting) business.

Hitachi Metals Advanced Machining will play a part as a core company in the Hitachi Metals Group that engages in the functional components machining (cutting) business, to strengthen competitiveness in the functional components business and boost the ability to provide suggestions to customers by improving management efficiency mainly through the effective use of production facilities and human resources, setting up R&D systems, and building flexible production systems that are adjustable to product mix.

Going forward, the processing of functional components other than cast iron will be also taken into consideration as a new business field to be aggressively pursued.

### 2. Company Overview

Company name	Hitachi Metals Advanced Machining, Ltd.
Head Office	13, Kinugaoka, Moka City, Tochigi Prefecture
Title and name of representative	Shinichiro Ohki, President and Representative Director
Stated capital	80 million yen (wholly-owned by Hitachi Metals, Ltd.)
Business details	Machining (cutting) of functional components
Number of employees	Approx. 100
Factories	Moka City, Tochigi Prefecture and Iwaki City, Fukushima Prefecture



Moka Works



Iwaki Works

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- \*1 Merger: An absorption-type merger between Moka Technos, Ltd. as the surviving company and Auto-tech, Ltd. as the absorbed company.
- \*2 Functional components: Components and materials shaped by means of forging and casting raw materials such as metals.

(For Reference)

Overview of Moka Technos, Ltd.

Head Office	13, Kinugaoka, Moka City, Tochigi Prefecture
Date of incorporation	August 1975
Stated capital	80 million yen (wholly-owned by Hitachi Metals, Ltd.)
Business details	Manufacture and sale of casting components for automobiles

Overview of Auto-tech, Ltd.

Head Office	85-5, Kamenno-o, Jobanmizunoya-machi, Iwaki City, Fukushima Prefecture
Date of incorporation	June 1993
Stated capital	200 million yen (wholly-owned by Hitachi Metals, Ltd.)
Business details	Manufacture and sale of forged and casting components for automobiles