

November 15, 2017
Hitachi Metals, Ltd.
Hitachi Metals Wakamatu, Ltd.

Capital Investment to Boost Production Capacity for Rolls for Steel Mills and Structural Cast Steel Products

Hitachi Metals, Ltd. (hereinafter, “the Company”) has decided to make a capital investment to boost production capacity for cast rolls for hot strip mills and structural cast steel products at Hitachi Metals Wakamatu, Ltd. (hereinafter, “Hitachi Metals Wakamatu”). The amount of capital investment will be approximately 3.0 billion yen.

1. Background

In line with the Medium-term Management Plan ending in FY 2018, the Hitachi Metals Group has been focusing on high-growth segments, concurrently with the roll business being concentrated at domestic manufacturing plants in Japan. Under these circumstances, the Company has decided to acquire a site adjacent to the facility of Hitachi Metals Wakamatu to expand and boost production capacity for cast rolls for hot strip mills and structural cast steel products.

2. Overview

(1) Cast rolls for hot strip mills

In accordance with the progress in creating lighter weight car bodies, demand for high-grade steel sheets or strips such as high-tensile strength steel sheets (high-tensile steel) is expected to undergo significant growth. Accordingly, demand has also increased for high-quality, high-performance rolls which are indispensable for manufacturing high-grade steel sheets or strips.

Hitachi Metals Wakamatu is a core manufacturing subsidiary in the Company’s roll business. It boasts Japan’s top share in the market for cast rolls for hot strip mills and has been an industry leader in technological development capabilities. This is reflected, for example, in its position as a world-leading pioneer in the development of high speed steel composite rolls. With this additional investment, the production capacity of Hitachi Metals Wakamatu will be boosted by 20%.

(2) Structural cast steel products

The Company produces structural cast steel products used for construction materials and other purposes. By further enhancing its cast steel mass production technologies, the Company will further improve productivity, address safety and environmental aspects, and develop facilities that can manufacture large-scale products as well. With this additional investment, the production capacity will increase by 40%.

The Company’s roll business will make use of the development technologies at our domestic plants to further expand global sales, focusing on high value-added rolls for steel mills and structural cast steel products which reflect customer needs.

3. Details of investment

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| (1) Target company | Hitachi Metals Wakamatu, Ltd. |
| (2) Investment amount | Approximately 3.0 billion yen |
| (3) Subject of investment | Casting and processing facilities, land acquisition, and building |
| (4) Start of operation | 2H of FY 2018 |

■ Reference: Overview of Hitachi Metals Wakamatu, Ltd.

Location	9-1, Kitahama 1-chome, Wakamatsu-ku, Kitakyushu-shi, Fukuoka
Representative	Toshiya Iwasaki, Director and President
Business activities	Manufacturing of rolls for steel mills, manufacturing of cylinders for injection molding machines, manufacturing of ceramics and other applied products, processing of cast steel components and related parts
Capital	65 million yen
Establishment	October 2004