



May 25, 2018

To Whom It May Concern:

Company: Hitachi Metals, Ltd.
Representative: Akitoshi Hiraki,
President and Chief Executive Officer
(Code 5486, First Section of the Tokyo
Stock Exchange)
Contact: Tatsuya Minami,
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(Press Information)
Notice Concerning Acquisition of a Consolidated Subsidiary (Santoku Corporation)

As of today, through the consolidation of shares, Hitachi Metals, Ltd. (hereinafter referred to as “the Company”) has acquired Santoku Corporation (hereinafter referred to as “Santoku”), a consolidated subsidiary, making it a wholly owned subsidiary. Details of the acquisition are as below.

1. Background and Purpose

With significant growth expected in the global market of xEV* and other eco-friendly vehicles, the Company is committed to enhancing production systems and optimizing the flow of materials, from raw materials to products, in order to increase the competitiveness of high-performance magnets.

To accelerate these activities, as stated in the April 2, 2018 press release titled “(Progress of Disclosed Matter) Notice Concerning the Acquisition of Shares of Santoku Corporation (as a Subsidiary),” the Company acquired Santoku, a rare earth metal manufacturer, as a subsidiary.

As of today, the Company has made Santoku a wholly owned subsidiary to further strengthen cooperation and speed up the decision-making process.

* xEV: a collective term for electric vehicles (EVs), hybrid electric vehicles (HEVs), and plug-in hybrid electric vehicles (PHEVs)

2. Company Overview (as of May 25, 2018)

(1) Name	Santoku Corporation
(2) Location	4-14-34 Fukaekitamachi, Higashinada-ku, Kobe, Hyogo
Name and position of representative	Tatsuhiko Kakuda, President and Representative Director
(3) Business	Manufacturing and sales of rare earth metal compounds, rare earth metals, magnet materials, and battery materials
(4) Capital	1,500 million yen
(5) Establishment	1949
(6) Stockholder	Wholly owned by Hitachi Metals, Ltd.

3. Number of Shares Held Before and After Consolidation of Shares

(1) Number of shares held before consolidation	4,431,867 shares (Number of voting rights: 4,431) (Proportion of voting rights held: 75.7%)
(2) Number of shares held after consolidation	1 share (Number of voting rights:1) (Proportion of voting rights held: 100.0%)

4. Effective date of consolidation of shares

May 25, 2018

5. Impact on Financial Results

The acquisition will have a minor effect on consolidated performance for the fiscal year ending March 31, 2019.

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