

Ube Machinery Corporation Announces Equity Alliance with Toyo Machinery & Metal

UBE/Japan, March 28, 2014 — Ube Machinery Corporation, Ltd. today announced that it has reached agreement with Toyo Machinery & Metal Co., Ltd. for an equity alliance. The details of the agreement are described below.

1. Reason for Equity Alliance

Ube Machinery engages in the manufacturing, sales, and servicing of die casting machines, injection molding machines, extrusion presses, crushers, kilns, conveying equipment, dust removal equipment, bridge and steel structures, floodgates, and other industrial equipment. In particular, Ube Machinery supplies die casting machines for the automotive sector in Japan and global markets, and is recognized as a world leader in large die casting machines.

Ube Machinery and Toyo Machinery & Metal have an existing business alliance for the manufacturing of die casting machines in China as well as cooperation on the development of electric die casting machines. Having benefited from the existing partnership, the two companies have agreed to expand the alliance to cover the development, manufacturing, and sales of die casting machines. Through the alliance, the two companies will combine their manufacturing strengths in large-sized and small-sized die casting machines respectively, in order to bring highly competitive die casting machines to global markets. Furthermore, the alliance will serve to strengthen and increase sales through the development of products that incorporate the technologies of both companies in the growing market for environmentally-friendly electric die casting machines.

2. Details of Equity Alliance

(1) Details of Business Alliance

The details of the business alliance are as follows.

- a. Divided manufacturing of hydraulic die-casting machines and sales cooperation
- b. Sales cooperation for electric die casting machines and joint development of large electric die casting machines
- c. Joint development of all-electric die casting machines

(2) Details of Equity Alliance

Ube Machinery will acquire 1,450,000 shares of Toyo Machinery & Metal Co., Ltd. owned by its major shareholder Hitachi, Ltd. and a Hitachi subsidiary.

Data for Acquired Shares

- a. Number of acquired shares: 1,450,000 common shares of Toyo Machinery & Metal Co., Ltd.
- b. Acquisition price: ¥559 per share
- c. Total acquisition price: ¥810,550,000
- d. Acquisition method: Transfer of 1,170,735 shares owned by Hitachi Urban Investment, Ltd. and 279,265 shares owned by Hitachi, Ltd.

3. Data of Ube Machinery

(1) Company name	Ube Machinery Corporation Ltd.		
(2) Location	1980 Okinoyama, Kogushi, Ube, Yamaguchi 755-8633 Japan		
(3) Representative	Yukio Hisatsugu, President & Representative Director		
(4) Business Description	Manufacturing, sales, servicing, and maintenance of die casting machines, injection molding machines, extrusion presses, crushers, kilns, conveying equipment, dust removal equipment, bridges and steel structures, floodgates, and other industrial equipment.		
(5) Capital Stock	6,700 million yen		
(6) Established	September 1999		
(7) Shareholder	Wholly owned by Ube Industries, Ltd.		
(8) Non-Consolidated Earnings and Financial Data for Last Three Years (Million Yen)			
Fiscal Year	Fiscal Year Ended March 1, 2011	Fiscal Year Ended March 1, 2012	Fiscal Year Ended March 1, 2013
Non-consolidated net assets	23,154	24,091	25,613
Non-consolidated gross assets	40,923	41,130	45,387
Non-consolidated net assets per share (yen)	1,033,680	1,075,492	1,143,455
Non-consolidated net sales	31,662	30,573	34,614
Non-consolidated operating income	1,001	1,248	2,318
Non-consolidated ordinary income	1,501	1,862	3,172
Non-consolidated net income	1,024	1,347	2,243
Non-consolidated net income per share (yen)	45,734	60,115	100,156
Dividends per share (yen)	18,200	29,000	50,100

4. Data for Equity Alliance Partner

(1) Company name	Toyo Machinery & Metal Co., Ltd.		
(2) Location	523-1 Fukusato Futami-cho Akashi City Hyogo, 674-0091, Japan		
(3) Representative	Santaro Katayama, President & CEO		
(4) Business Description	Manufacturing and sales of injection molding machines, die-casting machines and related components		
(5) Capital Stock	2,507 million yen		
(6) Established	May 1925		
(7) Shareholders	Hitachi, Ltd. (17.09%), Japan Trustee Services Bank, Ltd. (6.67%), Hitachi Urban Investment, Ltd. (5.65%)		
(8) Relationship to Ube Industries	Capital ties	None applicable	
	Business ties	No notable ties	
	Personal ties	None applicable	
	Related party relationship	None applicable	
(9) Consolidated Earnings and Financial Data for Last Three Years (Million Yen)			
Fiscal Year	Fiscal Year Ended March 1, 2011	Fiscal Year Ended March 1, 2012	Fiscal Year Ended March 1, 2013
Consolidated net assets	7,942	8,807	9,764
Consolidated gross assets	16,952	17,532	17,485
Consolidated net assets per share (yen)	382	424	468
Consolidated net sales	18,961	20,103	19,545
Consolidated operating income	803	943	968
Consolidated ordinary income	752	963	1,229
Consolidated net income	707	927	886
Consolidated net income per share (yen)	34	45	43
Dividends per share (yen)	3	4	5

5. Schedule

March 27, 2014 Signing of agreement for equity alliance

March 31, 2014 Scheduled payment date

6. Impact on Ube Industries

The equity alliance will not have an impact on the consolidated earnings for the fiscal year ended March 31, 2014, but is expected to contribute to improving the consolidated earnings of Ube Machinery over the medium and long term.