

January 16, 2018
Nippon Yakin Kogyo Co., Ltd.

Notice of Commencement of Joint Venture Operations in Nanjing, China

On July 12, 2017, Nippon Yakin Kogyo announced plans to establish a joint venture in China. The new company has commenced operations as of January 16, upon completion of all necessary procedures.

As a measure to be a leading top supplier of high performance alloys in Asia as outlined in our “Medium-Term Management Plan” disclosed in May 2017, the joint venture with Nanjing Iron and Steel Co., Ltd., (NISCO) was founded to establish a local production capacity and enhance our marketing channels in order to satisfy growing demand in China.

China is a major market for Nippon Yakin Kogyo’s high performance alloys, and the industrial equipment and machinery industry in China is a major end-user of such materials. Due to the country’s environmental and energy policies and to the government’s focus on advancing industry, the market is expected to continue growing rapidly. In addition to this potential for growth, there has been a higher demand for short lead times, heavier unit weight and wider dimensions in recent years for larger machinery and efficiency improvements to better compete against manufacturers in the US and Europe.

The recent growing needs in Chinese market could be satisfied by outsourcing the manufacturing process of plate materials to NISCO, which owns global cutting-edge production equipment. NISCO also has established strong customer relationships in China including but not limited to large state-owned oil companies, which contributes to diversity our marketing channels in addition to Nippon Yakin Kogyo’s subsidiary in Shanghai. We believe this joint venture will further reinforce our business in high performance alloys market in China.

Corporate profile

Name	NISCO Nippon Yakin Kogyo Nanjing Co., Ltd.
Commencement of operations	January 16, 2018
Address	3F, 35 Puzhou Road, Yanjiang Street, Pukou District, Nanjing, Jiangsu Province, China 210031
Scope of business	Purchase and sales of high performance alloys, consignment of rolling and other manufacturing processes, technological and quality assurance services
Capital	RMB 10 million yuan
Equity stake	Nippon Yakin Kogyo – 60%, NISCO – 37%, Jiangsu Tri-m Special Metals Co., Ltd. – 3%
Chairman	Kun Wang (Nippon Yakin Kogyo, Managing Executive Officer)
Chief operating officer	Hisaki Hirota
No. of officers	6

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