

NEWS RELEASE

October 12, 2016
Shinsho Corporation
Kobe Steel, Ltd.

Steel wire venture in Mexico holds opening ceremony

A joint venture of Shinsho Corporation, Kobe Steel, Ltd. and four other companies held an opening ceremony onsite yesterday to mark the start of production of automotive steel wire in Mexico.

In September 2014, Shinsho and Kobe Steel, together with Metal One Corporation, Osaka Seiko, Ltd., Grupo Simec, S.A.B. de C.V., and O&k American Corporation established a joint venture called Kobelco CH Wire Mexicana, S.A. de C.V. (or KCHM) in Mexico to produce and sell steel wire of cold heading (CH) quality.

The opening ceremony was held at the plant situated in the Santa Fe Industrial Park in Silao, Guanajuato, Mexico. Guests who attended the ceremony included Guanajuato Governor Miguel Márquez Márquez, Silao Mayor Juan Antonio Morales Maciel, Yasuhisa Suzuki, the Consul General of Japan in León, customers, business partners and others.

“By supplying products highly regarded by customers, we hope to contribute to the development of Silao, Guanajuato and Mexico,” said KCHM’s President Mitsufumi Konishi at the ceremony.

“KCHM places its full efforts into manufacturing high-quality products and provides the highest service to customers,” said Shinsho’s President and CEO Ikuhiro Yamaguchi. “As a member of the city of Silao and the state of Guanajuato, KCHM aims to do its utmost to support and contribute to the development of this region,” said Yamaguchi, expressing his aspiration for the joint venture.

KCHM processes steel wire rod into CH wire, which is used to make automotive fasteners (nuts and bolts) and cold-forging products for sale to automotive parts manufacturers in Mexico. By producing in an area of rising demand, KCHM will be able to provide attentive and quick delivery of CH wire of outstanding surface quality and contribute to expanding the business of its customers.



Tape-cutting ceremony: Third from left is KCHM's President Mitsufumi Konishi. Fifth from left is Shinsho's President and CEO Ikuhiro Yamaguchi.

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Additional Information on KCHM

1. Profile of Kobelco CH Wire Mexicana, S.A. de C.V.

Location:	Santa Fe Industrial Park, Silao, Guanajuato, Mexico
President:	Mitsufumi Konishi (from Shinsho)
Established:	September 2014
Start of production:	January 2016
Business:	Manufacture and sale of CH wire*
Capital:	US\$11,942,000
Total investment:	US\$35 million
Equity share:	Shinsho 40%, Metal One 25%, Kobe Steel 10%, Osaka Seiko 10%, Simec 10%, O&k American 5%
Employees:	30 (as of September 2016)
Site area:	41,225 sq m (building area:11,000 sq m)
Production capacity:	40,000 tons per year
Main equipment:	Wire drawing equipment, pickling equipment, heat treatment furnaces

*Wire rod undergoes drawing and heat treatment at ordinary temperature to make CH wire of suitable dimension accuracy and quality for parts processing (cold heading). CH wire is used as material for nuts, bolts and other products.

2. Location



3. Outside view of facility



4. Main equipment

Equipment	Number
Wire drawing line	5 lines
Automatic pickling & coating line	1 line
Heat treatment line (STC furnaces)	2 lines

5. Profiles of Parent Companies

Shinsho Corporation

Head office: Osaka, Japan
President and CEO: Ikuhiro Yamaguchi
Sales: 791.3 billion yen (year ended March 31, 2015)
Employees: 1,426 (at March 2016)
Business: Import/export and trading of iron and steel, raw materials, nonferrous metals, machinery and welding materials

Kobe Steel, Ltd.

Head office: Kobe, Hyogo, Japan
President and CEO: Hiroya Kawasaki
Sales: 1,822.8 billion yen (year ended March 31, 2016)
Employees: 36,338 (at March 2016)
Business: Iron and steel, welding, aluminum and copper, machinery, engineering, construction machinery, and wholesale power supply

Metal One Corporation

Head office: Tokyo, Japan
President & CEO: Iwao Toide
Sales: 1,974.0 billion yen (year ended March 31, 2016)
Employees: About 10,000 (at March 2016)
Business: Import/export and trading of steel products

Osaka Seiko, Ltd.

Head office: Higashi-Osaka, Osaka, Japan
President: Noriaki Sawada
Sales: 18.3 billion yen (year ended March 31, 2016)
Employees: About 280 (at October 2016)
Business: Production and sale of CH steel wire, shaped steel wire and bar, and cold-forging parts

Grupo Simec, S.A.E. de C.V.

Head office: Guadalajara, Jalisco, Mexico
Chief Executive Officer: Luis Garcia Limon
Sales: US\$1.67 billion (year ended December 2015)
Employees: About 5,000 (at December 2015)
Business: Production and sale of special steel wire rod and bar
Note: Parent company of Republic Steel

O&k American Corporation

Head office: Chicago, Illinois, USA
President: Kazuta Oku
Business: Production and sale of CH steel wire and bearing steel wire