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## Siemens and Mitsubishi Heavy Industries form joint venture for metals industry

- **Strong partners with complementing technological competencies found joint venture**
- **Existing regional organizations ideally complement one another**
- **Structures tailored to global market requirements and the international competitive environment**

Siemens and Mitsubishi Heavy Industries (MHI) want to cooperate in the field of metallurgical industry and are forming a globally operating complete provider for plants, products and services for the iron, steel and aluminum industry. Responding to the challenging market environment and high price pressure, two strong partners are bundling their individual strengths and establishing a powerful and globally well positioned joint venture. An agreement to this effect has just been signed. According to the agreement, MHI will hold a 51-percent and Siemens a 49-percent stake in the joint venture. Subject to approval of the relevant authorities, the joint venture will start operations in January 2015.

Both partners are contributing their metallurgical industry activities to the joint venture. The new joint venture will integrate Mitsubishi-Hitachi Metals Machinery, Inc. (MH) – an MHI consolidated group company with equity participation by Hitachi, Ltd. and IHI Corporation. Siemens and MHI ideally complement one another with regard to their product portfolios, production know-how and geographical spread. The new joint venture with approximately 9,000 employees will focus fully on business with iron, steel and aluminum-producing industry. The company's structures are lean and tailored to global market requirements and the international competitive environment. The bundling of competencies will result in a powerful joint venture that is better able to compensate for market fluctuations.

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The company's headquarters will be located in the United Kingdom. The joint venture includes supply agreements for Siemens' Industry Automation and Drive Technologies Divisions.

Regionally, the steel market has strongly shifted to Asia. Over 50 percent of the world's steel production now takes place in China, with growing competition also through local technology providers. Drawing on the centers of competence of Siemens Metals Technologies in Central Europe and those of MHI in Asia, the new joint venture has a very solid regional set-up.

The portfolios of the two partners ideally complement one another. While the technology strengths of Siemens Metals Technologies lie in particular in iron and steel production, casting, automation, environmental technologies and lifecycle services, MHI's technology competence is primarily focused on hot and cold rolling, processing as well as production expertise. By combining both portfolios, the joint venture can offer its customers the entire value chain in iron, steel and aluminum production, from technologies for processing raw materials to surface finishing at the end of the production process, as well as the related lifecycle service competencies.

The **Metals Technologies Business Unit** (headquartered in Linz, Austria), part of the Siemens Industry Sector, is a worldwide leading lifecycle partner for the metals industry. The Business Unit offers a comprehensive technology, modernization, product and service portfolio and integrated automation and environmental solutions for complete plant lifecycles. Further information is available in the Internet at:

[www.siemens.com/metals](http://www.siemens.com/metals)

**Mitsubishi Heavy Industries**, Ltd. (MHI), headquartered in Tokyo, Japan, is one of the world's leading heavy machinery manufacturers, with consolidated sales of 2,817.8 billion yen in fiscal 2012, the year ended March 31, 2013. MHI's diverse lineup of products and services encompasses shipbuilding, power plants, chemical plants, environmental equipment, steel structures, industrial and general machinery, aircraft, space systems and air-conditioning systems. The steel production machinery divisions of Mitsubishi Heavy Industries and Hitachi were combined in the year 2000 to create Mitsubishi-Hitachi Metals Machinery, Inc. (MH), establishing a worldwide leading company for steel production machinery. For more information, please visit [www.mhi-global.com/index.html](http://www.mhi-global.com/index.html) and [www.m-hmm.co.jp/index.html](http://www.m-hmm.co.jp/index.html)

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Find all information regarding Siemens' strategic realignment and the combined press and analyst conference on May 7, 2014 at 8:45 AM CEST at

[www.siemens.com/pressconference](http://www.siemens.com/pressconference)

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