

We are proactively achieving a further growth through innovation

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I first like to thank all of our valued stakeholders for your ongoing support for Suzuki Metal Industry Group.

In 2013, Suzuki Metal Industry Group has continuously advanced a series of projects toward globalization and strengthening domestic infrastructure. Thai Special Wire, our group company in Thailand, has completed capacity investment to enhance quality and productivity, and Narashino plant's refurbishment plan of production facility and infrastructure progressed as scheduled.

In the first half of FY2013, Suzuki Metal Industry Group delivered consolidated sales of 26.8 billion yen and consolidated net income before tax of 826 million yen. In addition, our annual sales forecast is 54 billion yen and net income before tax of 1.8 billion yen, representing increases in income and profit in comparison with FY2012.

In 2014, an economic outlook of Japan is expected to continue to be positive since the beginning of the last year. As well, the global economy shows an upward trend although a few exceptional cases remain. Thanks to the tailwind, we are aiming to be an attractive global company for stakeholders and to increase corporate value, specifically, committed with the below themes.

#### 1. Strengthening global businesses

We will strengthen global businesses as there has been a continuing growth opportunity. Specifically, we have started supplying spring wire for automotive vehicles through Thai Special Wire to surely capture increasing business opportunity in the Asia region, as its capacity investment has been completed. Our marketing department and production sites will strongly collaborate to fully utilize Suzuki Garphyttan Wire (Suzhou) and Suzuki Garphyttan Corp. (South Bend) so as to expand marketing

capability for European and Japanese automotive industry.

Keeping eyes on any business opportunity, we always pursue innovative projects, which could be extendable to outside combustion engine components.

## 2. Pursuing technology innovation

1st phase of Narashino plant's refurbishing project launched in 2012 will be completed by the end of this spring. We will start the 2nd phase which consists of a facility consolidation and a speed-up manufacturing process for the rest of the plants. We utilize state-of-art technologies and know-how accumulated through long years of business to pursue higher productivity and process as the competition will increasingly be tougher. We will address diversifying market segments with commodity and high-end sectors by closely interacting with customers and invest whenever necessary.

In 2013, we managed to launch new products onto the market. We maintain our focus on developing with customers' needs in mind and market new products.

We always emphasize on CSR and continue to improve compliance and internal audit activity. We take measures for global environmental conservation. We are vigorously engaged in community activity. We promote safety policy as our corporate principle.

With regard to human resource development, I firmly believe the philosophy that "manufacturing products is manufacturing human". For employees of Suzuki Metal Industry Group, we keep making efforts in providing human resource development programs at various career stages and personnel exchange programs across global sites, and so on.

Since we have celebrated our 75th anniversary, I follow in our founders' footsteps to move forward and proactively achieve a further growth through innovation.

I wish you a happy new year, and your good health and prosperity for 2014.

Thank you.