

Press release

20 June 2012

€ 20 m capital increase for Sumitomo (SHI) Demag

Sumitomo (SHI) Demag invests in new production systems

The Japanese parent company, Sumitomo Heavy Industries (SHI) Ltd., is investing a further €20 m in maintaining and extending the technological leadership at the injection moulding machine manufacturer Sumitomo (SHI) Demag Plastics Machinery GmbH with its headquarters in Schwaig/Germany.

At its sites in Schwaig near Nuremberg and Wiehe in Thuringia, the manufacturer of injection moulding machines is gearing up for a modernisation of the production systems in its plants in Germany. The main item in the most recent investment concerns buying back the property and buildings of the sales and works site in Schwaig. In addition, investments are being made in new processing machines as well as modernisation of production facilities.

Sumitomo (SHI) Demag (formerly Demag Ergotech GmbH) was owned by the investment company Madison Capital Partners, Chicago/USA from 2005 to 2007. The investor sold the buildings and property of the Schwaig-based injection moulding machine manufacturer to the real estate company, SEGRO. SEGRO, Europe's leading-owner manager and developer of industrial property, has owned this property since 2008. In the intervening years, the site

was rented from SEGRO. With this investment, Sumitomo Heavy Industries is acknowledging the growing market share captured by Sumitomo (SHI) Demag over recent quarters. The buy-back of the production site underlines the high level of confidence placed in Germany as a production location.

Sumitomo (SHI) Demag Plastics Machinery GmbH

Sumitomo (SHI) Demag has lastingly shaped the plastics industry from the very beginning. Being a specialist for injection moulding machines for polymer processing, Sumitomo (SHI) Demag and its Japanese parent company are among the leading companies in this sector globally. The Japanese-German company was formed in the spring of 2008 by merging the injection moulding activities of Sumitomo Heavy Industries (SHI) and those of Demag Plastics Group.

The global development and production network of Sumitomo Heavy Industries and Sumitomo (SHI) Demag consists of five plants in Japan, Germany and China with more than 3,000 employees. The product portfolio encompasses all-electric, hydraulic and hybrid injection moulding machines with clamping forces of between 180 and 20,000 kN. With over 100,000 machines installed, Sumitomo (SHI) Demag is present in all important markets throughout the world.

With more than 5,000 machines sold each year, the Plastics Machinery Business of Sumitomo Heavy Industries counts as one of the largest Global manufacturer of injection moulding machines.

The main Sumitomo plant in Chiba produces machines with low and medium clamping forces. Around 95 % of

all machines supplied by Japan have an all-electric drive.

The main Demag facility in Schwaig/Germany focuses on the hydraulic Systec and the hybrid high performance, high-speed EI-Exis machines. Recognising the increasing importance of electric drive technology for injection moulding machines, Sumitomo (SHI) Demag has expanded the former Demag factory in Wiehe/Germany into an international centre of competence for electric machines. Thanks to the new production capacities, Wiehe now supplies all electric injection moulding machines worldwide with its IntElect series with clamping forces up to 4,500 kN and also the hydraulic Systec series with clamping forces of up to 1,200 kN.

Sumitomo (SHI) Demag continues to operate the former Demag plant in Ningbo/China which has been active since 1998. Since 2007 the subsidiary located there, Demag Plastics Machinery (Ningbo) Co., Ltd, had its own, newly built plant and after reaching full capacity, moved to a larger factory with a production area of 11,000 sqm. Injection moulding machines from the Systec C product line with clamping forces of between 500 and 10,000 kN are produced here for Asian markets.

In addition to injection moulding machines, Sumitomo (SHI) Demag offers customised and standardised systems for the automated handling of moulded parts, technical solutions for special applications in process engineering, tailor-made service concepts and various forms of financing for investments in injection moulding machines.

With its seamless sales and service network of subsidiaries and representations, Sumitomo (SHI) Demag is present in all major industrial markets.

www.sumitomo-shi-demag.eu

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Notary Dr. Michael Reindl, COO Shaun Dean, Sumitomo (SHI) Demag, Mr. Sebastian Ott, SEGRO, and CEO Dr. Tetsuya Okamura as well as Andreas Mehmel, both from Sumitomo (SHI) Demag (from left) sign and seal the buy-back of the site in Schwaig

Photo: Sumitomo (SHI) Demag