

# **Hitachi Metals**

**Financial Results for Fiscal Year**

**Ended March 31, 2017**

**Operating Results Forecast for Fiscal Year**

**Ending March 31, 2018**

**April 28, 2017**

**This document contains forward-looking statements, such as results forecasts, management plans and dividend forecasts, that are not historical facts.**

**All such forward-looking statements are based upon all available information and upon assumptions and projections that were deemed reasonable at the time the Company prepared this document.**

**Changes to the underlying assumptions or circumstances could cause the actual results to differ substantially. The factors causing such differences include, but are not limited to, the following:**

- **Changes in economic conditions and regulations in the main markets where the Company operates, particularly Japan, the Americas, Asia and Europe**
- **Sudden changes in technological trends**
- **Changes in competitive advantage and the capabilities of the Company and its subsidiaries and affiliates to develop and commercialize new products and technologies**
- **Fluctuations in the status of product markets, exchange rates and international commodity markets**
- **Changes in the financing environment**
- **The capability of the Company and its subsidiaries and affiliates to cope with fluctuations in product supply and demand, the status of product markets, exchange rates and international commodity markets**
- **Protection of the Company's intellectual property, and securing of licenses to use the intellectual property of other parties**
- **Changes in the status of alliances with other parties for product development, etc.**
- **Fluctuations in Japanese stock markets**

<b>1</b>	Financial Results for FY2016 (Fiscal Year Ended Mar. 31, 2017)
<b>2</b>	Operating Results Forecast for FY2017 (Fiscal Year Ending Mar. 31, 2018)

## Trend in demand

**The global economy modestly recovered primarily in advanced countries. The Japanese economy remained on a gradual recovery trend on the back of improvement in the employment and income environment, despite weak exports and production.**

- **Sales of the automobile industry increased compared to FY2015, owing to domestic demand turning to an increase after the end of 2016 and increased demand in China and Europe, despite sales of new vehicles reaching a peak in the United States.**
- **Industrial infrastructure-related demand for steel products showed signs of growth in Japan in the construction sector, while global demand was weak.**  
**Housing starts in the U.S. and Japan saw an increase.**
- **In the electronics industry, demand for household appliances increased, mainly in Japan, while demand for mobile devices recovered toward March 2017.**

# 1-2. FY2016 Overview of Operating Results (1)

(¥billions) Profit margin in brackets	FY2015 Business Performance US\$1 = ¥120	FY2016 Business Performance US\$1 = ¥108	Year-on-Year	Difference from forecast	Supplementary Note
Revenues	1,017.6	910.5	-11%	+3%	Decrease in revenues compared to FY2015 from a drop in raw materials prices (sliding-scale pricing system), yen appreciation, slowdown in demand, business structure reforms.
Adjusted operating income <sup>*1</sup>	[7.5%] 76.1	[7.2%] 66.0	-10.1	-1.0	Decrease in income compared to FY2015 from yen appreciation, slowdown in demand, and responding to new product of heat-resistant casting components, despite positive effects from cost reductions and <i>ironozukuri</i> innovations.
Other income	36.4	14.1	-22.3		Income from business restructuring, etc.: FY2015: ¥30.2 billion Former Hitachi Tool Engineering, etc. FY2016: ¥8.5 billion Transfer of Information System Business, SH Materials, etc.
Other expenses	-12.5	-11.8	+0.7		
IFRS operating income	[9.8%] 100.0	[7.5%] 68.3	-31.7	+0.3	
EBIT	99.1	68.5	-30.6	+3.3	Increase from forecast due to reduction in foreign exchanges losses (term-end exchange rate forecast US\$1=¥100 → actual US\$1=¥112) and increase in share of profit of entities accounted for using equity method
Income before income taxes	96.2	66.0	-30.2	+3.0	
Income taxes	-27.3	-15.3	+12.0		
Net income attributable to shareholders of the parent company	69.1	50.6	-18.5	+5.6	
ROA <sup>*2</sup>	6.7%	4.9%	-1.8%	+0.3%	
ROE <sup>*3</sup>	13.9%	9.4%	-4.5%	+0.4%	
Percentage of revenues from overseas markets <sup>*4</sup>	56%	56%	-	+1%	

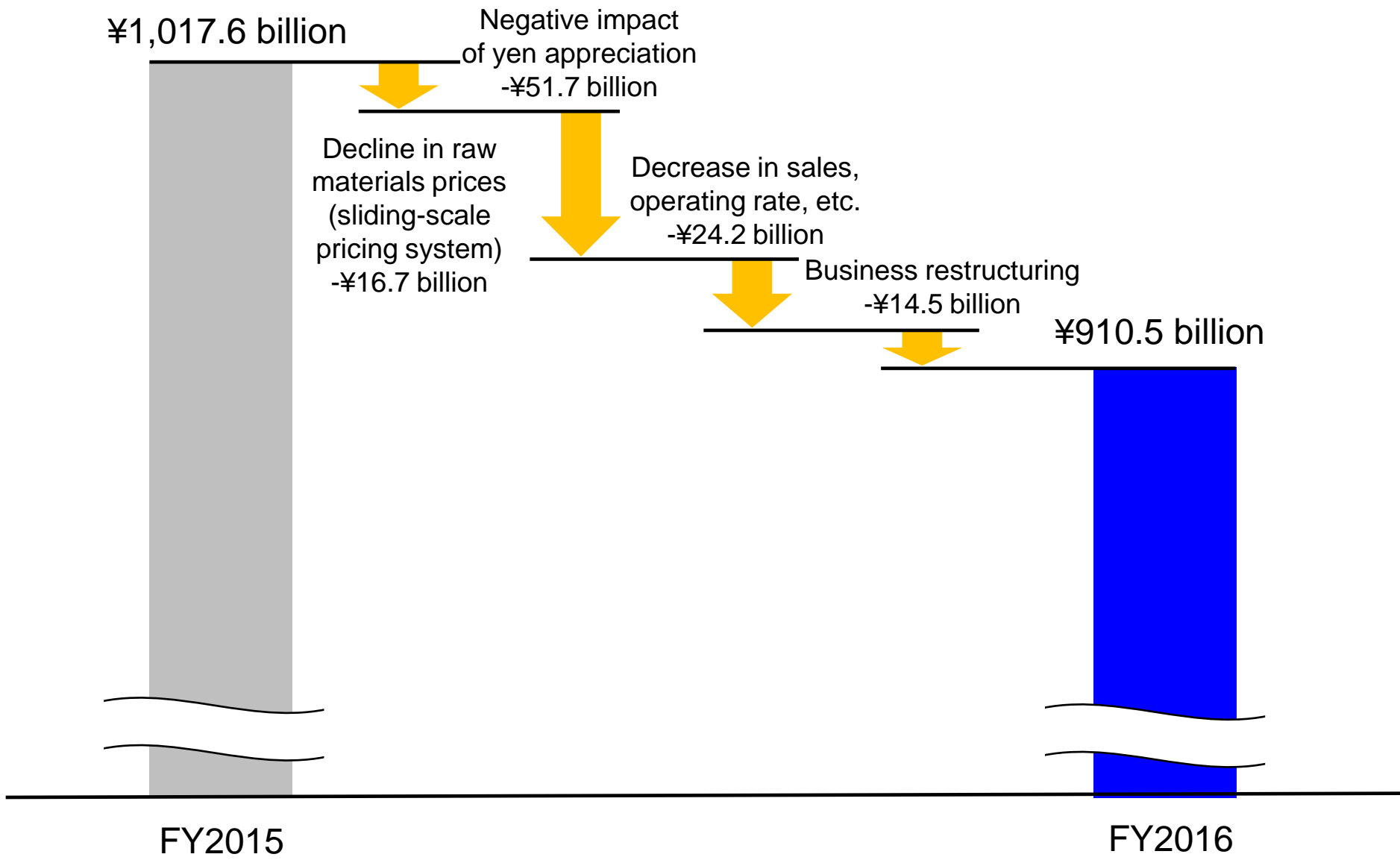
\*1 Adjusted operating income: (Revenues) – (Cost of sales) – (Selling, General, & Administrative expenses)

\*2 Term-end return on total assets

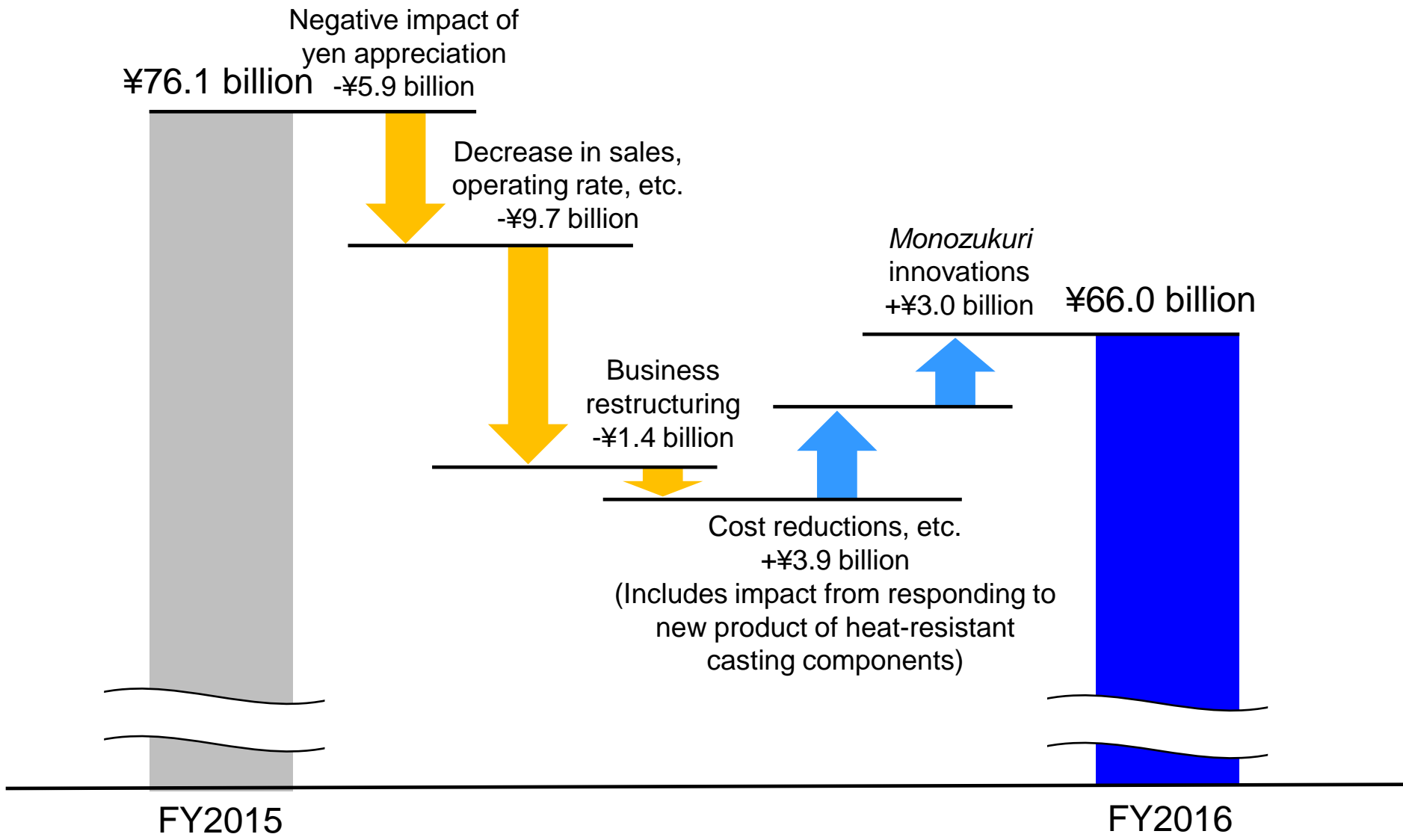
\*3 Term-end return on equity attributable to shareholders of the parent company

\*4 Overseas revenues by region: FY2015: North America, 31%; China, 7%; Asia (exc. China), 12%; Europe, 5%; Others, 1%  
FY2016: North America, 31%; China, 7%; Asia (exc. China), 12%; Europe, 5%; Others, 1%

# 1-3. Factors Behind Increase/Decrease in Revenues (Year-on-Year)



# 1-4. Factors Behind Increase/Decrease in Adjusted Operating Income (Year-on-Year)



# 1-5. FY2016 Overview of Operating Results by Segment

(¥billions) Profit margin in brackets		FY2015 Business Performance US\$1 = ¥120	FY2016 Business Performance US\$1 = ¥108	Year-on-Year	Difference from forecast
High-Grade Metal Products and Materials	Revenues	256.7	234.7	-9%	+2%
	Adjusted operating income	[10.5%] 27.0	[10.0%] 23.5	-3.5	-0.5
	Operating income of the segment	[20.7%] 53.1	[9.1%] 21.3	-31.8	
Magnetic Materials and Applications	Revenues	105.3	99.8	-5%	+4%
	Adjusted operating income	[6.6%] 6.9	[9.3%] 9.3	+2.4	+0.8
	Operating income of the segment	[6.6%] 7.0	[9.3%] 9.3	+2.3	
High-Grade Functional Components and Equipment	Revenues	365.1	333.5	-9%	+6%
	Adjusted operating income	[7.1%] 26.1	[5.2%] 17.5	-8.6	-1.5
	Operating income of the segment	[6.5%] 23.6	[4.8%] 15.9	-7.7	
Wires, Cables, and Related Products	Revenues	288.2	241.4	-16%	+2%
	Adjusted operating income	[5.2%] 15.0	[6.1%] 14.7	-0.3	-0.3
	Operating income of the segment	[5.6%] 16.0	[8.7%] 21.0	+5.0	
Other Adjustments	Revenues	2.3	1.1	-	-
	Adjusted operating income	1.1	1.0	-0.1	+0.5
	Operating income	0.3	0.8	+0.5	
Total	Revenues	1,017.6	910.5	-11%	+3%
	Adjusted operating income	[7.5%] 76.1	[7.2%] 66.0	-10.1	-1.0
	Operating income	[9.8%] 100.0	[7.5%] 68.3	-31.7	

Remarks: In the Magnetic Materials and Applications segment, soft magnetic materials were transferred to the High-Grade Metal Products and Materials segment in FY2016. Furthermore, corporate research expenses were allocated to internal companies. Business performance for FY2015 reflects the above changes to the categories of the reportable segments.



# 1-6. Operating Results by Segment: High-Grade Metal Products and Materials (1)

## ■ Overall Summary

### [Revenues, adjusted operating income]

Both revenues and income decreased, affected by an economic slowdown mainly in Asia and a drop in demand for soft magnetic materials in China, despite an increase in demand for environment-friendly products related to automobiles.

### [Operating income of the segment]

Posted gains on business reorganization and others of ¥27 billion arising from the transfer of shares of Hitachi Tool Engineering Co., Ltd. (currently named Mitsubishi Hitachi Tool Engineering Co., Ltd.) during FY2015.

## ■ Overview by Product

### [Specialty steel]

#### -Molds and tool steel:

Sales fell below those for FY2015 due to inventory adjustments in 1Q, 2016 affected by an economic slowdown, mainly in Asia.

#### -Industrial equipment materials:

Sales of environment-friendly products related to automobiles increased, and sales of other industrial components were also strong.

#### -Aircraft-related and energy-related materials:

Faced an in-between season of demand.

#### -Alloys for electronic products:

Sales of display-related materials were stagnant.

### [Rolls]

#### -Various types of rolls:

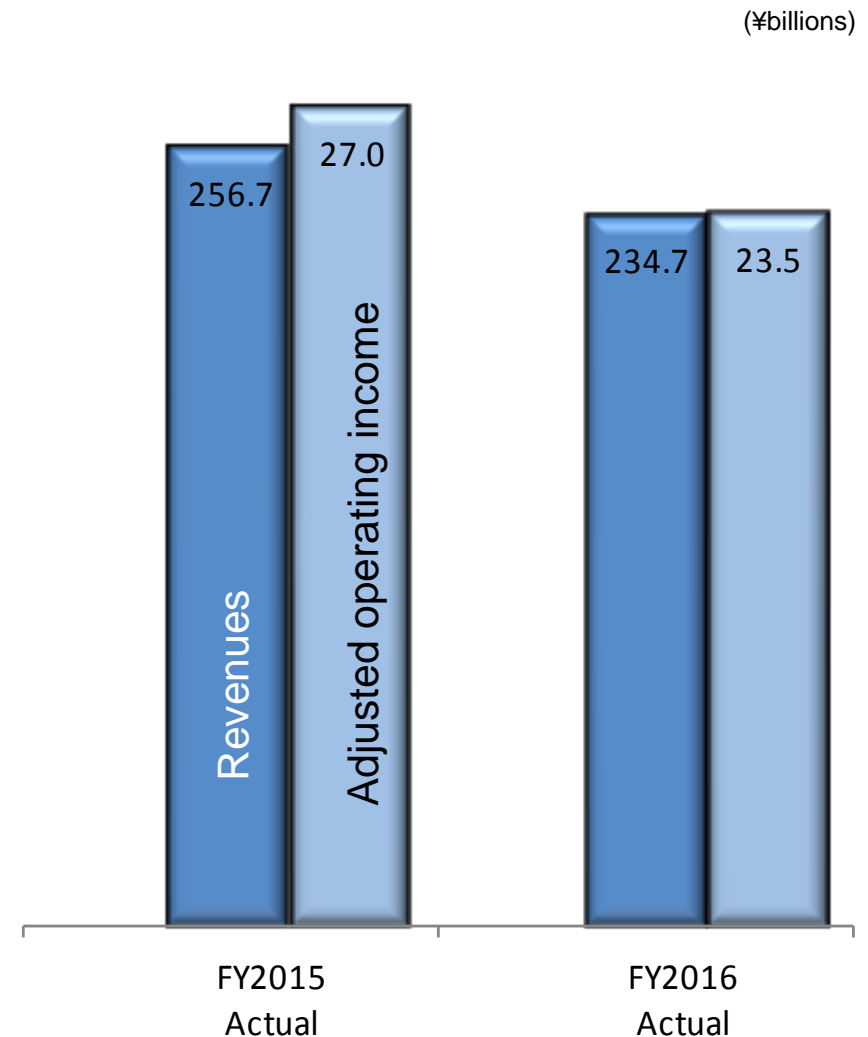
Discontinued production at Baosteel Hitachi Rolls (Nantong) Ltd. as of September 1, 2016 with the objective of concentrating management resources in high value-added products.

#### -Injection molding machine parts:

Sales were affected by a decline in demand for mobile devices.

### [Amorphous metals]

Sales as a whole fell below those for FY2015 due to a drop in demand in China, despite an increase in demand in India.



# 1-7. Operating Results by Segment: High-Grade Metal Products and Materials (2)

(¥billions)		FY2015 Business Performance US\$1 = ¥120	FY2016 Business Performance US\$1 = ¥108	Year-on- Year	Difference from forecast
High-grade metal products and materials	Revenues	256.7	234.7	-9%	+2%
	Specialty steel <sup>◎</sup>	197.1	186.5	-5%	
	Molds and tool steel <sup>□</sup>			-6%	
	Industrial equipment materials <sup>□</sup>			+3%	
	Aircraft-related and energy-related materials <sup>□</sup>			-15%	
	Alloys for electronic products <sup>□</sup>			-3%	
	Rolls <sup>◎</sup>	25.6	20.6	-20%	
	Soft magnetic materials <sup>◎</sup>	33.8	27.7	-18%	
	Adjusted operating income	27.0	23.5	-3.5	-0.5
	Adjusted operating margin	10.5%	10.0%	-0.5%	-0.4%
Operating income of the segment	53.1	21.3	-31.8		

◎ Simple sum before eliminating intersegment revenues.

□ Indicates the change in revenues calculated by a simplified method.

# 1-8. Operating Results by Segment: Magnetic Materials and Applications (1)

## ■ Overall Summary

### [Revenues]

Revenues decreased due to the effects of the reduction in raw material prices (a sliding-scale raw material price system) and the appreciation of the yen, despite demand turning to an increase in the second half.

### [Adjusted operating income]

Income increased owing to strong demand despite the effects of the appreciation of the yen.

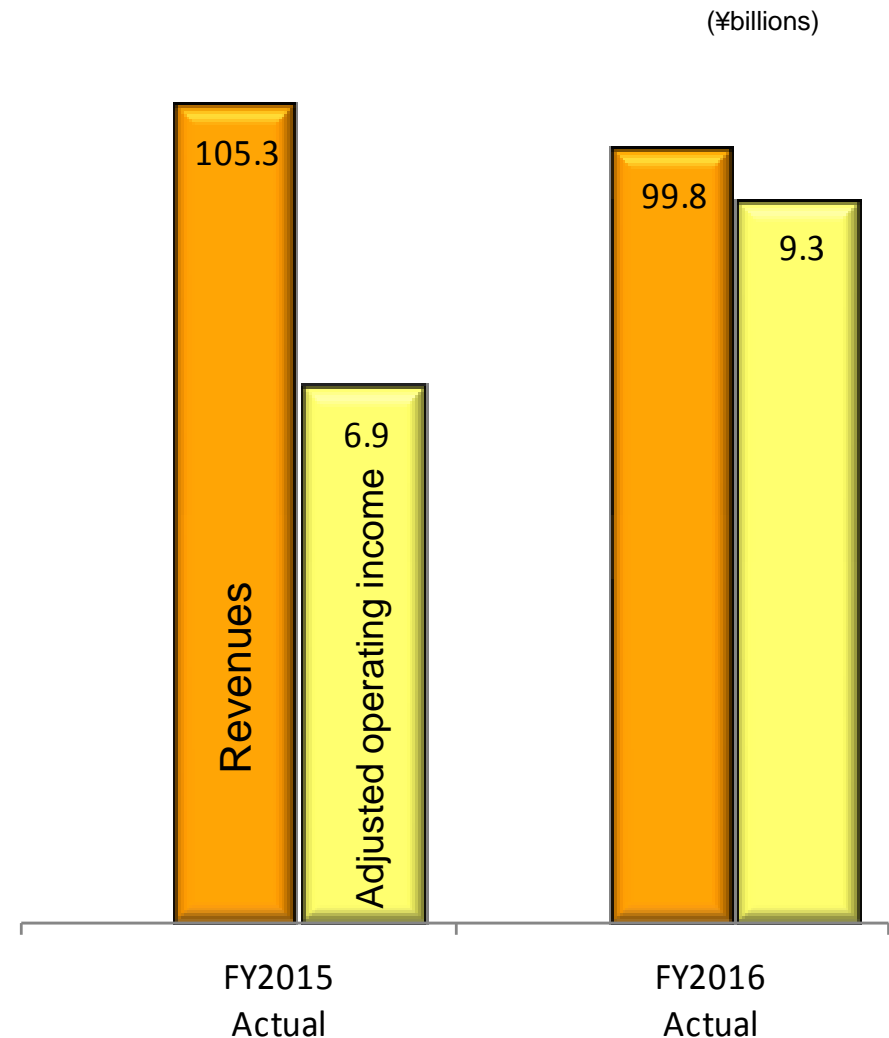
## ■ Overview by Product

### [Rare earth magnets]

Demand in automotive electronic components for electric power steering and hybrid automobiles was strong, and demand for industrial equipment and household appliances exceeded the same level as that for FY2015.

### [Ferrite magnets]

Strong demand was noted for automotive electronic components and household appliance parts.



# 1-9. Operating Results by Segment: Magnetic Materials and Applications (2)

(¥billions)		FY2015 Business Performance US\$1 = ¥120	FY2016 Business Performance US\$1 = ¥108	Year-on- Year	Difference from forecast
Magnetic materials and applications	Revenues	105.3	99.8	-5%	+4%
	Rare earth magnets (weight)			+14%	
	Ferrite magnets (weight)			+5%	
	Adjusted operating income	6.9	9.3	+2.4	+0.8
	Adjusted operating margin	6.6%	9.3%	+2.7%	+0.5%
	Operating income of the segment	7.0	9.3	+2.3	

# 1-10. Operating Results by Segment: High-Grade Functional Components and Equipment (1)

## ■ Overall Summary

### [Revenues]

Revenues decreased due to the effects of decreased demand for farming machinery and construction machinery components as well as exchange rate effects, despite sustained high level of demand in pickup trucks in North America.

### [Adjusted operating income]

Income decreased due to exchange rate effects and responding to new products in heat-resistant casting components that are difficult to process.

## ■ Overview by Product

### [Casting components for automobiles]

-Cast iron products: Despite sustained high level of demand for cast iron products for pickup trucks in North America, sales of cast iron products as a whole decreased due to a drop in demand for cast iron products for farming machinery and construction machinery resulting from economic slowdown in emerging countries and weak grain and crude oil prices.

-Heat-resistant casting components:

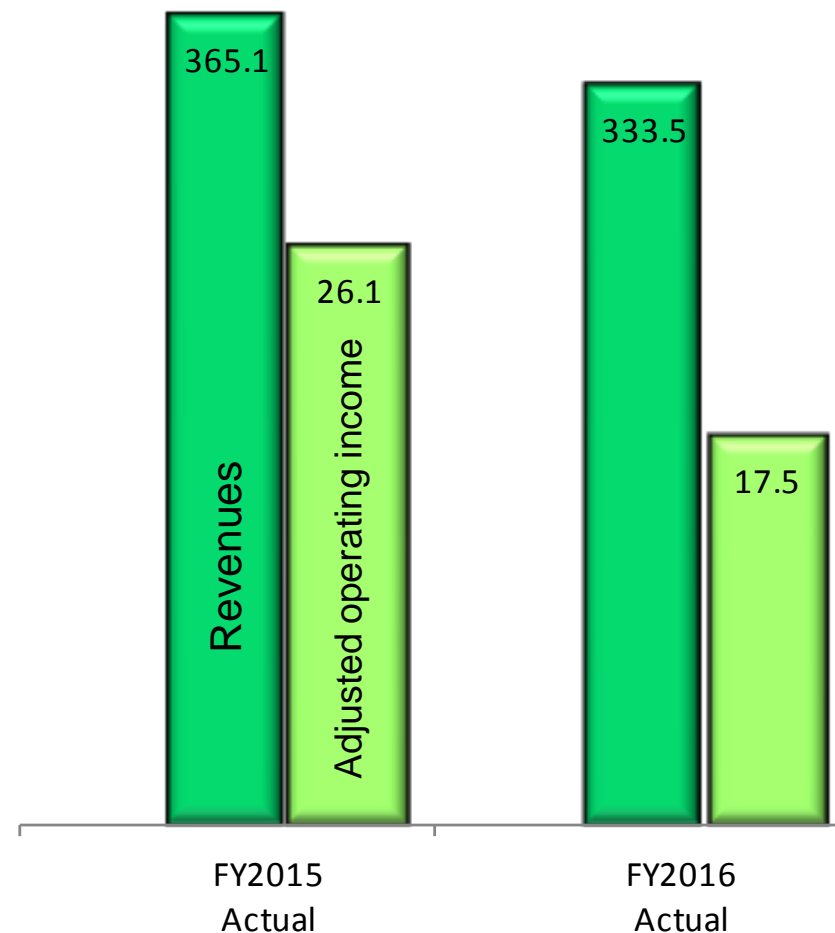
Sales exceeded those for FY2015 due to significant sales growth in the United States and Asia.

-Aluminum wheels: Sales decreased due to a drop in shipments as well as the effect of the strong yen.

### [Piping components]

Sales of piping components overall fell due to the effects of the delay in large-scale constructions in Japan despite steady demand for housing-related supplies on the back of the increased number of new housing starts both in Japan and overseas.

(¥billions)



# 1-11. Operating Results by Segment: High-Grade Functional Components and Equipment (2)

(¥billions)		FY2015 Business Performance US\$1 = ¥120	FY2016 Business Performance US\$1 = ¥108	Year-on- Year	Difference from forecast
High-grade functional components and equipment	Revenues	365.1	333.5	-9%	+6%
	Casting components for automobiles <sup>Ⓞ</sup>	315.3	284.9	-10%	
	Cast iron products (weight)			-4%	
	Heat-resistant exhaust casting components (HERCUNITE™) (weight)			+53%	
	Aluminum wheels (number)			-8%	
	Piping components <sup>Ⓞ</sup>	49.8	48.6	-2%	
	Adjusted operating income	26.1	17.5	-8.6	-1.5
	Adjusted operating margin	7.1%	5.2%	-1.9%	-0.8%
	Operating income of the segment	23.6	15.9	-7.7	

Ⓞ Simple sum before eliminating intersegment revenues.

# 1-12. Operating Results by Segment: Wires, Cables, and Related Products (1)

(¥billions)

## ■ Overall Summary

### [Revenues]

Revenues decreased due to the impact of a drop in revenue from magnet wires and electrical wires and cables for construction, structural reforms, as well as a decline in raw materials prices (a sliding-scale raw material price system), despite an increase in wires and cables for rolling stocks.

### [Adjusted operating income]

Income remained at the same level as that for FY2015 due to an increase in wires and cables for rolling stocks, despite a drop in income from magnet wires and electrical wires and cables for construction.

### [Segment income]

Segment income increased due to the posting of gains recognized on business transfer and others of ¥8.4 billion (the Information System Business, SH Materials Co., Ltd.).

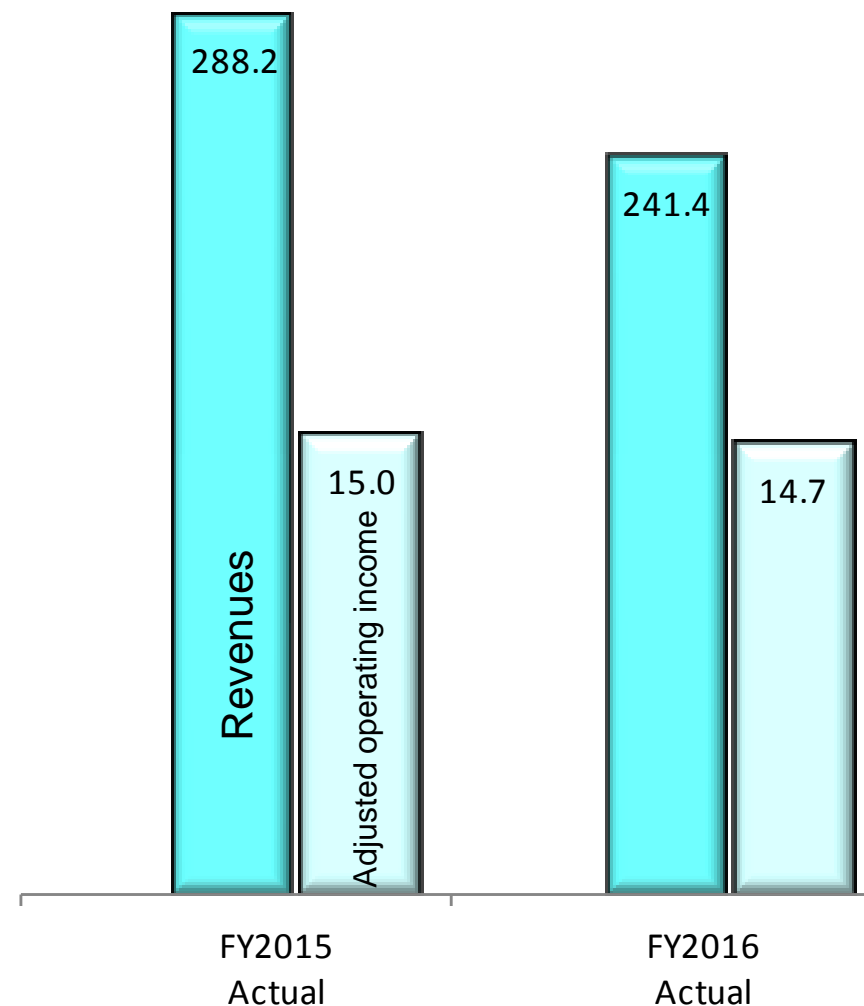
## ■ Overview by Product

### [Electric wires and cables]

While revenues from magnet wires and electric wires and cables for construction decreased, sales of wires and cables for rolling stocks, which is one of the focus areas of the Group, grew significantly, especially for China.

### [Functional components]

- Automotive products: Demand for both electronic components for automobiles and brake hoses was strong.
- Probe cables for medical use: Demand in overseas countries diminished.



# 1-13. Operating Results by Segment: Wires, Cables, and Related Products (2)

(¥billions)		FY2015 Business Performance US\$1 = ¥120	FY2016 Business Performance US\$1 = ¥108	Year-on- Year	Difference from forecast
Wires, cables, and related products	Revenues	288.2	241.4	-16%	+2%
	Rolling stocks <sup>□</sup>			+11%	
	Medical devices <sup>□</sup>			-12%	
	Automotive electronic components <sup>□</sup>			-1%	
	Adjusted operating income	15.0	14.7	-0.3	-0.3
	Adjusted operating margin	5.2%	6.1%	+0.9%	-0.3%
	Operating income of the segment	16.0	21.0	+5.0	

□ Indicates the change in revenues calculated by a simplified method.



# 1-14. Assets, Liabilities, and Net Assets

(¥billions)	March 31, 2016	March 31, 2017	Change
Total assets	1,033.3	1,040.4	+7.1
Trade receivables and inventories	325.2	329.1	+3.9
Total liabilities	528.6	491.6	-37.0
Interest-bearing debt	220.4	194.5	-25.9
Equity attributable to shareholders of the parent company	495.9	536.6	+40.7
Non-controlling interests	8.8	12.2	+3.4
Equity attributable to shareholders of the parent company ratio	48.0%	51.6%	+3.6%
D/E ratio (times)	0.44	0.36	-0.08

**[Assets]** Change from March 2016: +¥7.1 billion ⇒ Increase mainly due to making equity-method affiliate (SH Copper Products) a wholly owned subsidiary

**[Liabilities]** Change from March 2016: -¥37.0 billion ⇒ Decrease mainly due to repayment of debt borrowings

**[D/E ratio]** Change from March 2016: Improvement by 0.08 times

# 1-15. Consolidated Cash Flows

(¥billions)	FY2015 Business Performance	FY2016 Business Performance	Year-on-year
Cash flows from operating activities	115.7	89.4	-26.3
Cash flows from investing activities	-32.1	-35.9	-3.8
Free cash flow	83.6	53.5	-30.1
Core free cash flow*	58.0	24.2	-33.8

## [Cash flows from operating activities]

A decrease in net income and other factors resulted in a net cash outflow of ¥26.3 billion compared to FY2015.

## [Cash flows from investing activities]

The purchase of property, plant and equipment increased (FY2015: ¥53.6 billion → FY2016: ¥63.1 billion)

In FY2015 there was income from the sale of shares of the former Hitachi Tool Engineering. In FY2016, there was also income from the transfer of the Information System Business and the share transfer of an equity-method affiliated company (SH Materials), causing net cash outflow to remain at ¥3.8 billion.

## [Free cash flow]

Decreased by ¥30.1 billion due to a net cash outflow of cash flows from operating activities.

\*Core free cash flow: (Cash flows from operating activities) – (Capital expenditure)

<b>1</b>	Financial Results for FY2016 (Fiscal Year Ended Mar. 31, 2017)
<b>2</b>	Operating Results Forecast for FY2017 (Fiscal Year Ending Mar. 31, 2018)

## 2-1. Assumptions Underlying the Operating Results Forecast for FY2017

- The global economy is expected to remain on a mild recovery path primarily in advanced countries, despite concerns over the impact of uncertainty in the policies of different countries as well as the impact of further economic slowdown in emerging countries such as China.

Although growth in demand is expected in the automobile industry on a global basis, North America, our core market, is expected to see a slight drop from the previous year.

Signs of recovery in demand for steel is seen in the industrial infrastructure industry, mainly in Japan.

The electronics industry is expected to see an increase in demand, such as in mobile devices.

- The current price levels of resource such as raw materials and crude oil are expected to continue.
- Exchange rate assumption: US\$1 = ¥110, 1 euro = ¥116, 1 yuan = ¥15.8
- Segment names were changed in April 2017 as follows:
  - High-grade metal products and materials → Specialty steel products
  - High-grade functional components and equipment
    - Functional components and equipment

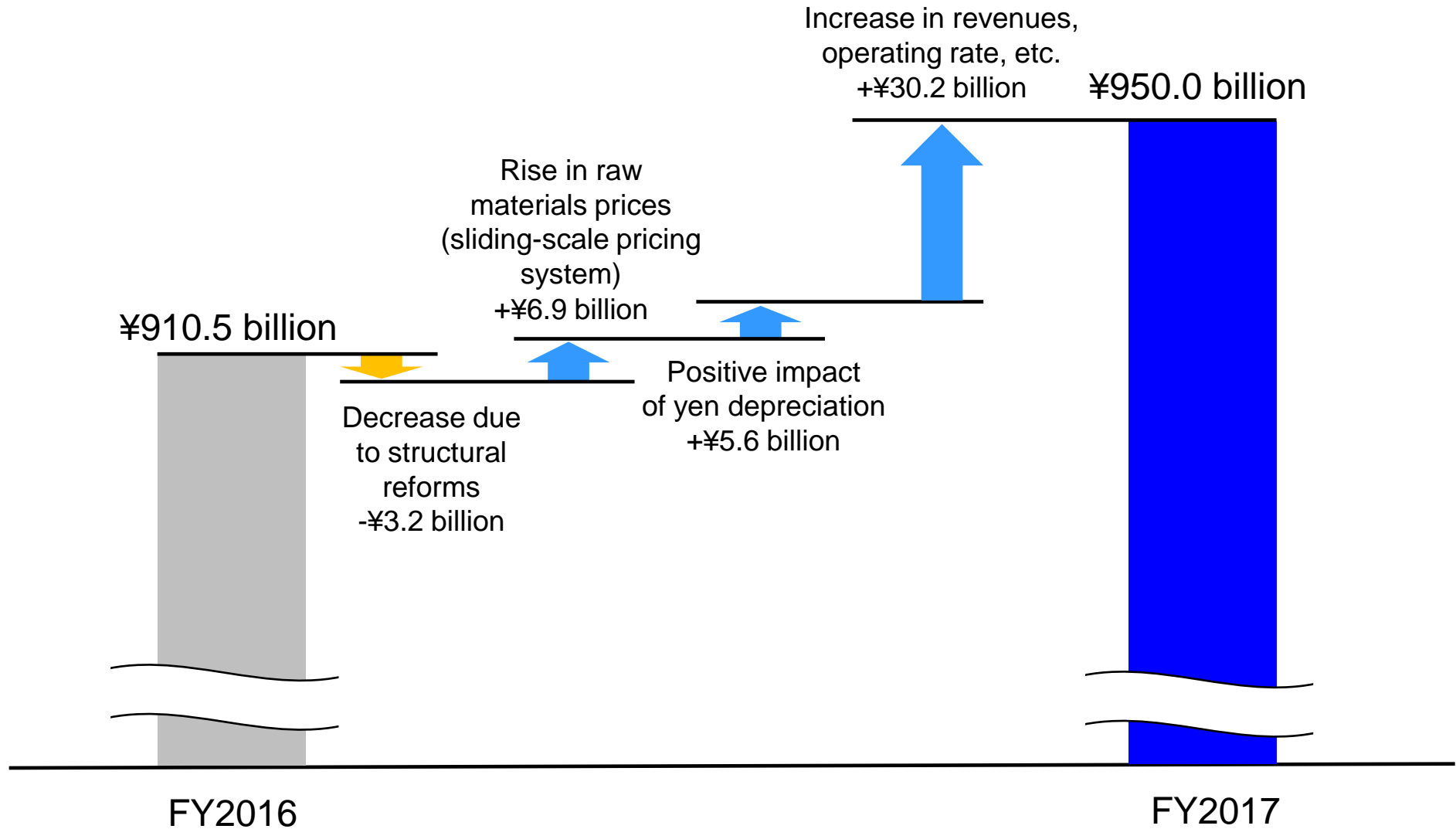
## 2-2. Operating Results Forecast for FY2017

(¥billions) Profit margin in brackets	FY2016 Business Performance US\$1 = ¥108	FY2017 Forecast US\$1 = ¥110	Year-on- Year
Revenues	910.5	950.0	+4%
Adjusted operating income	[7.2%] 66.0	[8.4%] 80.0	+14.0
EBIT	68.5	66.0	-2.5
Income before income taxes	66.0	63.0	-3.0
Net income attributable to shareholders of the parent company	50.6	45.0	-5.6
ROA <sup>*1</sup>	4.9%	4.3%	-0.6%
ROE <sup>*2</sup>	9.4%	8.1%	-1.3%
Percentage of revenues from overseas markets	56%	56%	-

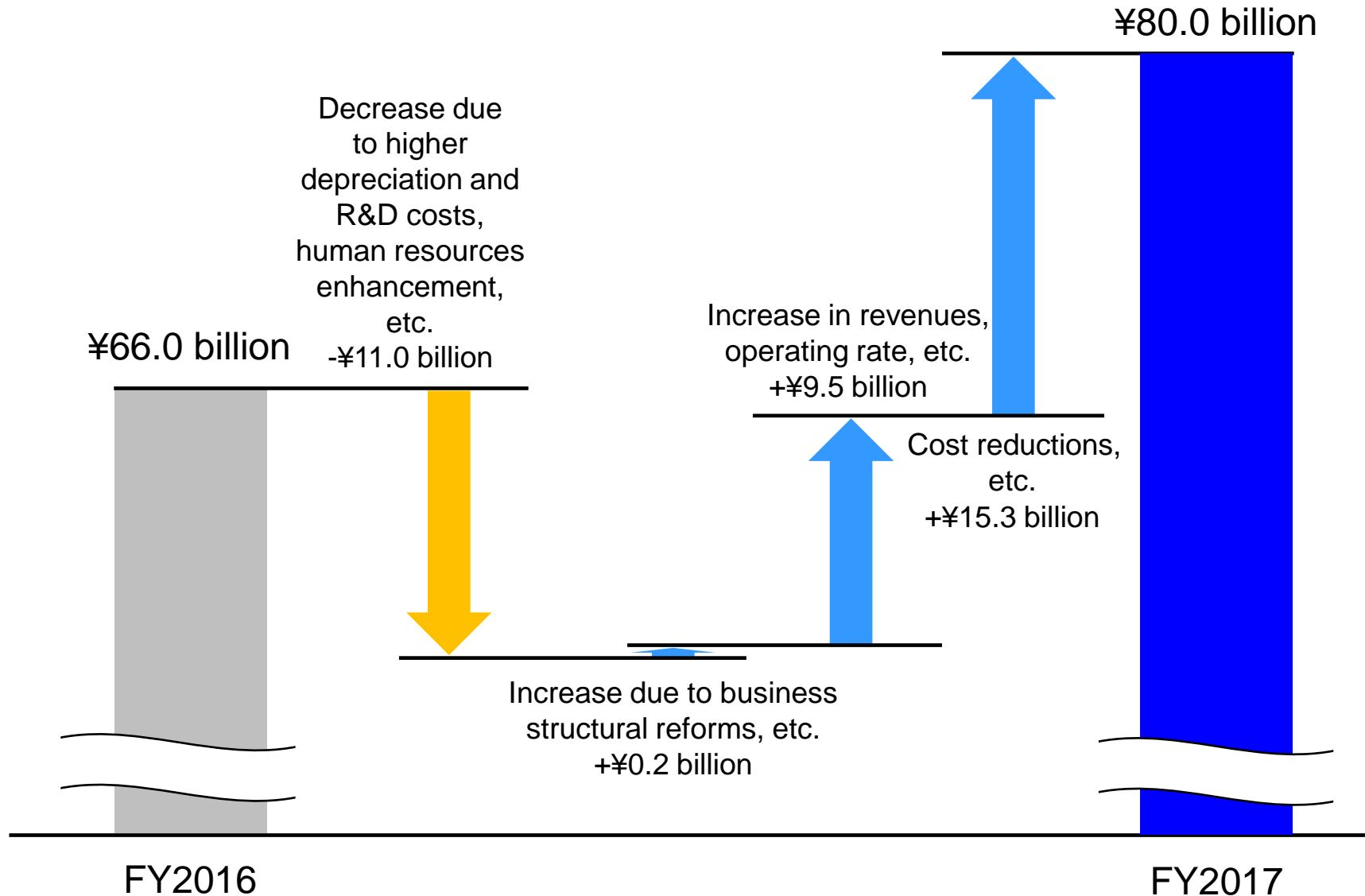
\*1 Term-end return on total assets

\*2 Term-end return on equity attributable to shareholders of the parent company

## 2-3. Factors for the Change in Revenues (Year-on-Year)



## 2-4. Factors for the Change in Adjusted Operating Income (Year-on-Year)



## 2-5. Capital Expenditure

<b>New products, production increase</b>	<p>Increase production of molds and tool steel, aircrafts, energy-related products (to be completed in FY2017)</p> <p>Increase production of turbine wheels for turbo engines (implement in FY2017–2019)</p> <p>Established Hitachi Metals San Huan Magnetic Materials (Nantong) Co., Ltd. (started operation in April 2017)</p> <p>Introduce innovative production line for magnetic materials (rare earth magnets, ferrite magnets) (to start operation in the first half of FY2018)</p>
<b>Rationalization, update</b>	<p>Investment for rationalization of the Wires, Cables, and Related Products business' continuous casting line (to be completed in FY2017)</p> <p>Improve productivity of heat-resistant casting components (to be completed in FY2017)</p>
<b>Foundation enhancement</b>	<p>Construct corporate laboratory “Global Technology Innovation Center; GRIT” (to be completed in March 2018)</p> <p>Develop IoT platform (visualization, data analysis enhancement, etc.)</p>

Capital expenditure amount: ¥63.8 billion (FY2016)

⇒ ¥90.0 billion (FY2017)



## 2-6. Operating Results Forecast for FY2017 (By Segment)

(¥billions)		FY2016 Business Performance US\$1 = ¥108	FY2017 Forecast Assuming US\$1 = ¥110	Year-on- Year	Supplementary Note
Specialty Steel Products <sup>*1</sup>	Revenues	234.7	250.0	+7%	Demand for molds and tool steel is expected to increase on a global basis. Demand for environment-friendly products related to automobiles is expected to increase. A recovery in demand for electronics-related products such as semiconductors is forecast.
	Adjusted operating income	23.5	30.0	+6.5	
	Adjusted operating margin	10.0%	12.0%	+2.0%	
Magnetic Materials and Applications	Revenues	99.8	110.0	+10%	Strong demand in automotive electronic components for power steering and hybrid automobiles is expected. Demand for FA-related products is also expected to be robust.
	Adjusted operating income	9.3	11.5	+2.2	
	Adjusted operating margin	9.3%	10.5%	+1.2%	
Functional Components and Equipment <sup>*2</sup>	Revenues	333.5	340.0	+2%	While demand similar to the level of FY2016 is expected for cast iron products, demand in heat-resistant casting components is forecast to continue to increase.
	Adjusted operating income	17.5	21.5	+4.0	
	Adjusted operating margin	5.2%	6.3%	+1.1%	
Wires, Cables, and Related Products	Revenues	241.4	250.0	+4%	Demand in wires and cables for rolling stock is expected to remain strong, especially for China. Demand in products for the medical industry is also expected to recover. Demand for electronic components is expected to remain robust.
	Adjusted operating income	14.7	17.0	+2.3	
	Adjusted operating margin	6.1%	6.8%	+0.7%	
Other Adjustments	Revenues	1.1	0		
	Adjusted operating income	1.0	0		
Total	Revenues	910.5	950.0	+4%	
	Adjusted operating income	66.0	80.0	+14.0	
	Adjusted operating margin	7.2%	8.4%	+1.2%	

\*1 Name was changed from High-Grade Metal Products and Materials since April 2017.

\*2 Name was changed from High-Grade Functional Components and Equipment since April 2017.

# Reference Data (1)

(¥billions)	FY2013 Business Performance US\$1 = ¥100	FY2014 Business Performance US\$1 = ¥110	FY2015 Business Performance US\$1 = ¥120	FY2016 Business Performance US\$1 = ¥108	FY2017 Forecast US\$1 = ¥110
	IFRS	IFRS	IFRS	IFRS	IFRS
Revenues	807.8	1,004.4	1,017.6	910.5	950.0
Adjusted operating income	63.9	84.4	76.1	66.0	80.0
Adjusted operating income margin	7.9%	8.4%	7.5%	7.2%	8.4%
Other income	5.8	21.3	36.4	14.1	
Other expenses	-16.3	-21.3	-12.5	-11.8	
IFRS operating income	53.4	84.4	100.0	68.3	
EBIT	57.5	88.6	99.1	68.5	66.0
Income before income taxes	55.8	86.4	96.2	66.0	63.0
Net income attributable to shareholders of the parent company	48.1	70.6	69.1	50.6	45.0
Interest-bearing debt	177.2	255.4	220.4	194.5	
Capital spending	32.0	51.5	59.6	63.8	90.0
Depreciation <sup>*1</sup>	33.8	39.9	42.9	43.0	47.0
R&D expenses	16.8	20.9	19.1	18.0	20.0
D/E ratio (times)	0.48	0.55	0.44	0.36	0.30
Earnings per share (yen)	116.79	165.02	161.50	118.32	105.24
Dividend per share (yen)	17.0	23.0	26.0	26.0	26.0
Equity per share attributable to shareholders of the company (yen)	870.4	1,090.6	1,159.7	1,254.9	1,333.1
Employees	26,850	30,278	29,157	28,754	29,500
ROA <sup>*2</sup>	5.7%	6.5%	6.7%	4.9%	4.3%
ROE <sup>*3</sup>	12.9%	15.1%	13.9%	9.4%	8.1%
Overseas sales ratio	42%	47%	56%	56%	56%

\*1 Includes depreciation for intangible assets

\*2 Term-end return on total assets

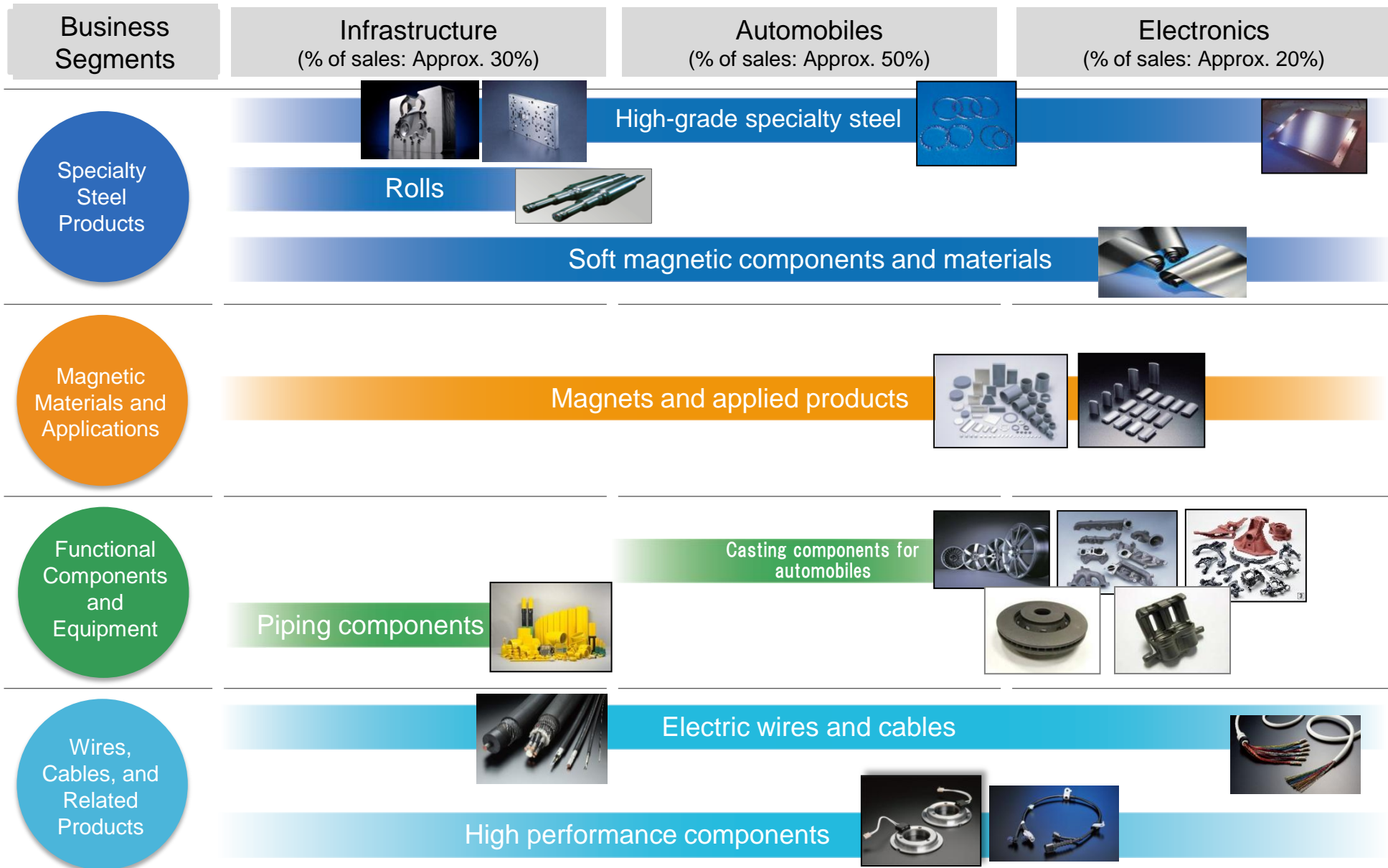
\*3 Term-end return on equity attributable to shareholders of the parent company

# Reference Data (2)

Major products' volume trends (weight basis)


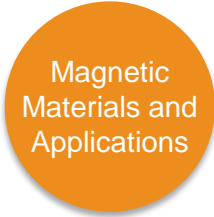


Product		FY2016 actual vs. FY2015 actual	FY2017 forecast vs. FY2016 actual
Specialty Steel	Molds and tool steel	0%	More than +5%
	CVT belt materials	+7%	Less than +15%
	Piston ring materials	+8%	More than +10%
Magnetics	Rare earth magnets	+14%	More than +10%
Functional components	Cast iron products	-4%	Same level as FY2015
	Heat-resistant casting components (HERCUNITE™)	+53%	Less than +50%
	Aluminum wheels (number)	-8%	Slight increase

# (For Reference) Business Operations by Market



# (For reference) Hitachi Metals: Description of Business Segments (April 1, 2017 onward)

## ■ Business Operations

Business segments	Business	Principal Products
 <p>Specialty Steel Products</p>	Specialty Steel Company	
	Specialty steel	YASUGI SPECIALTY STEEL™ brand high-grade specialty steel products (molds and tool steel, alloys for electronic products [display-related materials, semiconductor and other package materials, and battery-related materials], materials for industrial equipment [automobile related materials, and razor blade materials], aircraft- and energy-related materials, and precision cast components )
	Rolls	Rolls for steel mills, structural ceramic products, injection molding machine parts, and steel-frame joints for construction
	Soft magnetic component and materials	Soft magnetic materials (Metglas® amorphous metals; FINEMET® nanocrystalline magnetic materials; and soft ferrite) and applied products
 <p>Magnetic Materials and Applications</p>	Magnetic Materials Company	
	Magnets and applied products	Magnets (NEOMAX® rare-earth magnets; ferrite magnets; and other magnets and applied products) Ceramic products
 <p>Functional Components and Equipment</p>	Functional Components Company	
	Casting components for automobiles	Casting components for automobiles (HNM™ high-grade ductile cast iron products, cast iron products for transportation equipment, and HERCUNITE™ heat-resistant exhaust casting components) and SCUBA™ aluminum wheels and other aluminum components
	Piping components	Piping and infrastructure components ( Gourd™ Gourd brand pipe fittings, stainless steel and plastic piping components, water cooling equipment, precision mass flow control devices, and sealed expansion tanks)
 <p>Wires, Cables, and Related Products</p>	Cable Materials Company	
	Electric wires and cables	Industrial cables, electronic wires, electric equipment materials, and industrial rubber products
	High performance components	Cable assemblies, electronic components for automotive, and brake hoses