

Hitachi Metals

Financial Results for Fiscal Year Ended March 31, 2019

Results Forecast for Fiscal Year Ending March 31, 2020

[Table of Contents]

1. Financial Results for FY2018
2. FY2018 Results by Segment
3. Results Forecast for FY2019

April 25, 2019

Overview: While revenues increased, income decreased year on year; the market environment deteriorated rapidly from the end of calendar year 2018 onwards.

- The Chinese market saw a rapid decline in demand.
 - Reduced demand in the FA/robots, semiconductor, and smartphone markets
 - A significant decline in automotive demand in China
 - Production adjustment is ongoing in response to a sharp decline in orders.

Segments: From the end of calendar year 2018 onwards, demand continued to fall below assumptions.

- Specialty steel: Alloys for electronic products (organic EL panel-related materials and lead frame materials)
 - Sales dropped sharply mainly due to inventory adjustments by customersMolds and tool steel
 - A decline in demand in international markets especially in China and inventory adjustments in Japan
- Magnetic materials and applications:
 - For Industrial equipment applications
 - Demand decreased due to a decline in demand for FA/robots, etc.
- Functional components and equipment:
 - The production plan was not realized due to the personnel shortage in the U.S.
 - Semiconductor manufacturing equipment → Sluggish demand
- Wires, cables, and related products:
 - FA/robots → Demand declined
 - Electronic components → Demand decreased in China from the end of calendar year 2018 onwards.

1-2. FY2018 Operating Results

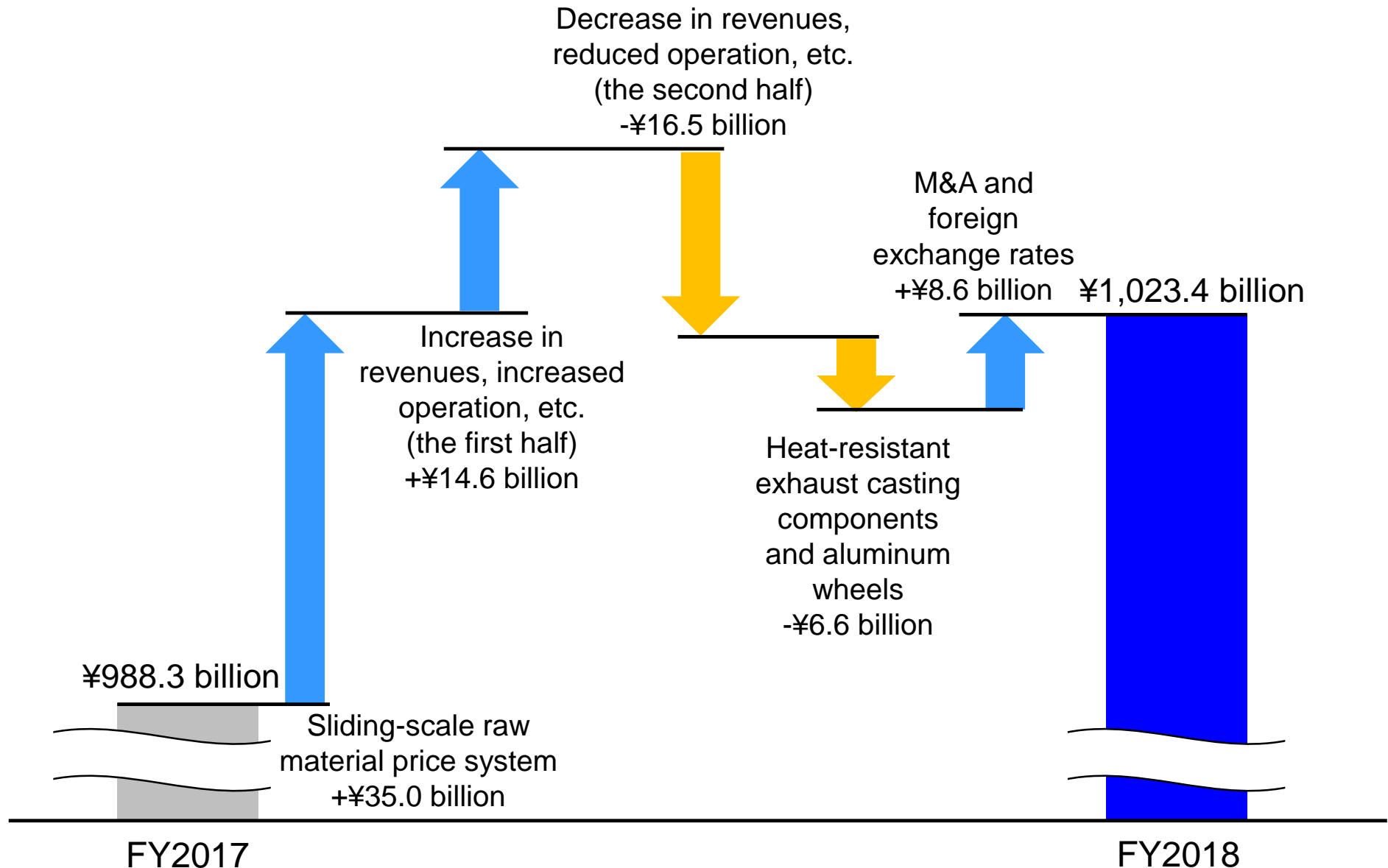
¥ billions Profit margin in brackets	FY2017 Actual US\$1 = ¥111 € 1 = ¥130 1 yuan = ¥16.8		FY2018 Actual US\$1 = ¥111 € 1 = ¥128 1 yuan = ¥16.5		Year-on- Year
Revenues	988.3		1,023.4		+4%
Adjusted operating income *	[6.6%]	65.1	[5.0%]	51.4	-13.7
IFRS operating income	[4.7%]	46.3	[4.1%]	42.4	-3.9
Income before income taxes	47.0		43.0		-4.0
Net income attributable to shareholders of the parent company	42.2		31.4		-10.8
Overseas sales ratio	56%		56%		—

Overseas sales

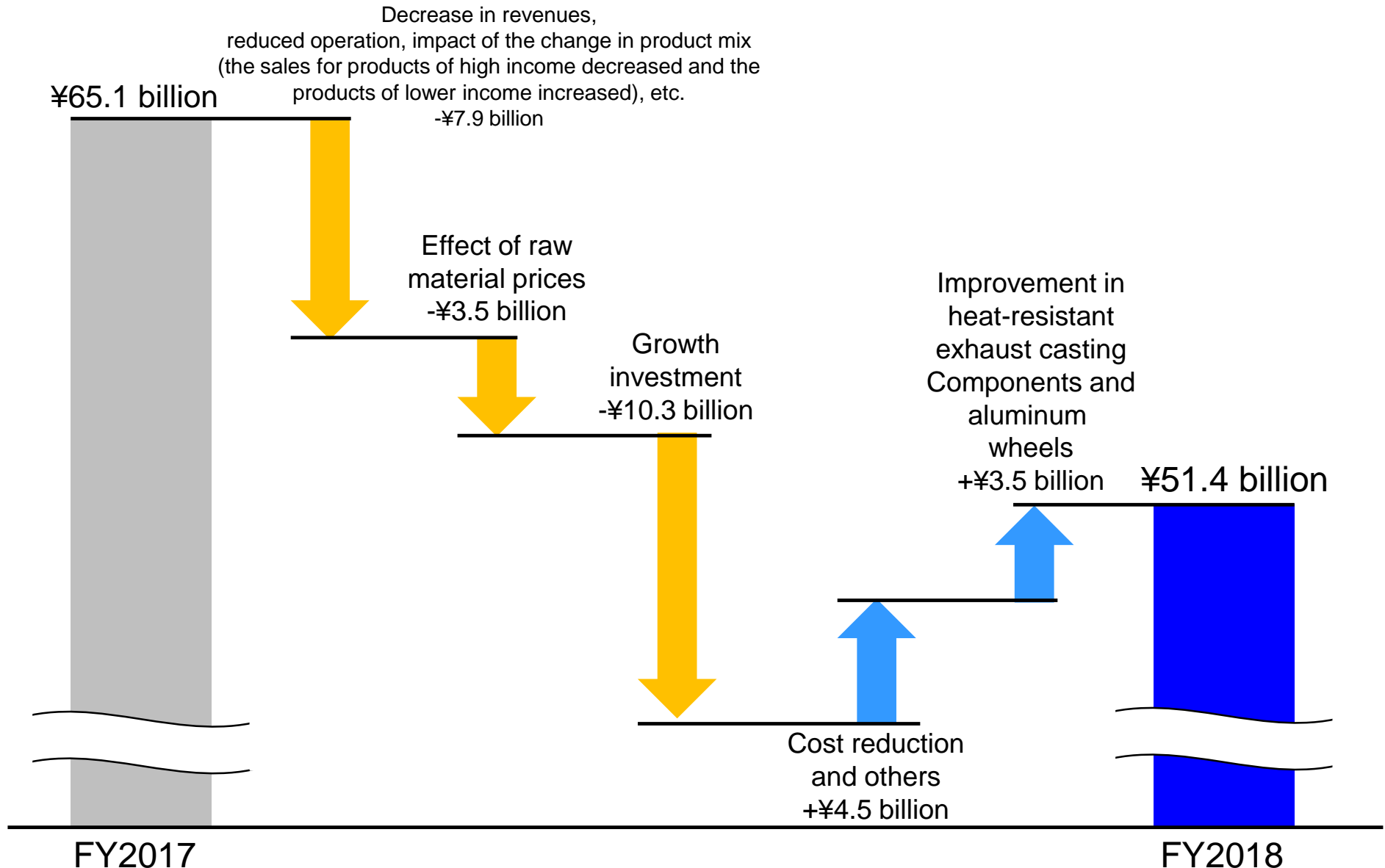
¥ billions		North America	China	Other Asian countries	Europe	Other	Total
FY2018 Actual	Revenues	310.9	76.2	124.5	50.4	12.4	574.4
	Ratio	30%	7%	12%	5%	2%	56%
FY2017 Actual	Revenues	294.8	75.3	122.8	51.5	12.4	556.8
	Ratio	30%	8%	12%	5%	1%	56%

* Adjusted operating income = Revenues – Sales cost – Selling, general, & administrative expenses

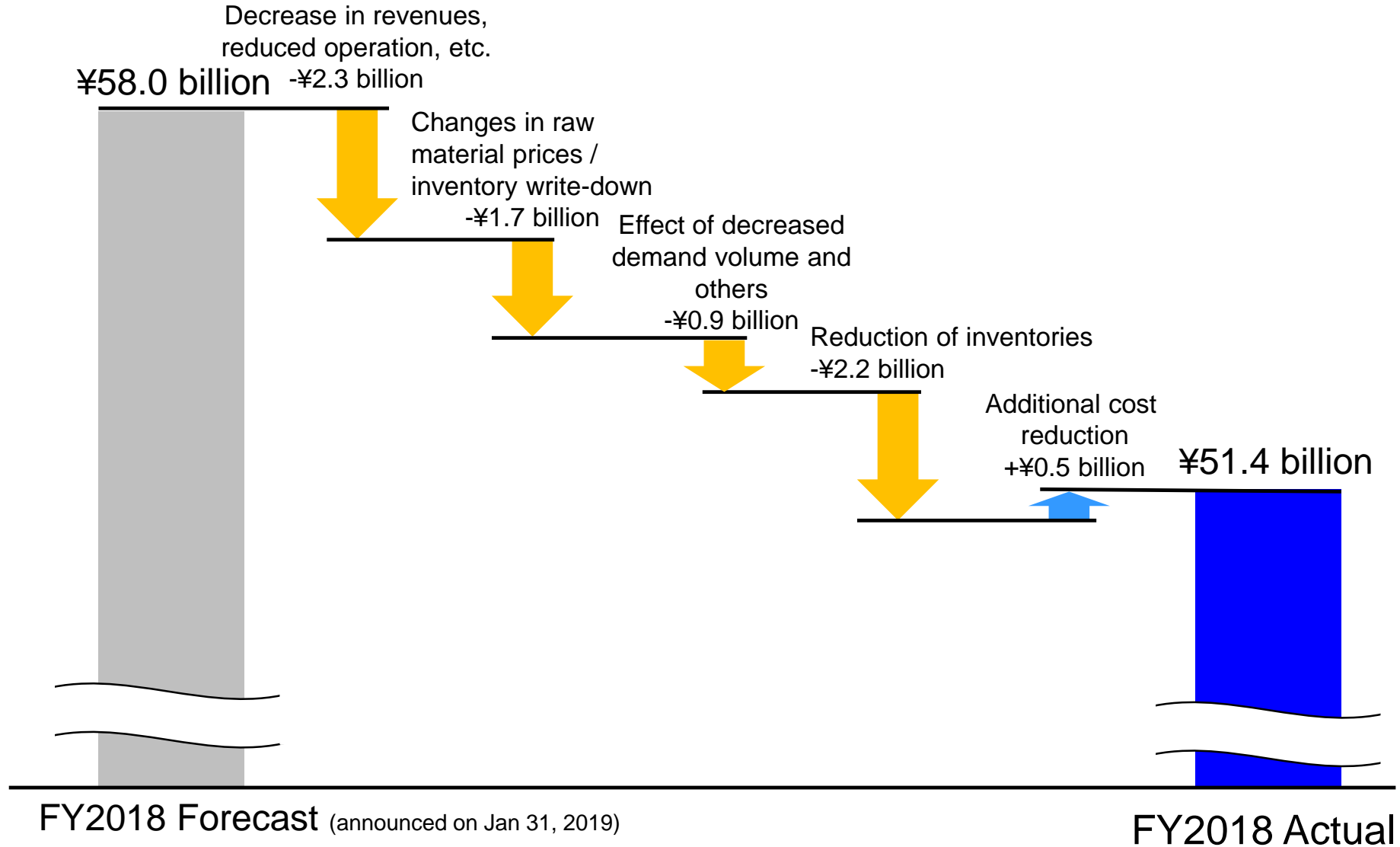
1-3. Factors Behind Increase/Decrease in Revenues (Year-on-Year)



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



1-5. Differences from the Results Forecast for FY2018 Adjusted Operating Income



Hitachi Metals

Financial Results for Fiscal Year Ended March 31, 2019

Results Forecast for Fiscal Year Ending March 31, 2020

[Table of Contents]

1. Financial Results for FY2018
2. FY2018 Results by Segment
3. Results Forecast for FY2019

2-1. FY2018 Overview of Operating Results by Segment

¥ billions Profit margin in brackets		FY2017 Actual US\$1 = ¥111 € 1 = ¥130 1 yuan = ¥16.8	FY2018 Actual US\$1 = ¥111 € 1 = ¥128 1 yuan = ¥16.5	Year-on- Year
Specialty Steel Products	Revenues	290.6	304.6	+5%
	Adjusted operating income	[9.6%] 27.9	[7.6%] 23.2	-4.7
	Operating income of the segment	[9.0%] 26.1	[7.4%] 22.5	-3.6
Magnetic Materials and Applications	Revenues	106.1	109.4	+3%
	Adjusted operating income	[9.0%] 9.6	[3.0%] 3.3	-6.3
	Operating income of the segment	[6.9%] 7.3	[8.0%] 8.8	+1.5
Functional Components and Equipment	Revenues	360.1	367.6	+2%
	Adjusted operating income	[3.3%] 11.8	[2.9%] 10.5	-1.3
	Operating income of the segment	[0.2%] 0.6	[-0.7%] -2.5	-3.1
Wires, Cables, and Related Products	Revenues	230.5	240.1	+4%
	Adjusted operating income	[6.5%] 14.9	[5.2%] 12.5	-2.4
	Operating income of the segment	[4.9%] 11.2	[4.8%] 11.6	+0.4
Others/ Adjustments	Revenues	1.0	1.7	—
	Adjusted operating income	0.9	1.9	+1.0
	Operating income of the segment	1.1	2.0	+0.9
Total	Revenues	988.3	1,023.4	+4%
	Adjusted operating income	[6.6%] 65.1	[5.0%] 51.4	-13.7
	IFRS operating income	[4.7%] 46.3	[4.1%] 42.4	-3.9

2-2. Operating Results by Segment: Specialty Steel Products (1)

[Revenues]

Increased mainly due to a rise in raw material prices

▪ **Molds and tool steel**

Demand decreased in international markets especially in China.

Sales decreased in Japan due to inventory adjustments from the second half onwards.

▪ **Industrial equipment materials**

Sales of environment-conscious products related to automobiles increased.

▪ **Aircraft- and energy-related materials**

Energy-related materials delivered weak results.

Sales of aircraft-related materials increased.

▪ **Alloys for electronic products**

Demand for organic EL panel components and lead frame materials declined rapidly from the second half onwards.

▪ **Rolls**

Both domestic sales and exports increased.

▪ **Soft magnetic components and materials**

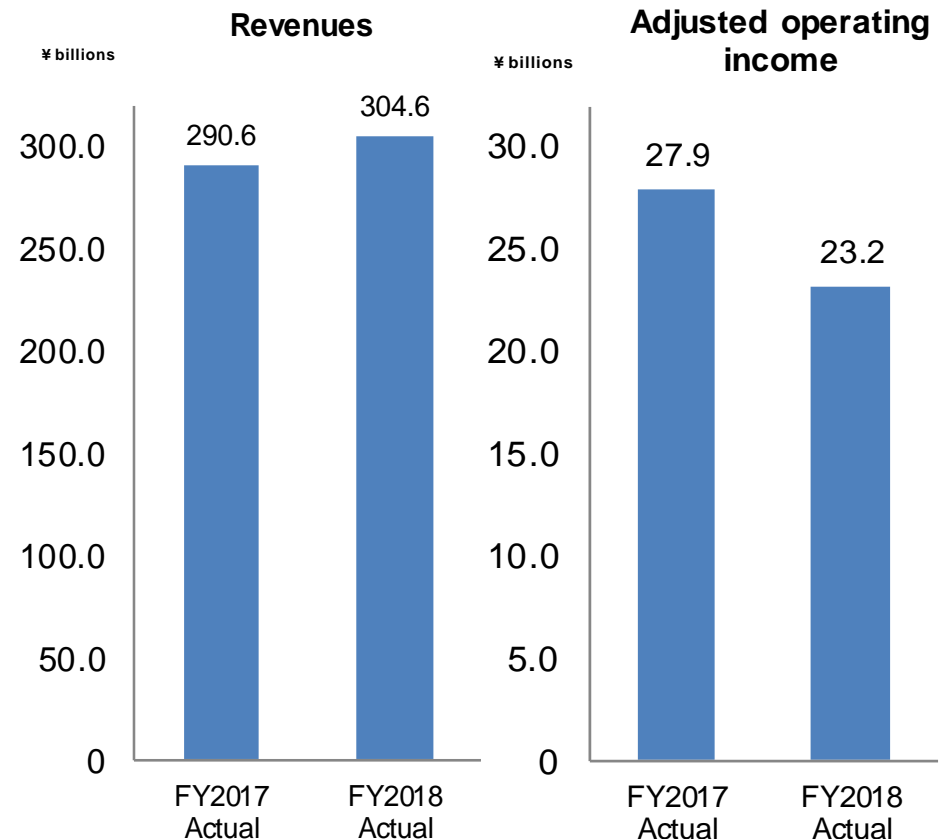
Sales of amorphous metals remained unchanged from the previous fiscal year.

Applied products demand for automobile applications increased.

[Adjusted operating income]

A decrease in sales due to a sharp decline in demand from the end of calendar year 2018 onwards and reduced operation driven by production adjustments

Growing impact of a fall in raw material prices at the end of the fiscal year



2-3. Operating Results by Segment: Specialty Steel Products (2)

¥ billions		FY2017 Actual US\$1 = ¥111 € 1 = ¥130 1 yuan = ¥16.8	FY2018 Actual US\$1 = ¥111 € 1 = ¥128 1 yuan = ¥16.5	Year-on- Year
Specialty Steel Products	Revenues	290.6	304.6	+5%
	Specialty steel [◎]	243.8	253.3	+4%
	Molds and tool steel [□]			+7%
	Industrial equipment materials [□]			+4%
	Aircraft-related and energy-related materials [□]			+13%
	Alloys for electronic products [□]			-2%
	Rolls [◎]	21.2	23.6	+11%
	Soft magnetic components and materials [◎]	25.6	27.7	+8%
	Adjusted operating income	27.9	23.2	-4.7
	Adjusted operating margin	9.6%	7.6%	-2.0%
Operating income of the segment	26.1	22.5	-3.6	

◎ Simple sum before eliminating intersegment revenues

□ Indicates the change in revenues calculated by a simplified method

2-4. Operating Results by Segment: Magnetic Materials and Applications (1)

[Revenues]

Increased as a result of making Santoku a consolidated subsidiary of the Company, despite a decline in demand

▪ **Rare earth magnets**

Sales dropped significantly due to a sharp decrease in demand for FA/robots.
Sales for automotive components applications also decreased due to market conditions in China.

▪ **Ferrite magnets**

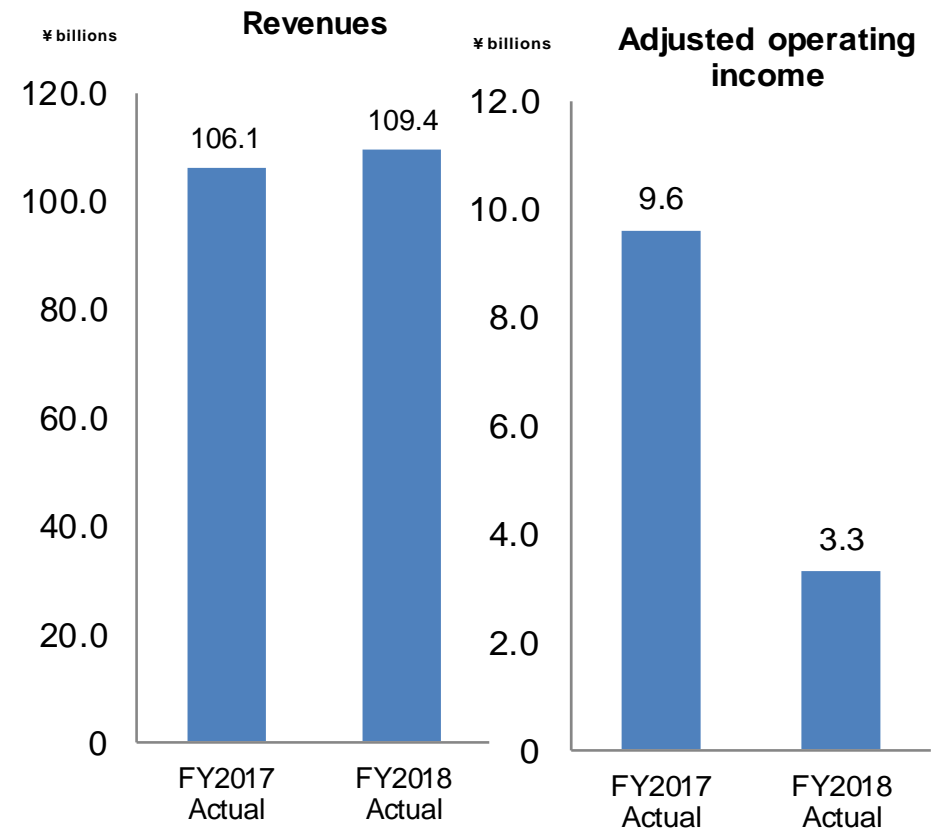
Sales remained unchanged from the previous fiscal year.
Sales for automotive components applications remained firm.
Sales for household appliance parts applications decreased.

[Adjusted operating income]

Decreased due to a sharp decline in demand for FA/robots as well as changes in raw material prices

[Operating income of the segment]

Increased due in part to gain on bargain purchase generated from making Santoku a consolidated subsidiary (As announced in the financial results for 1Q in FY2018.)



2-5. Operating Results by Segment: Magnetic Materials and Applications (2)

¥ billions		FY2017 Actual US\$1 = ¥111 € 1 = ¥130 1 yuan = ¥16.8	FY2018 Actual US\$1 = ¥111 € 1 = ¥128 1 yuan = ¥16.5	Year-on- Year
Magnetic Materials and Applications	Revenues	106.1	109.4	+3%
	Rare earth magnets (weight)			-7%
	Ferrite magnets (weight)			-6%
	Adjusted operating income	9.6	3.3	-6.3
	Adjusted operating margin	9.0%	3.0%	-6.0%
	Operating income of the segment	7.3	8.8	+1.5

2-6. Operating Results by Segment: Functional Components and Equipment (1)

[Revenues]

Increased mainly due to a rise in raw material prices

- **Casting components for automobiles**

Casting components demand for commercial vehicles, farming machinery, and construction machinery increased in North America.

- **Piping components**

While in the U.S., sales of pipe fittings remained unchanged from the previous fiscal year, in Japan demand declined in reaction to the price revision. Sales of semiconductor manufacturing equipment decreased due to the delay of capital investment projects.

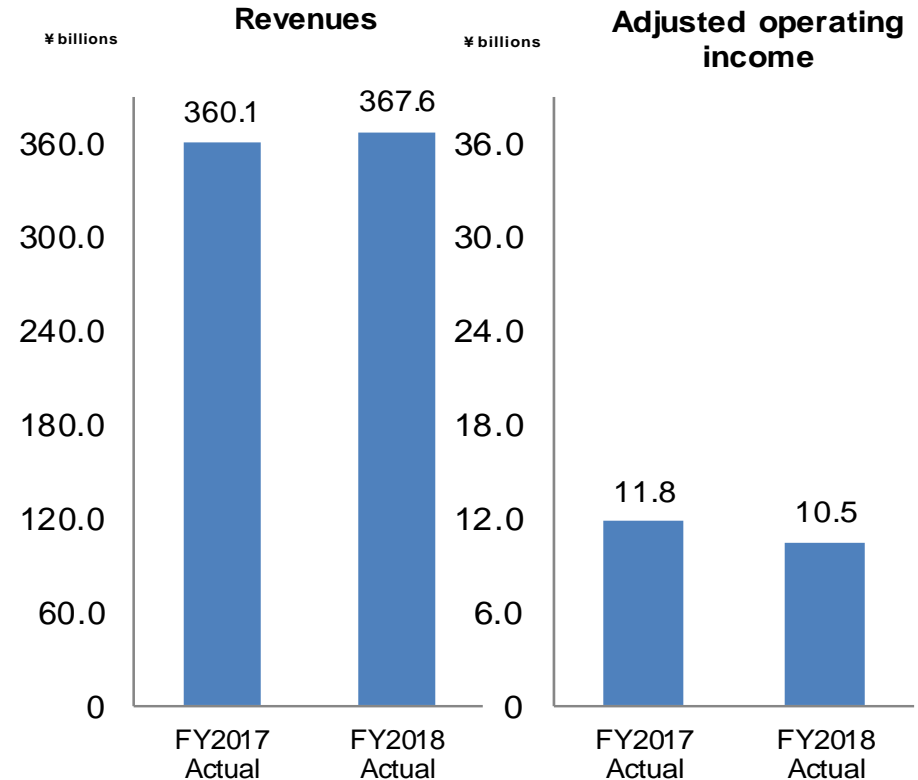
[Adjusted operating income]

Decreased due to lower productivity driven by the workforce shortage in the U.S. and a delay in projects of semiconductor manufacturing equipment, despite some improvement in the “businesses with issues.”

[Operating income of the segment]

Impairment losses

- ¥7.0 billion in FY2018: Heat-resistant exhaust casting components (As announced in the financial results for 3Q in FY2018.)
- ¥8.0 billion in FY2017: Aluminum wheels



2-7. Operating Results by Segment: Functional Components and Equipment (2)

¥ billions		FY2017 Actual US\$1 = ¥111 € 1 = ¥130 1 yuan = ¥16.8	FY2018 Actual US\$1 = ¥111 € 1 = ¥128 1 yuan = ¥16.5	Year-on-Year
Functional Components and Equipment	Revenues	360.1	367.6	+2%
	Casting components for automobiles [©]	308.5	319.8	+4%
	Waupaca Foundry, Inc.	201.9	217.1	+8%
	Cast iron products (weight)			+2%
	Heat-resistant exhaust casting components (HERCUNITE™) (weight)			-15%
	Aluminum wheels (number)			-24%
	Piping components [©]	51.5	47.8	-7%
	Adjusted operating income	11.8	10.5	-1.3
	Adjusted operating margin	3.3%	2.9%	-0.4%
	Operating income of the segment	0.6	-2.5	-3.1

© Simple sum before eliminating intersegment revenues

2-8. Operating Results by Segment: Wires, Cables, and Related Products (1)

[Revenues]

Increased mainly due to a rise in raw material prices.

▪ Electric wires and cables

Demand for cables for FA/robots and magnet wires for industrial applications decreased from the second half onwards.

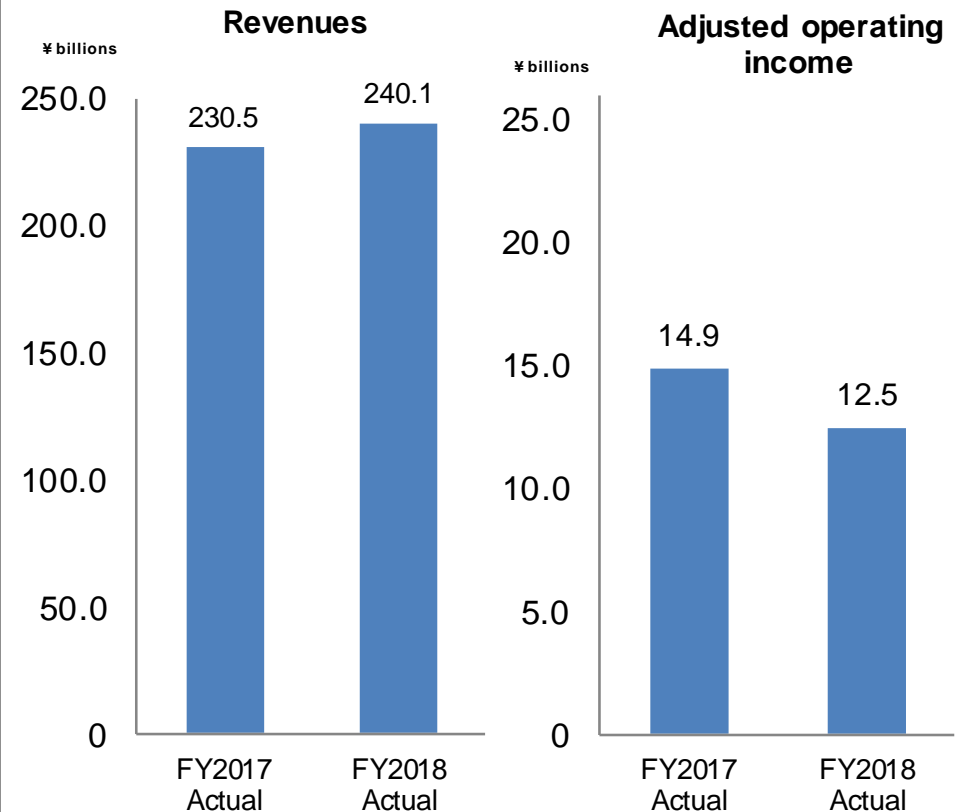
▪ High performance components

Demand for automotive electronic components increased until the end of the first half, but it decreased from the end of calendar year 2018 onwards.

Demand for medical applications, both probe cables and tubes, was firm.

[Adjusted operating income]

Decreased mainly due to an increase in fixed costs resulting from capital expenditure



2-9. Operating Results by Segment: Wires, Cables, and Related Products (2)

¥ billions		FY2017 Actual US\$1 = ¥111 € 1 = ¥130 1 yuan = ¥16.8	FY2018 Actual US\$1 = ¥111 € 1 = ¥128 1 yuan = ¥16.5	Year-on- Year
Wires, Cables, and Related Products	Revenues	230.5	240.1	+4%
	Focus sectors			
	Rolling stock [□]			+8%
	Medical devices [□]			+12%
	Automotive electronic components [□]			+8%
	FA, robots [□]			+4%
	Magnet wires [□]			-1%
	Adjusted operating income	14.9	12.5	-2.4
	Adjusted operating margin	6.5%	5.2%	-1.3%
	Operating income of the segment	11.2	11.6	+0.4

□ Indicates the change in revenues calculated by a simplified method

Sales proportion of the focus sectors: FY2017: 41%
FY2018: 42%

2-10. Assets, Liabilities, and Net Assets

¥ billions	March 31, 2018 US\$1 = ¥106 € 1 = ¥131 1 yuan = ¥16.9	March 31, 2019 US\$1 = ¥111 € 1 = ¥125 1 yuan = ¥16.5	Change
Total assets	1,058.8	1,099.3	+40.5
Trade receivables	207.6	195.3	-12.3
Inventories	190.2	214.8	+24.6
Total liabilities	488.6	504.1	+15.5
Interest-bearing debt	160.8	202.1	+41.3
Equity attributable to shareholders of the parent company	562.7	588.0	+25.3
Non-controlling interests	7.5	7.2	-0.3
Equity attributable to shareholders of the parent company ratio	53.1%	53.5%	+0.4%
D/E ratio (times)	0.29	0.34	+0.05

- Property, plant and equipment and long-term debt (mainly straight bonds) increased, respectively in FY2018, reflecting investments in growth areas.

- Inventories increased when demand was high in the first half of the year.

⇒ In FY2019, plan to reap the benefits of large-scale investments and to promptly optimize inventories

2-11. Consolidated Cash Flows

¥ billions	FY2017 Actual	FY2018 Actual	Year-on-Year
Cash flows from operating activities (Operating CF)	39.1	66.6	+27.5
Cash flows from investing activities (Investing CF)	-75.1	-96.3	- 21.2
Free cash flows (FCF)	-36.0	-29.7	+6.3
Core free cash flows*	-38.4	-33.3	+5.1

Over the three years of the FY2018 Medium-term Management Plan, the cumulative total of operating CF and investing CF stood at ¥195.1 billion and negative ¥207.2 billion, respectively and the cumulative total of FCF was negative ¥12.1 billion as a result of continuing investments in growth areas.

⇒ In FY2019, the company plans to carefully select new investment opportunities (overall reduction of 40% compared with FY2018) and focus on the reaping of the benefits of investments made in the FY2018 Medium-term Management Plan to turn FCF positive.

*Core free cash flows = Cash flows from operating activities – Capital expenditure

Hitachi Metals

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Results Forecast for Fiscal Year Ending March 31, 2020

[Table of Contents]

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3-1. FY2019 Results Forecast (1)

¥ billions Profit margin in brackets	FY2018 Actual US\$1 = ¥111 € 1 = ¥128 1 yuan = ¥16.5	FY2019 Forecast US\$1 = ¥110	Year-on- Year
Revenues	1,023.4	1,000.0	-2%
Adjusted operating income ^{*1}	[5.0%] 51.4	[5.4%] 54.0	+2.6
Restructuring expenses ^{*2}	[- 5.0]	[- 9.0]	[- 4.0]
Income before income taxes	43.0	38.0	-5.0
Net income attributable to shareholders of the parent company	31.4	28.5	-2.9

*1 Adjusted operating income = Revenues – Sales cost – Selling, general, & administrative expenses

*2 Net gain on business reorganization and others, impairment losses, and restructuring expenses, etc.

3-2. FY2019 Results Forecast (2)

[Assumptions for the Results Forecast]

- Demand: Current conditions continue for the first half and recovery is expected from the second half onward.
- Revenues: Decrease as a result of selling the aluminum wheel business in the U.S.
- Adjusted operating income: Improve the business structure through the following:
 - Early optimization of inventories through production adjustment
 - Implement structural reforms (steady judgement and implementation by cross-functional team)
 - Reduce fixed costs and carefully select capital expenditure (40% reduction)
 - Implement drastic measures including withdrawal from the “businesses with issues”
- Shift management resources to the growth areas
(including clad materials, power electronics materials, and aircraft-related materials)

[Changes in segments]

As of April 1, 2019, soft magnetic components and materials were transferred from the Specialty Steel Products segment to the Magnetic Materials and Applications segment, and the name of the Magnetic Materials and Applications segment was changed to the Magnetic Materials and Power Electronics Materials segment.

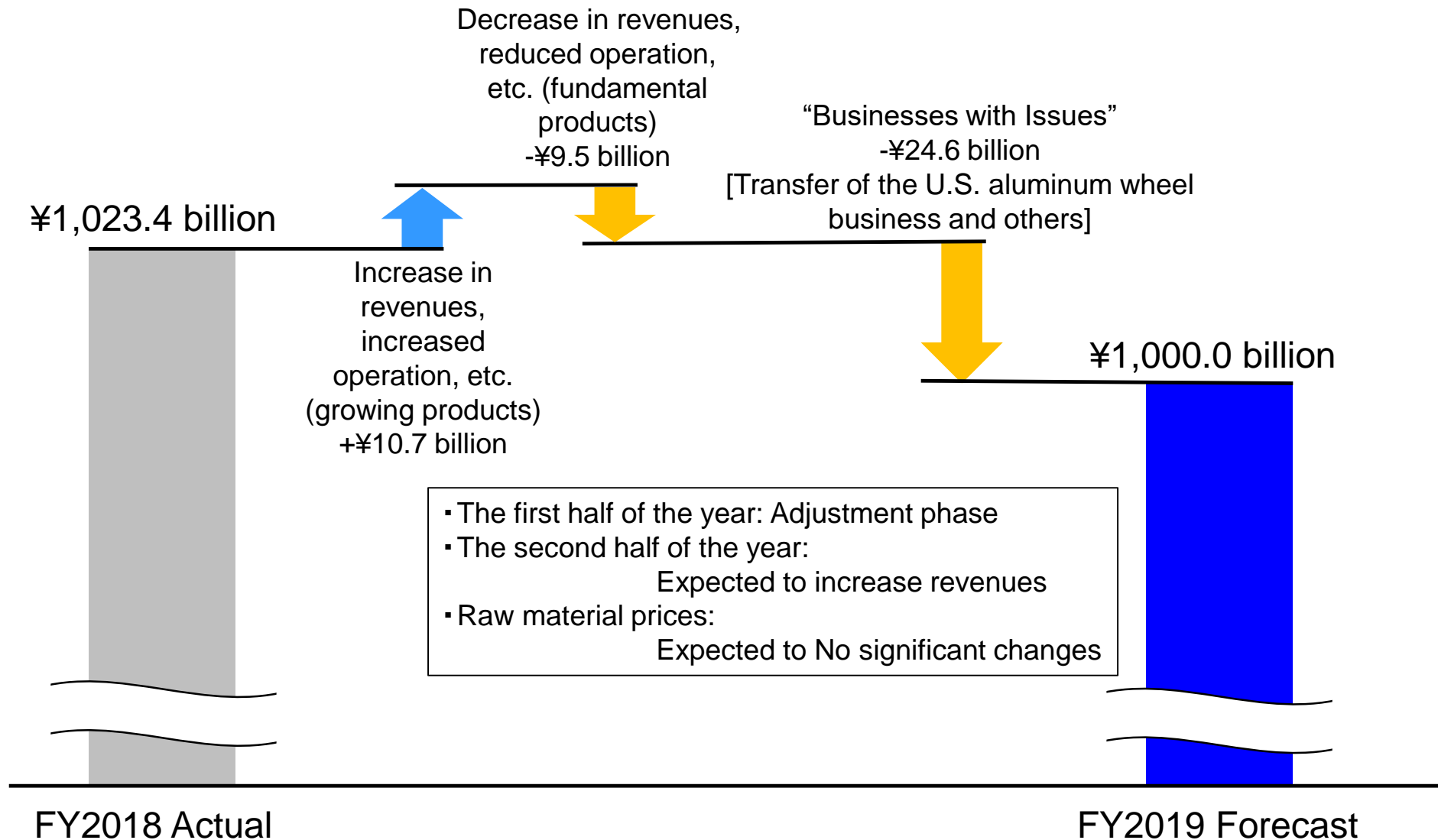
3-3. Revenues & Adjusted Operating Income Forecasts by Segment

¥ billions Profit margin in brackets		FY2018 Actual US\$1 = ¥111 € 1 = ¥128 1 yuan = ¥16.5	FY2019 Forecast US\$1 = ¥110	Year-on- Year	
Advanced Metals	Specialty Steel Products	Revenues	276.9	280.0	+1%
		Adjusted operating income [8.1%]	22.4	[7.5%] 21.0	-1.4
	Functional Components and Equipment	Revenues	367.6	350.0	-5%
		Adjusted operating income [2.9%]	10.5	[4.3%] 15.0	+4.5
	Subtotal *	Revenues	644.5	630.0	-2%
		Adjusted operating income [5.1%]	32.9	[5.7%] 36.0	+3.1
Advanced Components & Materials	Magnetic Materials / Power Electronics Materials	Revenues	137.0	140.0	+2%
		Adjusted operating income [2.9%]	4.0	[4.3%] 6.0	+2.0
	Wires, Cables, and Related Products	Revenues	240.1	230.0	-4%
		Adjusted operating income [5.2%]	12.5	[4.8%] 11.0	-1.5
	Subtotal *	Revenues	377.1	370.0	-2%
		Adjusted operating income [4.4%]	16.5	[4.6%] 17.0	+0.5
Others/Adjustments	Revenues	1.8	0	—	
	Adjusted operating income	2.0	1.0	—	
Total	Revenues	1,023.4	1,000.0	-2%	
	Adjusted operating income [5.0%]	51.4	[5.4%] 54.0	+2.6	

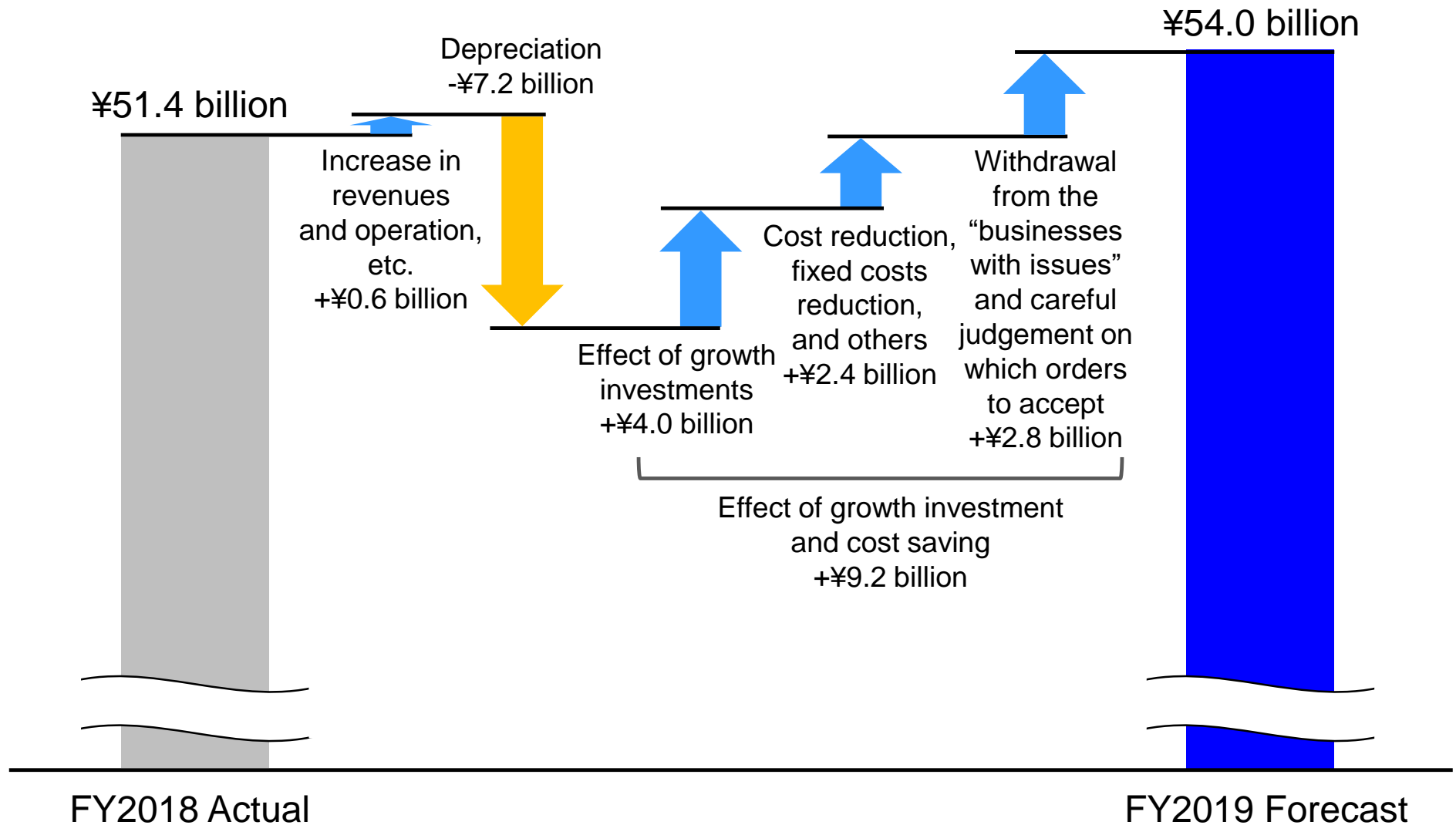
* Simple sum before eliminating intersegment revenues

Remarks: As of April 1, 2019, soft magnetic components and materials were transferred from the Specialty Steel Products segment to the Magnetic Materials and Applications segment, and the name of the Magnetic Materials and Applications segment was changed to the Magnetic Materials/ Power Electronics Materials segment. The figures in the FY2018 actual results were adjusted retrospectively to reflect this segment change (the actual results after retrospective adjustment have not been audited).

3-4. Factors Behind Increase/Decrease in Revenues (Year-on-Year)



3-5. Factors Behind Increase/Decrease in Adjusted Operating Income (Year-on-Year)



Reference Data (1)

¥ billions	FY2014 Actual US\$1 = ¥110	FY2015 Actual US\$1 = ¥120	FY2016 Actual US\$1 = ¥108 € 1 = ¥119 1 yuan = ¥16.1	FY2017 Actual US\$1 = ¥111 € 1 = ¥130 1 yuan = ¥16.8	FY2018 Actual US\$1 = ¥111 € 1 = ¥128 1 yuan = ¥16.5	FY2019 Forecast US\$1 = ¥110
Revenues	1,004.4	1,017.6	910.5	988.3	1,023.4	1,000.0
Adjusted operating income ^{*1}	84.4	76.1	66.0	65.1	51.4	54.0
Adjusted operating margin	8.4%	7.5%	7.2%	6.6%	5.0%	5.4%
Other income	21.3	36.4	14.1	5.4	10.7	
Other expenses	-21.3	-12.5	-11.8	-24.2	-19.7	
IFRS operating income	84.4	100.0	68.3	46.3	42.4	
EBIT	88.6	99.1	68.5	48.9	45.3	40.0
Income before income taxes	86.4	96.2	66.0	47.0	43.0	38.0
Net income attributable to shareholders of the parent company	70.6	69.1	50.6	42.2	31.4	28.5
Interest-bearing debt	255.4	220.4	194.5	160.8	202.1	
Capital expenditure	51.5	59.6	63.8	91.8	95.4	62.0
Depreciation	39.9	42.9	43.0	46.1	50.9	60.0
R&D expenses	20.9	19.1	18.0	17.7	18.6	18.5
D/E ratio (times)	0.55	0.44	0.36	0.29	0.34	0.36
Earnings per share (basic) (yen)	165.02	161.50	118.32	98.72	73.37	66.66
Dividend per share (yen)	23.0	26.0	26.0	26.0	34.0	34.0
Equity per share attributable to shareholders of the parent company (yen)	1,090.6	1,159.7	1,254.9	1,316.1	1,375.2	1,401.2
Employees	30,278	29,157	28,754	30,390	30,304	30,900
ROE ^{*2}	16.8%	14.4%	9.8%	7.7%	5.5%	4.8%
ROA ^{*3}	7.3%	6.5%	4.9%	4.0%	2.9%	2.5%
Overseas sales ratio	47%	56%	56%	56%	56%	56%

*1 Adjusted operating income = Revenues – Sales cost – Selling, general, & administrative expenses

*2 Return on equity attributable to shareholders of the parent company (ROE) = Net income attributable to shareholders of the parent company / Average of beginning and end-year equity attributable to shareholders of the parent company * 100

*3 Return on total assets (ROA) = Net income attributable to shareholders of the parent company / Average of beginning and end-year total assets * 100

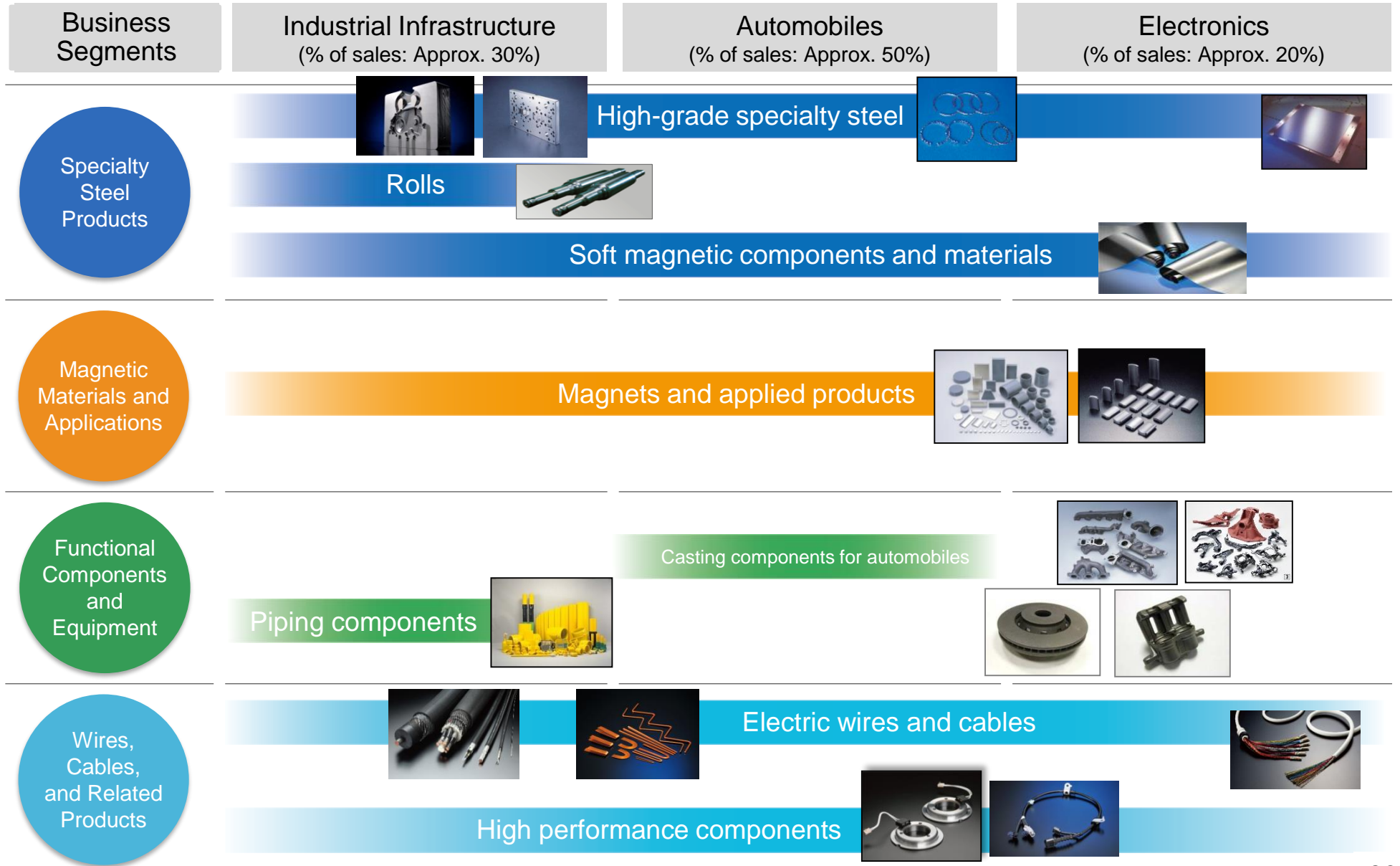
Reference Data (2)

Major products' volume trends (weight basis)

Index numbers calculated by taking the value of 1Q FY2017 as 100


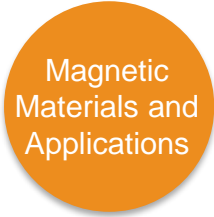


Product		FY2017				FY2018				FY2019
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	Cumulative Total (forecast)
Specialty Steel Products	Molds and tool steel	100	93	91	98	99	98	86	86	88
	CVT belt materials	100	112	118	128	108	114	121	108	112
	Piston ring materials	100	93	92	98	102	97	99	95	102
	Organic EL-related materials	100	162	172	215	202	177	175	160	252
Magnetic Materials and Applications	Rare earth magnets	100	101	105	98	99	99	92	86	100
Functional Components and Equipment	Cast iron products	100	92	87	98	101	95	92	97	101
	Heat-resistant exhaust casting components (HERCUNITE™)	100	98	105	101	101	88	83	72	75

(For reference) Business Operations by Market (up to March 2019)




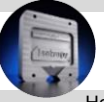










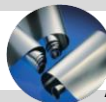

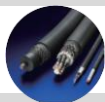
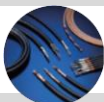

(For reference) Hitachi Metals: Description of Business Segments (up to March 2019)

■ 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, razor and blade materials], aircraft- and energy-related materials, and precision cast components)
	Rolls	Rolls for steel mills, injection molding machine parts, structural ceramic products, and steel-frame joints for construction
	Soft magnetic components 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) and ceramic components
 <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 and valves, 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, automotive electronic components, and brake hoses

(For reference) Business Operations by Market (From April 2019)

Business Portfolio

Business Headquarters	Business Segments	Industrial Infrastructure	Automobiles	Electronics	
Advanced Metals	Specialty Steel	 Tool Steel & Rolls Rolls for steel mills		 Hot molds and tool steel	
		 Turbine case	Industrial Aerospace & Energy Materials  CVT belt materials		Electronic Materials  Clad metals
	Functional Components and Equipment	Piping Components  Pipe fittings		Automotive Casting Products  Cast iron products	 HERCUNITE™ heat-resistant exhaust casting components
		 Polyethylene gas piping systems		 Lead frame materials	
Advanced Components & Materials	Magnetic Materials/ Power Electronics Materials	 Neodymium magnets NEOMAX®		 Ferrite magnets NMF™	
		 Amorphous metals Metglas®	Power Electronics Materials  Silicon nitride substrate		
	Wires, Cables, and Related Products	 Cables for rolling stock		Electric Wires and Cables  Cables for industrial robots	
 Automotive Components Harnesses for electric parking brakes					

(For reference) Business Operations of Hitachi Metals

(From April 2019)

■ Business Operations

Business Headquarters	Business Segments	Business	Principal Products
Advanced Metals	Specialty Steel	Tool Steel & Rolls	Molds and tool steel, various rolls for steel mills, injection molding machine parts, structural ceramic products, and steel-frame joints for construction
		Industrial Aerospace & Energy Materials	Automobile-related materials, razor and blade materials, precision cast components, and aircraft- and energy-related materials
		Electronic Materials	Display-related materials, semiconductor and other package materials, and battery-related materials
	Functional Components and Equipment	Automotive Casting	HNM™ high-grade ductile cast iron products, cast iron products for transportation equipment, HERCUNITE™ heat-resistant exhaust casting components, and aluminum components
		Piping Components	Piping and infrastructure components (Gourd™ brand pipe fittings, various valves, stainless steel and plastic piping components, water cooling equipment, precision mass flow control devices, and sealed expansion tanks)
Advanced Components & Materials	Magnetic Materials/ Power Electronics Materials	Magnetic Materials	NEOMAX® rare-earth magnets, ferrite magnets, other various magnets and their applied products
		Power Electronics Materials	Soft magnetic materials (Metglas® amorphous metals, FINEMET® nanocrystalline magnetic materials, soft ferrite) and its applied products, and ceramic components
	Wires, Cables, and Related Products	Electric Wire & Cable	Industrial cables, electronic wires, electric equipment materials, cable assemblies, and industrial rubber products
		Automotive Components	Automotive electronic components and brake hoses

The Group's business results are disclosed by business segment.

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:

- Risks associated with market conditions related to product demand
- Risks associated with changes in raw material prices
- Risks associated with financing activities
- Risks associated with changes in foreign exchange rates
- Risks associated with changes in the value of securities
- Risks associated with the global expansion of businesses
- Risks associated with competitiveness and development and commercialization of new technologies and products
- Risks associated with intellectual property rights
- Risks associated with environmental regulations
- Risks associated with product defects
- Risks associated with laws and regulations, and official regulations
- Risks associated with earthquakes and other natural disasters
- Risks associated with information security
- Risks associated with retirement benefit obligations
- Risks associated with relationship with the parent company
- Risks associated with M&A
- Risks associated with securing talent