

Hitachi Metals Financial Results for Fiscal Year Ended March 31, 2020 Results Forecast for Fiscal Year Ending March 31, 2021

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- 1. Financial Results for FY2019**
- 2. FY2019 Results by Segment**
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May 27, 2020

- Sales by product area
 - [Automobiles]
 - Demand for many mainstays decreased due to decreased automotive sales in the global markets.
 - [FA/robots]
 - There were no signs of recovery in demand, and sales of rare earth magnets and cable materials remained sluggish.
 - [Smartphones]
 - Sales of specialty, steel electronic materials (clad metals), increased.
 - [Semiconductors]
 - While the customer inventory adjustment of both copper and nickel series was completed, no signs of strong recovery have been witnessed.
- Implemented measures to improve operational efficiency
 - Free cash flow (FCF)
FCF improved by ¥79.2 billion year on year (published value*: ¥67.7 billion from previous FY) to ¥49.5 billion, mainly by reducing inventory level (by ¥34.9 billion from previous FY) through production adjustments and reducing investments.
 - Fixed costs reduction and others
Reduced by ¥24.2 billion year on year (published value*: by ¥23.1 billion from previous FY)
- Impact of COVID-19
 - Affected operating results mainly in China, but the impact was reduced primarily by reducing fixed costs

- 2019 Operating Results
 - Both revenues and income decreased from the previous FY, but adjusted operating income was secured at the published value*.
Revenues: ¥881.4 billion (published value: ¥895.0 billion) and adjusted operating income: ¥14.4 billion (published value: ¥14.0 billion)
 - FCF improved from the published value* mainly by reducing inventory level and strictly selecting investments.

*The values published on Oct 29, 2019

1-2. FY2019 Operating Results

¥ billions, profit margin in brackets	FY2018 US\$1 = ¥111 €1 = ¥128 1 yuan = ¥16.5	FY2019 US\$1 = ¥109 €1 = ¥121 1 yuan = ¥15.6	Year-on-Year
Revenues	1,023.4	881.4	-14%
Adjusted operating income ^{*1}	[5.0%] 51.4	[1.6%] 14.4	-37.0
IFRS operating income	[4.1%] 42.4	[-4.4%] -39.1	-81.5
Income before income taxes	43.0	-40.6	-83.6
Net income attributable to shareholders of the parent company	31.4	-37.6	-69.0
ROIC ^{*2}	5.3%	1.7%	-3.6%

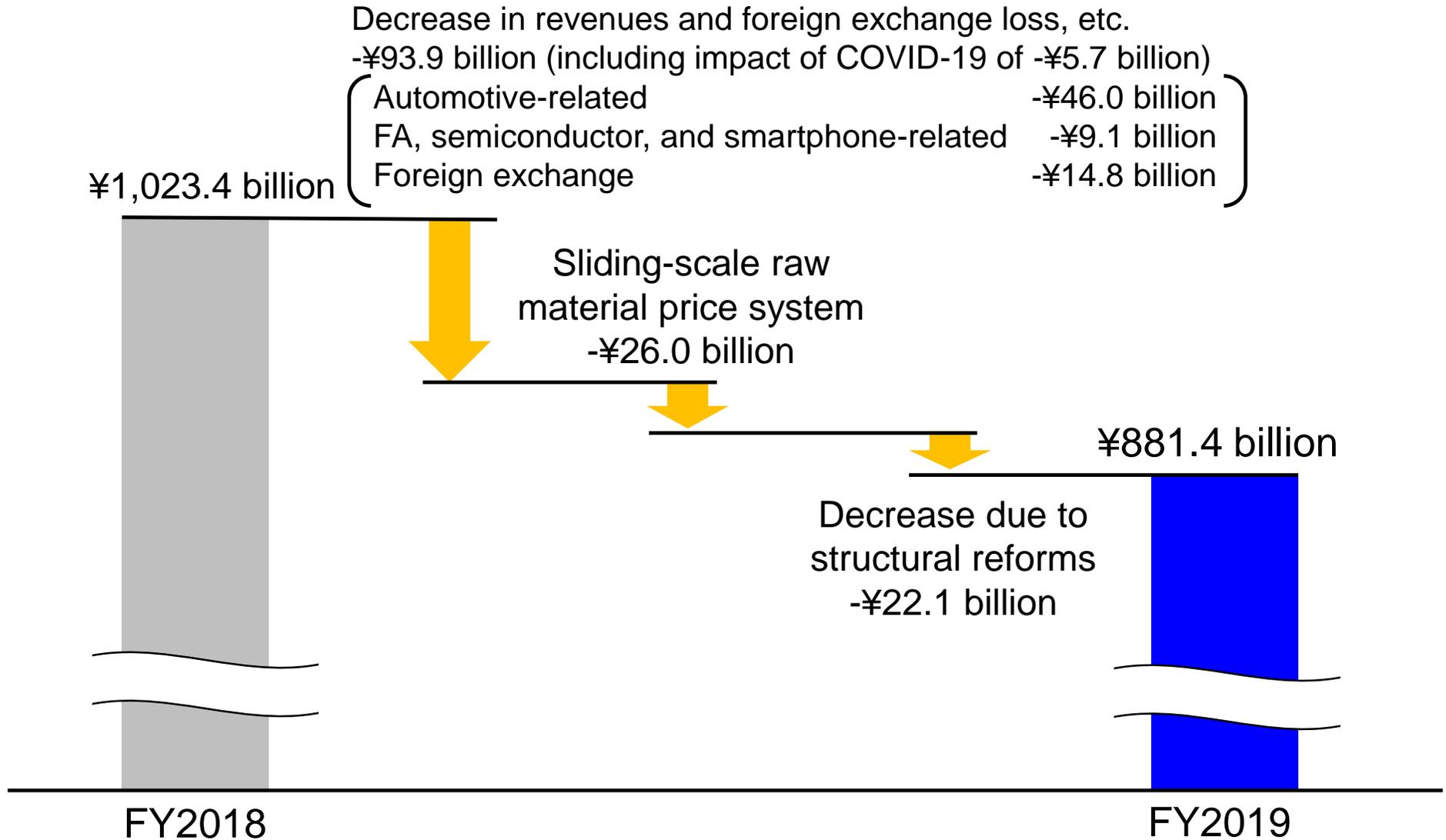
*1: Adjusted operating income = Revenues – Sales cost – Selling, general, & administrative expenses

*2: Rate of Return on Invested Capital (ROIC) = (Adjusted operating income * (1 - tax rate of 25%) + (equity in earnings of affiliates) / (average of beginning and end-year interest-bearing debts + average of beginning and end-year capital) [The formula has changed from the current period]

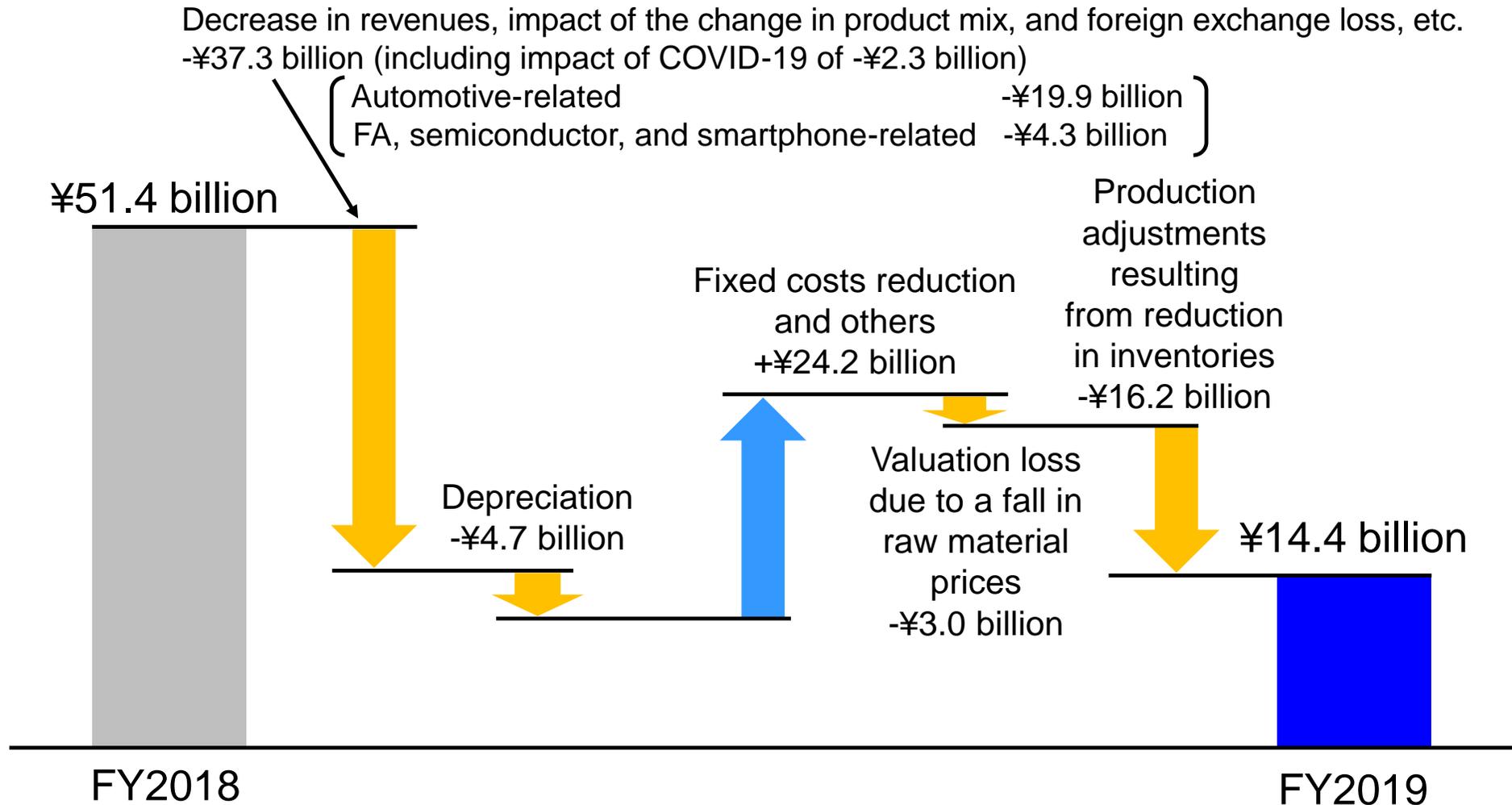
Sales by region

¥ billions		Japan	North America	China	Other Asian countries	Europe	Other
FY2018	Revenues	449.0	310.9	76.2	124.5	50.4	12.4
	Sales ratio	44%	30%	7%	12%	5%	2%
FY2019	Revenues	405.4	245.3	63.4	102.8	44.5	20.0
	Sales ratio	46%	28%	7%	12%	5%	2%
	Revenues year-on-year	-10%	-21%	-17%	-17%	-12%	+61%

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



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



2-1. FY2019 Operating Results by Segment

¥ billions, profit margin in brackets			FY2018 US\$1 = ¥111 €1 = ¥128 1 yuan = ¥16.5	FY2019 US\$1 = ¥109 €1 = ¥121 1 yuan = ¥15.6	Year-on-Year
Advanced Metals	Specialty Steel Products	Revenues	276.9	250.6	-9%
		Adjusted operating income	[8.1%] 22.4	[2.2%] 5.5	-16.9
		IFRS operating income	[7.9%] 21.8	[3.0%] 7.6	-14.2
		ROIC ^{*1}	7.3%	1.9%	-5.4%
	Functional Components and Equipment	Revenues	367.6	299.7	-18%
		Adjusted operating income	[2.9%] 10.5	[-0.3%] -0.9	-11.4
		IFRS operating income	[-0.7%] -2.5	[-3.1%] -9.2	-6.7
		ROIC ^{*1}	2.7%	—	—
	Subtotal [©]	Revenues	644.5	550.3	-15%
		Adjusted operating income	[5.1%] 32.9	[0.8%] 4.6	-28.3
		IFRS operating income	[3.0%] 19.3	[-0.3%] -1.6	-20.9
		ROIC ^{*1}	4.9%	0.8%	-4.1%
Advanced Components & Materials	Magnetic Materials and Applications / Power Electronics	Revenues	137.0	116.8	-15%
		Adjusted operating income	[2.9%] 4.0	[1.2%] 1.4	-2.6
		IFRS operating income	[6.9%] 9.5	[-36.6%] -42.8	-52.3
		ROIC ^{*1}	1.9%	0.9%	-1.0%
	Wires, Cables, and Related Products	Revenues	240.1	213.3	-11%
		Adjusted operating income	[5.2%] 12.5	[3.1%] 6.7	-5.8
		IFRS operating income	[4.8%] 11.6	[2.5%] 5.3	-6.3
		ROIC ^{*1}	8.6%	5.0%	-3.6%
	Subtotal [©]	Revenues	377.1	330.1	-12%
		Adjusted operating income	[4.4%] 16.5	[2.5%] 8.1	-8.4
		IFRS operating income	[5.6%] 21.1	[-11.4%] -37.5	-58.6
		ROIC ^{*1}	4.4%	2.5%	-1.9%
Others/Adjustments	Revenues	1.8	1.0	—	
	Adjusted operating income	2.0	1.7	-0.3	
	IFRS operating income	2.0	0	-2.0	
Total	Revenues	1,023.4	881.4	-14%	
	Adjusted operating income	[5.0%] 51.4	[1.6%] 14.4	-37.0	
	IFRS operating income	[4.1%] 42.4	[-4.4%] -39.1	-81.5	
	ROIC ^{*2}	5.3%	1.7%	-3.6%	

*1: Rate of Return on Invested Capital (ROIC) by segment = {Adjusted operating income * (1 - tax rate of 30%) + (equity in earnings of affiliates)} / (average of beginning and end-year working capital + average of beginning and end-year fixed assets) [The formula has changed from the current period]

*2: Rate of Return on Invested Capital (ROIC) = {Adjusted operating income * (1 - tax rate of 25%) + (equity in earnings of affiliates)} / (average of beginning and end-year interest-bearing debts + average of beginning and end-year capital) [The formula has changed from the current period]

© Simple sum before eliminating intersegment revenues

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

[Revenues]

▪ Molds and tool steel

Decreased due to a decline in demand in international markets mainly in China and inventory adjustments including domestic distribution

▪ Rolls

Rolls: Domestic sales increased

Injection molding machine parts: Decreased owing to a collapse in demand since 3Q

▪ Industrial equipment materials

Decreased on the back of a decline in demand for products related to automobiles

▪ Aircraft- and energy-related materials

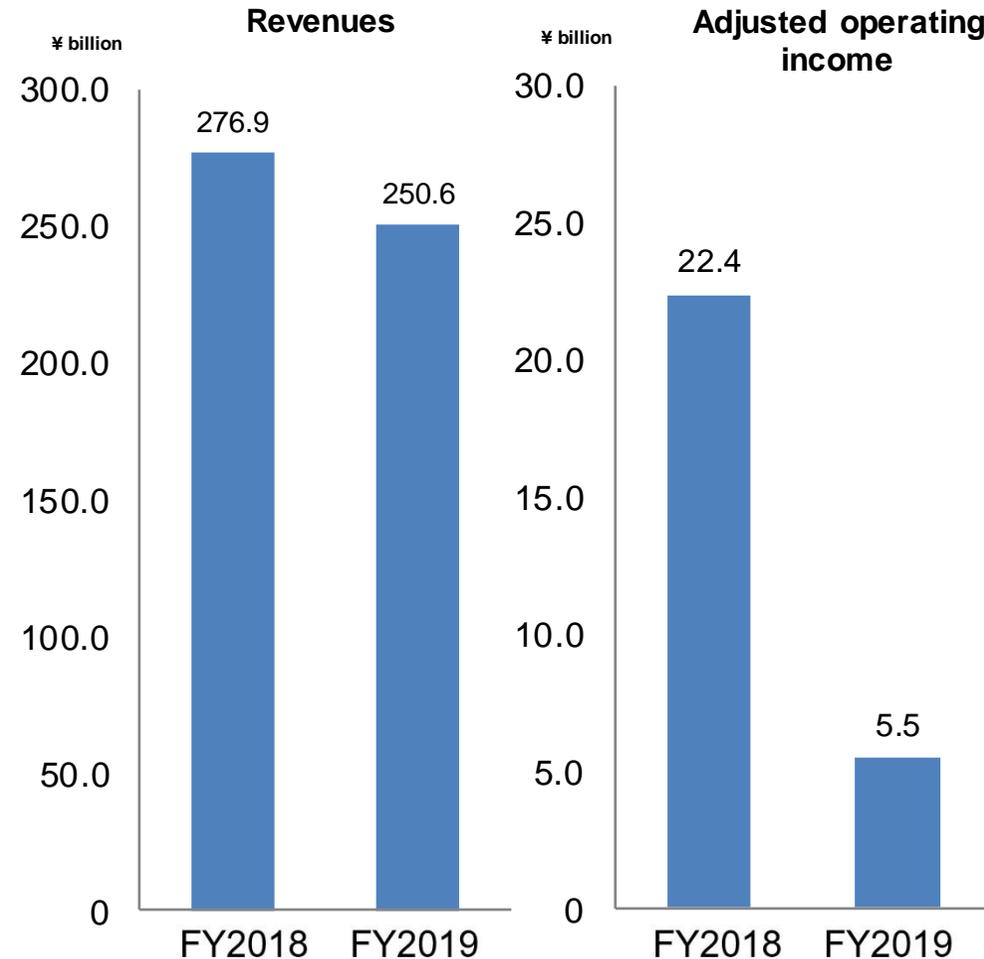
Both aircraft- and energy- related materials increased due to higher demand

▪ Alloys for electronic products

Decreased due to a decline in demand for semiconductor package components, despite the growth in sales of organic EL panel-related materials and brisk sales of clad metals for smartphones and batteries

[Adjusted operating income]

Decreased due to a decline in demand for the mainstays including molds and tool steel and industrial equipment materials, the effects of a fall in raw material prices, and the reduction of work in process in line with demand among other factors



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

¥ billions		FY2018 US\$1 = ¥111 €1 = ¥128 1 yuan = ¥16.5	FY2019 US\$1 = ¥109 €1 = ¥121 1 yuan = ¥15.6	Year-on-Year
Specialty Steel Products	Revenues	276.9	250.6	-9%
	Molds and tool steel [□]			-18%
	Rolls [□]			+4%
	Industrial equipment materials [□]			-16%
	Aircraft-related and energy-related materials [□]			+9%
	Alloys for electronic products [□]			-7%
	Adjusted operating income	22.4	5.5	-16.9
	Adjusted operating margin	8.1%	2.2%	-5.9%
	IFRS operating income	21.8	7.6	-14.2
	ROIC	7.3%	1.9%	-5.4%

□ Indicates the change in revenues calculated by a simplified method

2-4. Operating Results by Segment: Functional Components and Equipment (1)

[Revenues]

Decreased due to a drop in automotive sales and the withdrawal from the aluminum wheel business

▪ Casting components for automobiles

Cast iron products:

North America saw a continued decline in demand for light trucks and passenger vehicles, and a fall in sales of cast iron products for commercial vehicles and construction and agricultural machinery from the beginning of 3Q. Asia also saw a decline in demand. Followed by the impact of COVID-19 in North America and Asia at year-end

Heat-resistant exhaust casting components:

Decreased mainly due to a drop in sales of new vehicles and careful selection of orders in order to improve earnings

▪ Piping components

Pipe fittings:

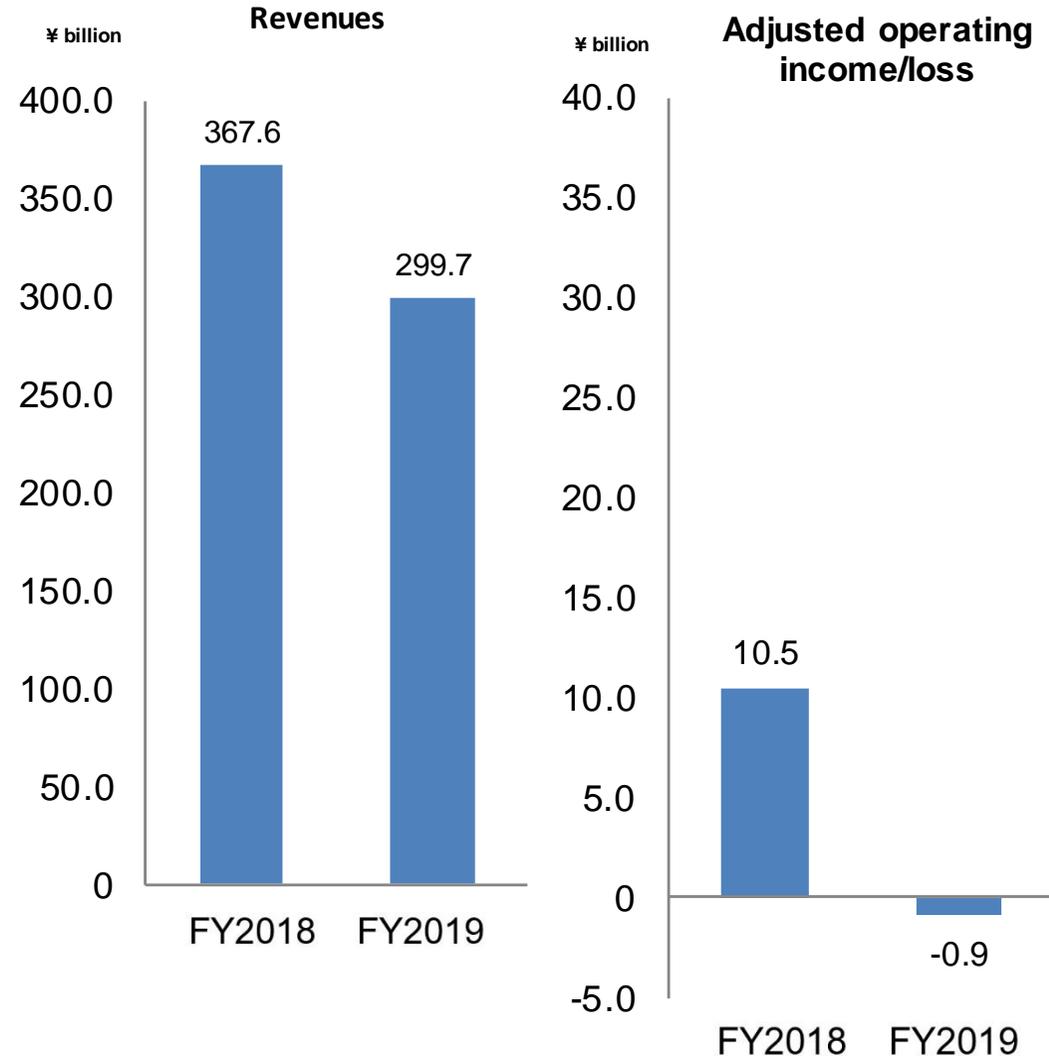
Both domestic and international sales remained unchanged year on year

Semiconductor manufacturing equipment:

Decreased due to the delay of some capital investment projects

[Adjusted operating income/loss]

Decreased due to primarily the suspension of the major customers' operations at year-end amid the COVID-19 outbreak, in addition to a decline in demand in the automotive casting components business in North America, which is the segment's core business, and ongoing sluggish sales of semiconductor manufacturing equipment



2-5. Operating Results by Segment: Functional Components and Equipment (2)

¥ billions		FY2018 US\$1 = ¥111 €1 = ¥128 1 yuan = ¥16.5	FY2019 US\$1 = ¥109 €1 = ¥121 1 yuan = ¥15.6	Year-on-Year
Functional Components and Equipment	Revenues	367.6	299.7	-18%
	Casting components for automobiles [◎]	319.8	253.8	-21%
	Waupaca Foundry, Inc. [◎]	217.1	182.2	-16%
	Cast iron products [Waupaca Foundry, Inc.] (weight)			-12%
	Cast iron products [Other] (weight)			-5%
	HERCUNITE™ heat-resistant cast components (weight)			-15%
	Piping components [◎]	47.8	45.9	-4%
	Adjusted operating income	10.5	-0.9	-11.4
	Adjusted operating margin	2.9%	-0.3%	-3.2%
	IFRS operating income	-2.5	-9.2	-6.7
ROIC	2.7%	—	—	

◎ Simple sum before eliminating intersegment revenues

2-6. Operating Results by Segment: Magnetic Materials and Applications / Power Electronics Materials(1)



[Revenues]

Decreased due to a decrease in demand for magnetic materials and applications for FA/robots and automotive applications

• Magnetic materials and applications

Rare earth magnets:

Demand for FA/robots declined significantly.

Demand for automotive components also decreased.

Ferrite magnets:

Demand for automotive components decreased.

• Power electronics materials

Soft magnetic materials and the applied products:

Demand related to EVs increased. Amorphous metals for transformers and some components for consumer equipment decreased.

Ceramic components:

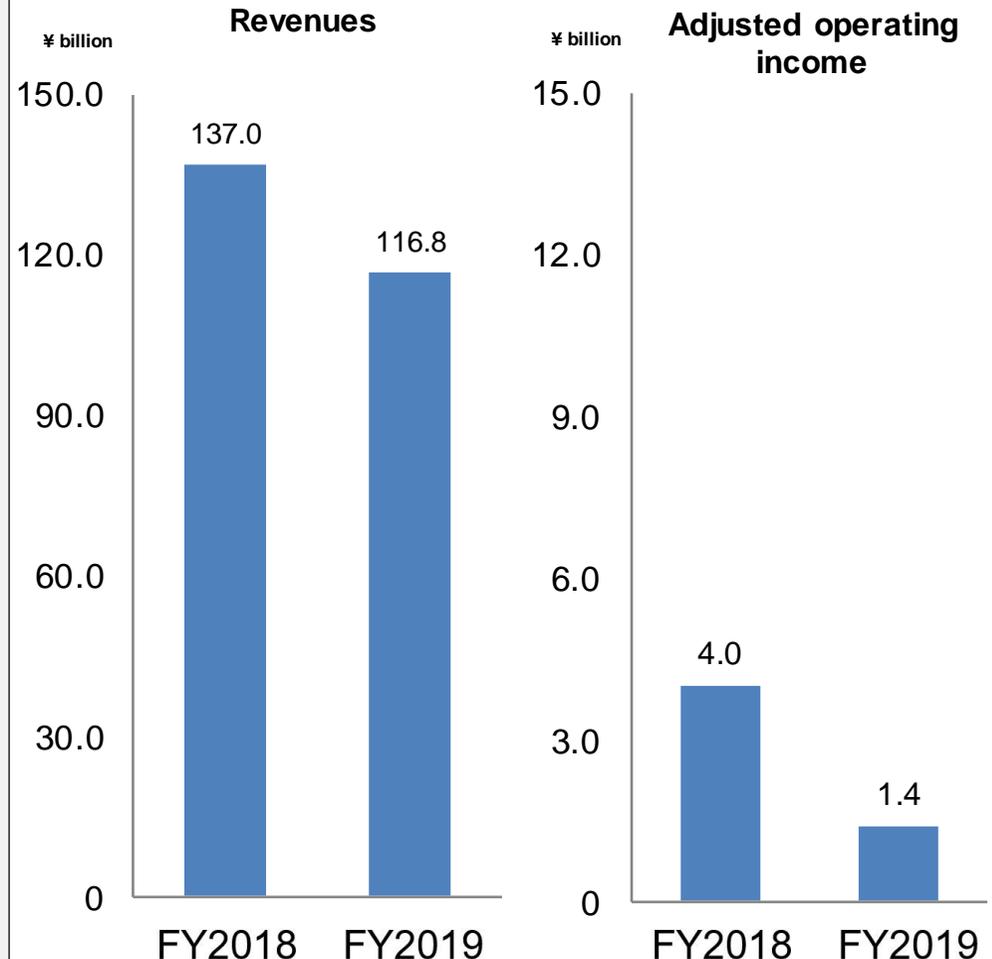
Increased due to an increase in demand mainly for the use of automotive electronic components and medical and security-related devices

[Adjusted operating income]

Decreased due to a decrease in demand for magnetic materials and applications

[IFRS operating income]

Decreased as a result of the posting of impairment losses of ¥42.6 billion (property, plant and equipment: ¥22.6 billion, goodwill: ¥20.0 billion), in addition to a decline in demand for magnetic materials and applications



2-7. Operating Results by Segment: Magnetic Materials and Applications / Power Electronics Materials (2)

¥ billions		FY2018 US\$1 = ¥111 €1 = ¥128 1 yuan = ¥16.5	FY2019 US\$1 = ¥109 €1 = ¥121 1 yuan = ¥15.6	Year-on-Year
Magnetic Materials and Applications / Power Electronics	Revenues	137.0	116.8	-15%
	Magnetic Materials and Applications [Ⓞ]	99.2	79.6	-20%
	Rare earth magnets (weight)			-11%
	Ferrite magnets (weight)			-10%
	Power Electronics [Ⓞ]	37.8	37.1	-2%
	Adjusted operating income	4.0	1.4	-2.6
	Adjusted operating margin	2.9%	1.2%	-1.7%
	IFRS operating income	9.5	-42.8	-52.3
	ROIC	1.9%	0.9%	-1.0%

Ⓞ Simple sum before eliminating intersegment revenues

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

[Revenues]

Decreased mainly in automotive electronic components, FA/robots.

▪ Electric wires and cables

Medical devices:

Sales of both tubes and cables increased.

Electrical wires/cables for rolling stock:

Decreased as large-scale projects entered the in-between season

Magnet wires:

Decreased both for automotive and industrial applications

Electronic wires:

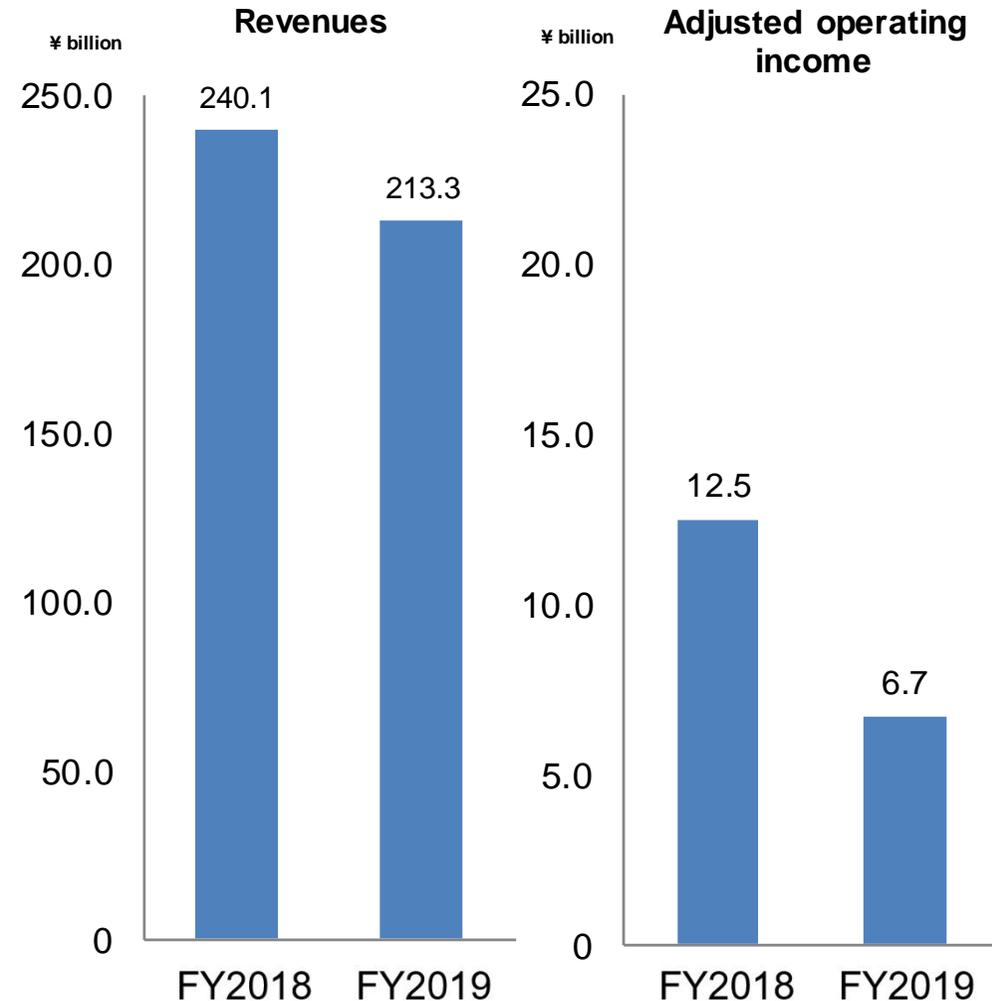
Decreased mainly for the use of FA/robots

▪ Automotive components

Demand fell for both automotive electronic components and brake hoses due to a decrease in new vehicle sales in the international markets

[Adjusted operating income]

Decreased mainly due to a decline in demand



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

¥ billions		FY2018 US\$1 = ¥111 € 1 = ¥128 1 yuan = ¥16.5	FY2019 US\$1 = ¥109 € 1 = ¥121 1 yuan = ¥15.6	Year-on-Year
Wires, Cables, and Related Products	Revenues	240.1	213.3	-11%
	Focus sectors			
	Rolling stock [□]			-23%
	Medical devices [□]			+6%
	Automotive electronic components [□]			-12%
	FA/robots [□]			-36%
	Magnet wires [□]			-19%
	Adjusted operating income	12.5	6.7	-5.8
	Adjusted operating margin	5.2%	3.1%	-2.1%
	IFRS operating income	11.6	5.3	-6.3
ROIC	8.6%	5.0%	-3.6%	

□ Indicates the change in revenues calculated by a simplified method

Sales proportion of the focus sectors: FY2018: 42%
FY2019: 40%

2-10. Assets, Liabilities, and Net Assets

¥ billions	End of FY2018 US\$1 = ¥111 € 1 = ¥125 1 yuan = ¥16.5	End of FY2019 US\$1 = ¥109 € 1 = ¥120 1 yuan = ¥15.3	Differences
Total assets	1099.3	977.8	-121.5
Trade receivables	195.3	157.7	-37.6
Inventories	214.8	179.9	-34.9
Total liabilities	504.1	454.9	-49.2
Interest-bearing debt	202.1	187.6	-14.5
Equity attributable to shareholders of the parent company	588.0	520.3	-67.7
Non-controlling interests	7.2	2.6	-4.6
Equity attributable to shareholders of the parent company ratio	53.5%	53.2%	-0.3%
D/E ratio (times)	0.34	0.36	+0.02

- Inventories decreased by ¥34.9 billion through the improvement measures.
- The health of interest bearing debts was maintained by improved financial position with a percentage of the parent company's interest of 53.2% and a D/E ratio of 0.36, despite some factors for an increase including the impact of the initial application of IFRS 16 Leases (¥17.4 billion).

2-11. Consolidated Cash Flows

¥ billions	FY2018	FY2019	Year-on-year
Cash flows from operating activities (Operating CF)	66.6	106.0	+39.4
Cash flows from investing activities (Investing CF)	-96.3	-56.5	+39.8
Free cash flows (FCF)	-29.7	49.5	+79.2
Core free cash flows*	-33.3	45.1	+78.4

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

Free cash flow improved by ¥79.2 billion year on year, through measures such as reducing working capital and applying stricter investment criteria.

Hitachi Metals Financial Results for Fiscal Year Ended March 31, 2020 Results Forecast for Fiscal Year Ending March 31, 2021

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1. Financial Results for FY2019
2. FY2019 Results by Segment
3. Results Forecast for FY2020

3-1. FY2020 Results Forecast

	¥ billions, profit margin in brackets	FY2019 Actual US\$1 = ¥109 €1 = ¥121 1 yuan = ¥15.6	FY2020 Forecast US\$1 = ¥105 €1 = ¥120 1 yuan = ¥15.0	Year-on-Year
Published value	Revenues	881.4	750.0	-15%
	Adjusted operating income ^{*1}	[1.6%] 14.4	[-0.7%] -5.0	-19.4
	Income before income taxes	-40.6	-15.0	+25.6
	Net income attributable to shareholders of the parent company	-37.6	-12.0	+25.6
	ROIC ^{*2}	1.7%	—	—
Excluding COVID-19 impact	Revenues	—	850.0	—
	Adjusted operating income	—	[4.1%] 35.0	—

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

*2: Rate of Return on Invested Capital (ROIC) = {Adjusted operating income * (1 - tax rate of 25%) + (equity in earnings of affiliates)} / (average of beginning and end-year interest-bearing debts + average of beginning and end-year capital) [The formula has changed from the current period]

1. Forecasts for Economic Growth and Demand

- Global real GDP growth rate for 2020: from -3.0 to -2.8%*
- Global automotive production for 2020: 70 million vehicles (-21% from the previous fiscal year)*

2. Impact of COVID-19

- Assumption that the business will start to return to normal operation from Q3
- Reduce fixed costs by another ¥10.0 billion in response to the decline in sales

▶ Impacts on revenues: -¥100.0 billion; on adjusted operating income: -¥40.0 billion

3. Ensure financial health by improving cash flow primarily through the improvement of working capital efficiency and the strict selection of capital investments (Ensure the Free Cash Flow target of ¥57.0 billion set before the impact of COVID-19)

4. The impact of the misconduct involving misrepresentation of the test results in the inspection reports is currently under scrutiny.

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

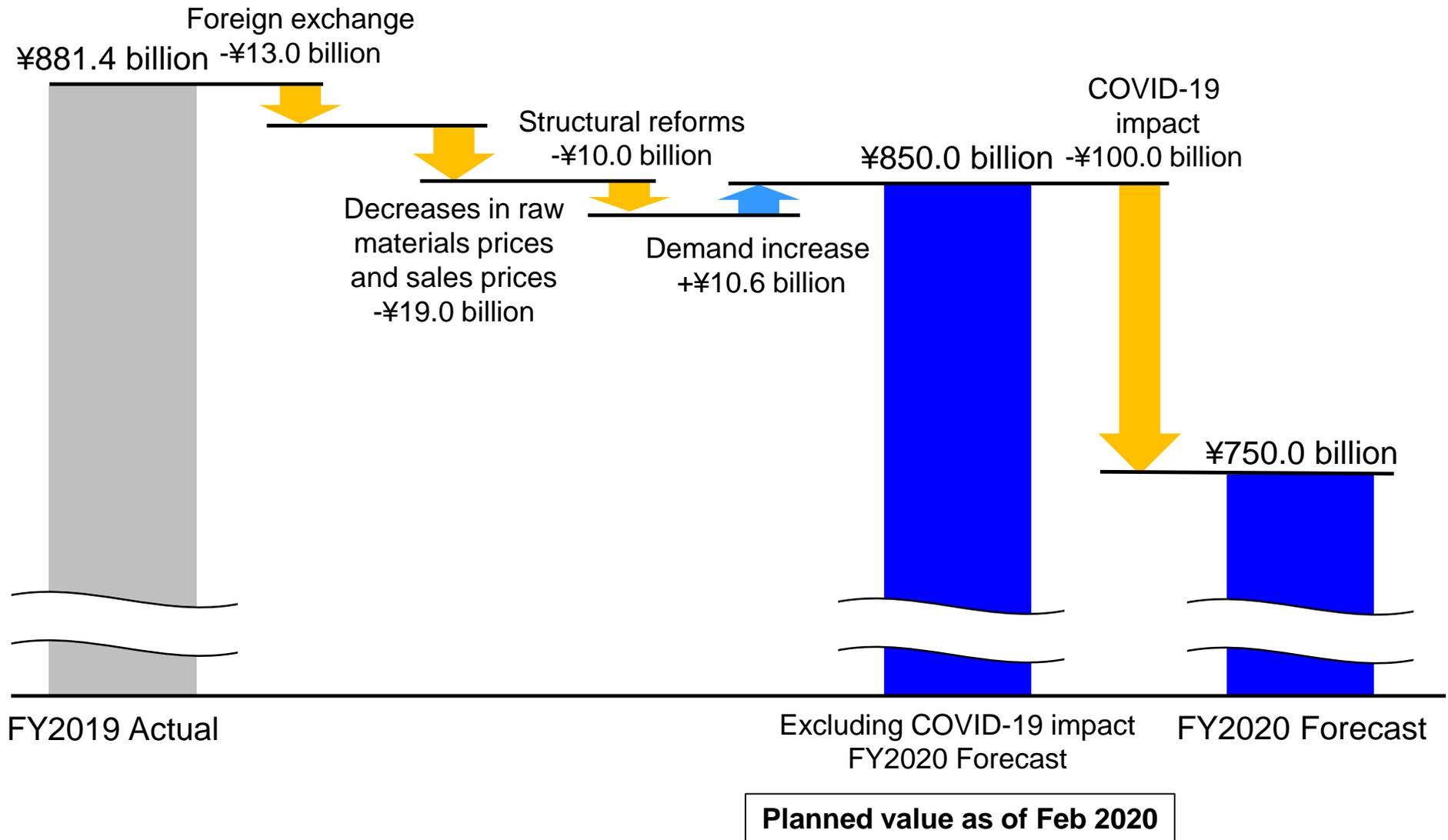
¥ billions, profit margin in brackets		FY2019 Actual US\$1 = ¥109 €1 = ¥121 1 yuan = ¥15.6	FY2020 Forecast US\$1 = ¥105 €1 = ¥120 1 yuan = ¥15.0	Year-on-Year	
Advanced Metals	Specialty Steel Products	Revenues	250.6	230.0	-8%
		Adjusted operating income	[2.2%] 5.5	[2.2%] 5.0	-0.5
		ROIC* ¹	1.9%	1.5%	-0.4%
	Functional Components and Equipment	Revenues	299.7	220.0	-27%
		Adjusted operating income	[-0.3%] -0.9	[-5.9%] -13.0	-12.1
		ROIC* ¹	—	—	—
	Subtotal [Ⓞ]	Revenues	550.3	450.0	-18%
		Adjusted operating income	[0.8%] 4.6	[-1.8%] -8.0	-12.6
		ROIC* ¹	0.8%	—	—
Advanced Components & Materials	Magnetic Materials and Applications / Power Electronics	Revenues	116.8	110.0	-6%
		Adjusted operating income	[1.2%] 1.4	[1.4%] 1.5	+0.1
		ROIC* ¹	0.9%	0.9%	0.0%
	Wires, Cables, and Related Products	Revenues	213.3	190.0	-11%
		Adjusted operating income	[3.1%] 6.7	[1.3%] 2.5	-4.2
		ROIC* ¹	5.0%	2.0%	-3.0%
	Subtotal [Ⓞ]	Revenues	330.1	300.0	-9%
		Adjusted operating income	[2.5%] 8.1	[1.3%] 4.0	-4.1
		ROIC* ¹	2.5%	1.3%	-1.2%
Others/Adjustments	Revenues	1.0	0	—	
	Adjusted operating income	1.7	-1.0	-2.7	
Total	Revenues	881.4	750.0	-15%	
	Adjusted operating income	[1.6%] 14.4	[-0.7%] -5.0	-19.4	
	ROIC* ²	1.7%	—	—	

*1: Rate of Return on Invested Capital (ROIC) by segment = {Adjusted operating income * (1 - tax rate of 30%) + (equity in earnings of affiliates)} / (average of beginning and end-year working capital + average of beginning and end-year fixed assets) [The formula has changed from the current period]

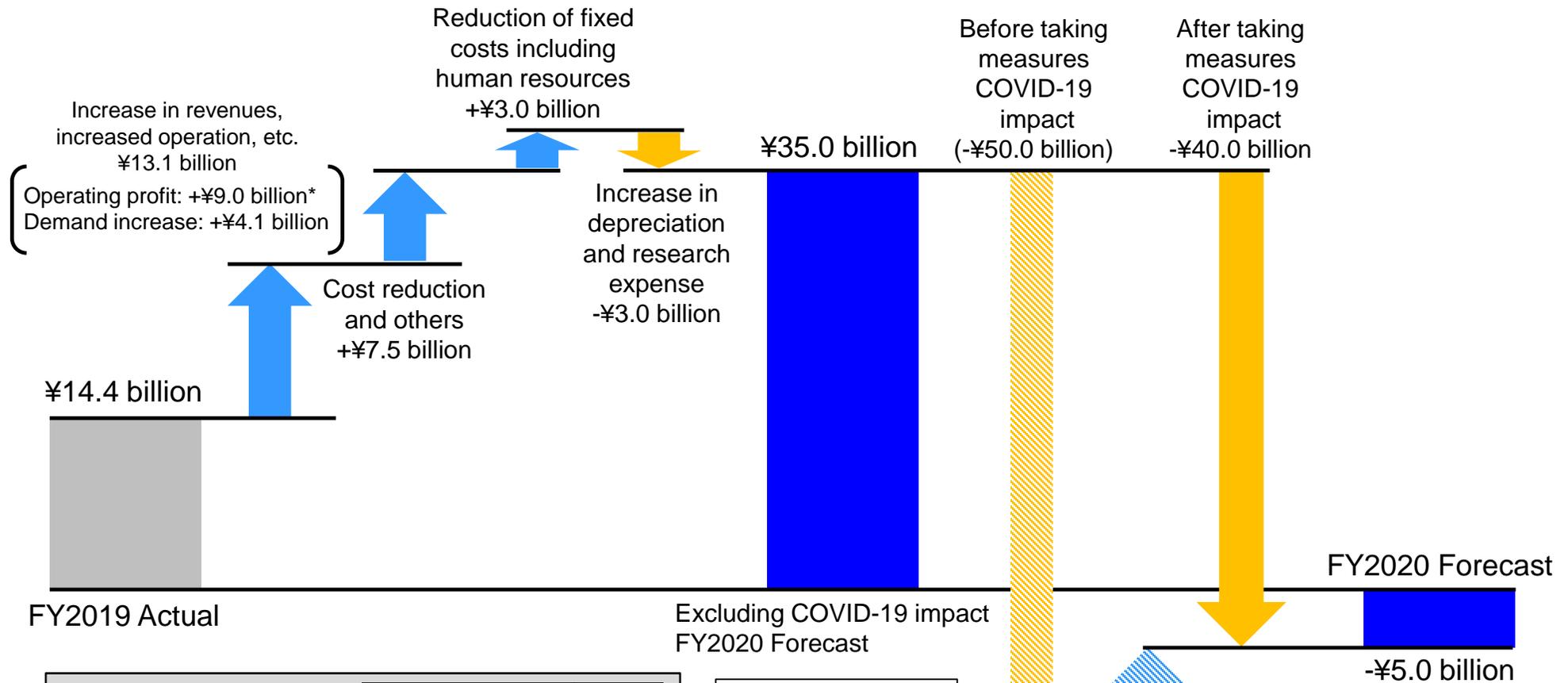
*2: Rate of Return on Invested Capital (ROIC) = {Adjusted operating income * (1 - tax rate of 25%) + (equity in earnings of affiliates)} / (average of beginning and end-year interest-bearing debts + average of beginning and end-year capital) [The formula has changed from the current period]

Ⓞ Simple sum before eliminating intersegment revenues

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



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



Ensure the FCF target set before the impact of COVID-19

FCF excluding COVID-19 impact	+57.0
Decrease in adjusted operating income (after-tax)	- 30.0
Reduction of inventories	+20.0
Reduction in capital investment	+10.0
FCF after taking measures against COVID-19	+57.0

Planned value as of Feb 2020

*Recovery in production after adjustment resulting from reduction in inventories

Reference Data (1)

¥ billions	FY2015	FY2016	FY2017	FY2018	FY2018	FY2018	FY2018	FY2018	FY2019	FY2019	FY2019	FY2019	FY2019	FY2020
	US\$1 = ¥120	US\$1 = ¥108 €1 = ¥119 1 yuan = ¥16.1	US\$1 = ¥111 €1 = ¥130 1 yuan = ¥16.8	Q1 (Apr – Jun) US\$1 = ¥109 €1 = ¥130 1 yuan = ¥17.1	Q2 (Jul – Sep) US\$1 = ¥111 €1 = ¥130 1 yuan = ¥16.4	Q3 (Oct – Dec) US\$1 = ¥113 €1 = ¥129 1 yuan = ¥16.3	Q4 (Jan – Mar) US\$1 = ¥110 €1 = ¥125 1 yuan = ¥16.3	US\$1 = ¥111 €1 = ¥128 1 yuan = ¥16.5	Q1 (Apr – Jun) US\$1 = ¥110 €1 = ¥123 1 yuan = ¥16.1	Q2 (Jul – Sep) US\$1 = ¥107 €1 = ¥119 1 yuan = ¥15.3	Q3 (Oct – Dec) US\$1 = ¥109 €1 = ¥120 1 yuan = ¥15.5	Q4 (Jan – Mar) US\$1 = ¥109 €1 = ¥120 1 yuan = ¥15.6	US\$1 = ¥109 €1 = ¥121 1 yuan = ¥15.6	US\$1 = ¥105 €1 = ¥120 1 yuan = ¥15.0
Revenues	1017.6	910.5	988.3	259.7	259.3	256.5	247.9	1023.4	234.0	222.9	214.1	210.4	881.4	750.0
Adjusted operating income ^{*1}	76.1	66.0	65.1	16.0	17.1	9.7	8.6	51.4	5.5	0.4	5.9	2.6	14.4	-5.0
Adjusted operating margin	7.5%	7.2%	6.6%	6.2%	6.6%	3.8%	3.5%	5.0%	2.4%	0.2%	2.8%	1.2%	1.6%	-0.7%
Other income	36.4	14.1	5.4	6.8	0.9	1.0	2.0	10.7	0.9	0.9	0.8	6.0	8.6	
Other expenses	-12.5	-11.8	-24.2	-2.2	-2.8	-11.9	-2.8	-19.7	-1.2	-44.1	-3.8	-13.0	-62.1	
IFRS operating income	100.0	68.3	46.3	20.6	15.2	-1.2	7.8	42.4	5.2	-42.8	2.9	-4.4	-39.1	
EBIT	99.1	68.5	48.9	21.9	16.3	-1.2	8.3	45.3	5.1	-42.6	3.5	-4.4	-38.4	-13.0
EBITDA	142.0	111.5	95.0	34.1	28.9	11.9	21.3	96.2	19.1	-28.4	17.0	9.1	16.8	40.0
(Quarterly) Income before income taxes	96.2	66.0	47.0	21.4	15.8	-1.9	7.7	43.0	4.5	-43.2	3.0	-4.9	-40.6	-15.0
(Quarterly) Net income attributable to shareholders of the parent company	69.1	50.6	42.2	17.0	11.1	-1.1	4.4	31.4	3.2	-44.2	2.1	1.3	-37.6	-12.0
Interest-bearing debt	220.4	194.5	160.8	183.4	201.4	218.3	202.1	202.1	239.0	227.0	228.1	187.6	187.6	
Capital expenditure	59.6	63.8	91.8	22.7	21.7	27.0	24.0	95.4	11.6	13.6	14.6	13.2	53.0	33.0
Depreciation	42.9	43.0	46.1	12.2	12.6	13.1	13.0	50.9	13.9	14.2	13.5	13.6	55.2	53.0
R&D expenses	19.1	18.0	17.7	4.5	4.8	4.6	4.7	18.6	4.0	4.2	4.0	3.7	15.9	17.0
D/E ratio (times)	0.44	0.36	0.29	0.32	0.34	0.37	0.34	0.34	0.42	0.43	0.43	0.36	0.36	0.29
(Quarterly) Basic net income per share (yen)	161.50	118.32	98.72	39.82	26	-2.65	73.37	73.37	7.58	-103.45	4.81	3.01	-88.05	-28.07
Dividend per share (yen)	26.0	26.0	26.0		17.0		17.0	34.0		13.0		13.0	26.0	–
Equity per share attributable to shareholders of the parent company (yen)	1,159.7	1,254.9	1,316.1	1,357.4	1,398.6	1,362.9	1,375.2	1,375.2	1,345.9	1,238.3	1,244.0	1,216.9	1,216.9	1,157.5
Employees	29,157	28,754	30,390	31,086	31,016	31,173	30,304	30,304	30,354	30,201	30,016	29,805	29,805	29,500
ROIC ^{*2}	9.6%	7.0%	5.8%					5.3%					1.7%	–
ROE ^{*3}	14.4%	9.8%	7.7%					5.5%					-6.8%	-2.4%
ROA ^{*4}	6.5%	4.9%	4.0%					2.9%					-3.6%	-1.3%
CCC ^{*5} (days)	62.3	71.1	82.7					90.7					87.1	86.3
Overseas sales ratio	56%	56%	56%	57%	56%	55%	57%	56%	55%	54%	53%	54%	54%	51%

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

*2 Rate of Return on Invested Capital (ROIC) [until FY2017] = Net income attributable to shareholders of the parent company / (average of beginning and end-year interest-bearing debts + average of beginning and end-year equity attributable to shareholders of the parent company)

Rate of Return on Invested Capital (ROIC) [from FY2018] = (Adjusted operating income * (1 - tax rate of 25%) + (equity in earnings of affiliates)) / (average of beginning and end-year interest-bearing debts + average of beginning and end-year capital)

*3 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

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

*5 Cash Conversion Cycle (CCC) = Working capital (trade receivables + inventories – debts) / daily average revenues

Reference Data (2)

Major products' volume trends (weight basis)

Index numbers calculated by taking the value of
1Q FY2018 as 100

Product		FY2017				FY2018				FY2019			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Specialty Steel Products	Molds and tool steel	101	94	92	99	100	98	87	87	80	82	80	67
	CVT belt materials	93	104	109	119	100	106	112	100	99	87	96	104
	Piston ring materials	98	91	90	96	100	96	98	93	89	78	90	84
	Organic EL-related components and materials	49	80	85	106	100	87	87	79	95	123	176	125
Functional Components and Equipment	Cast iron products [Waupaca Foundry, Inc.]	99	90	84	97	100	94	89	96	94	85	73	86
	Cast iron products [Other]	100	95	99	97	100	96	103	96	101	92	95	89
	Heat-resistant exhaust casting components (HERCUNITE™)	99	97	104	100	100	88	82	71	63	77	73	78
Magnetic Materials and Applications/ Power Electronics	Rare earth magnets	101	103	107	100	100	100	93	87	91	86	81	80
	Ferrite magnets	104	103	102	99	100	97	94	91	87	85	85	87
	Amorphous metals Metglas®	95	72	100	103	100	87	84	90	87	73	67	54
Wires, Cables, and Related Products	Electronic components*	89	93	100	106	100	109	113	98	99	97	96	85

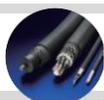
*Figures for automotive electronic components represent the index of revenues (amount excluding the effects of foreign exchange rates) calculated by a simplified method.

Revenues

¥ billions	FY2018	FY2019
Rolls Business	23.6	24.6

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

Business Portfolio

Business Headquarters	Business Segments	Industrial Infrastructure	Automobiles	Electronics		
Advanced Metals	Specialty Steel Products	 Tool Steel & Rolls Rolls for steel mills		 Hot molds and tool steel		
		 Turbine case	Industrial, Aerospace, & Energy Materials CVT belt materials		 Electronic Materials	
	Functional Components and Equipment	Piping Components  Pipe fittings	 Polyethylene gas piping systems	Automotive Casting Products  Cast iron products	 HERCUNITE™ heat-resistant exhaust casting components	 Lead frame materials
Advanced Components & Materials	Magnetic Materials and Applications/ Power Electronics Materials	Neodymium magnets NEOMAX®		 Magnetic Materials and Applications	 Ferrite magnets NMF®	
		 Amorphous metals Metglas®	Power Electronics Materials		 Silicon nitride substrate	
	Wires, Cables, and Related Products	 Electrical wire for rolling stock	 Cables for FA/industrial robots	Electric Wires and Cables		
		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 Products	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 Castings	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™ 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 and Applications/ Power Electronics Materials	Magnetic Materials and Applications	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 Wires and Cables	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 product demand and market conditions**
- Risks associated with raw materials procurement**
- Risks associated with changes in foreign exchange rates**
- Risks associated with the global expansion of businesses**
- Risks associated with impairment losses on fixed assets including property, plant and equipment and goodwill**
- Risks associated with M&A**
- Risks associated with business reorganization**
- Risks associated with product quality**
- Risks associated with financing activities**
- Risks associated with securing talent**
- Risks associated with relationship with the parent company**
- Risks associated with intellectual property rights**
- Risks associated with competitiveness and development and commercialization of new technologies and products**
- Risks associated with environmental regulations**
- 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**