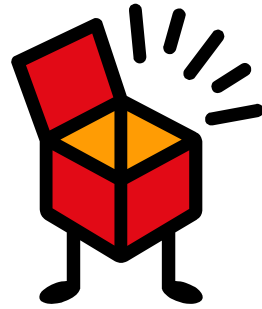


Hitachi Metals, Ltd.
Fiscal 2015 Medium-Term Management Plan



Materials Mag!c

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Hitachi Metals, Ltd.

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2015 Plan Orientation

Working from our base in materials development, Hitachi Metals has contributed to society by insisting on quality as we supply markets with distinctive products.

Turbulent changes are continuing amidst increasing uncertainty in markets whose structures are global in scale. To achieve sustained growth in this environment, we will need to develop operations that are focused on quality and attuned to changing market needs, and to bolster our corporate organization through accelerated restructuring.

Basic 2015 Plan Positions

By comparing the materials development and technical proposal capabilities that we have developed up to now with what markets now require, we will transform ourselves into an organization that manufactures and supplies top products globally.

Rejecting the usual lines of thinking, we will build a robust organization and capabilities, establishing the foundations for our company's sustained growth.

Hitachi Metals will have a presence that will be indispensable to markets and customers.

Putting in place the foundations for sustained growth by establishing robust corporate foundations and implementing growth strategies

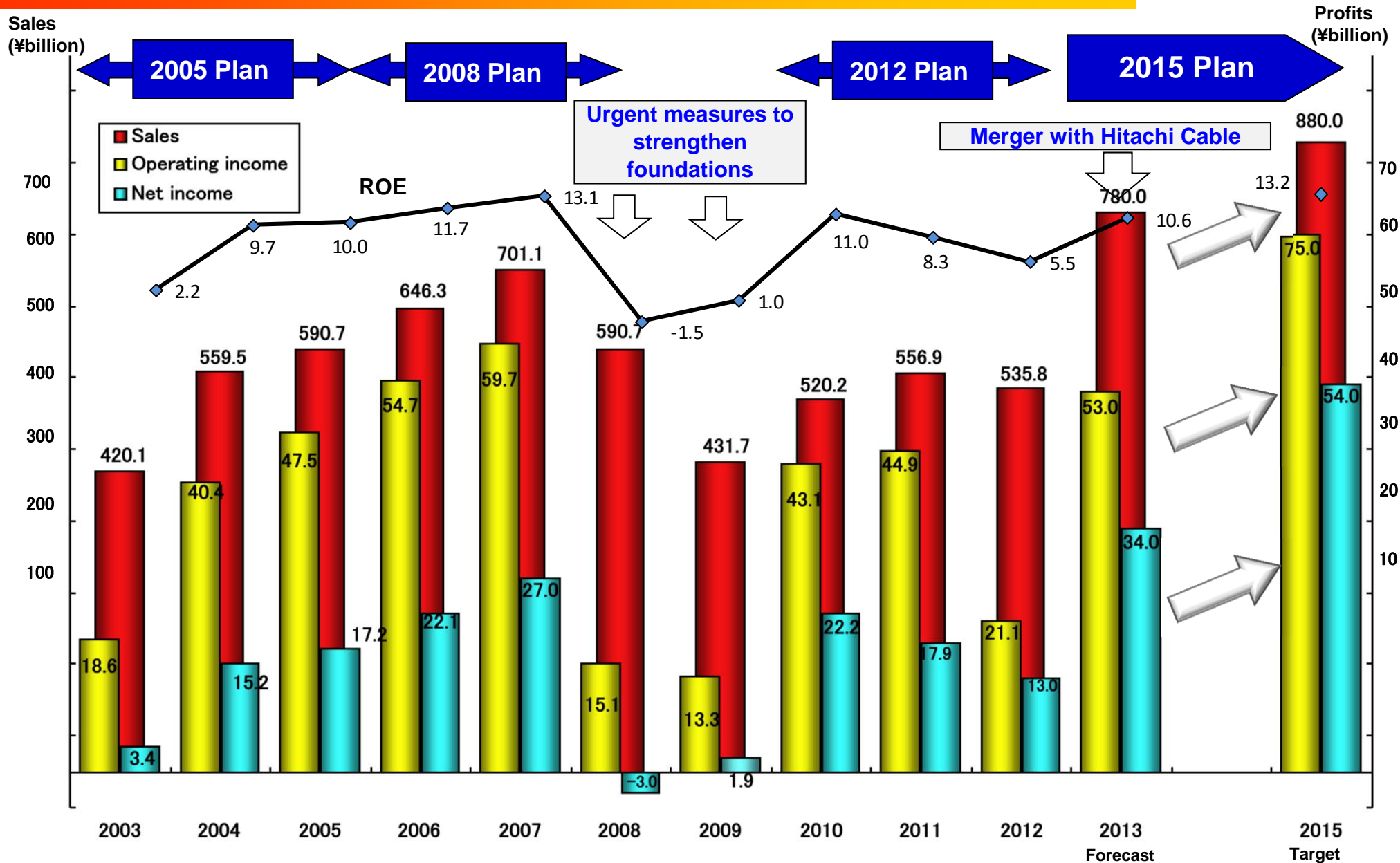
Overall Basic Policies

- Strengthen and accelerate global growth strategies
- Strengthen capabilities to create new products and develop new technologies
- Use selectivity in domestic operations and cut fixed costs
- Quickly achieve corporate merger benefits

Priority 2015 Medium-Term Plan Items

1. Be more selective regarding products manufactured in Japan and increase our overseas manufacturing ratio
2. Increase shares of new products and expand business domains
3. Cut costs in response to shrinking domestic markets
4. Minimize fluctuating costs by improving our manufacturing and technological capabilities and promoting global procurement
5. Improve cash flow

Performance Trends



Fiscal 2015 Medium-Term Management Plan

—Principal Corporate Performance Data



(¥billion)

	FY2012 Performance based on simple totals from Hitachi Metals and Hitachi Cable	FY2013 Forecast *announced July 26, 2013	FY2013 Forecast after adding Hitachi Cable's FY2013 Q1 results	FY2015 Targets hypothetical ¥90 = \$1 exchange rate
Sales	897.7	780.0	868.3	880.0
Operating income	25.4	53.0	56.2	75.0
Income before income taxes	9.3	46.0	51.3	68.0
Net income	3.8	34.0	38.3	54.0
Total assets	799.9		820.0	870.0
Shareholder equity	325.7		330.0	410.0
Interest-bearing debt	202.7		190.0	150.0
Debt-equity ratio (multiple)	0.62		0.58	0.37
ROE	1.2%		11.6%	13.2%
New products' share of sales	23%		27%	35%
Overseas markets' share of sales	37%		41%	45%
Ratio of overseas manufacturing	22%		26%	33%
Personnel	31,952		30,000	31,000

Overall
Basic
Policies

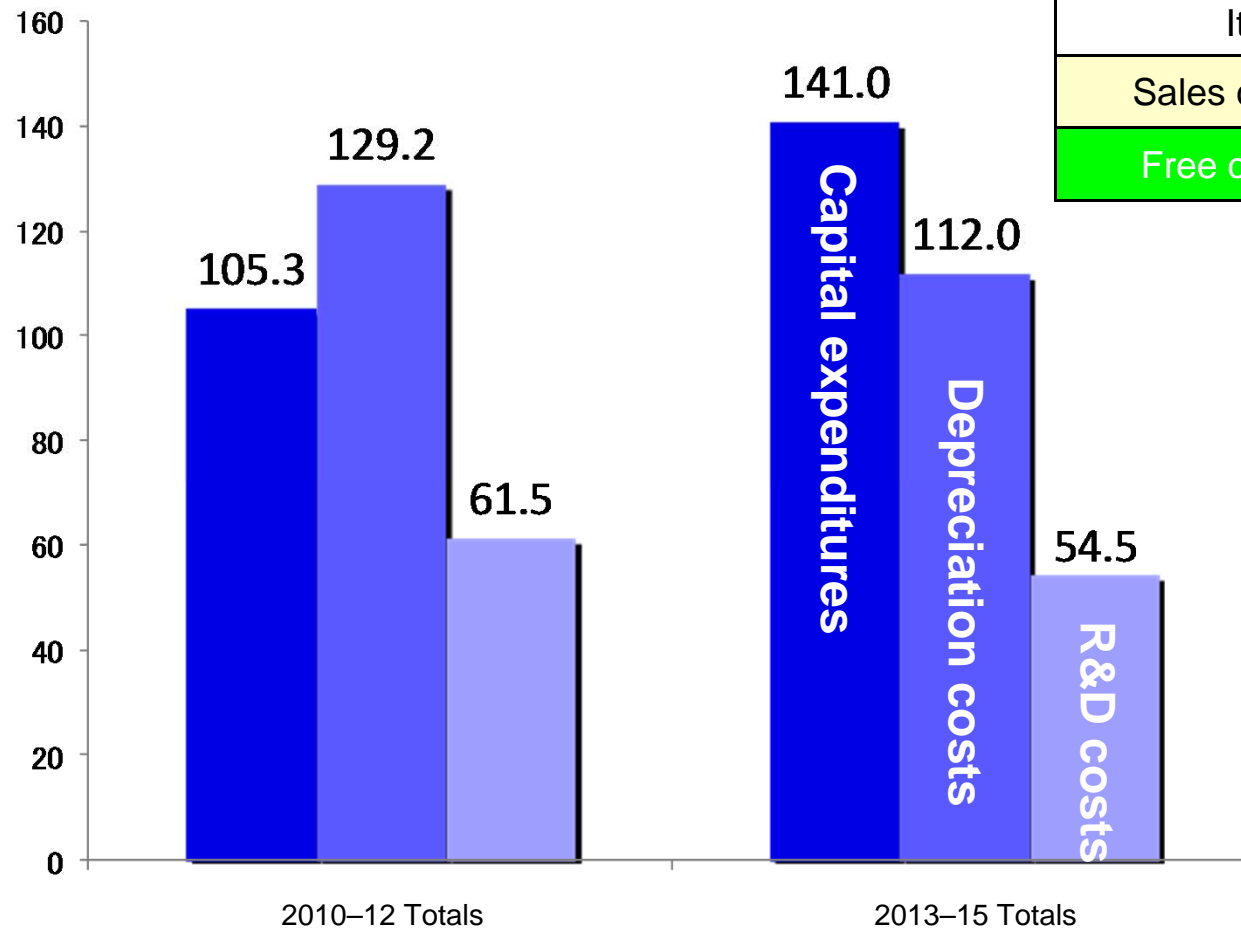
- Strengthen and accelerate global growth strategies
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Fiscal 2015 Medium-Term Management Plan



Carry out investments to strengthen global competitiveness, create new products, and expand business domains

(¥billion)



Item	FY2013-15 Totals
Sales cash flow	¥278 billion
Free cash flow	¥106 billion

Investment Policies

1. Accelerate global expansion
2. Carry out active investments, mainly in the high-grade metal products and materials segment, based on the policy to prioritize investments in growth sectors

* based on simple totals from Hitachi Metals and Hitachi Cable

Sales Volume and Operating Income by Segment

		FY2012 Performance based on simple totaling of Hitachi Metals and Hitachi Cable	FY2013 Forecast *announced July 26, 2013	FY2013 Forecast after adding Hitachi Cable's FY2013 Q1 results	FY2015 Targets hypothetical ¥90=\$1 exchange rate
High-grade metal products and materials	Sales	222.9	243.5	243.5	262.0
	Operating income	17.7	26.5	26.5	31.5
	Operating margin	7.9%	10.9%	10.9%	12.0%
Magnetic materials and applications	Sales	142.1	130.0	130.0	139.0
	Operating income	(0.9)	12.0	12.0	16.0
	Operating margin	(0.6%)	9.2%	9.2%	11.5%
High-grade functional components and equipment	Sales	172.0	187.0	187.0	202.0
	Operating income	10.2	14.5	14.5	18.5
	Operating margin	5.9%	7.8%	7.8%	9.2%
Wires, cables, and related products	Sales	362.0	222.0	310.3	305.0
	Operating income	4.3	8.5	11.7	15.5
	Operating margin	1.2%	3.8%	3.8%	5.1%
Other, adjusted figures	Sales	(12)	(2.5)	(2.5)	(28.0)
	Operating income	(5.9)	(8.5)	(8.5)	(6.5)
Total	Sales	897.8	780.0	868.3	880.0
	Operating income	25.4	53.0	56.2	75.0
	Operating margin	2.8%	6.8%	6.5%	8.5%

Basic Policies

- Shift from maintaining the status quo to developing new markets, technologies, and products
- Promote manufacturing that conforms to market pricing
- Bolster cost-competitiveness by reviewing and restructuring logistics capabilities

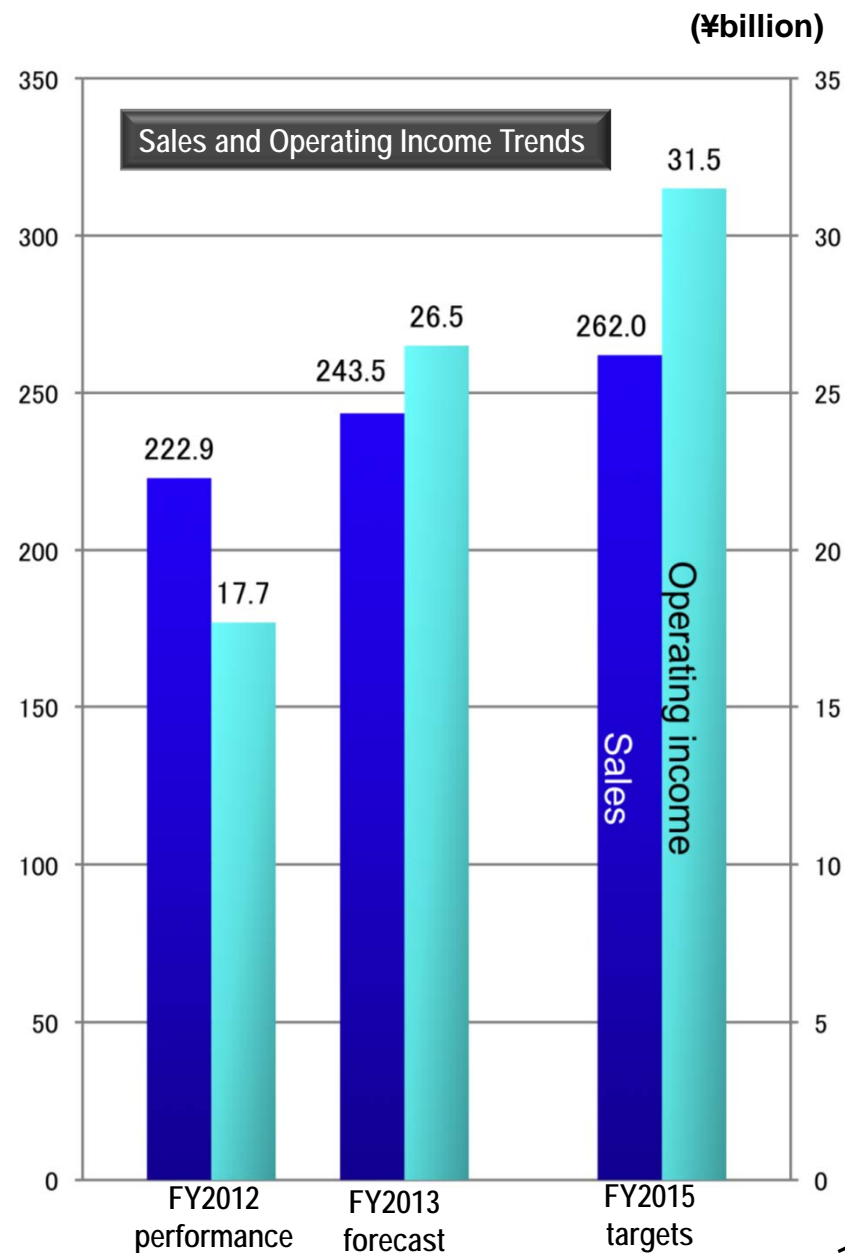


Specialty steel: Revitalize specialty steel operations and implement new growth strategies

Rolls: Main domestic manufacturing sites engage in R&D, and overseas manufacturing sites focus on increasing their profits

Amorphous Metals: Achieve sustained growth in global markets by expanding sales of our products that best conform to environmental standards

Cutting tools: Carry out "top-of-niche" strategies in global markets for dies and processing involving difficult types of cutting



Basic Policies

- Ensure competitive superiority
- Accelerate global expansion
- Establish the shortest, fastest supply chains



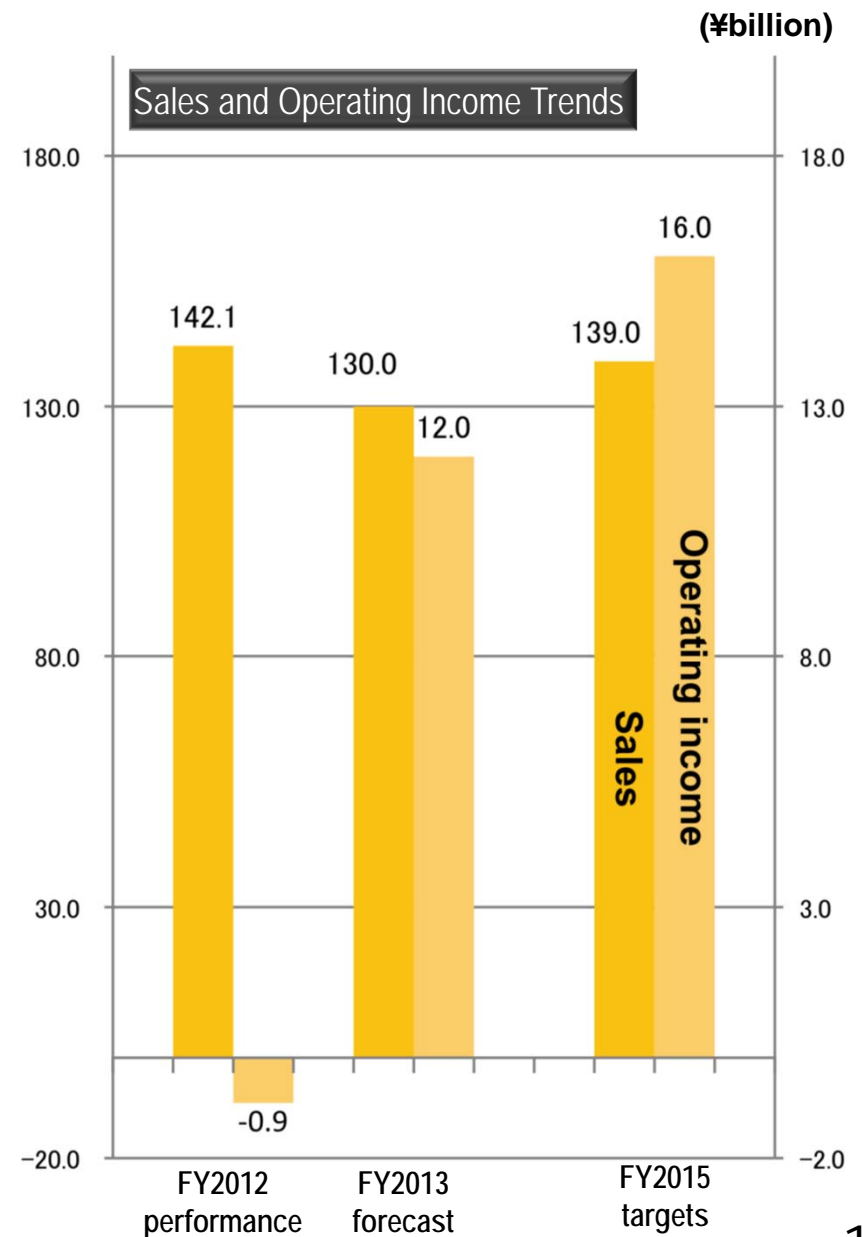
- Number one share in target sectors, products, and regions
- Overseas sales ratio of 60% and a manufacturing share of 50%
- Establish solid corporate foundations

Magnets:

Expand sales with new technologies and expand our share of production in local markets

Soft magnetic materials and applications:

Create core technologies and products that combine technologies in three areas—materials, processes, and design



Basic Policies

- Grow by accelerating expansion into overseas markets
- Cut fixed costs at domestic production sites and take on challenges to manufacture the finest products
- Use corporate resources effectively to strengthen corporate foundations and improve efficiency



Automotive castings:

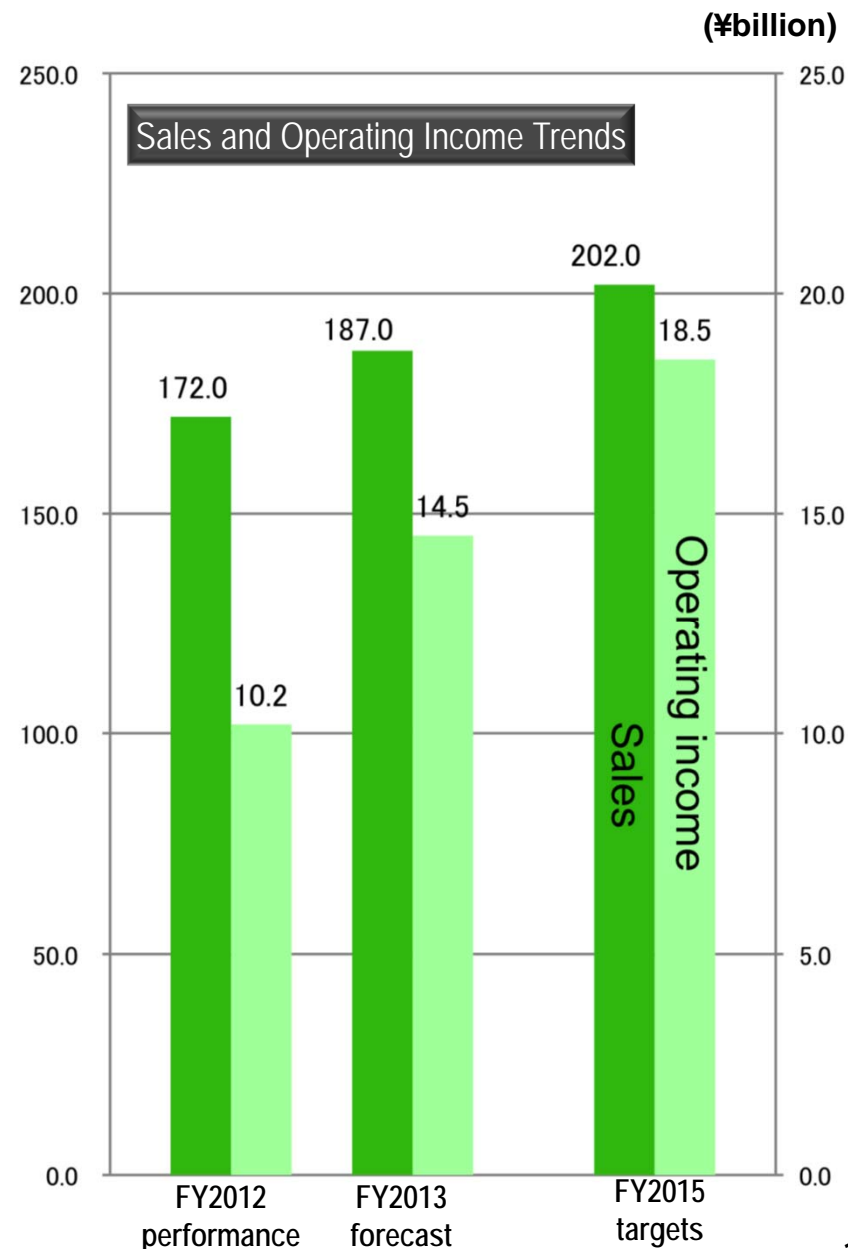
Promote ventures in growth markets and boost overseas production's share to 50%

Piping components:

Successfully complete structural reforms and achieve growth in global markets

Construction components:

Establish worldwide sales promotion organization, and develop and promote sales of high value-added, low-cost products

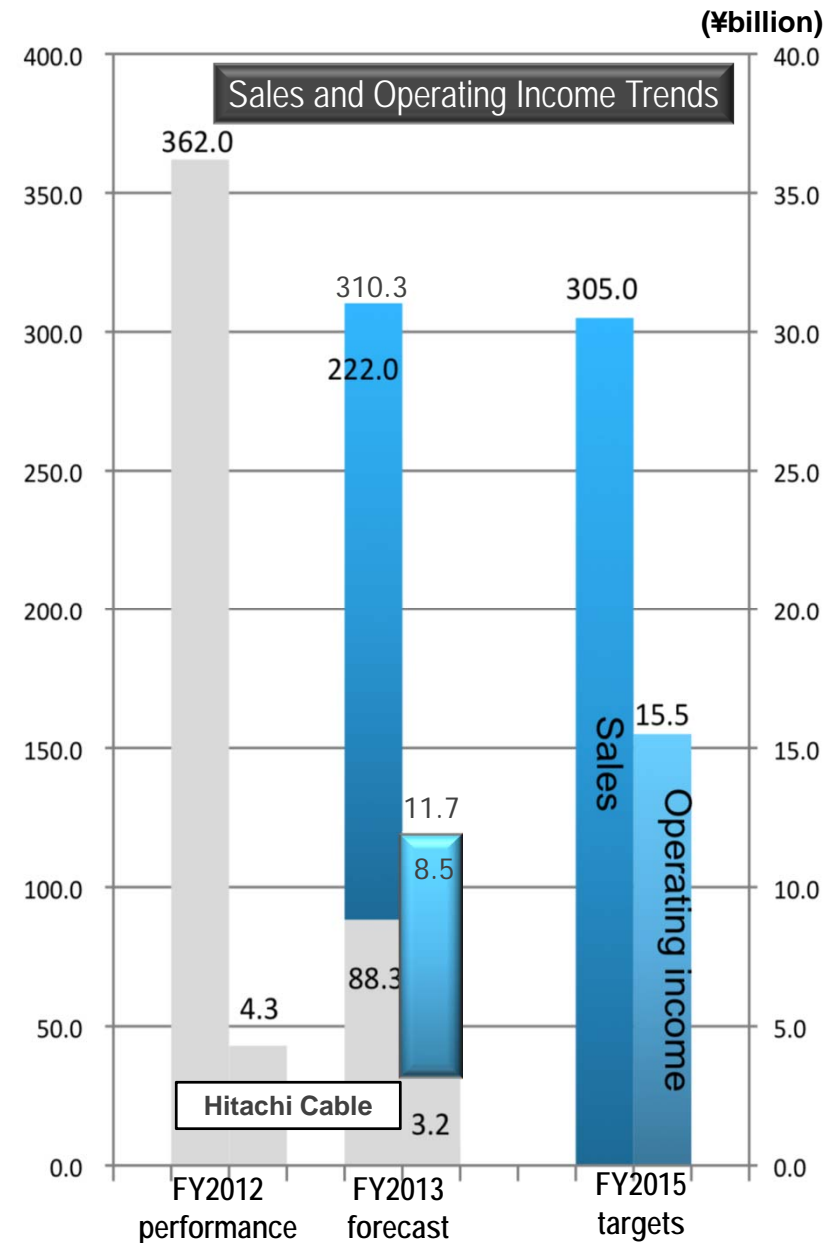


Basic Policies

- Restructure operations for improved profitability and devise new business models
- Quickly achieve benefits from the corporate merger and strengthen our corporate foundations

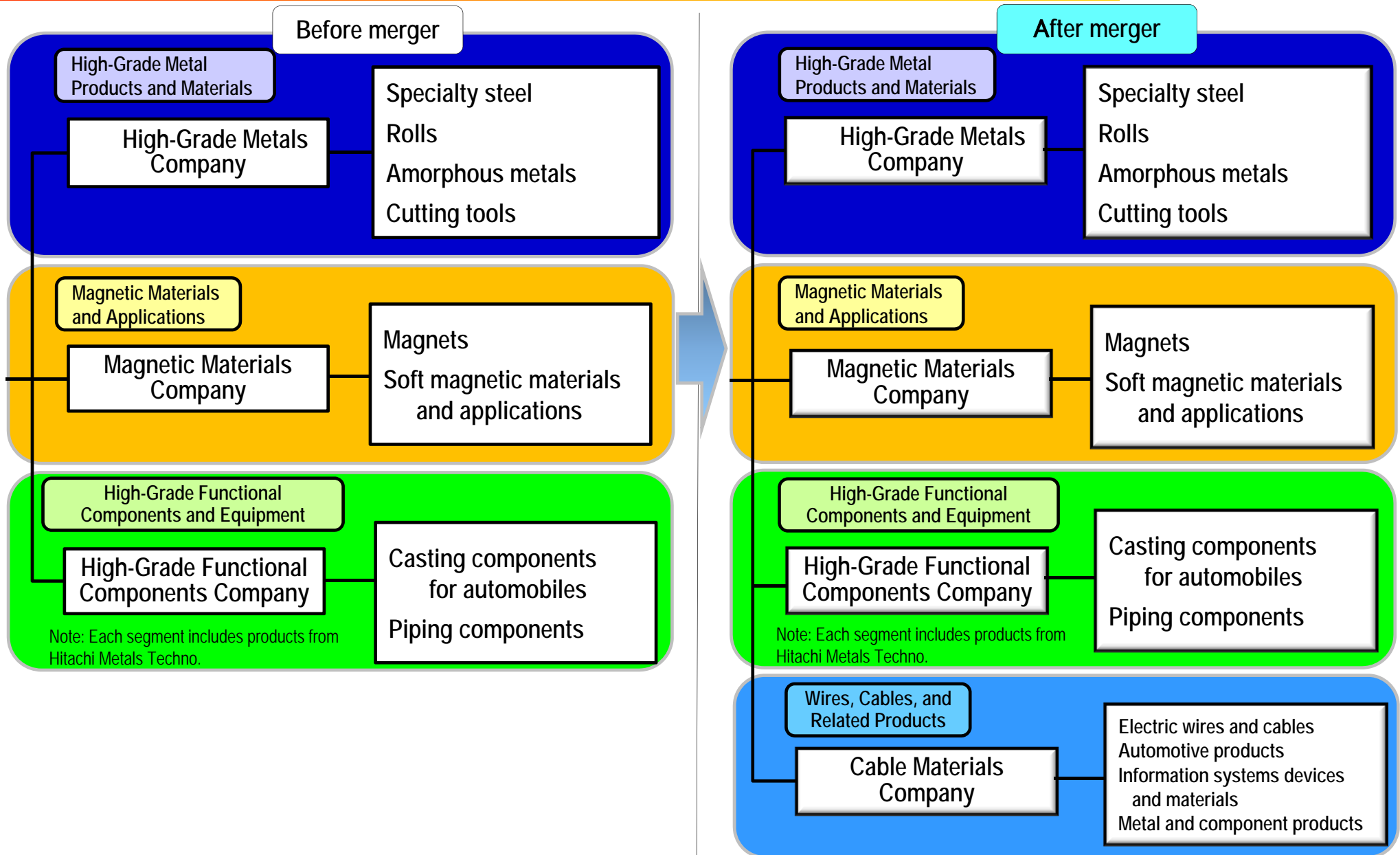






- Merge or eliminate domestic and overseas business locations, combine operations, and standardize IT systems to improve efficiency in procurement, sales, and administrative operations
- Reshuffle our product portfolio for improved profitability
- Strengthen operational competitiveness by developing products with sophisticated functions
- Strengthen cost-competitiveness by manufacturing in optimal locations worldwide



Reference Material

Reference: Hitachi Metals' Corporate Structure (July 2013)

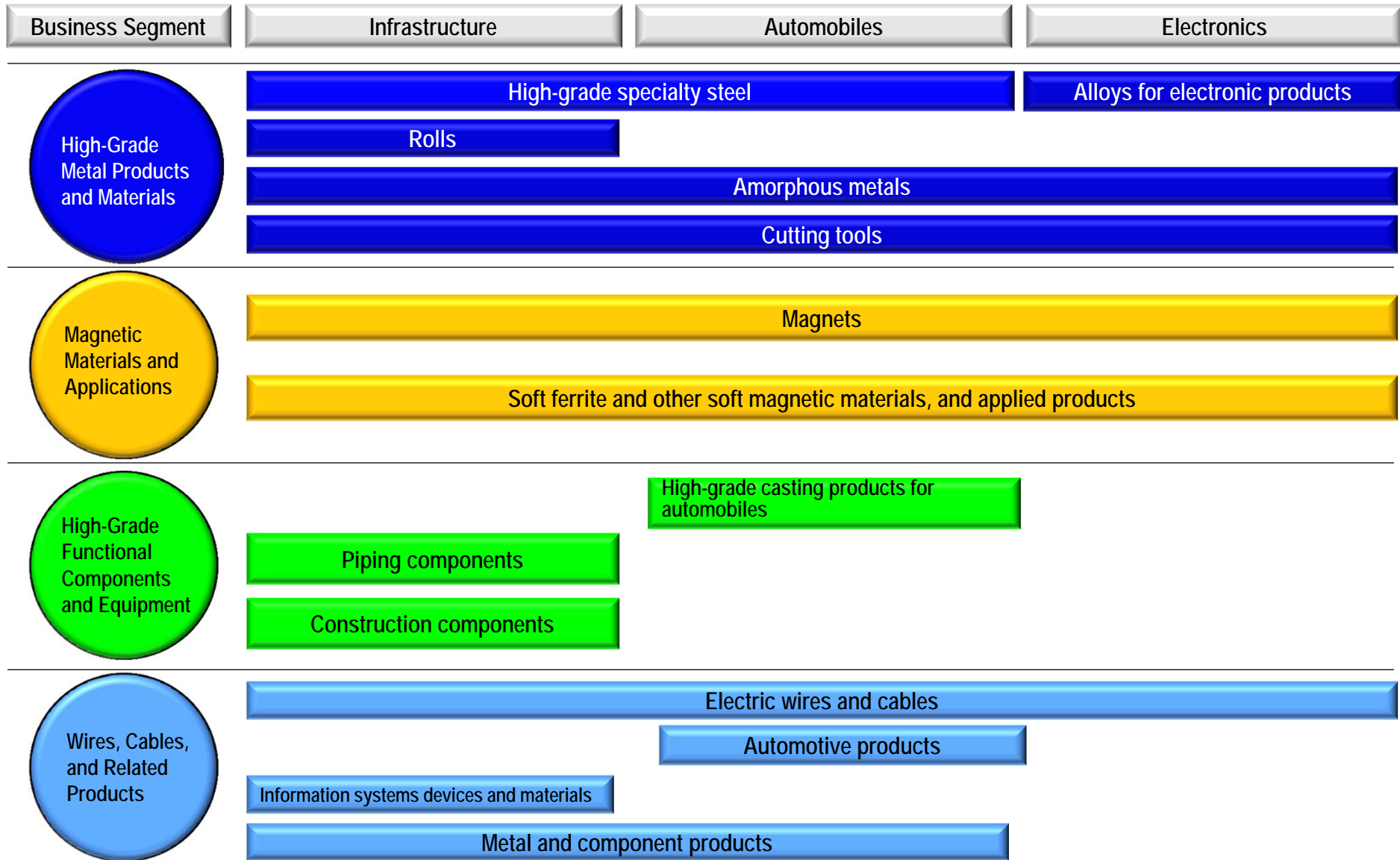


Business Segment		Principal Products	
 High-Grade Metal Products	High-Grade Metals Company	Specialty Steel	YSS™ brand high-grade specialty steel products (molds and tool steel, alloys for electronic products [display-related materials and semiconductor and other package materials], industrial equipment and energy-related materials, and razor and blade materials)
		Rolls	Rolls for steel mills, injection molding machine parts, structural ceramic products, steel-frame joints for construction
		Amorphous Metals	Metglas® amorphous metals
		Hitachi Tool Engineering, Ltd.	Cutting tools
 Magnetic Materials and Applications	Magnetic Materials Company		Magnets (NEOMAX® rare-earth magnets; ferrite magnets; and other magnets and applied products), soft magnetic materials (soft ferrite; FINEMET® nanocrystalline magnetic material; and Metglas® amorphous metals) and applied products, components for information and telecommunication equipment, IT materials and components, materials and components for medical equipment
 High-Grade Functional Components and Equipment	High-Grade Functional Components Company	Casting Components for Automobiles	High-grade casting components for automobiles (HERCUNITE® heat-resistant exhaust casting components and HNM™ high-grade ductile cast iron products), SCUBA™ aluminum wheels and other aluminum components, forged components for automobiles
		Piping Components	Piping and infrastructure components (8® Gourd brand pipe fittings, stainless steel and plastic piping components, water cooling equipment, precision mass flow control devices, and sealed expansion tanks)
	Hitachi Metals Techno, Ltd.	Construction components (floor access systems, structural systems, and roofing systems), chain (for material handling systems)	
 Wires, Cables, and Related Products	Cable Materials Company		Electric power and industrial wires and cables; electronic wires, cables, and wiring devices; fiber optic and telecommunication cables; magnet wires; and industrial rubber products; electronic components and brake hoses for automobiles; information networks, wireless systems, compound semiconductor products, and other information systems devices and materials; brass and other metal products

Reference: Hitachi Metals' Corporate Structure by Market Sector



A materials manufacturer that provides high quality in a broad spectrum of industry sectors based on materials development



Nonhistoric data contained in these materials pertaining to items such as anticipated performance, business targets, and dividend estimates were determined to be logical for the purposes of forecasting based on certain premises and assumptions at the time the materials were compiled, and actual performance may vary depending on changes in inherent assumptions and conditions, the main factors in which would be as listed below.

- Economic conditions and various regulations in our main markets, particularly Japan, the rest of Asia, the United States, and Europe
- Abrupt changes in technology
- The ability of Hitachi Metals and its subsidiaries to achieve competitive superiority, develop new technologies and products, and turn them into business ventures
- Changes in product markets or market conditions
- Exchange rate fluctuations
- International commodity market fluctuations
- Funds procurement environment
- The ability of Hitachi Metals and its subsidiaries to respond to changes in product supply and demand, product market conditions, exchange rates, and international commodity market conditions
- Hitachi Metals protection of its proprietary patents and acquisition of the use of other firms' patents
- Cooperative relations with other firms on product development, etc.
- Fluctuations in Japan's stock markets