

Hitachi Metals, Ltd.

Financial Results for Fiscal Year Ended March 31, 2022

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April 26, 2022

Management environment

*The contents on this page are based on estimates by Hitachi Metals, Ltd. which reference various materials.

- (1) Economies continued to recover despite semiconductor shortage and international logistics disruption
- (2) Raw material and sub-material prices as well as transportation and energy cost soared
- (3) Labor shortage continued in North America.
- (4) Direct impact of the situation in Ukraine results was immaterial for Hitachi Metals.

Revenues

- (1) Revenues increased year on year
- (2) Trends in business fields (YoY)
 - [Automobiles] Demand for molds and tool steel bounced back. Sales of industrial equipment remained brisk. Sales of automotive casting, magnetic materials, and automotive electronic increased year on year, despite the impact of semiconductor shortage, among other factors.
 - [Aircraft] While demand for aircraft-related materials remained sluggish, there have been signs of recovery in demand related to small- and medium-sized passenger aircraft.
 - [FA / robots] Capital expenditure demand related to manufacturing, mainly for automobiles and smartphones, increased.
 - [Semiconductors / smartphones] Demand for use in telecommunications equipment increased.
 - [Medical devices] Demand recovered for tubes used in catheters and demand was brisk for CT scintillators.

Adjusted operating income

- (1) Income rose year on year on the back of the recovery in demand and costs reduction. Both operating and net income turned a good profit.
- (2) Negatively impacted by a decline in automotive-related demand due to semiconductor shortage and the deterioration in productivity of Functional Components and Equipment (Waupaca) owing to labor shortage

1-2. Operating Results

	FY2020 Actual (A)		FY2021 Forecasts <small>(Announced on Jan. 31, 2022)</small> <small>(assuming 4Q rate)</small>		FY2021 Actual (B)		Differences Year-on-Year
	<small>¥ billions</small> <small>(Italic letters indicate profit margin.)</small>	US\$1 = ¥106 €1 = ¥124 1 yuan = ¥15.7	US\$1 = ¥110 €1 = ¥128 1 yuan = ¥17.1		US\$1 = ¥112 €1 = ¥131 1 yuan = ¥17.5		$(B/A-1)*100[\%]$ or B-A
Revenues		761.6		930.0		942.7	+24%
Adjusted operating income (loss)*	-0.7%	-5.0	2.8%	26.0	2.8%	26.8	+31.8
IFRS operating income (loss)	-6.5%	-49.2	-	-	2.8%	26.7	+75.9
Income (loss) before Income taxes		-50.6		20.0		32.7	+83.3
Net income (loss) attributable to shareholders of the parent company		-42.3		13.0		12.0	+54.3

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

Sales by region

¥ billions		Japan	North America	China	Other Asian countries	Europe	Others
FY2020	Revenues	342.8	207.1	72.3	88.6	35.4	15.4
	Sales ratio	45%	27%	9%	12%	5%	2%
FY2021	Revenues	402.2	274.4	85.7	119.2	42.3	18.9
	Sales ratio	43%	29%	9%	13%	4%	2%
Revenues Year-on-Year		+17%	+32%	+19%	+35%	+19%	+23%

1-3. Structure of net income based on adjusted operating income

	FY2020	FY2021	Differences
Adjusted operating income (loss)	-5.0	26.8	+31.8
Other income and expenses	-44.2	-0.1	+44.1
Financial income and expenses, Share of (losses) profits of investments accounted for using the equity method	-1.4	6.0	+7.4
Income (loss) before income tax	-50.6	32.7	+83.3
Income taxes, Non-controlling interests	8.3	-20.7	-29.0
Net Income (loss) attributable to Shareholders of the Parent Company	-42.3	12.0	+54.3

FY2020

Major items of other income and expenses:

Proceeds from corporate reorganization, etc.	¥3.7 billion
Impairment losses	-¥35.9 billion
Early retirement expenses	-¥4.4 billion

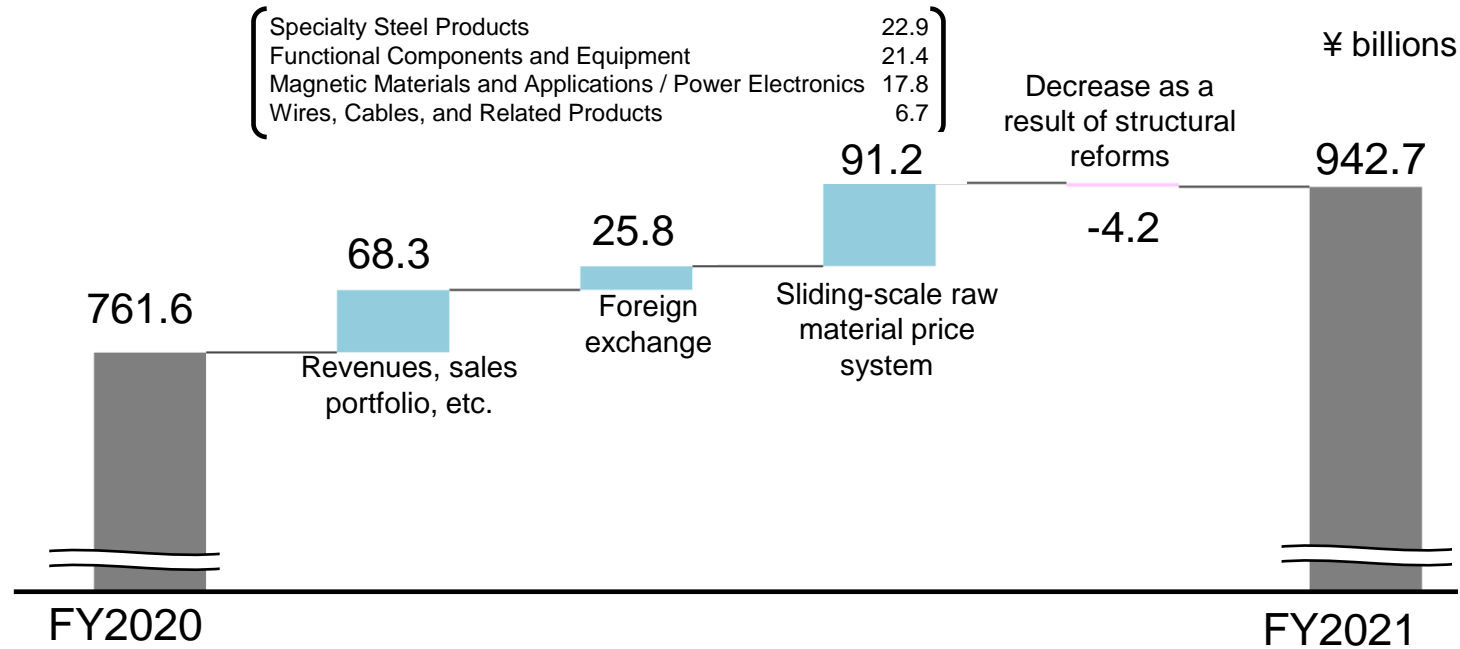
FY2021

Financial income: Foreign exchange gains	¥6.2 billion
Income taxes: Impact of reversal of deferred tax assets	-¥11.8 billion

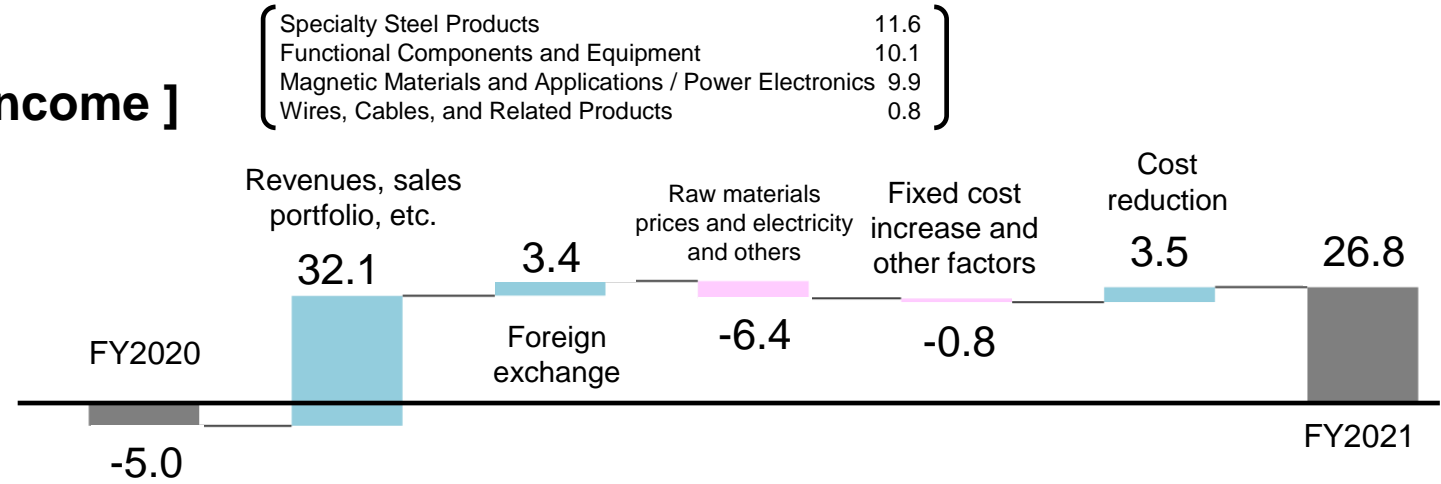
1-4. Factors Behind Increase/Decrease in Revenues and Adjusted Operating Income (Year-on-Year)



[Revenues]



[Adjusted operating income]



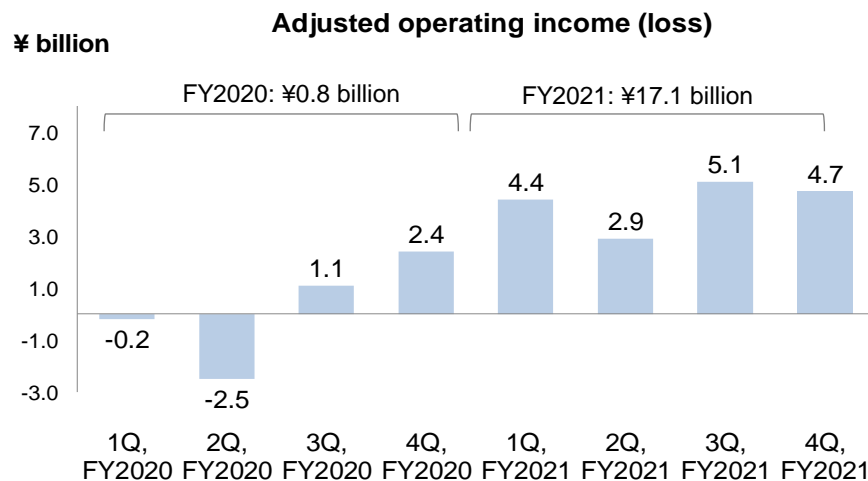
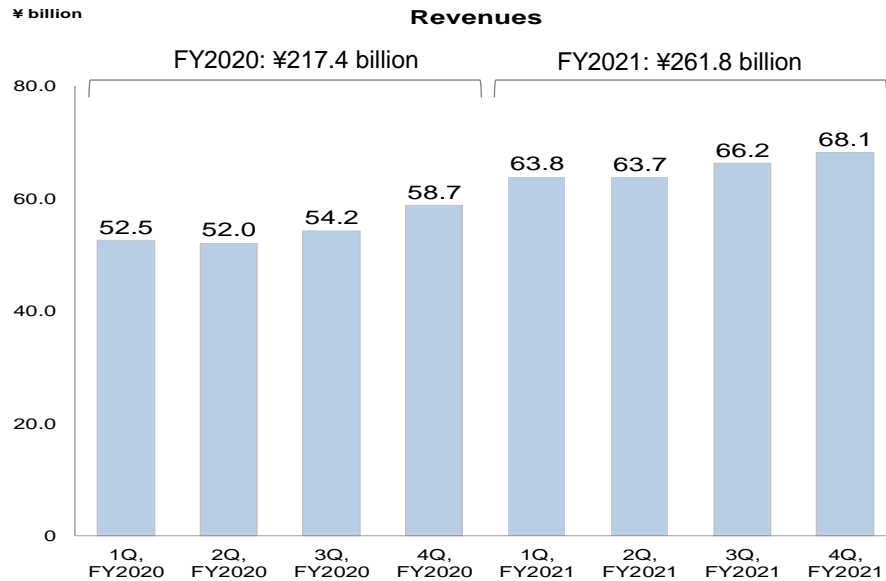
2. Operating Results by Segment

2-1. Summary of Operating Results

			FY2020 Actual (A)	FY2021 Forecasts <small>(Announced on Jan. 31, 2022)</small>	FY2021 Actual (B)	Differences Year-on-Year <small>(B/A-1)*100[%] or B-A</small>
		¥ billions <small>(italic letters indicate profit margin.)</small>				
Advanced Metals	Specialty Steel Products	Revenues	217.4	257.0	261.8	+20%
		Adjusted operating income (loss)	0.4% 0.8	6.6% 17.0	6.5% 17.1	+16.3
		IFRS operating income	-5.5% -12.0	- -	6.1% 15.9	+27.9
	Functional Components and Equipment	Revenues	247.9	308.0	314.0	+27%
		Adjusted operating income (loss)	-5.2% -12.8	-2.6% -8.0	-3.1% -9.6	+3.2
		IFRS operating income	-7.7% -19.1	- -	-3.6% -11.3	+7.8
Subtotal *	Revenues	465.3	565.0	575.8	+24%	
	Adjusted operating income (loss)	-2.6% -12.0	1.6% 9.0	1.3% 7.5	+19.5	
	IFRS operating income	-6.7% -31.1	- -	0.8% 4.6	+35.7	
Advanced Components & Materials	Magnetic Materials and Applications / Power Electronics	Revenues	106.1	134.0	136.2	+28%
		Adjusted operating income (loss)	2.4% 2.5	8.6% 11.5	9.4% 12.8	+10.3
		IFRS operating income	-13.3% -14.1	- -	9.5% 12.9	+27.0
	Wires, Cables, and Related Products	Revenues	189.2	231.0	230.2	+22%
		Adjusted operating income (loss)	2.4% 4.6	2.6% 6.0	2.3% 5.2	+0.6
		IFRS operating income	1.0% 1.8	- -	1.6% 3.7	+1.9
Subtotal *	Revenues	295.3	365.0	366.4	+24%	
	Adjusted operating income (loss)	2.4% 7.1	4.8% 17.5	4.9% 18.0	+10.9	
	IFRS operating income	-4.2% -12.3	- -	4.5% 16.6	+28.9	
Others/Adjustments	Revenues	1.0	0.0	0.5	-	
	Adjusted operating income (loss)	-0.1	-0.5	1.3	+1.4	
	IFRS operating income	-5.8	-	5.5	+11.3	
Total	Revenues	761.6	930.0	942.7	+24%	
	Adjusted operating income (loss)	-0.7% -5.0	2.8% 26.0	2.8% 26.8	+31.8	
	IFRS operating income	-6.5% -49.2	- -	2.8% 26.7	+75.9	

*Simple sum before eliminating intersegment revenues

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



[Revenues]

(Year-on-Year)

- **Molds and tool steel**
Demand increased in Japan and abroad
- **Industrial equipment materials**
Demand rose for automotive-related products
- **Aircraft-and energy-related materials**
Remained virtually unchanged from the previous year as demand for small- and medium-sized passenger aircraft grew markedly in each quarter, although demand for aircraft-related materials remained sluggish as a result of travel restrictions following the spread of COVID-19.
- **Electronic materials**
Organic EL panel-related components and material demand grew.
Semiconductor packaging material demand remained at a high level.
Demand was also strong for clad metals mainly for smartphones and batteries.
- **Rolls**
Increased as demand for steel-frame joints for construction continued to pick up and sales of injection molding machine parts remained brisk, while sales of various rolls remained virtually unchanged year on year.

[Adjusted operating income (loss)]

The income rose owing to an expansion in demand for mainstay products.

[IFRS operating income (loss)]

Increased due to the recording of impairment loss of ¥12.2 billion in the previous fiscal year, on top of an increase in adjusted operating income.

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

¥ billions	FY2020	FY2021					Difference (B/A-1)*100[%] or B-A
	Full-year (A)	1Q (Apr – Jun)	2Q (Jul – Sep)	3Q (Oct – Dec)	4Q (Jan – Mar)	Full-year (B)	
Revenues	217.4	63.8	63.7	66.2	68.1	261.8	+20%
Specialty steel* ¹	196.7	58.4	58.3	61.0	62.2	239.9	+22%
Rolls* ¹	20.7	5.4	5.3	5.4	5.8	21.9	+6%
Adjusted operating income	0.8	4.4	2.9	5.1	4.7	17.1	16.3
Adjusted operating margin	0.4%	6.9%	4.6%	7.7%	6.9%	6.5%	+6.1pt
IFRS operating income (loss)	-12.0	4.6	2.6	4.5	4.2	15.9	+27.9

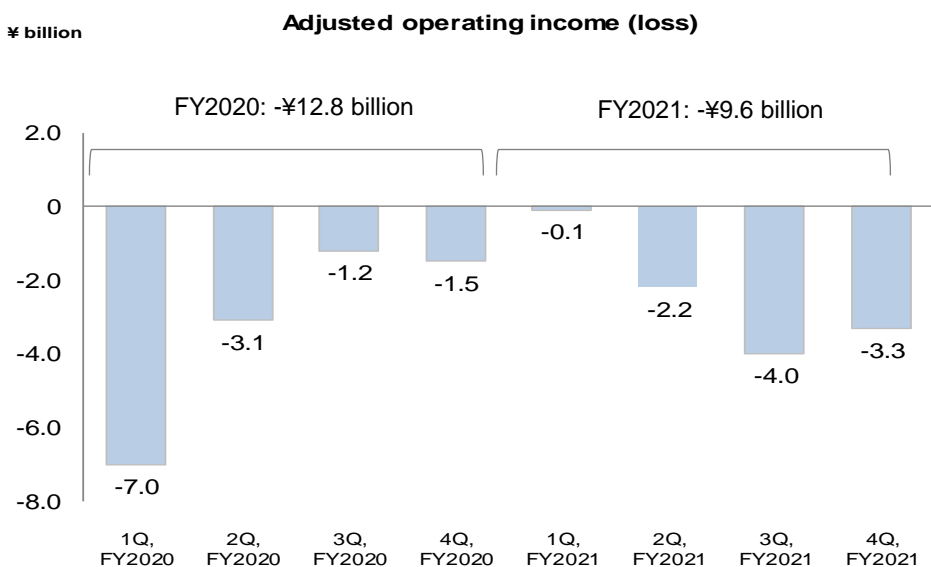
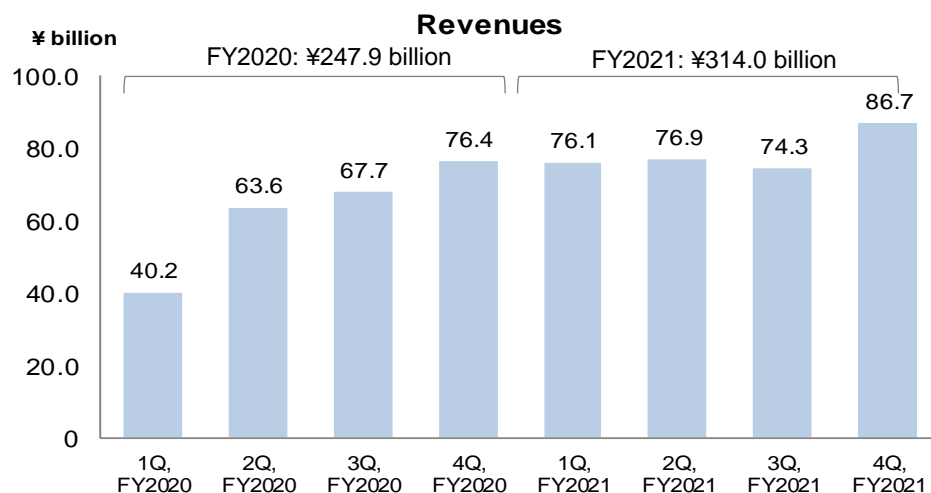
Change by product volume (year-on-year)	FY2020	FY2021				
	Full-year	1Q (Apr – Jun)	2Q (Jul – Sep)	3Q(Oct – Dec)	4Q (Jan – Mar)	Full-year
Molds and tool steel* ²	-22%	+25%	+32%	+35%	+22%	+28%
Industrial equipment materials* ²	-16%	+34%	+27%	+14%	+1%	+18%
Aircraft-and energy-related materials* ²	-42%	-20%	-9%	+15%	+27%	+1%
Electronic materials * ²	+3%	+27%	+27%	+22%	+21%	+24%
Rolls* ³	-16%	-2%	-1%	+13%	+15%	+6%

*1: Simple sum before eliminating intersegment revenues

*2: Indicates the change in revenues calculated using a simplified method

*3: Indicates the change in the simple sum before eliminating intersegment revenues

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



[Revenues]

(Year-on-Year)

• **Automotive casting products**

Cast iron products:

Although there were negative effects of production adjustments carried out by automobile manufacturers, sales were positively impacted by the rise in raw material prices (sliding-scale price system) as well as an increase in demand for components for commercial vehicles and construction and agricultural equipment in the market of North America.

Heat-resistant exhaust casting components:

Decreased owing to the changes in product mix and the impact of production adjustments by automobile manufacturers.

• **Piping components**

Pipe fittings:

Increased primarily on the back of a recovery in housing starts in Japan and the U.S.

Semiconductor manufacturing equipment:

Increased on the back of recovery of demand for capital investment.

[Adjusted operating income (loss)]

Loss diminished reflecting improved profitability of heat-resistant exhaust casting components and a rise in demand in other businesses, despite the worsening profitability of automotive casting components in North America.

[IFRS operating income (loss)]

Loss diminished due to the recording of impairment loss of ¥5.8 billion in the previous fiscal year, on top of an increase in adjusted operating income.

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

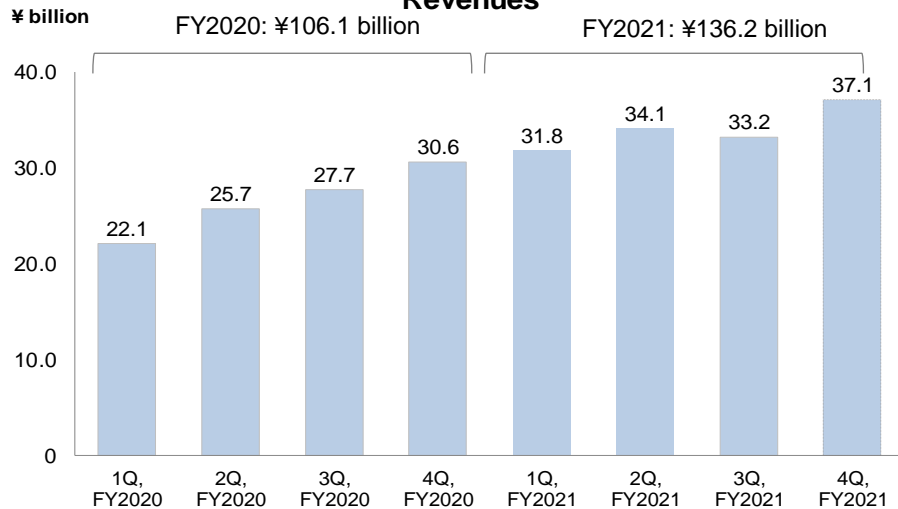
¥ billions	FY2020	FY2021				Full-year (B)	Difference (B/A-1)*100[%] or B-A
	Full-year (A)	1Q (Apr – Jun)	2Q (Jul – Sep)	3Q (Oct – Dec)	4Q (Jan – Mar)		
Revenues	247.9	76.1	76.9	74.3	86.7	314.0	+27%
Automotive Casting Products*	205.8	64.9	64.5	62.0	74.5	265.9	+29%
Waupaca Foundry, Inc.*	149.2	48.4	49.0	48.1	57.7	203.2	+36%
Piping Components*	42.1	11.3	12.3	12.3	12.2	48.1	+14%
Adjusted operating income (loss)	-12.8	-0.1	-2.2	-4.0	-3.3	-9.6	+3.2
Adjusted operating margin	-5.2%	-0.1%	-2.9%	-5.4%	-3.8%	-3.1%	+2.1pt
IFRS operating income (loss)	-19.1	-1.1	-1.9	-4.3	-4.0	-11.3	+7.8

*Simple sum before eliminating intersegment revenues

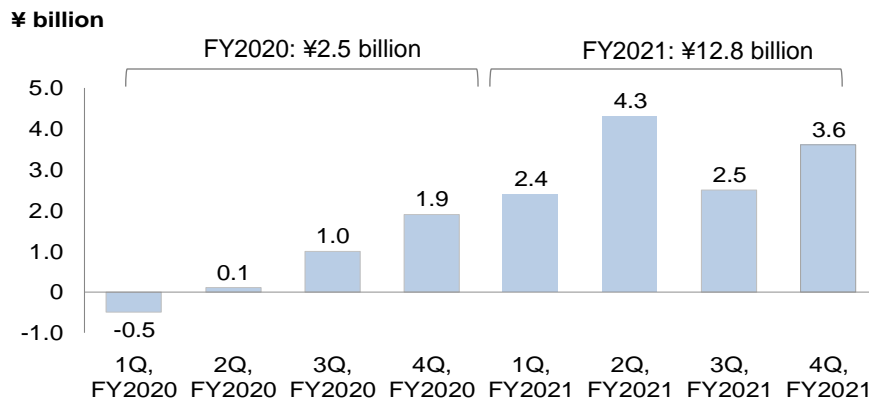
Change by product volume (year-on-year)	FY2020	FY2021				Full-year
	Full-year	1Q (Apr – Jun)	2Q (Jul – Sep)	3Q (Oct – Dec)	4Q (Jan – Mar)	
Cast iron products [Waupaca Foundry, Inc.] (weight)	-18%	+88%	-2%	-4%	0%	+12%
Cast iron products [Other] (weight)	-23%	+102%	+5%	-8%	0%	+14%
Heat-resistant exhaust casting components (HERCUNITE™) (weight)	0%	+84%	+13%	-30%	-19%	+1%

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

Revenues



Adjusted operating income (loss)



[Revenues]

(Year-on-Year)

- **Magnetic materials and applications**

Rare earth magnets:

Increased year on year, despite the negative effect of production adjustments carried out by automobile manufacturers.

Demand related to FA/robots remained brisk.

Ferrite magnets:

Increased year on year, despite the negative effect of production adjustments carried out by automobile manufacturers.

- **Power electronics materials**

Soft magnetic materials and the applied products:

Demand was brisk for telecommunications applications, including smartphones, tablets, and server equipment.

Demand for amorphous metals also increased, mainly in Asia.

Ceramic components:

Demand grew for automotive applications.

Demand increased for server equipment.

Demand for medical devices continued to trend briskly.

[Adjusted operating income (loss)]

Income increased due to an increase in demand.

[IFRS operating income (loss)]

Increased due to the recording of impairment loss of ¥15.7 billion in the previous fiscal year, on top of an increase in adjusted operating income.

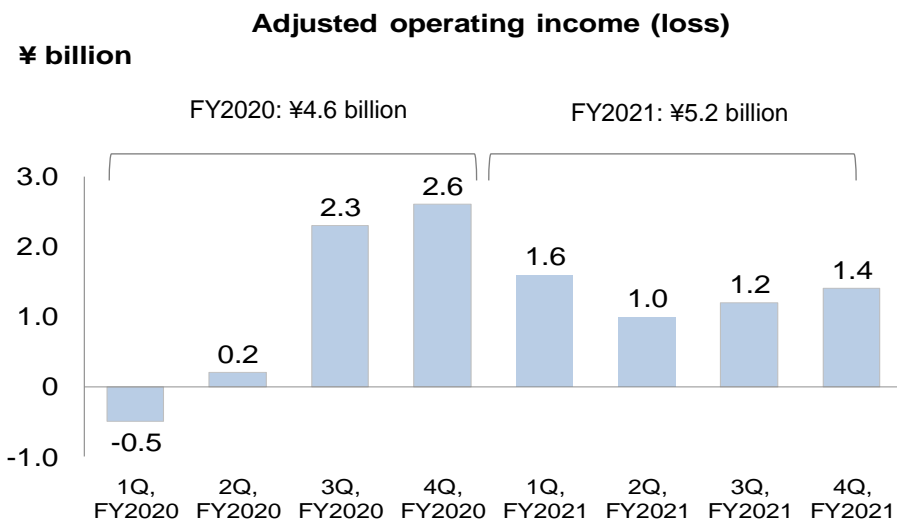
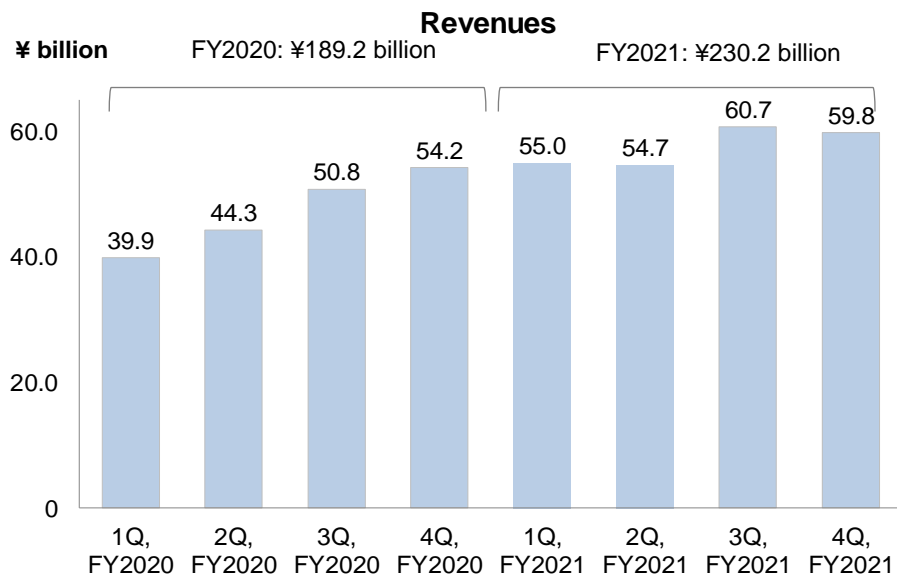
2-7. Operating Results by Segment: Magnetic Materials and Applications / Power Electronics (2)

¥ billions	FY2020	FY2021					Difference (B/A-1)*100[%] or B-A
	Full-year (A)	1Q (Apr – Jun)	2Q (Jul – Sep)	3Q (Oct – Dec)	4Q (Jan – Mar)	Full-year (B)	
Revenues	106.1	31.8	34.1	33.2	37.1	136.2	+28%
Magnetic Materials and Applications*	70.3	21.8	23.5	22.2	24.5	92.0	+31%
Power Electronics Materials*	35.8	10.0	10.6	11.0	12.6	44.2	+23%
Adjusted operating income	2.5	2.4	4.3	2.5	3.6	12.8	+10.3
Adjusted operating margin	2.4%	7.5%	12.6%	7.5%	9.7%	9.4%	+7.0pt
IFRS operating income (loss)	-14.1	2.5	4.5	2.8	3.1	12.9	+27.0

*Simple sum before eliminating intersegment revenues

Change by product volume (year-on-year)	FY2020	FY2021				
	Full-year	1Q (Apr – Jun)	2Q (Jul – Sep)	3Q (Oct – Dec)	4Q (Jan – Mar)	Full-year
Rare earth magnets (weight)	-15%	+47%	+11%	+7%	-3%	+14%
Ferrite magnets (weight)	-13%	+67%	+15%	-16%	-15%	+6%

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



[Revenues] (Year-on-Year)

Revenues expanded owing mainly to recovery in demand, primarily for electric wires and cables, and due to impact from a rise in raw material prices (sliding-scale price system).

• **Electric wires and cables**

Electrical wire for rolling stock:

Demand decreased from users in China.

Medical devices:

Demand increased for both tubes and cables.

Magnet wires:

Recovery in demand, mainly for automotive and industrial equipment use

Electronic wires:

Grow in sales of FA/robots use

• **Automotive components**

Although the pace of recovery slowed after 2Q due to production adjustments implemented by automobile manufacturers, demand increased year on year.

[Adjusted operating income (loss)]

The income was up owing to an uptick in demand mainly for electric wires and cables.

[IFRS operating income]

Increased due to the recording of impairment loss of ¥2.0 billion in the previous fiscal year, on top of an increase in adjusted operating income.

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

¥ billions	FY2020	FY2021				Full-year (B)	Difference
	Full-year (A)	1Q (Apr – Jun)	2Q (Jul – Sep)	3Q (Oct – Dec)	4Q (Jan – Mar)		(B/A-1)*100[%] or B-A
Revenues	189.2	55.0	54.7	60.7	59.8	230.2	+22%
Adjusted operating income	4.6	1.6	1.0	1.2	1.4	5.2	+0.6
Adjusted operating margin	2.4%	2.9%	1.8%	2.0%	2.3%	2.3%	-0.1pt
IFRS operating income	1.8	0.4	0.8	2.3	0.2	3.7	+1.9

Change by product volume (year-on-year)	FY2020	FY2021				Full-year
	Full-year	1Q (Apr – Jun)	2Q (Jul – Sep)	3Q(Oct – Dec)	4Q (Jan – Mar)	
Rolling stock*	+3%	-2%	-18%	-22%	-3%	-13%
Medical devices*	-6%	-7%	+13%	+38%	+59%	+24%
FA / robots*	+18%	+48%	+56%	+46%	+67%	+55%
Magnet wires*	-7%	+72%	+62%	+40%	+24%	+59%
Electronic components*	-10%	+79%	0%	-7%	-2%	+10%

*: Indicates the change in revenues calculated using a simplified method

Sales ratio in the growth area
FY2020: 42%
FY2021: 43%

3. Financial Condition

¥ billions	End of FY2020	End of FY2021	Differences
	US\$1 = ¥111 €1 = ¥130 1 yuan = ¥16.8	US\$1 = ¥122 €1 = ¥137 1 yuan = ¥19.3	
Total Asset	972.2	1,069.7	+97.5
Trade receivables	167.6	187.3	+19.7
Inventories	170.1	228.4	+58.3
Fixed asset	444.9	449.6	+4.7
Total liabilities	480.1	538.6	+58.5
Interest-bearing debt	195.3	196.9	+1.6
Equity attributable to shareholders of the parent company	489.7	527.6	+37.9
Non-controlling interests	2.4	3.5	+1.1
Equity attributable to shareholders of the parent company ratio	50.4%	49.3%	-1.1pt
D/E ratio (times)	0.40	0.37	-0.03
NET interest-bearing debt*	96.0	72.3	-23.7

*: NET interest-bearing debt = Interest-bearing debt - Cash and cash equivalents

Both assets and liabilities increased such as primarily an increase in operating capital as a result of the depreciation of the yen and soaring raw material prices.

4. Consolidated Cash Flows

¥ billions	FY2020	FY2021	Year-on-Year
Cash flows from operating activities (Operating CF)	52.6	29.9	-22.7
Cash flows from investing activities (Investing CF)	2.2	-6.4	-8.6
Free cash flows (FCF)	54.8	16.0	-31.3
Core free cash flows*	22.5	1.6	-20.9

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

Operating CF: Decreased ¥22.7 billion year on year owing mainly to working capital increase
Investing CF: Improved ¥1.8 billion due to stricter investments and ¥15.0 billion owing to revenue from the sale of fixed assets. Meanwhile, there was negative impact of ¥8.6 billion, mainly attributable to the disappearance of ¥ 25.4 billion in proceeds from the sale of entities accounted for using the equity method posted during FY2020.
FCF: Decreased ¥31.3 billion reflecting a decline in both cash flows from operating activities and investment activities

Hitachi Metals, Ltd.

Financial Results for Fiscal Year Ended March 31, 2022

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5. Operating Forecast for FY2022

5-1. Assumptions for Results Forecast

Operating Forecast for FY2022

1. Economic Growth and Demand Outlook

- World real GDP growth rate in 2022 will be 3.6% (6.1% in 2021)*¹
- World automobile production in 2022 will be 81.5 million units (+6% year on year)*²

2. Business Environment and Measures

- A recovery in demand is expected to continue in the automobile, electronics, and industrial infrastructure areas as in FY2021.
- Although the continued impact of the semiconductor shortage on automotive production, the disruption of logistics such as a shortage of containers, and the continued impact of the COVID-19 pandemic are included in the forecast, uncertainties remain.
- While direct impact of the situation in Ukraine will be immaterial, there are concerns over the growing effects of soaring raw material prices.
- Sales prices for all products will be revised due to soaring raw material prices, energy, and other costs.

*1 Source: IMF "World Economic Outlook," April 2022

*2 Source: Estimations by Hitachi Metals, Ltd. with reference to various sources

5-2. Operating Forecast for FY2022

(1) Operating Forecast

	FY2021 Actual (A)	FY2022 Forecast (B)	Differences Year-on-Year
¥ billions <i>(Italic letters indicate profit margin.)</i>	US\$1 = ¥112 €1 = ¥131 1 yuan = ¥17.5	US\$1 = ¥120 €1 = ¥130 1 yuan = ¥19.0	$(B/A-1)*100[\%]$ or B-A
Revenues	942.7	1,100.0	+17%
Adjusted operating income*	2.8% 26.8	6.4% 70.0	+43.2
Income before Income taxes	32.7	41.5	+8.8
Net Income attributable to shareholders of the parent company	12.0	30.0	+18.0

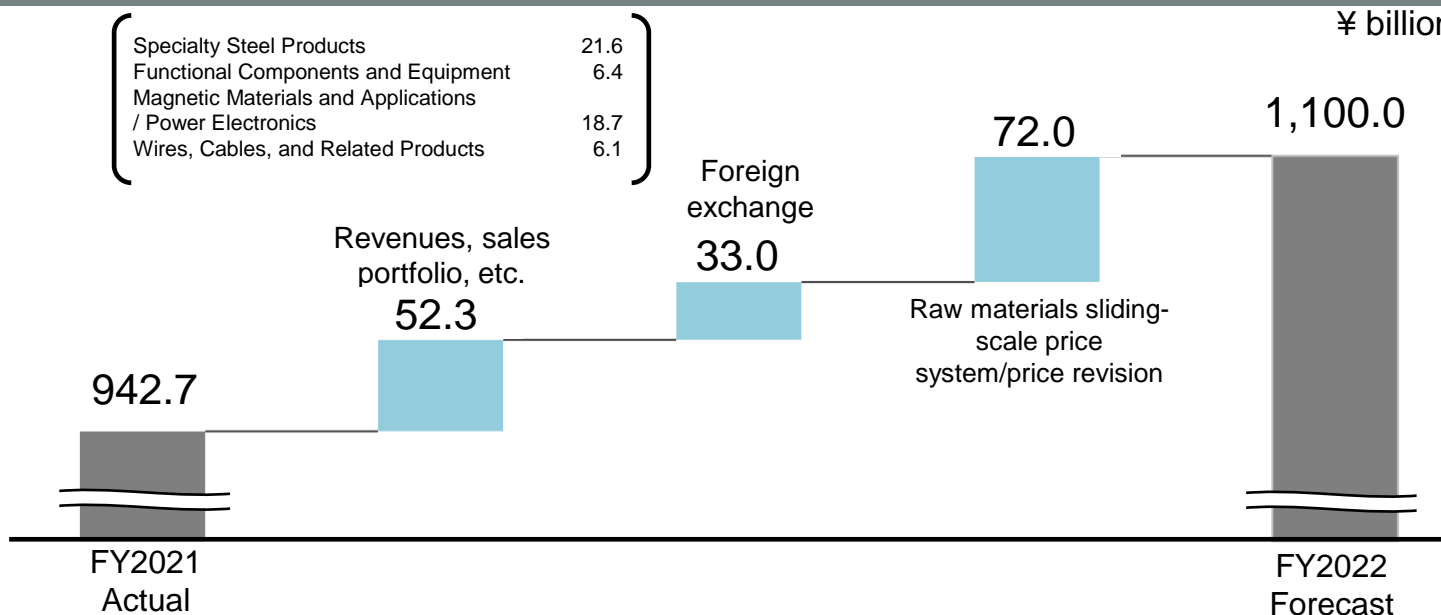
(2) Dividend Forecast

FY	Interim	Year-end	Annual
2021 (Actual)	¥0	¥0	¥0
2022 (Confirmed)	¥0	¥0	¥0

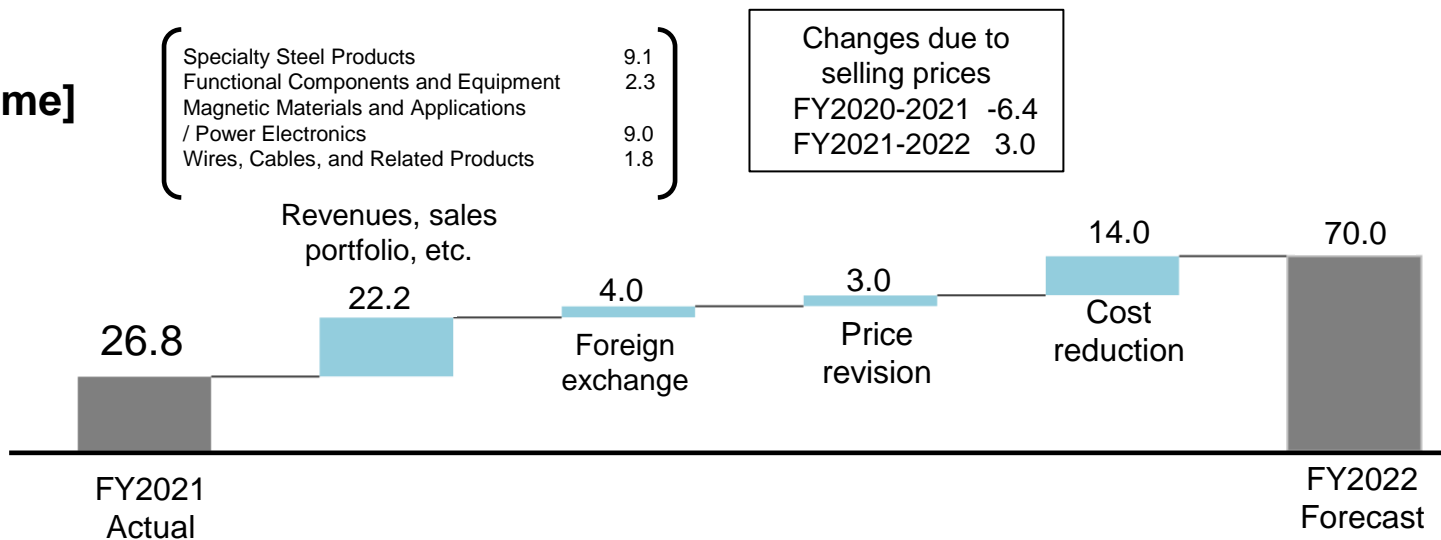
Since the tender offer price (¥2,181 per share of common stock) has been comprehensively judged and determined on the assumption that no dividend will be paid, no dividend will be paid in FY2022 as in FY2021.

5-2. Factors

[Revenues]



[Adjusted operating income]



5-3. Operating Result Forecast by Segment

			FY2021 Actual (A)	FY2022 Forecast (B)	Differences Year-on-Year (B/A-1)*100[%] or B-A
¥ billions (Italic letters indicate profit margin.)					
Advanced Metals	Specialty Steel Products	Revenues	261.8	310.0	+18%
		Adjusted operating income	6.5% 17.1	9.0% 28.0	+10.9
	Functional Components and Equipment	Revenues	314.0	360.0	+15%
		Adjusted operating income (loss)	-3.1% -9.6	2.6% 9.5	+19.1
	Subtotal *	Revenues	575.8	670.0	+16%
		Adjusted operating income	1.3% 7.5	5.6% 37.5	+30.0
Advanced Components & Materials	Magnetic Materials and Applications/ Power Electronics	Revenues	136.2	170.0	+25%
		Adjusted operating income	9.4% 12.8	10.6% 18.0	+5.2
	Wires, Cables, and Related Products	Revenues	230.2	260.0	+13%
		Adjusted operating income	2.3% 5.2	5.6% 14.5	+9.3
	Subtotal *	Revenues	366.4	430.0	+17%
		Adjusted operating income	4.9% 18.0	7.6% 32.5	+14.5
Others/Adjustments	Revenues	0.5	0.0	-	
	Adjusted operating income	1.3	0.0	-1.3	
Total	Revenues	942.7	1,100.0	+17%	
	Adjusted operating income	2.8% 26.8	6.4% 70.0	+43.2	

* Simple sum before eliminating intersegment revenues

Information from the tender offeror (consortium led by Bain Capital)

- The consortium is not aware of any significant problems with procedures and responses under the Competition Act and will continue to strive to complete these procedures and responses as early as possible.
- The consortium does not disclose the examination status in each country.
- The current situation in Ukraine has had no impact on the TOB at this stage.
- The TOB will be commenced as soon as the examination is completed (clearance is obtained).
- The TOB is currently expected to commence during FY2022.

Reference Data (1)

¥ billions	FY2017	FY2018	FY2019	FY2020	FY2020	FY2020	FY2020	FY2020	FY2021	FY2021	FY2021	FY2021	FY2021	FY2022
	Full-year	Full-year	Full-year	1Q (Apr – Jun)	2Q (Jul – Sep)	3Q (Oct – Dec)	4Q (Jan – Mar)	Full-year	1Q (Apr – Jun)	2Q (Jul – Sep)	3Q (Oct – Dec)	4Q (Jan – Mar)	Full-year	Full-year Forecasts
	US\$1 = ¥111 €1 = ¥130 1 yuan = ¥16.8	US\$1 = ¥111 €1 = ¥128 1 yuan = ¥16.5	US\$1 = ¥109 €1 = ¥121 1 yuan = ¥15.6	US\$1 = ¥108 €1 = ¥118 1 yuan = ¥15.2	US\$1 = ¥106 €1 = ¥124 1 yuan = ¥15.4	US\$1 = ¥105 €1 = ¥125 1 yuan = ¥15.8	US\$1 = ¥106 €1 = ¥128 1 yuan = ¥16.4	US\$1 = ¥106 €1 = ¥124 1 yuan = ¥15.7	US\$1 = ¥109 €1 = ¥132 1 yuan = ¥17.0	US\$1 = ¥110 €1 = ¥130 1 yuan = ¥17.0	US\$1 = ¥114 €1 = ¥130 1 yuan = ¥17.8	US\$1 = ¥116 €1 = ¥130 1 yuan = ¥18.3	US\$1 = ¥112 €1 = ¥131 1 yuan = ¥17.5	US\$1 = ¥120 €1 = ¥130 1 yuan = ¥19.0
Revenues	988.3	1,023.4	881.4	154.8	186.0	200.6	220.2	761.6	226.9	229.5	234.4	251.9	942.7	1,100.0
Adjusted Operating Income (loss) ^{*1}	65.1	51.4	14.4	-7.3	-5.1	3.8	3.6	-5.0	8.5	6.8	5.3	6.2	26.8	70.0
Adjusted operating margin ratio	6.6%	5.0%	1.6%	-4.7%	-2.7%	1.9%	1.6%	-0.7%	3.7%	3.0%	2.3%	2.5%	2.8%	6.4%
Other income	5.4	10.7	8.6	3.1	1.2	1.3	4.1	9.7	1.1	7.5	2.4	7.0	18.0	-
Other expenses	-24.2	-19.7	-62.1	-2.2	-28.3	-4.5	-19.0	-54.0	-5.4	-3.7	-3.5	-5.5	-18.1	-
IFRS operating income	46.3	42.4	-39.1	-6.4	-32.2	0.7	-11.3	-49.2	4.2	10.6	4.2	7.7	26.7	-
EBIT	48.9	45.3	-38.4	-6.7	-32.1	0.5	-10.9	-49.2	4.6	11.4	5.6	12.6	34.2	51.0
EBITDA	95.0	96.2	16.8	6.6	-18.9	12.4	1.1	1.2	16.2	23.0	17.2	24.3	80.7	98.5
(Quarterly) Income before income taxes	47.0	43.0	-40.6	-7.1	-32.4	0.1	-11.2	-50.6	4.3	11.0	5.2	12.2	32.7	41.5
(Quarterly) Net income attributable to shareholders of the parent company	42.2	31.4	-37.6	-3.3	-29.9	-0.5	-8.6	-42.3	3.0	8.3	2.2	-1.5	12.0	30.0
Capital expenditure	91.8	95.4	53.0	7.2	7.4	5.2	9.0	28.8	5.1	6.4	8.3	14.5	34.3	-
Depreciation	46.1	50.9	55.2	13.3	13.2	11.9	12.0	50.4	11.6	11.6	11.6	11.7	46.5	-
R&D expenses	17.7	18.6	15.9	3.5	3.8	3.5	3.7	14.5	3.1	3.2	3.0	3.1	12.4	-
Trade receivables	207.6	195.3	157.7	141.1	157.5	163.9	167.6	167.6	182.1	186.7	191.4	187.3	187.3	-
Inventories	190.2	214.8	179.9	183.5	167.1	169.1	170.1	170.1	190.6	205.7	220.0	228.4	228.4	-
Interest-bearing debt	160.8	202.1	187.6	215.1	212.6	181.4	195.3	195.3	199.9	202.4	202.2	196.9	196.9	-
Free cash flows	-36.0	-29.7	49.5	4.9	1.7	12.0	36.2	54.8	-9.9	-1.4	-11.3	46.1	23.5	-
ROIC ^{*2}	5.8%	5.3%	1.7%	-	-	-	-	-	-	-	-	-	3.0%	-
ROE ^{*3}	7.7%	5.5%	-	-	-	-	-	-	-	-	-	-	2.4%	-
ROA ^{*4}	4.0%	2.9%	-	-	-	-	-	-	-	-	-	-	1.2%	-
CCC ^{*5} (days)	82.7	90.7	87.1	-	-	-	-	89.1	-	-	-	-	82.9	-
D/E ratio (times)	0.29	0.34	0.36	0.42	0.44	0.38	0.40	0.40	0.41	0.40	0.40	0.37	0.37	-
Overseas sales ratio	56%	56%	54%	49%	57%	56%	57%	55%	57%	57%	56%	59%	57%	59%
Employees	30,390	30,304	29,805	29,542	29,025	28,730	28,620	28,620	28,278	27,911	27,882	27,771	27,771	27,700
(Quarterly) Basic net income per share (yen)	98.72	73.37	-88.05	-7.81	-69.86	-1.19	-20.04	-98.90	7.01	19.36	5.31	-3.54	28.14	-
Dividend per share (yen)	26.0	34.0	26.0	-	0.0	-	0.0	0.0	-	0.0	-	0.0	0.0	0.0
Earnings per share attributable to shareholders of the parent company (yen)	1,316.1	1,375.2	1,216.9	1,195.1	1,119.9	1,117.6	1,145.3	1,145.3	1,152.8	1,173.1	1,194.9	1,233.9	1,233.9	-

*1 Adjusted operating income (loss) = 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

Major products and services Weight trends

1Q, FY2020 is indexed at 100

Product		FY2019				FY2020				FY2021				FY2022
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	Full-year
	Molds and tool steel	151	156	153	128	100	101	103	130	150	160	163	159	163
Specialty Steel Products	CVT belt materials	151	133	146	159	100	129	126	131	166	156	163	157	156
	Piston ring materials	227	199	229	214	100	105	253	260	261	253	281	247	262
	Organic EL-related components and materials	56	72	103	73	100	100	136	85	114	129	134	131	167
Functional Components and Equipment	Cast iron products [Waupaca Foundry, Inc.]	225	203	174	196	100	183	178	197	188	180	170	196	181
	Cast iron products [Other]	233	214	219	201	100	171	197	197	202	180	182	196	244
	Heat-resistant exhaust casting components (HERCUNITE™)	141	174	165	169	100	156	199	193	184	178	139	156	136
Magnetic Materials and Applications / Power Electronics	Rare earth magnets	152	144	136	130	100	120	133	134	147	133	142	130	149
	Ferrite magnets	164	161	161	165	100	127	166	172	167	147	139	147	165
	Amorphous metals Metglas®	198	166	154	124	100	125	150	153	144	148	174	210	229
Wires, Cables, and Related Products	Electronic components*	198	191	187	164	100	166	204	198	179	166	189	193	217

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

Business Portfolio

Business Headquarters	Business Segment	Industrial Infrastructure	Automobiles	Electronics
Advanced Metals	Specialty Steel Products	Turbine cases Rolls for steel mills	Molds and tool steel CVT belt materials Clad metals Lead frame materials	Specialty steel
	Functional Components and Equipment	Piping Components Pipe fittings Polyethylene gas piping systems	Automotive Casting Products Cast iron products Heat-resistant exhaust casting components (HERCUNITE™)	
Advanced Components & Materials	Magnetic Materials and Applications/ Power Electronics	Neodymium magnets NEOMAX® Amorphous metals Metglas®	Magnetic Materials and Applications Power electronics materials	Ferrite magnets NMF™ Silicon nitride substrate
	Wires, Cables, and Related Products	Wires and cables rolling stock Cables for FA/industrial robots	Electric wires and cables Automotive components Harnesses for electric parking brakes	

■ Business Operations of Hitachi Metals

Business Headquarters	Business Segment	Business Category	Major products and services
Advanced Metals	Specialty Steel Products	Specialty steel	Molds and tool steel, automobile-related materials, razor and blade materials, precision cast components, aircraft- and energy-related materials, display-related materials, semiconductor and other package materials, and battery-related materials
		Rolls	Rolls for steel mills, Injection molding machine parts, Structural ceramic products, and Steel-frame joints for construction
	Functional Components and Equipment	Automotive casting products	HNM™ 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, 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	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 their applied products, and ceramic components
	Wires, Cables, and Related Products	Electric wires and cables	Industrial cables, electronic wires, electric equipment materials, and cable assemblies
		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.

Factors that could cause such differences include, but are not limited to, the following:

- a) Risks associated with product demand and market conditions
- b) Risks associated with competitiveness and development and commercialization of new technologies and products
- c) Risks associated with raw materials procurement
- d) Risks associated with securing talent
- e) Risks associated with product quality
- f) Risks associated with environmental regulations
- g) Risks associated with changes in foreign exchange rates
- h) Risks associated with M&A and business reorganization
- i) Risks associated with information security
- j) Risks associated with the global expansion of businesses
- k) Risks associated with safety and health
- l) Risks associated with earthquakes and other natural disasters
- m) Risks associated with impairment losses on fixed assets including property, plant, equipment, and goodwill
- n) Risks associated with relationship with the parent company
- o) Risks associated with financing activities
- p) Risks associated with laws and regulations, and official regulations
- q) Risks associated with intellectual property rights
- r) Risks associated with retirement benefit obligations