

Hitachi Metals, Ltd. Financial Results for the First Three Months of Fiscal Year 2022 (April 1 to June 30, 2022)

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July 27, 2022

1. Overview of Operating Results

1-1. Overview of the First Quarter, FY2022

Management environment

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

- (1) While there are signs of material prices peaking out of the surge, prices remained high due to the impact of the depreciation of the yen to its lowest level in decades
- (2) The impact of shortage in components and materials as well as international logistics disruption continued
- (3) The uncertain situation of the outlook for the demand continued, including the spread of COVID-19 and the situation in Ukraine

Revenues

- (1) Increased year on year due to the impact from a rise in raw material prices (sliding-scale rate material price system) and the depreciation of the yen.

- (2) Trends in business fields (YoY)

[Automobiles]

As for volume trends by product group, while the volume increased for automotive casting products due to demand recovery in the North American market, the volume decreased for Industrial equipment materials, magnetic materials, and automotive electronic components due to the impact of production adjustments by automobile manufacturers reflecting semiconductor shortages and China's lockdowns, among other factors.

[Aircraft]

Demand related to small- and medium-sized passenger aircraft rebounded significantly.

[FA / robots]

Capital expenditure demand related to manufacturing, mainly for automobiles and semiconductors, increased.

[Semiconductors]

Demand for use in telecommunications equipment and automobiles increased

Adjusted operating income / Net income*

Adjusted operating income and net income increased by ¥3.3 billion and ¥12.1 billion, respectively, year on year, reflecting a rise in profit as a result of cost reduction measures and the depreciation of the yen, despite a decline in profit due to revenues, sales portfolio, etc. as well as soaring raw material prices and electricity and transportation costs.

Sales prices are being revised in response to an increase in expenses and energy cost due to soaring resource prices.

* Net income attributable to shareholders of the parent company

1-2. Operating Results

¥ billions Italic letters indicate profit margin.	FY2021					Full-year US\$1 = ¥112 €1 = ¥131 1 yuan = ¥17.5	FY2022		Full-year Forecasts US\$1 = ¥120 €1 = ¥130 1 yuan = ¥19.0
	1Q (Apr – Jun)(A)	2Q (Jul – Sep)	3Q (Oct – Dec)	4Q (Jan – Mar)	1Q (Apr – Jun)(B)		Differences	Year-on-Year (B/A-1)*100[%] or B-A	
	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=¥130 €1=¥138 1 yuan=¥19.6			
Revenues	226.9	229.5	234.4	251.9	942.7	276.8	+22%	1,100.0	
Adjusted operating income*	3.7% 8.5	3.0% 6.8	2.3% 5.3	2.5% 6.2	2.8% 26.8	4.3% 11.8	+3.3	6.4% 70.0	
IFRS operating income	1.9% 4.2	4.6% 10.6	1.8% 4.2	3.1% 7.7	2.8% 26.7	3.5% 9.8	+5.6	-	
Income before income taxes	4.3	11.0	5.2	12.2	32.7	19.9	+15.6	41.5	
Net income (loss) attributable to shareholders of the parent company	3.0	8.3	2.2	-1.5	12.0	15.1	+12.1	30.0	

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

Foreign exchange gains:
¥10.1 billion

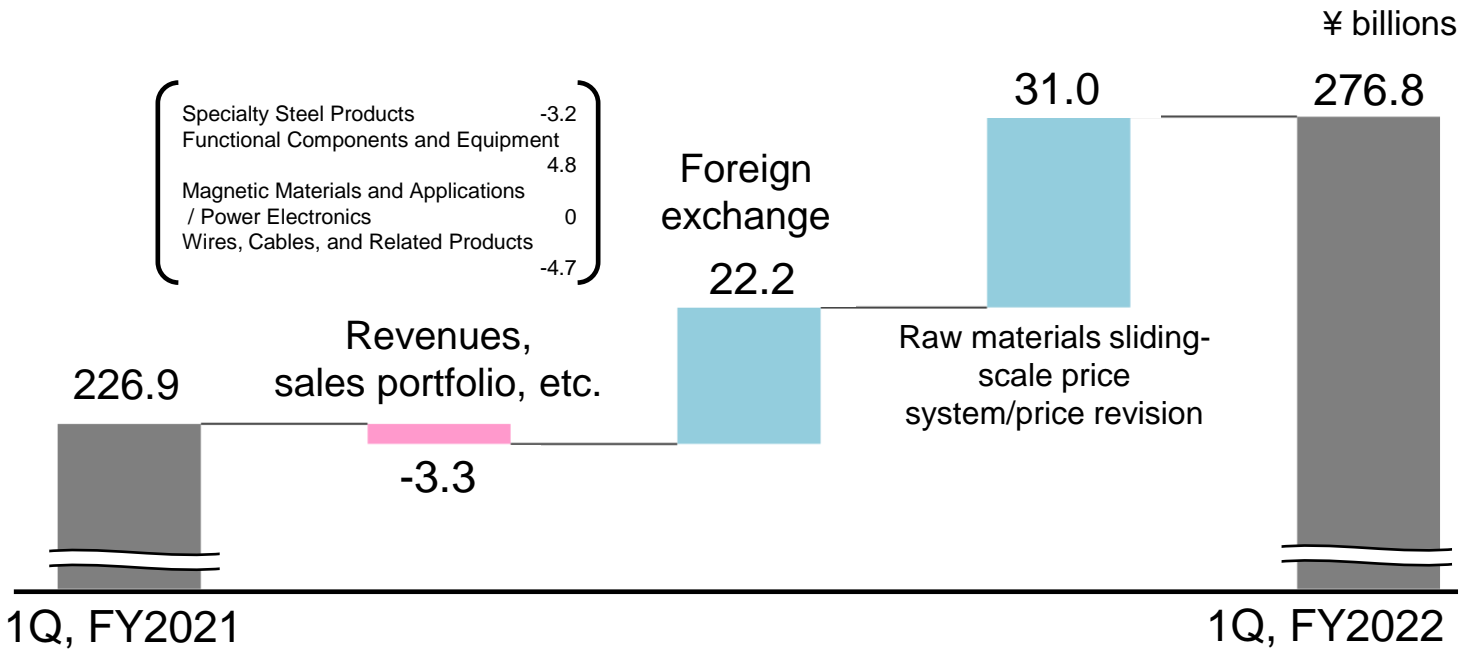
Sales by region

¥ billions		Japan	North America	China	Other Asian countries	Europe	Others
1Q, FY2021	Revenues	98.4	65.1	19.5	29.0	10.4	4.5
	Sales ratio	43%	29%	9%	13%	4%	2%
1Q, FY2022	Revenues	103.3	95.2	22.9	36.1	13.3	6.0
	Sales ratio	37%	35%	8%	13%	5%	2%
	Revenues Year-on-Year	+5%	+46%	+17%	+24%	+28%	+33%

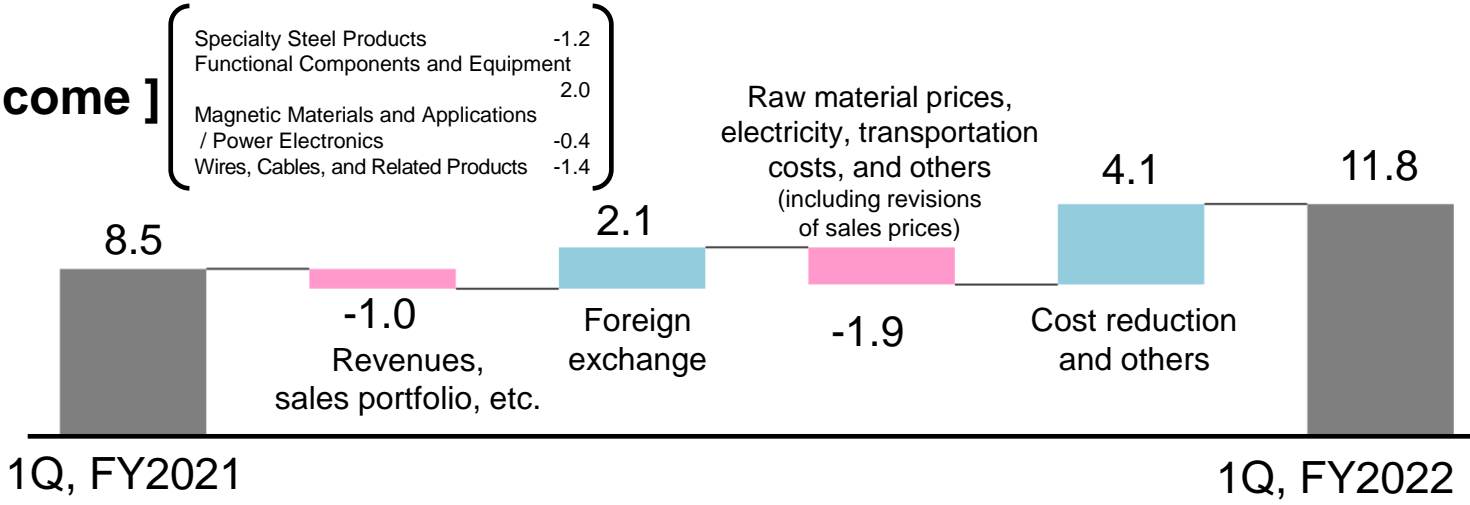
1-3. Factors Behind Increase/Decrease in Revenues and Adjusted Operating Income (Year-on-Year)



[Revenues]



[Adjusted operating income]



Hitachi Metals, Ltd.

Financial Results for the First Three Months of Fiscal Year 2022 (April 1 to June 30, 2022)

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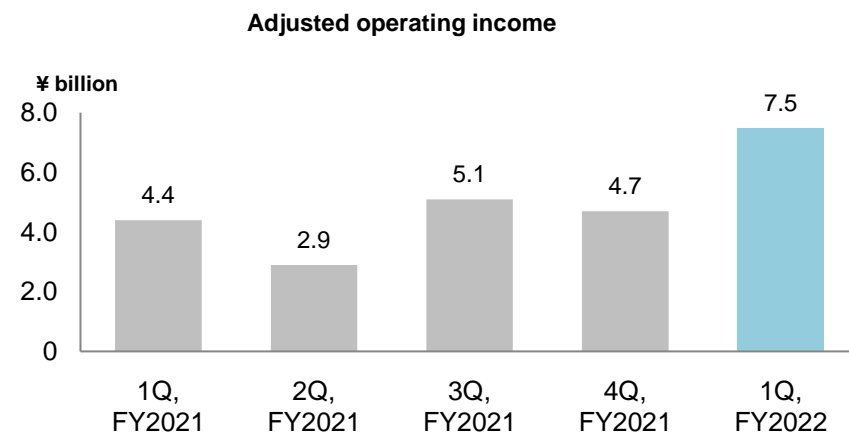
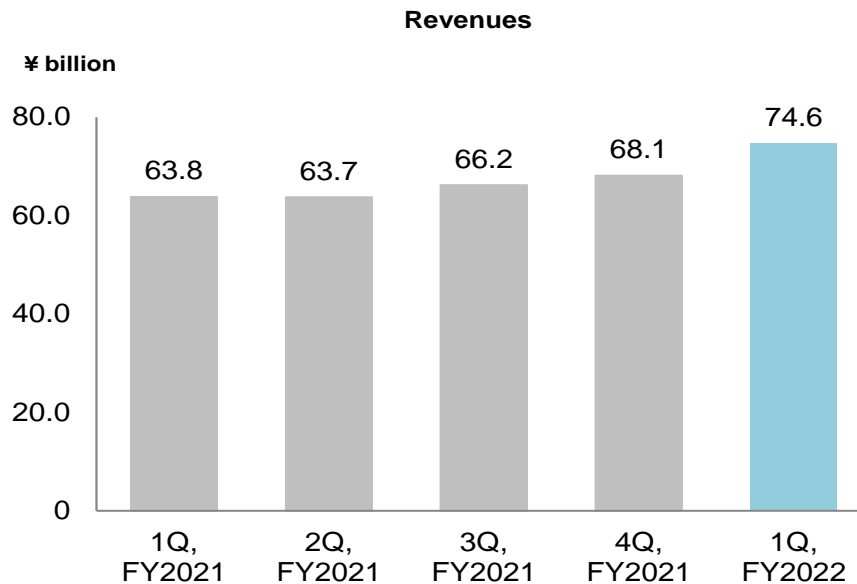
2. Operating Results by Segment

2-1. Summary of Operating Results

¥ billions (Italic letters indicate profit margin.)		FY2021					FY2022		Full-year US\$1 = ¥112 €1 = ¥131 1 yuan = ¥17.5		1Q (Apr – Jun) US\$1=¥130 €1=¥138 1 yuan=¥19.6		Differences Year-on-Year (B/A-1)*100[%] or B-A		Full-year Forecast US\$1 = ¥120 €1 = ¥130 1 yuan = ¥19.0	
		1Q (Apr – Jun) US\$1 = ¥109 €1 = ¥132 1 yuan = ¥17.0	2Q (Jul – Sep) US\$1 = ¥110 €1 = ¥130 1 yuan = ¥17.0	3Q (Oct – Dec) US\$1 = ¥114 €1 = ¥130 1 yuan = ¥17.8	4Q (Jan – Mar) US\$1 = ¥116 €1 = ¥130 1 yuan = ¥18.3	Full-year	1Q (Apr – Jun)									
Advanced Metals	Specialty Steel Products	Revenues	63.8	63.7	66.2	68.1	261.8	74.6	+17%	310.0						
		Adjusted operating income	6.9% 4.4	4.6% 2.9	7.7% 5.1	6.9% 4.7	6.5% 17.1	10.1% 7.5	+3.1	9.0% 28.0						
		IFRS operating income	7.2% 4.6	4.1% 2.6	6.8% 4.5	6.2% 4.2	6.1% 15.9	10.2% 7.6	+3.0	-						
	Functional Components and Equipment	Revenues	76.1	76.9	74.3	86.7	314.0	104.7	+38%	360.0						
		Adjusted operating income (loss)	-0.1% -0.1	-2.9% -2.2	-5.4% -4.0	-3.8% -3.3	-3.1% -9.6	0.3% 0.3	+0.4	2.6% 9.5						
		IFRS operating income (loss)	-1.4% -1.1	-2.5% -1.9	-5.8% -4.3	-4.6% -4.0	-3.6% -11.3	-0.1% -0.1	+1.0	-						
	Subtotal *	Revenues	139.9	140.6	140.5	154.8	575.8	179.3	+28%	670.0						
		Adjusted operating income	3.1% 4.3	0.5% 0.7	0.8% 1.1	0.9% 1.4	1.3% 7.5	4.4% 7.8	+3.5	5.6% 37.5						
		IFRS operating income	2.5% 3.5	0.5% 0.7	0.1% 0.2	0.1% 0.2	0.8% 4.6	4.2% 7.5	+4.0	-						
Advanced Components & Materials	Magnetic Materials and Applications/ Power Electronics	Revenues	31.8	34.1	33.2	37.1	136.2	38.5	+21%	170.0						
		Adjusted operating income	7.5% 2.4	12.6% 4.3	7.5% 2.5	9.7% 3.6	9.4% 12.8	8.8% 3.4	+1.0	10.6% 18.0						
		IFRS operating income	7.9% 2.5	13.2% 4.5	8.4% 2.8	8.4% 3.1	9.5% 12.9	8.8% 3.4	+0.9	-						
	Wires, Cables, and Related Products	Revenues	55.0	54.7	60.7	59.8	230.2	59.0	+7%	260.0						
		Adjusted operating income (loss)	2.9% 1.6	1.8% 1.0	2.0% 1.2	2.3% 1.4	2.3% 5.2	-1.0% -0.6	-2.2	5.6% 14.5						
		IFRS operating income (loss)	0.7% 0.4	1.5% 0.8	3.8% 2.3	0.3% 0.2	1.6% 3.7	-1.7% -1.0	-1.4	-						
	Subtotal *	Revenues	86.8	88.8	93.9	96.9	366.4	97.5	+12%	430.0						
		Adjusted operating income	4.6% 4.0	6.0% 5.3	3.9% 3.7	5.2% 5.0	4.9% 18.0	2.9% 2.8	-1.2	7.6% 32.5						
		IFRS operating income	3.3% 2.9	6.0% 5.3	5.4% 5.1	3.4% 3.3	4.5% 16.6	2.5% 2.4	-0.5	-						
Others/ Adjustments	Revenues	0.2	0.1	0	0.2	0.5	0	-	0							
	Adjusted operating income (loss)	0.2	0.8	0.5	-0.2	1.3	1.2	+1.0	0							
	IFRS operating income (loss)	-2.2	4.6	-1.1	4.2	5.5	-0.1	+2.1	-							
Total	Revenues	226.9	229.5	234.4	251.9	942.7	276.8	+22%	1,100.0							
	Adjusted operating income	3.7% 8.5	3.0% 6.8	2.3% 5.3	2.5% 6.2	2.8% 26.8	4.3% 11.8	+3.3	6.4% 70.0							
	IFRS operating income	1.9% 4.2	4.6% 10.6	1.8% 4.2	3.1% 7.7	2.8% 26.7	3.5% 9.8	+5.6	-							

*Simple sum before eliminating intersegment revenues

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



[Revenues]

(Year-on-Year)

• Molds and tool steel

Increased due to the impact from the rise in raw material prices (sliding-scale raw material price system) among other factors, while demand remained virtually unchanged both in Japan and international.

• Industrial equipment materials

Remained virtually unchanged year on year due to the impact from the rise in raw material prices (sliding-scale raw material price system) among other factors, on top of a rise in demand for materials related to other industrial equipment, despite a decline in demand for automotive-related products.

• Aircraft- and energy-related materials

Demand related to small- and medium-sized passenger aircraft rebounded significantly among mainstay aircraft-related materials. Increased as a whole as demand for energy-related materials remained firm.

• Electronic materials

Organic EL panel-related components and material demand grew.

Semiconductor packaging material demand remained at a high level.

Sales of clad metals used mainly for smartphones and batteries remained solid.

• Rolls

Sales of injection molding machine parts and steel-frame joints for construction remained virtually unchanged year on year.

Sales of various rolls increased.

[Adjusted operating income]

Increased reflecting a rise in demand for aircraft- and energy-related materials and electronic materials. The depreciation of the yen and the promotion of various cost reduction measures etc. also contributed.

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

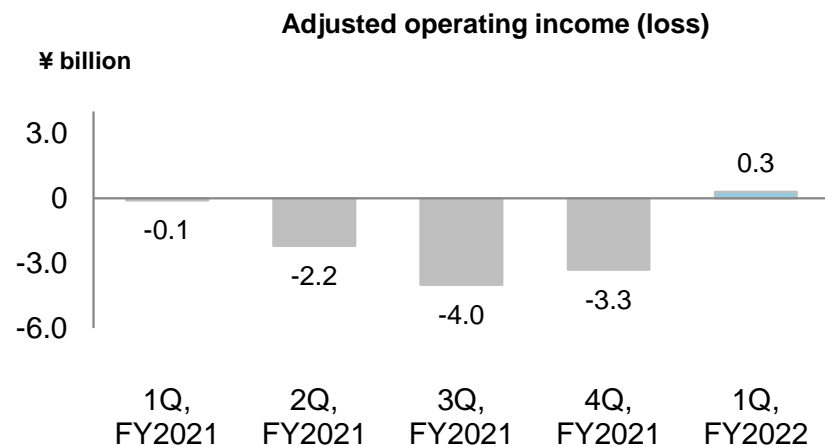
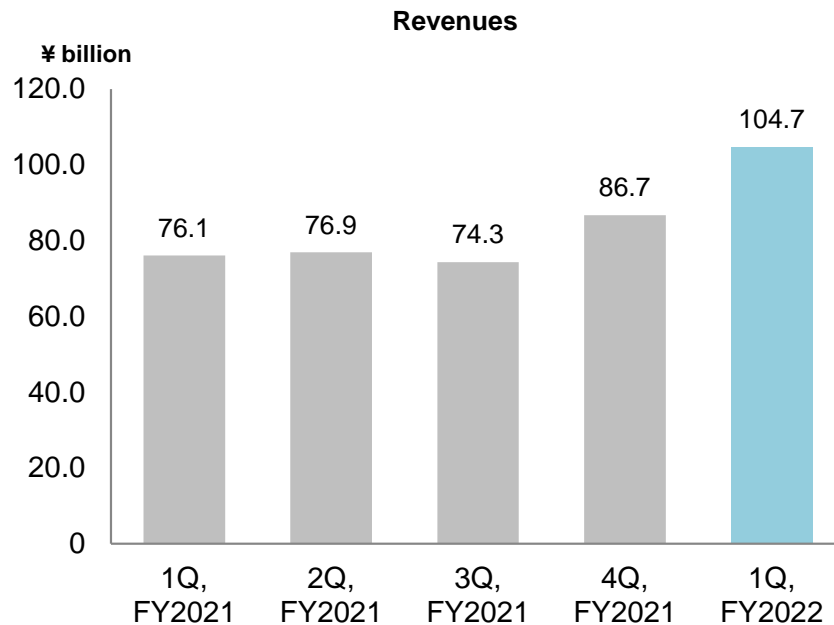
¥ billions	FY2021					Full-year	FY2022	Differences Year-on-Year
	1Q (Apr – Jun)	2Q (Jul – Sep)	3Q (Oct – Dec)	4Q (Jan – Mar)	1Q (Apr – Jun)			
Revenues	63.8	63.7	66.2	68.1	261.8	74.6	+17%	
Specialty steel* ¹	58.4	58.3	61.0	62.2	239.9	68.6	+17%	
Rolls* ¹	5.4	5.3	5.4	5.8	21.9	6.1	+13%	
Adjusted operating income	4.4	2.9	5.1	4.7	17.1	7.5	+3.1	
Adjusted operating margin	6.9%	4.6%	7.7%	6.9%	6.5%	10.1%	+3.2pt	
IFRS operating income	4.6	2.6	4.5	4.2	15.9	7.6	+3.0	
Change by product volume (year-on-year)	FY2021					Full-year	FY2022	
	1Q (Apr – Jun)	2Q (Jul – Sep)	3Q (Oct – Dec)	4Q (Jan – Mar)	1Q (Apr – Jun)			
Molds and tool steel* ²	+25%	+32%	+35%	+22%	+28%	+21%		
Industrial equipment materials* ²	+34%	+27%	+14%	+1%	+18%	-1%		
Aircraft- and energy-related materials* ²	-20%	-9%	+15%	+27%	+1%	+49%		
Electronic materials * ²	+27%	+27%	+22%	+21%	+24%	+22%		
Rolls* ³	-2%	-1%	+13%	+15%	+6%	+13%		

*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, demand grew for components used in commercial vehicles and construction and agricultural equipment in the North America market. Revenues increased as a whole due to the impact from a rise in raw material prices (sliding-scale rate material price system) and the depreciation of the yen.

Heat-resistant exhaust casting components:

Remained virtually unchanged year on year due to the impact from a rise in raw material prices (sliding-scale rate material price system), despite a decline in demand owing to the changes in product mix and the impact of production adjustments carried out by automobile manufacturers.

• **Piping components**

Pipe fittings:

Increased as housing starts remained at a high level in the U.S., despite a decline in demand in Japan.

Semiconductor manufacturing equipment:

Capital expenditure demand remained brisk.

[Adjusted operating income (loss)]

Turned profitable due to a rise in demand for commercial vehicles, construction machinery, and agricultural machinery in the North American market.

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

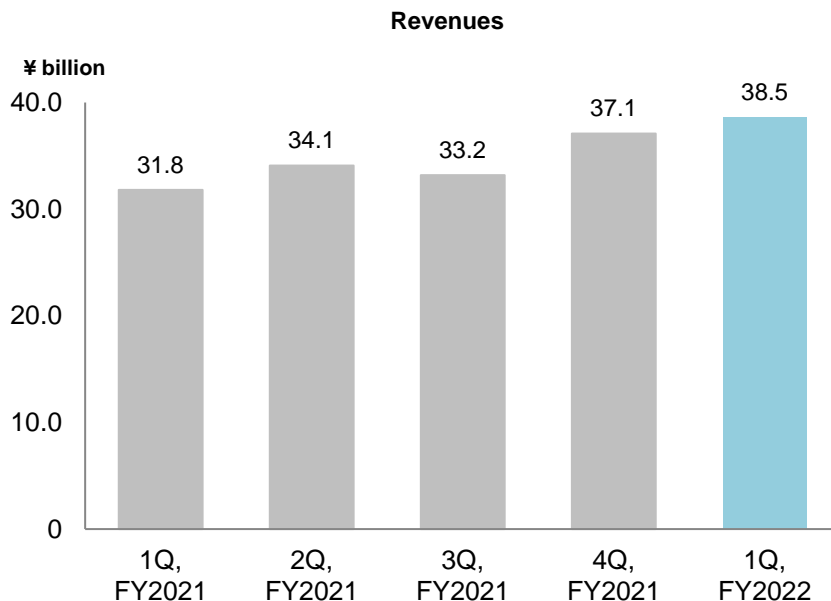
¥ billions	FY2021					Full-year	FY2022	Differences
	1Q (Apr – Jun)	2Q (Jul – Sep)	3Q (Oct – Dec)	4Q (Jan – Mar)	1Q (Apr – Jun)		Year-on-Year	
Revenues	76.1	76.9	74.3	86.7	314.0	104.7	+38%	
Automotive casting products*	64.9	64.5	62.0	74.5	265.9	91.4	+41%	
Waupaca Foundry, Inc.*	48.4	49.0	48.1	57.7	203.2	73.9	+53%	
Piping components*	11.3	12.3	12.3	12.2	48.1	13.2	+17%	
Adjusted operating income (loss)	-0.1	-2.2	-4.0	-3.3	-9.6	0.3	+0.4	
Adjusted operating margin	-0.1%	-2.9%	-5.4%	-3.8%	-3.1%	0.3%	+0.4pt	
IFRS operating income (loss)	-1.1	-1.9	-4.3	-4.0	-11.3	-0.1	+1.0	

*Simple sum before eliminating intersegment revenues

Change by product volume (year-on-year)	FY2021					Full-year	FY2022
	1Q (Apr – Jun)	2Q (Jul – Sep)	3Q (Oct – Dec)	4Q (Jan – Mar)	1Q (Apr – Jun)		
Cast iron products [Waupaca Foundry, Inc.] (weight)	+88%	-2%	-4%	0%	+12%	+6%	
Cast iron products [Other] (weight)	+102%	+5%	-8%	0%	+14%	+18%	
Heat-resistant exhaust casting components (HERCUNITE™) (weight)	+84%	+13%	-30%	-19%	+1%	-27%	

2-6. Operating Results by Segment:

Magnetic Materials and Applications / Power Electronics (1)



[Revenues]

(Year-on-Year)

•Magnetic materials and applications

Rare earth magnets:

Increased as a whole due to the impact from a rise in raw material prices (sliding-scale rate material price system), despite a decline in demand related to automotive electronic components and sluggish demand for use in industrial equipment such as FA/robots.

Ferrite magnets:

Remained virtually unchanged year on year due to the impact from a rise in raw material prices (sliding-scale rate material price system), despite a decline in demand related to automotive electronic components.

•Power electronics materials

Soft magnetic materials and the applied products:

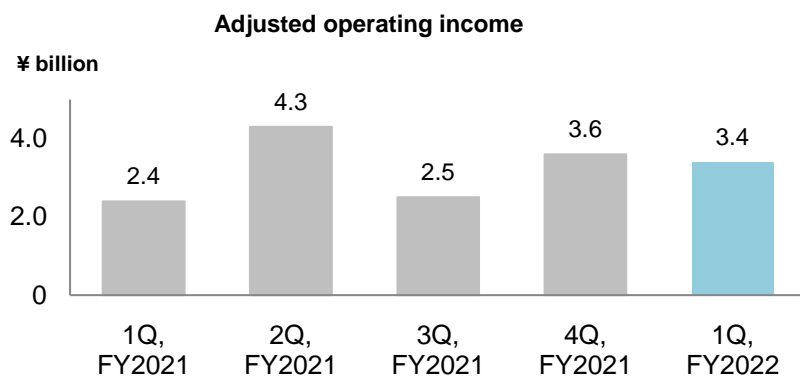
Demand was brisk for telecommunications applications, including smartphones, tablets, and server equipment. Demand for amorphous metals also increased, mainly in Asia and Americas.

Ceramic components:

Increased as a whole as demand grew for automotive applications, demand related to server equipment rose, and demand related to medical devices remained at a high level.

[Adjusted operating income]

Increased due to gains resulting from the depreciation of the yen, the promotion of various cost reduction measures, and a rise in demand related to power electronics materials.



2-7. Operating Results by Segment:

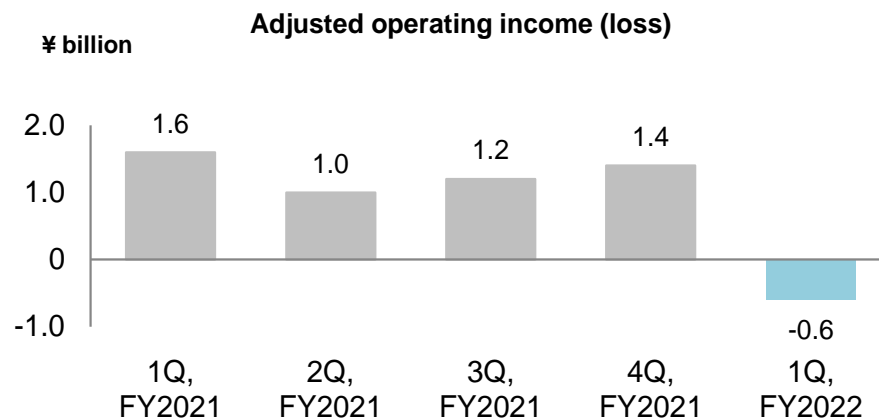
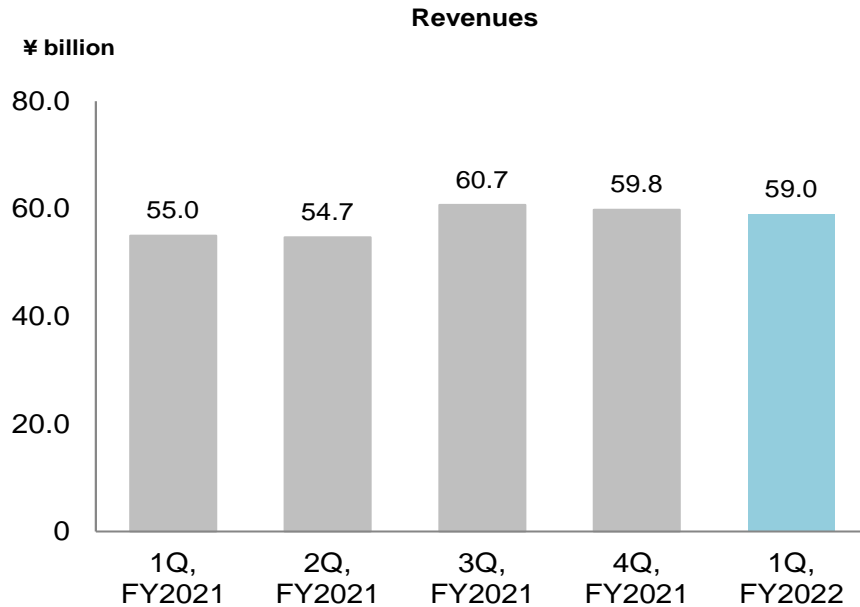
Magnetic Materials and Applications / Power Electronics (2)

¥ billions	FY2021					Full-year	FY2022	Differences
	1Q (Apr – Jun)	2Q (Jul – Sep)	3Q (Oct – Dec)	4Q (Jan – Mar)	1Q (Apr – Jun)		Year-on-Year	
Revenues	31.8	34.1	33.2	37.1	136.2	38.5	+21%	
Magnetic materials and applications*	21.8	23.5	22.2	24.5	92.0	24.8	+14%	
Power electronics materials*	10.0	10.6	11.0	12.6	44.2	13.8	+38%	
Adjusted operating income	2.4	4.3	2.5	3.6	12.8	3.4	+1.0	
Adjusted operating margin	7.5%	12.6%	7.5%	9.7%	9.4%	8.8%	+1.3pt	
IFRS operating income	2.5	4.5	2.8	3.1	12.9	3.4	+0.9	

*Simple sum before eliminating intersegment revenues

Change by product volume (year-on-year)	FY2021					Full-year	FY2022
	1Q (Apr – Jun)	2Q (Jul – Sep)	3Q (Oct – Dec)	4Q (Jan – Mar)	1Q (Apr – Jun)		
Rare earth magnets (weight)	+47%	+11%	+7%	-3%	+14%	-15%	
Ferrite magnets (weight)	+67%	+15%	-16%	-15%	+6%	-14%	

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



[Revenues]

(Year-on-Year)

• 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:

Increased due to the impact from a rise in raw material prices (sliding-scale rate material price system), despite a decline in demand for use in automobiles.

Electronic wires:

Grow in sales of FA/robots use

As a result, sales of electric wires and cables increased on the whole.

• Automotive components

Increased due partly to the effect of the depreciation of the yen, despite a decline in demand of electronic components as a result of production adjustments by automobile manufacturers.

[Adjusted operating income (loss)]

A loss was recorded due in part to a decrease in demand for electrical wires for rolling stock and automotive electronic components, in addition to the fact that raw material prices as well as energy and transportation costs, etc., soared though the revenues rose due to the system of sliding-scale rate material price.

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

¥ billions	FY2021					Full-year	FY2022	Differences Year-on-Year
	1Q (Apr – Jun)	2Q (Jul – Sep)	3Q (Oct – Dec)	4Q (Jan – Mar)	1Q (Apr – Jun)			
Revenues	55.0	54.7	60.7	59.8	230.2	59.0	+7%	
Adjusted operating income (loss)	1.6	1.0	1.2	1.4	5.2	-0.6	-2.2	
Adjusted operating margin	2.9%	1.8%	2.0%	2.3%	2.3%	-1.0%	-3.9pt	
IFRS operating income (loss)	0.4	0.8	2.3	0.2	3.7	-1.0	-1.4	

Change by product volume (year-on-year)	FY2021					Full-year	FY2022
	1Q (Apr – Jun)	2Q (Jul – Sep)	3Q (Oct – Dec)	4Q (Jan – Mar)	1Q (Apr – Jun)		
Rolling stock*	-2%	-18%	-22%	-3%	-13%	-11%	
Medical devices*	-7%	+13%	+38%	+59%	+24%	+23%	
FA / robots*	+48%	+56%	+46%	+67%	+55%	+41%	
Magnet wires*	+72%	+62%	+40%	+24%	+59%	+14%	
Electronic components*	+79%	0%	-7%	-2%	+10%	-6%	

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

Sales ratio in the growth area 43% in 1Q of FY2021
43% in 1Q of FY2022

3. Financial Condition

¥ billions	End of FY2021	End of June 2022	Differences
	US\$1 = ¥122 €1 = ¥137 1 yuan = ¥19.3	US\$1=¥137 €1=¥143 1 yuan=¥20.4	
Total asset	1,069.7	1,149.5	+79.8
Trade receivables	187.3	213.5	+26.2
Inventories	228.4	261.9	+33.5
Fixed asset	449.6	466.6	+17.0
Total liabilities	538.6	579.5	+40.9
Interest-bearing debt	196.9	213.2	+16.3
Equity attributable to shareholders of the parent company	527.6	566.3	+38.7
Non-controlling interests	3.5	3.7	+0.2
Equity attributable to shareholders of the parent company ratio	49.3%	49.3%	—
D/E ratio (times)	0.37	0.38	+0.01
NET interest-bearing debt*	72.3	85.7	+13.4

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

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

4. Consolidated Cash Flows

¥ billions	FY2021 1Q (Apr – Jun)	FY2022 1Q (Apr – Jun)	Year-on-Year
Cash flows from operating activities (Operating CF)	-5.6	-1.3	+4.3
Cash flows from investing activities (Investing CF)	-4.3	-7.7	-3.4
Free cash flows (FCF)	-9.9	-9.0	+0.9
Core free cash flows*	-11.2	-9.7	+1.5

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

Operating CF: Increased by ¥4.3 billion year on year due primarily to an increase in net income, despite a rise in working capital

Investing CF: Decreased by ¥3.4 billion year on year owing mainly to an increase in fixed asset acquisition

Hitachi Metals, Ltd.

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5. Tender Offer Bid (TOB)

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

- The consortium and Hitachi Metals are 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 and Hitachi Metals do 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	FY2018	FY2019	FY2020	FY2020	FY2020	FY2020	FY2020	FY2021	FY2021	FY2021	FY2021	FY2021	FY2022	FY2022
	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	1Q (Apr – Jun)	Full-year Forecasts
	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 = ¥130 €1 = ¥138 1 yuan = ¥19.6	US\$1 = ¥120 €1 = ¥130 1 yuan = ¥19.0
Revenues	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	276.8	1,100.0
Adjusted operating income (loss)*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	11.8	70.0
Adjusted operating margin	5.0%	1.6%	-4.7%	-2.7%	1.9%	1.6%	-0.7%	3.7%	3.0%	2.3%	2.5%	2.8%	4.3%	6.4%
Other income	10.7	8.6	3.1	1.2	1.3	4.1	9.7	1.1	7.5	2.4	7.0	18.0	1.4	-
Other expenses	-19.7	-62.1	-2.2	-28.3	-4.5	-19.0	-54.0	-5.4	-3.7	-3.5	-5.5	-18.1	-3.4	-
IFRS operating income	42.4	-39.1	-6.4	-32.2	0.7	-11.3	-49.2	4.2	10.6	4.2	7.7	26.7	9.8	-
EBIT	45.3	-38.4	-6.7	-32.1	0.5	-10.9	-49.2	4.6	11.4	5.6	12.6	34.2	20.4	51.0
EBITDA	96.2	16.8	6.6	-18.9	12.4	1.1	1.2	16.2	23.0	17.2	24.3	80.7	32.5	98.5
(Quarterly) Income before income taxes	43.0	-40.6	-7.1	-32.4	0.1	-11.2	-50.6	4.3	11.0	5.2	12.2	32.7	19.9	41.5
(Quarterly) Net income attributable to shareholders of the parent company	31.4	-37.6	-3.3	-29.9	-0.5	-8.6	-42.3	3.0	8.3	2.2	-1.5	12.0	15.1	30.0
Capital expenditure	95.4	53.0	7.2	7.4	5.2	9.0	28.8	5.1	6.4	8.3	14.5	34.3	5.5	-
Depreciation	50.9	55.2	13.3	13.2	11.9	12.0	50.4	11.6	11.6	11.6	11.7	46.5	12.1	-
R&D expenses	18.6	15.9	3.5	3.8	3.5	3.7	14.5	3.1	3.2	3.0	3.1	12.4	3.0	-
Trade receivables	195.3	157.7	141.1	157.5	163.9	167.6	167.6	182.1	186.7	191.4	187.3	187.3	213.5	-
Inventories	214.8	179.9	183.5	167.1	169.1	170.1	170.1	190.6	205.7	220.0	228.4	228.4	261.9	-
Interest-bearing debt	202.1	187.6	215.1	212.6	181.4	195.3	195.3	199.9	202.4	202.2	196.9	196.9	213.2	-
Free cash flows	-29.7	49.5	4.9	1.7	12.0	36.2	54.8	-9.9	-1.4	-11.3	46.1	23.5	-9.0	-
ROIC*2	5.3%	1.7%	-	-	-	-	-	-	-	-	-	3.0%	-	-
ROE*3	5.5%	-	-	-	-	-	-	-	-	-	-	2.4%	-	-
ROA*4	2.9%	-	-	-	-	-	-	-	-	-	-	1.2%	-	-
CCC*5 (days)	90.7	87.1	-	-	-	-	89.1	-	-	-	-	82.9	-	-
D/E ratio (times)	0.34	0.36	0.42	0.44	0.38	0.40	0.40	0.41	0.40	0.40	0.37	0.37	0.38	-
Overseas sales ratio	56%	54%	49%	57%	56%	57%	55%	57%	57%	56%	59%	57%	63%	59%
Employees	30,304	29,805	29,542	29,025	28,730	28,620	28,620	28,278	27,911	27,882	27,771	27,771	27,185	27,700
(Quarterly) Basic net income per share (yen)	73.37	-88.05	-7.81	-69.86	-1.19	-20.04	-98.90	7.01	19.36	5.31	-3.54	28.14	35.24	-
Dividend per share (yen)	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)	1,375.2	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	1,324.5	-

*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)

*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

1Q, FY2021 is indexed at 100

Weight trends

Product		FY2020				FY2021				FY2022
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Specialty Steel Products	Molds and tool steel	67	67	68	87	100	107	109	106	102
	CVT belt materials	60	78	76	79	100	94	98	94	75
	Piston ring materials	38	40	97	100	100	97	107	95	100
	Organic EL-related components and materials	88	88	120	75	100	113	118	115	132
Functional Components and Equipment	Cast iron products [Waupaca Foundry, Inc.]	53	98	95	105	100	96	91	104	106
	Cast iron products [Other]	49	84	97	97	100	89	90	97	118
	Heat-resistant exhaust casting components (HERCUNITE™)	54	85	108	105	100	97	76	85	73
Magnetic Materials and Applications/Power Electronics	Rare earth magnets	68	81	90	91	100	90	97	89	85
	Ferrite magnets	60	76	100	103	100	88	84	88	86
	Amorphous metals Metglas®	70	87	105	107	100	103	122	146	157
Wires, Cables, and Related Products	Electronic components*	56	93	114	111	100	93	109	107	94

* 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	
	Functional Components and Equipment	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 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	Wires and cables for 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 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 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 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:

- (1) Risks associated with product demand and market conditions
- (2) Risks associated with competitiveness and development and commercialization of new technologies and products
- (3) Risks associated with raw materials procurement
- (4) Risks associated with securing talent
- (5) Risks associated with product quality
- (6) Risks associated with environmental regulations
- (7) Risks associated with changes in foreign exchange rates
- (8) Risks associated with M&A and business reorganization
- (9) Risks associated with information security
- (10) Risks associated with the global expansion of businesses
- (11) Risks associated with safety and health
- (12) Risks associated with earthquakes and other natural disasters
- (13) Risks associated with impairment losses on fixed assets including property, plant and equipment and goodwill
- (14) Risks associated with relationship with the parent company
- (15) Risks associated with financing activities
- (16) Risks associated with laws and regulations, and official regulations
- (17) Risks associated with intellectual property rights
- (18) Risks associated with retirement benefit obligations