

Hitachi Metals, Ltd. (Jan. 29, 2014)

http://www.hitachi-metals.co.jp/

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Consolidated Financial Report for the 9-month period ended December 31, 2013

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Listed Stock Exchanges: Tokyo (First Section, Code 5486)(ISIN : JP3786200000)

1. Performance over the year, April 1, 2013 to December 31, 2013 (Figures are rounded off to the nearest million yen)

(1) Consolidated Operating Results	12/2013(quarter)	12/2012(quarter)	Change (%)
Net sales (million yen)	576,796	405,367	42.3
Operating income (million yen)	41,164	17,346	137.3
Income before income taxes (million yen)	35,664	17,456	104.3
Net income (million yen)	23,059	10,175	126.6
Net income per share (yen)	56.67	28.63	
Diluted net income per share (yen)	—	—	

(2) Consolidated Financial Position	12/2013(quarter)	3/2013
Total assets (million yen)	831,957	541,286
Net assets (million yen)	356,443	259,865
Equity ratio (%)	41.5	46.2
Net assets per share (yen)	806.95	684.96
Note: Shareholders' equity (million yen)	12/2013: 345,093	3/2013: 250,298

2. Dividend per share	3/2013	3/2014	3/2014(Planned)
1st quarter (yen)	—	—	—
2nd quarter (yen)	7.00	7.00	—
3rd quarter (yen)	—	—	—
End of period (yen)	7.00	—	10.00
Fiscal year	14.00	—	17.00

Note: Revision of the latest forecast of dividend : Yes

3. Forecasts of results for the term, April 1, 2013 to March 31, 2014

	Full-year	Year-on-year Change (%)
Net sales (million yen)	790,000	47.4
Operating income (million yen)	56,000	165.7
Income before income taxes (million yen)	49,000	184.4
Net income (million yen)	35,500	174.0
Net income per share (yen)	86.14	—

Note: Revision of the latest forecasts of results : No

4. Other

(1) Changes in major subsidiaries during the period under review: Yes

Newly included : Hitachi Densen Shoji, Ltd. and Hitachi Cable America Inc. and Shanghai Hitachi Co., Ltd. and Hitachi Cable (Suzhou) Co., Ltd. and Hitachi Cable (Johor) Sdn. Bhd. and Tonichi Kyosan Cable, Ltd. and Hitachi Cable Vietnam Co., Ltd.

Excluded : —

(2) Application of special accounting methods for preparation for the consolidated financial statements: Yes

(3) Changes in accounting policies, accounting estimates and retrospective restatements in the consolidated financial statements

[1] Changes due to revisions in accounting standards: No

[2] Changes other than those in [1]: Yes

[3] Changes in accounting estimates: No

[4] Retrospective restatements: No

(4) Numbers of shares issued (Common stock)

Number of shares outstanding at end of period (including treasury stock) 12/2013: 428,904,352 3/2013: 366,557,889

Number of treasury stock outstanding at end of period 12/2013: 1,255,527 3/2013: 1,137,966

Number of shares average at end of period 12/2013: 406,926,938 12/2012: 355,359,855

* This quarterly consolidated financial report is not subject to the quarterly review procedure by external auditors that are based on Financial Instruments and Exchange Act. The quarterly review procedure has not yet finished at the point of releasing this financial summary.

*The forecast figures, with the exception of actual results, are based on certain assumptions and predictions of the management at the time of preparation. Changes in business conditions or underlying assumptions may cause actual results may differ from those projected. Please refer to "Qualitative Information Regarding Consolidated Forecast" on page 5 for precondition and assumption as the basis of the above forecasts.

[Financial Performance]

1. Qualitative Information Regarding Financial Results for the Nine Months Ended December 31, 2013

(1) Information Regarding Operating Results

Despite various economic issues, the global economy experienced moderate upturns and showed some steadiness during the nine months ended December 31, 2013. The U.S. economy continued to experience moderate upturns while emerging nations, including China showed signs of recovery. The European economy, on the other hand, remained weak, in general, because of impacts of the fiscal austerity measures in European nations.

As for the Japanese economy, both export and production steadily recovered in the improved export environment and an increase in domestic production due to the weak yen trend stemming from expectations for the accommodative monetary policy.

Among the industries in which the Hitachi Metals Group (the “Group”) operates, the domestic production of automobile stayed strong backed by the improved export and the demand for automotive increased in various foreign markets, including North American and Asian markets, except for European markets. The mobile phone industry enjoyed favorable sales, especially in emerging nations because of growth of the smartphone market. The semiconductor industry experienced negative growth in the thin-screen television and personal computer markets despite the brisk demand for smartphones and tablets. Domestic housing construction continued to rise and public investments remained steady. Steel production increased because of the improved demand in construction and the recovery in automobile production.

On July 1, 2013, Hitachi Metals, Ltd. (the “Company”) merged with Hitachi Cable, Ltd. Hitachi Cable, Ltd., became the Cable Materials Company following the merger. The operating results of the Group include those of the new company in the “Wires, Cables, and Related Products” segment starting from the three months ended September 30, 2013.

Under the market environment described above, net sales of the Group for the nine months ended December 31, 2013, increased by 42.3% to ¥576,796million, and operating income increased by ¥23,818million to ¥41,164 million as compared with those for the nine months ended December 31, 2012. Income before income taxes and minority interests increased by ¥18,208 million to ¥35,664 million. Net income increased by ¥12,884 million to ¥23,059 million despite recognizing ¥1,000 million of litigation expenses, ¥3,312 million of restructuring-related expenses, and ¥3,166 million foreign value added tax included in extraordinary losses in the nine months ended December 31, 2013.

Results by business segment are as follows. Note that sales include intersegment sales and transfers. “Electronics and IT Devices” was renamed as “Magnetic Materials and Applications” effective from the three months ended June 30, 2013. This change in the segment name does not affect the segment information.

High-Grade Metal Products and Materials

Sales in the High-Grade Metal Products and Materials were ¥176,613 million, an increase of 4.9% as compared with those for the nine months ended December 31, 2012. Operating income increased by ¥6,026million to ¥19,049 million.

Special Steels

Sales of molds and tool steels decreased as compared with those for the nine months ended December 31, 2012. While the demand in foreign markets has improved and the demand in Japanese market saw a recovery and held steady in the second half of the three months ended December 31, 2013, mainly because of the rebound in automobile production, these recovery trends were not sufficient to increase overall sale of molds and tool steels. Sales of alloys of electronic products increased as compared with those for the nine months ended December 31, 2012. Strong demand for display-related materials in medium- to small-sized panels, as well as a recovery trend in semiconductors and other package materials contributed to sales increase as compared with those for the nine months ended December 31, 2012. Sales of industrial equipment and energy-related materials increased as the fuel efficiency in automobile-related materials improved and the demand for environment-friendly products remained strong. The brisk demand for materials for aircraft components also contributed to the increase in sales of energy-related materials.

Rolls

Sales of rolls decreased because of low demand in the domestic market offsetting increased demand in overseas markets. Sales of injection molding machine parts slightly increased as compared with those for the nine months ended December 31, 2012, reflecting the recovery of demands in both domestic and foreign markets.

Amorphous Materials

Sales of amorphous materials increased because of the strong demand in the Chinese market as a result of policies of the Chinese government to encourage the deployment of energy-saving equipment.

Cutting Tools

Sales of cutting tools increased because of steady demand in foreign markets supported by the improved export and the recovered domestic demand for industrial machinery.

Magnetic Materials and Applications

Sales in the Magnetic Materials and Applications segment were ¥97,941million, a decrease of 11.0% as compared with those for the nine months ended December 31, 2012. Operating income increased by ¥7,714million to ¥7,562 million.

Magnets

Sales of rare earth magnets decreased as compared with those for the nine months ended December 31, 2012. Strong sales of automotive electronic components for hybrid cars and domestic cars and a recovery trend of the demand for factory automation-related products were not sufficient to offset the continued low demand for hard disk drive and the impact of fall in raw material prices. Sales of ferrite magnets increased with strong demand for automotive electronic components and household appliance parts in both domestic and overseas markets.

Soft Magnetic Materials and Applied Products

Overall sales of soft ferrite materials increased with strong demand for parts for solar power generation systems and automotive electronic components. Sales of FINEMET[®] also increased in the first half of the nine months ended December 31, 2013, with robust demand for parts for solar power generation systems in the European markets.

High-Grade Functional Components and Equipment

Sales in the High-Grade Functional Components and Equipment segment were ¥140,496million, an increase of 10.0% as compared with those for the nine months ended December 31, 2012. Operating income increased by ¥1,992 million to ¥10,018million.

Casting Components for Automobiles

Overall sales of casting components for automobiles increased. Sales of heat-resistant exhaust casting components increased because of the steady demand in Japan and the United States, supported by the trend of engine downsizing, despite the effects of the decline in demand in the leading market for this type of products under the economic downturn in Europe. Sales of high-grade ductile iron products increased with the favorable demand for passenger vehicles in foreign markets, including the U.S. automobile market, and the brisk demand mainly for commercial vehicles in the Japanese automobile market. Sales of aluminum wheels fell below target and decreased in both the U.S. and Japan as compared with those for the nine months ended December 31, 2012.

Piping Components

Sales of pipe fittings increased mainly because of the continued improvement in the U.S. housing market, as well as a sign of recovery in the housing starts in Japan. Sales of stainless steel and plastic piping components also increased since proven advantages in light of construction and earthquake resistance triggered demand for the gas-related products.

Construction Components

Sales of construction components increased because of the strong demand for steel construction supported by private capital expenditures in the domestic market and robust public investments in Japan.

Wires, Cables, and Related Products

This segment is a new business segment established associated with the merger with Hitachi Cable, Ltd., on July 1, 2013. The operating results of the Group include those of this segment starting from the three months ended September 30, 2013.

Sales in the Wires, Cables, and Related Products segment for the nine months ended December 31, 2013, were ¥163,952million. Operating income was ¥10,402million.

Electric Wires and Cables

Sales of electric power and industrial wires and cables increased with the strong demands for new overseas railway projects and constructions, including the construction of solar power facilities, in addition to the demand for public investments.

Sales of metals for electronic and communication products increased mainly because of the brisk demand for semiconductor manufacturing equipment. For materials for electronic devices, sales of magnet wires increased due to a recovery in demand mainly for products for automobile and continued to hum along, and sales of photovoltaic cells increased primarily because of the favorable domestic demand.

Automotive Products

Sales of automotive products steadily increased with the brisk demand especially for electronic components, a focused product of the Group, supported by the launch of products for new models.

Information System Devices and Materials

Sales of information system devices and materials increased because of a growth in sales of network products associated with increased capital investments in infrastructures by telecommunications carriers along with the widespread use of smartphones.

Other

Sales in the Other segment were ¥2,369 million, a decrease of 26.7% as compared with those for the nine months ended December 31, 2012. Operating income increased by ¥63 million to ¥441 million.

(2) Information Regarding Consolidated Financial Condition

As of December 31, 2013, cash and cash equivalents were ¥87,468 million, an increase of ¥53,366 million as compared with those as of March 31, 2013. This outcome was mainly attributable to an increase in cash and cash equivalents resulting from the merger with Hitachi Cable, Ltd., on July 1, 2013, and the fact that net cash provided by operating activities was more than net cash used in financing activities and investing activities.

The status of cash flows as of December 31, 2013, and the primary factors for those results are as follows:

Cash Flows from Operating Activities

Net cash provided by operating activities was ¥68,803 million. This was mainly attributable to consolidated income before income taxes for the nine months ended December 31, 2013, of ¥35,664 million, and an increase of ¥8,027 million mainly due to a decrease in working capital, such as inventories.

Cash Flows from Investing Activities

Net cash used in investing activities was ¥21,094 million. This was mainly attributable to an expenditure of ¥19,954 million on purchase of property, plant, and equipment.

Cash Flows from Financing Activities

Net cash used in financing activities was ¥18,309 million. This was mainly attributable to repayments of ¥10,528 million for interest-bearing debts and dividend payments of ¥5,845 million.

(3) Forecasts for the Fiscal Year Ending March 31, 2014, including Consolidated Operating Forecasts

The performance for the nine months ended December 31, 2013, stayed strong because of the demand for automotive and industrial infrastructure-related products, among other products. While the economic environment is facing an uncertain outlook, the Group's management expects to see a stable demand. Accordingly, the operating forecasts for the fiscal year ending March 31, 2014 (April 1, 2013 through March 31, 2014), remain unchanged from the forecasts announced on October 28, 2013.

2. Matters Relating to Summary Information (Notes)

(1) Changes in Major Subsidiaries during the Nine Months Ended December 31, 2013

As a result of the merger with Hitachi Cable, Ltd., effected as of July 1, 2013, the following seven subsidiaries of former Hitachi Cable, Ltd., have become subsidiaries of the Company and fall under specified subsidiaries of the Company for the following reasons:

Company Name	Reason
Hitachi Densen Shoji, Ltd.	Total purchase of goods from the Company exceeds 10% of total net sales of the Company.
Hitachi Cable America Inc. Shanghai Hitachi Cable Co., Ltd. Hitachi Cable (Suzhou) Co., Ltd. Hitachi Cable (Johor) Sdn. Bhd. Tonichi Kyosan Cable, Ltd. Hitachi Cable Vietnam Co., Ltd.	Capital stock exceeds 10% of capital stock of the Company.

(2) Application of Special Accounting Methods for Preparation for the Quarterly Consolidated Financial Statements

Income tax expenses are calculated, based on the reasonably estimated annual tax rate, taking tax effects into account, against the expected annual income before income taxes and minority interests for the consolidated fiscal year, including the nine months ended December 31, 2013, by multiplying income before income taxes and minority interests for the pertaining period by the estimated annual tax rate. In the event, however, the Company is unable to use the estimated effective tax rate, the statutory effective tax rate is applied.

(3) Changes in Accounting Policies, Accounting Estimates, and Retrospective Restatements

Changes in accounting policies

(Application of Accounting Standard for Retirement Benefits and its Implementation Guidance)

Accounting Standard for Retirement Benefits (the Accounting Standard Board of Japan (ASBJ) Statement No. 26, May 17, 2012; hereinafter, the “Accounting Standard”) and *Guidance on Accounting Standard for Retirement Benefits* (ASBJ Guidance No. 25, May 17, 2012; hereinafter, the “Guidance”) have become applicable from the beginning of the consolidated fiscal year starting on and after April 1, 2013. Associated with this change, the Company has applied the Accounting Standard and its Guidance from the three months ended June 30, 2013, and has changed its accounting policy to recognize retirement benefit obligations, net of pension assets, as a liability for retirement benefits. Accordingly, the Company recognized actuarial gains and losses and past service costs as a liability for retirement benefits. The Company also reviewed the calculation method of retirement benefit obligations and service costs and changed the method of attributing expected retirement benefits to periods of service from the straight-line basis to the benefit formula basis.

For the application of the Accounting Standard and its Guidance, remeasurements of retirement benefits under valuation, translation adjustments are adjusted to reflect the effects associated with recognition of retirement benefit obligations, net

of pension assets, as a liability for retirement benefits at the beginning of the three months ended December 31, 2013, in accordance with the transitional provision in paragraph 37 of the Accounting Standard. The beginning balance of retained earnings of the three months ended December 31, 2013, is also adjusted to reflect the effects associated with the change in the calculation method of retirement benefit obligations and service costs.

As a result, the following beginning balances of the three months ended December 31, 2013, decreased: valuation, translation adjustments by ¥8,068 million, retained earnings by ¥425 million, and minority interests by ¥60 million. There was no material impact of this change on operating income, net income before income taxes and minority interests, and income before income taxes for the nine months ended December 31, 2013.

Separately presented “Pension liability adjustment of foreign subsidiaries” in the consolidated balance sheets of prior years has been included in “Remeasurements of retirement benefits” from the three months ended June 30, 2013, associated with the application of this Accounting Standard.

3. Significant Matters on Going Concern Assumptions

There is no applicable information.

Consolidated quarterly balance sheets

(Millions of Yen)

	End of 12/2013	End of 3/2013	(difference)
ASSETS			
Current assets			
Cash and deposits	48,241	28,395	19,846
Notes and accounts receivable-trade	199,132	99,265	99,867
Finished products	55,739	43,953	11,786
Work in process	48,878	26,819	22,059
Raw materials	48,613	46,288	2,325
Group pooling cash deposits	38,861	5,658	33,203
Other	59,443	26,004	33,439
Allowance for doubtful accounts	(876)	(635)	(241)
Total current assets	498,031	275,747	222,284
Fixed assets			
Tangible fixed assets			
Buildings and structures, net	73,697	48,536	25,161
Machinery, equipment and vehicles, net	89,156	71,455	17,701
Land	56,486	49,547	6,939
Other, net	18,091	15,489	2,602
Total tangible fixed assets	237,430	185,027	52,403
Intangible assets			
Goodwill	34,239	36,114	(1,875)
Other	12,278	5,624	6,654
Total intangible assets	46,517	41,738	4,779
Investments and other assets			
Investment securities	35,051	15,239	19,812
Other	15,601	25,982	(10,381)
Allowance for doubtful accounts	(673)	(2,447)	1,774
Total investments and other assets	49,979	38,774	11,205
Total fixed assets	333,926	265,539	68,387
Total assets	831,957	541,286	290,671
LIABILITIES			
Current liabilities			
Notes and accounts payable-trade	163,452	67,942	95,510
Short-term loans payable	48,970	38,085	10,885
Current portion of long-term loans payable	29,878	6,202	23,676
Income taxes payable	7,846	1,638	6,208
Allowance	2,216	314	1,902
Other	52,911	35,059	17,852
Total current liabilities	305,273	149,240	156,033
Fixed liabilities			
Bonds payable	35,000	30,000	5,000
Convertible bond-type bonds with subscription rights to share:	4,495	4,495	0
Long-term loans payable	70,468	67,153	3,315
Provision for retirement benefits	—	22,573	—
Other provision	1,192	1,250	(58)
Liability for retirement benefits	52,040	—	—
Asset retirement obligations	202	170	32
Other	6,844	6,540	304
Total fixed liabilities	170,241	132,181	38,060
Total liabilities	475,514	281,421	194,093
NET ASSETS			
Shareholders' equity			
Capital stock	26,284	26,284	—
Capital surplus	115,691	42,463	73,228
Retained earnings	223,172	192,500	30,672
Treasury stock	(983)	(833)	(150)
Total shareholders' equity	364,164	260,414	103,750
Valuation, translation adjustments			
Net unrealized holding gains (losses) on available-for-sale securities	4,900	3,849	1,051
Gain (loss) on deferred hedge transactions	(1,334)	7	(1,341)
Foreign currency translation adjustments	(1,852)	(11,372)	9,520
Pension liability adjustment of foreign subsidiaries	—	(2,600)	—
Remeasurements of retirement benefits	(20,785)	—	—
Total valuation, translation adjustments	(19,071)	(10,116)	(8,955)
Minority interests	11,350	9,567	1,783
Total Net Assets	356,443	259,865	96,578
Total liabilities and net assets	831,957	541,286	290,671

Consolidated quarterly statements of income

(Millions of Yen)

	3rd quarter fiscal 2013 (Dec.31.13)	Ratio to Sales (%)	3rd quarter fiscal 2012 (Dec.31.12)	Ratio to Sales (%)	(difference) (%)
Net sales	576,796	100.0	405,367	100.0	142
Cost of sales	456,174	79.1	333,169	82.2	137
Gross profit	120,622	20.9	72,198	17.8	167
Selling, general and administrative expenses	79,458	13.8	54,852	13.5	145
Operating income (loss)	41,164	7.1	17,346	4.3	237
Non-operating income					
Interest income	464		232		200
Dividends income	175		133		132
Foreign exchange gains	2,154		977		220
Gain on sales of marketable securities	18		509		4
Equity in earnings of affiliated companies	622		80		778
Other	2,747		1,752		157
Total non-operating income	6,180	1.1	3,683	0.9	168
Non-operating expenses					
Interest expenses	1,694		1,397		121
Other	3,069		3,111		99
Total non-operating expenses	4,763	0.8	4,508	1.1	106
Extraordinary income					
Gain on sales of stocks of subsidiaries and affiliated companies	129		—		—
Gain on sales of property and equipment	172		—		—
Gain on change in equity	160		—		—
Gain on sales of patent rights	100		—		—
Insurance income	—		3,686		—
Total extraordinary income	561	0.1	3,686	0.9	15
Extraordinary losses					
Loss due to disaster	—		375		—
Loss on structural reform	3,312		2,376		139
Litigation expenses	1,000		—		—
Foreign value added taxes	3,166		—		—
Total extraordinary losses	7,478	1.3	2,751	0.7	272
Income before income taxes	35,664	6.2	17,456	4.3	204
Income taxes	12,606	2.2	6,489	1.6	194
Income before minority interests	23,058	4.0	10,967	2.7	210
Minority interests in income (loss)	(1)	(0.0)	792	0.2	—
Net income	23,059	4.0	10,175	2.5	227

Consolidated statements of comprehensive income

(Millions of Yen)

	3rd quarter fiscal 2013 (Dec.31.13)	3rd quarter fiscal 2012 (Dec.31.12)
Income before minority interests	23,058	10,967
Other comprehensive income:		
Net unrealized holding gains (losses) on available-for-sale securities	1,041	(1,388)
Deferred gains on hedges	81	1
Foreign currency translation adjustments	11,776	4,839
Remeasurements of retirement benefits, net of tax	(1,006)	—
Accounted for using equity method	(143)	587
<u>Total other comprehensive income (loss)</u>	<u>11,749</u>	<u>4,039</u>
Comprehensive income	34,807	15,006
Comprehensive income attributable to:		
Shareholders of the parent company	34,186	14,038
Minority shareholders	621	968

Consolidated quarterly statements of cash flows

(Millions of Yen)

	End of 12/2013	End of 12/2012
Cash flows from operating activities		
Income before income taxes	35,664	17,456
Depreciation and amortization	24,292	17,740
Amortization of goodwill and negative goodwill	2,033	2,068
Loss due to disaster	—	375
Loss on structural reform	3,312	2,376
Litigation expenses	1,000	—
Foreign value added taxes	3,166	—
Interest and dividends income	(639)	(365)
Insurance income	—	(3,686)
Interest expenses	1,694	1,397
Decrease (Increase) in notes and accounts receivable-trade	(5,584)	24,168
Decrease (Increase) in inventories	5,073	25,079
Increase (Decrease) in notes and accounts payable-trade	8,538	(22,861)
Increase (Decrease) in accrued expenses	(38)	(4,204)
Other	(8,021)	2,005
Subtotal	70,490	61,548
Proceeds from insurance income	—	1,174
Payments for loss on disaster	—	(375)
Amounts paid for structural reform	(2,100)	(838)
Payments for litigation expenses	(1,758)	—
Income taxes paid	(3,726)	(14,511)
Refund of income taxes	5,897	—
Net cash provided by operating activities	68,803	46,998
Cash flows from investing activities		
Proceeds from sales of investment securities	326	655
Purchase of stocks of subsidiaries and affiliated companies	(824)	(311)
Expenditures for acquisition of property, plant and equipment	(19,954)	(21,643)
Proceeds from sales of property, plant and equipment	476	241
Expenditures for acquisition of intangible assets	(1,879)	(405)
Interest and dividends income received	643	354
Other	118	(531)
Net cash by used in investment activities	(21,094)	(21,640)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(8,496)	672
Net increase (decrease) in Commercial Paper	—	(11,000)
Proceeds from long-term loans payable	3,126	1,155
Repayment of long-term loans payable	(5,158)	(10,535)
Interest expenses paid	(1,795)	(1,438)
Purchase of treasury stock	(154)	(306)
Proceeds from sales of treasury stock	13	2
Cash dividends paid	(5,552)	(4,582)
Cash dividends paid to minority shareholders	(293)	(615)
Net cash used in financing activities	(18,309)	(26,647)
Effect of exchange rate change on cash and cash equivalents	4,115	1,379
Net increase (decrease) in cash and cash equivalents	33,515	90
Cash and cash equivalents at beginning of period	34,102	27,966
Increase in cash and cash equivalents resulting from merger	21,317	—
Decrease in cash and cash equivalents resulting from change of scope of consolidation	(1,466)	—
Cash and cash equivalents at end of period	87,468	28,056

Business segment information

1. Information with Regard to Amount of Net Sales as well as Income and Loss for Each Business Segment Reported

3rd quarter fiscal 2012 (Apr.1, 2012 - Dec. 31, 2012)

(Millions of Yen)

	Business Segments Reported					Subtotal	Other Businesses	Total	Adjustments	Consolidated Statements of Income
	High-Grade Metal Products and Materials	Magnetic Materials and Applications	High-Grade Functional Components and Equipment	Wires, Cables, and Related Products						
Sales:										
Unaffiliated customers	166,153	110,001	127,765	—	403,919	1,448	405,367	—	405,367	
Intersegment	2,187	(2)	10	—	2,195	1,786	3,981	(3,981)	—	
Total sales	168,340	109,999	127,775	—	406,114	3,234	409,348	(3,981)	405,367	
Operating Income	13,023	(152)	8,026	—	20,897	378	21,275	(3,929)	17,346	

3rd quarter fiscal 2013 (Apr.1, 2013 - Dec. 31, 2013)

(Millions of Yen)

	Business Segments Reported					Subtotal	Other Businesses	Total	Adjustments	Consolidated Statements of Income
	High-Grade Metal Products and Materials	Magnetic Materials and Applications	High-Grade Functional Components and Equipment	Wires, Cables, and Related Products						
Sales:										
Unaffiliated customer	173,905	97,897	140,355	163,581	575,738	1,058	576,796	—	576,796	
Intersegment	2,708	44	141	371	3,264	1,311	4,575	(4,575)	—	
Total sales	176,613	97,941	140,496	163,952	579,002	2,369	581,371	(4,575)	576,796	
Operating Income	19,049	7,562	10,018	10,402	47,031	441	47,472	(6,308)	41,164	

2. Overview of Business Segments Reported

High-Grade Metal Products and Materials	<ul style="list-style-type: none"> •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) •Precision cast components •Rolls for steel mills •Injection molding machine parts •Structural ceramic products •Steel-frame joints for construction •Metglas® amorphous metals •Cutting tools
Magnetic Materials and Applications	<ul style="list-style-type: none"> •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	<ul style="list-style-type: none"> •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 and infrastructure components (Gourd® brand pipe fittings, stainless steel and plastic piping components, water cooling equipment, precision mass flow control devices, and sealed expansion tanks) •Construction components (floor access systems, structural systems, and roofing systems) •Chain (for material handling systems)
Wires, Cables, and Related Products	<ul style="list-style-type: none"> •Electric wires and cables (electric power and industrial wires and cables; electronic wires, cables, and wiring devices; fiber optic and telecommunication cables; magnet wires; and industrial rubber products) •Automotive products (electronic components and brake hoses) •Information system devices and materials (information networks, wireless systems, and compound semiconductor products) •Metal and component products (Brass products, etc.)