

October 27, 2014

To whom it may concern:

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Revisions to the Fiscal 2015 Medium-term Management Plan

Hitachi Metals, Ltd. (the “Company”) announces that it has revised the numerical targets for the fiscal year ending March 31, 2016 (April 1, 2015 through March 31, 2016) under the Fiscal 2015 Medium-term Management Plan, which was previously announced on August 6, 2013, as follows.

1. Reason for the revision

As previously announced on August 19, 2014 in the “Notice Regarding Acquisition of Subsidiary (Waupaca Foundry Holdings, Inc.),” the Company will acquire 100% ownership of Waupaca Foundry Holdings, Inc. in October, 2014. Waupaca Foundry Holdings, Inc. is the company that holds all the shares of Waupaca Foundry, Inc. (“Waupaca”), which is engaged in the iron casting business for transportation machinery in the North American Market.

As the results of Waupaca, in conjunction with this acquisition, will be reflected in the financial results of the Hitachi Metals Group from the fiscal year ending March 31, 2015, the numerical targets for the Fiscal 2015 Medium-term Management Plan are expected to exceed the initially projected numerical targets.

2. Numerical targets after revision (consolidated basis)

	Values announced on August 6, 2013 (Exchange rate: ¥90/\$1)	Current numerical targets (Exchange rate: ¥100/\$1)
Net sales	¥880.0 billion	¥1,110.0 billion
Operating income	¥75.0 billion	¥90.0 billion
Income before income taxes	¥68.0 billion	¥93.0 billion
Net income	¥54.0 billion	¥70.0 billion

Medium-term Management Plan numerical targets by segment after revision (consolidated basis)

	Values announced on August 6, 2013		Current numerical targets	
	Net sales	Operating income	Net sales	Operating income
High-Grade Metal Products and Materials	¥262.0 billion	¥31.5 billion	¥269.0 billion	¥31.5 billion
Magnetic Materials and Applications	¥139.0 billion	¥16.0 billion	¥144.0 billion	¥16.5 billion
High-Grade Functional Components and Equipment	¥202.0 billion	¥18.5 billion	¥400.0 billion	¥31.0 billion
Wires, Cables, and Related Products	¥305.0 billion	¥15.5 billion	¥310.0 billion	¥20.5 billion
Other, Adjustments	(¥28.0 billion)	(¥6.5 billion)	(¥13.0 billion)	(¥9.5 billion)
Total	¥880.0 billion	¥75.0 billion	¥1,110.0 billion	¥90.0 billion

*The results of Waupaca have been incorporated into the net sales and operating income of current numerical targets of the High-Grade Functional Components and Equipment segment, in the amounts of ¥187.0 billion and ¥13.0 billion (after amortization of intangible assets and goodwill), respectively.

The operating income before amortization of intangible assets and goodwill for Waupaca is expected to be ¥20.0 billion.

(Notes) The figures stated in this notice, except for actual results, are calculated on the basis of judgments of the management of the Company based on the current condition, as well as certain premises and assumptions. Please note that the actual results may differ from the forecasts due to changes in underlying assumptions and circumstances.