



Consolidated Financial Report [IFRS] for the 3-month period ended June 30, 2021

July 28, 2021

Listed Company: Hitachi Metals, Ltd. (URL <https://www.hitachi-metals.co.jp/e/index.html>)

Listed Stock Exchanges: Tokyo Stock Exchange, Inc. (First Section, Code Number 5486)

Representative: Mitsuaki Nishiyama, Chairperson, President, and CEO

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Note: Figures are rounded off to the nearest million yen.

1. Performance for the First Quarter Ended June 30, 2021 (April 1, 2021 to June 30, 2021)

(1) Operating Results (% indicates the rate of +/- compared with the same term of the previous fiscal year)

	Revenues		Adjusted Operating Income (loss)		Operating Income (loss)		Income (loss) before Income Taxes		Net Income (loss)	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June, 2021	226,852	46.6	8,533	—	4,239	—	4,283	—	2,856	—
June, 2020	154,773	(33.8)	(7,275)	—	(6,412)	—	(7,072)	—	(3,396)	—

Note: In order to give a true view of the condition of the whole Group's business without the effects of business restructuring etc., the Hitachi Metals Group (the "Group") shows "adjusted operating income" which is the operating income (loss) recorded in the consolidated statement of income, excluding non-operating income and expenses, and extraordinary income and losses. Adjusted operating income is a unified profit indicator for the Hitachi Group, including Hitachi, Ltd.

	Net Income (loss) attributable to Shareholders of the Parent Company		Comprehensive Income (loss)		Earnings per Share (Basic)	Earnings per Share (Diluted)
	Million yen	%	Million yen	%	Yen	Yen
June, 2021	2,998	—	3,104	—	7.01	—
June, 2020	(3,340)	—	(3,813)	—	(7.81)	—

(2) Financial Standing

	Total Asset	Total Equity	Equity attributable to Shareholders of the Parent Company	Equity attributable to Shareholders of the Parent Company Ratio	Equity per Share attributable to Shareholders of the Parent Company
	Million yen	Million yen	Million yen	%	Yen
June, 2021	997,716	495,192	492,878	49.4	1,152.77
March, 2021	972,249	492,118	489,671	50.4	1,145.26

2. Dividends

	Dividends per Share				
	1Q	2Q	3Q	Term-end	Annual
	Yen	Yen	Yen	Yen	Yen
March, 2021	—	0.00	—	0.00	0.00
March, 2022	—				
March, 2022 (Forecast)		0.00	—	0.00	0.00

Note: Revision of the latest forecasts of results : No

3. Business results forecast for the year ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(% indicates the rate of +/- compared with the previous fiscal year)

	Revenues		Adjusted Operating Income (loss)		Income (loss) before Income Taxes		Net Income (loss) attributable to Shareholders of the Parent Company		Earnings per Share (Basic)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	850,000	11.6	34,000	—	17,000	—	12,000	—	28.07

Note: 1. Revision of the latest forecasts of results : No

2. In order to give a true view of the condition of the Group's business without the effects of business restructuring etc., the Group shows "adjusted operating income" which is the operating income (loss) recorded in the consolidated statement of income, excluding non-operating income and expenses, and extraordinary income and losses. Adjusted operating income is a unified profit indicator for the Hitachi Group, including Hitachi, Ltd.

※ Other Notes

Numbers of shares issued (Common stock)

(i) Number of shares outstanding at end of period

(Including treasury stock)

June, 2021	428,904,352	March, 2021	428,904,352
June, 2021	1,344,702	March, 2021	1,340,710
June, 2021 (1Q)	427,561,153	June, 2020 (1Q)	427,566,545

(ii) Number of treasury stock outstanding at end of period

(iii) Average number of shares issued during the term

*This quarterly consolidated financial report is not subject to the quarterly review procedure by the scope of audit.

*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 “(3) Forecasts for the Fiscal Year Ending March 31, 2022, including Consolidated Operating Forecasts” on page 6 for precondition and assumption as the basis of the above forecasts.

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1. Qualitative Information Regarding Financial Results for the Three Months Ended June 30, 2021

(1) Information Regarding Operating Results

The Group's operating results for the three months ended June 30, 2021 were as followings.

During the three months ended June 30, 2021, the global economy continued to recover, mainly in the U.S. and China, although the recovery varied depending on the containment level of the spread of COVID-19 (the novel coronavirus disease) and on economic policies. In the business fields of the Group, while the automotive-related area was affected by the impact of production adjustments implemented by automobile manufacturers as a result of a supply shortage of semiconductors, demand increased year on year due to a significant recovery in automobile sales in each region. In the FA/robot-related area, capital investment demand related to the manufacture of automobiles and smartphones increased. In the semiconductor-related area, demand increased as a result of a rise in demand for use in telecommunication devices and an increase in automobile sales. Furthermore, reflecting the impact of the rise in raw material prices, revenues increased by 46.6% year on year to ¥226,852 million.

In terms of profit, adjusted operating income* and operating income increased by ¥15,808 million and ¥10,651 million year on year, respectively, to ¥8,533 million and ¥4,239 million, respectively, as a result of the increase in revenues. Income before income taxes increased by ¥11,355 million year on year to ¥4,283 million and net income attributable to shareholders of the parent company increased by ¥6,338 million year on year to ¥2,998 million.

As announced in "Announcement of Opinion in Support of the Tender Offer by K.K. BCJ-52 for the Shares of Hitachi Metals, Ltd., and Recommendation of Tender" dated April 28, 2021, a tender offer by K.K. BCJ-52 ("BCJ-52") for the common shares of the Company and other matters (the "Tender Offer") are planned in the future. BCJ-52 intends to make the Company its wholly owned subsidiary through the Tender Offer and a series of transactions thereafter. As a result, the Company will be independent from the Hitachi Group and its common shares will be delisted. Following the transaction, the Company will aim to increase its corporate value through renewed growth by speeding up transformation and growth, obtaining investment funds, and introducing external knowledge to reinforce its competitiveness and profitability by undertaking business reforms with the new partner.

The results by business segment are as followings. Note that revenues for each segment include intersegment revenues. There were no significant changes to the businesses of the Group during the three months ended June 30, 2021.

Specialty Steel Products

Revenues in the Specialty Steel Products segment for the three months ended June 30, 2021 were ¥63,831 million, an increase of 21.6% as compared with those for the three months ended June 30, 2020.

Breaking down the revenues by business, sales of molds and tool steel increased year on year reflecting an increase in both Japanese and international demand. Sales of materials for industrial equipment increased year on year on the back of a rise in demand for products related to automobiles. Sales of aircraft & energy-related materials decreased year on year due to continued weakness in demand for aircraft-related materials as a result of travel restrictions following the spread of COVID-19. Sales of alloys for electronic products increased year on year due to high levels of demand for semiconductor package materials and solid sales of clad metals for smartphones and batteries, in addition to increased sales of organic EL panel-related components. Sales of rolls as a whole were flat, reflecting a slight year-on-year decline in sales of various rolls and steel-frame joints for construction, while sales of injection molding machine parts were strong.

Adjusted operating income increased by ¥4,563 million year on year to ¥4,406 million, due in part to an increase in demand for our mainstay products. Operating income increased by ¥3,096 million to ¥4,612 million year on year.

Functional Components and Equipment

Revenues in the Functional Components and Equipment segment for the three months ended June 30, 2021 were ¥76,132 million, an increase of 89.5% year on year.

Breaking down the revenues by business, among automotive casting components, sales of cast iron products increased year on year on the back of a significant recovery in automobile sales in each region and a rise in demand for use in commercial vehicles and construction and agricultural machines in North America, although the demand of the products was affected by the impact of production adjustments implemented by automobile manufacturers as a result of a supply shortage of semiconductors for automobiles. Sales of heat-resistant exhaust casting components also saw a year-on-year increase owing to a recovery in demand. As a result, sales of automotive casting components as a whole increased year on year.

Among piping components, sales of equipment for semiconductor manufacturing devices increased year on year due to the recovery of capital investment demand following the strength of the semiconductor market. Overall sales of our mainstay pipe

fittings saw a year-on-year increase on the back of a year-on-year rise in sales in the U.S. market due to an increase in housing starts, while sales were flat in Japan. As a result, sales of piping components as a whole increased year on year. Adjusted operating loss improved by ¥6,861 million year on year, resulting in a loss of ¥139 million, due in part to an increase in demand for our mainstay automotive casting components. Operating loss was ¥1,132 million, an improvement of ¥6,176 million year on year.

Magnetic Materials and Applications / Power Electronics

Revenues in the Magnetic Materials and Applications / Power Electronics segment for the three months ended June 30, 2021 were ¥31,774 million, an increase of 44.0% year on year.

Breaking down the revenues by business, sales of magnetic materials increased year on year on the back of a significant growth in automobile sales in each region and strong demand related to FA/robots and electronics, although demands for rare earth magnets and ferrite magnets were affected by the impact of production adjustments implemented by automobile manufacturers as a result of a supply shortage of semiconductors for automobiles.

Among power electronics materials, soft magnetic materials, and their applied products saw brisk demand for use in telecommunications applications such as smartphones, tablets, and server equipment. Demand for amorphous metals for transformers also increased mainly in Asia. As a result, sales of soft magnetic materials, and their applied products as a whole increased year on year. Sales of ceramic components increased year on year due to an increase in demand for use in automobiles as well as for server equipment and continued strength in demand for use in medical devices from the previous fiscal year. As a result, sales of power electronics materials as a whole increased year on year.

Adjusted operating income increased by ¥2,855 million year on year to ¥2,377 million, due to an increase in demand for both magnetic materials and power electronics materials. Operating income increased by ¥2,997 million year on year to ¥2,494 million.

Wires, Cables, and Related Products

Revenues in the Wires, Cables, and Related Products segment for the three months ended June 30, 2021, were ¥54,993 million, an increase of 37.9% year on year.

Breaking down the revenues by business, among electric wires and cables, sales of wires and cables for rolling stock increased year on year on the back of a recovery of demand mainly in Japan. In wires and cables for medical devices, while demand for tubes recovered, demand for cables, though at a high level, decreased in comparison to the surge in demand for use in COVID-19 detection devices. As a result, sales of wires and cables for medical devices as a whole decreased year on year. Sales of magnet wires increased year on year reflecting a recovery in demand mainly for automotive and industrial equipment use. Sales of electronic wires increased year on year due to an increase in demand for FA/robot applications. As a result, sales of wires, cables, and related products as a whole increased year on year.

Sales of automotive components as a whole increased year on year despite the impact of production adjustments implemented by automobile manufacturers as a result of a supply shortage of semiconductors for automobiles and the disruption in international distribution, as demand increased year on year due to a significant recovery in automobile sales in each region.

Adjusted operating income increased by ¥2,135 million year on year to ¥1,625 million, due to an increase in demand for both electric wires and cables and automotive components. Operating income increased by ¥717 million year on year to ¥390 million for the same period.

Other

Revenues in the Other segment for the three months ended June 30, 2021, were ¥523 million, a decrease of 25.1%, and adjusted operating income decreased by ¥199 million to ¥52 million, as compared with those for the three months ended June 30, 2020. Operating income of the segment decreased by ¥278 million year on year, resulting in an operating loss of ¥26 million.

*In order to give a true view of the condition of the Group's business without the effects of business restructuring etc., the Group shows "adjusted operating income" which is the operating income (loss) recorded in the consolidated statement of income, excluding non-operating income and expenses, and extraordinary income and losses. Adjusted operating income is a unified profit indicator for the Hitachi Group, including Hitachi, Ltd.

(2) Analysis of Financial Condition

1) Assets, liabilities, and equity

The analysis of changes in the Group's condensed interim consolidated statement of financial position as of the end of the period ended June 30, 2021, is as follows:

Total assets were ¥997,716 million, an increase of ¥25,467 million compared with the end of the fiscal year ended March 31, 2021. Current assets were ¥495,502 million, an increase of ¥32,944 million compared with the end of the fiscal year ended March 31, 2021. This was mainly due to increases of ¥20,517 million in inventories and ¥14,561 million in trade receivables. Non-current assets were ¥502,214 million, a decrease of ¥7,477 million compared with the end of the fiscal year ended March 31, 2021. This was mainly due to decreases of ¥6,470 million in property, plant and equipment and ¥916 million in goodwill and intangible assets.

Total liabilities were ¥502,524 million, an increase of ¥22,393 million compared with the end of the fiscal year ended March 31, 2021. This was mainly due to an increase of ¥21,171 million in trade payables. Total equity was ¥495,192 million, an increase of ¥3,074 million compared with the end of the fiscal year ended March 31, 2021. This was mainly attributable to an increase in retained earnings of ¥3,635 million.

2) Cash flows

Cash and cash equivalents as of the end of the three months ended June 30, 2021, were ¥93,912 million, a decrease of ¥5,427 million compared with the end of the fiscal year ended March 31, 2021, as a result of cash used in operating and investing activities exceeding net cash provided by financing activities. The analysis of cash flows for each category as of June 30, 2021, is as follows:

<Cash Flows from Operating Activities>

Net cash used in operating activities was ¥5,567 million. This was mainly attributable to the net effect of net income of ¥2,856 million, more than offset by depreciation and amortization of ¥11,644 million, expenditure of ¥13,465 million from increasing working capital, and expenditure of ¥2,024 million in payments for structural reforms.

<Cash Flows from Investing Activities>

Net cash used in investing activities was ¥4,313 million. This was mainly attributable to the purchase of property, plant and equipment of ¥5,461 million.

<Cash Flows from Financing Activities>

Net cash provided by financing activities was ¥4,322 million. This was mainly attributable to net increase in short-term debt of ¥10,872 million, despite the net effect of repayment of long-term debts of ¥6,520 million.

(3) Forecasts for the Fiscal Year Ending March 31, 2022, including Consolidated Operating Forecasts

The Company's operating results for the three months ended June 30, 2021 were generally within the scope of expectations made at the beginning of the year, although results were affected by production adjustments implemented by automobile manufacturers as a result of a supply shortage of semiconductors for automobiles. With regard to the future outlook, the figures of the operating forecast for the fiscal year ending March 31, 2022 (April 1, 2021 through March 31, 2022) have not been revised from the forecast released on April 26, 2021 in consideration of the demand trends of our mainstay products, although there remain uncertainties such as the situation of the containment of the spread of COVID-19 and the timing of the elimination of the semiconductor supply shortage.

**2. Condensed Interim Consolidated Financial Statements
and Notes to Condensed Interim Consolidated Financial Statements**
(1) Condensed Interim Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and cash equivalents	99,339	93,912
Trade receivables	167,553	182,114
Inventories	170,094	190,611
Other current assets	25,572	28,865
Total current assets	462,558	495,502
Non-current assets		
Investments accounted for using the equity method	10,772	10,914
Investments in securities and other financial assets	11,859	10,956
Property, plant, and equipment	333,448	326,978
Goodwill and intangible assets	111,431	110,515
Deferred tax assets	23,835	24,523
Other non-current assets	18,346	18,328
Total non-current assets	509,691	502,214
Total assets	972,249	997,716

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Short-term debt	72,511	83,493
Current portion of long-term debt	29,132	23,416
Other financial liabilities	22,016	19,401
Trade payables	150,639	171,810
Accrued expenses	40,668	38,857
Contract liabilities	1,015	1,170
Other current liabilities	1,799	3,446
Total current liabilities	317,780	341,593
Non-current liabilities		
Long-term debt	93,675	93,030
Other financial liabilities	217	226
Retirement and severance benefits	64,260	63,934
Deferred tax liabilities	438	512
Other non-current liabilities	3,761	3,229
Total non-current liabilities	162,351	160,931
Total liabilities	480,131	502,524
Equity		
Equity attributable to shareholders of the parent company		
Common stock	26,284	26,284
Capital surplus	115,405	115,405
Retained earnings	326,888	330,523
Accumulated other comprehensive income	22,264	21,844
Treasury stock, at cost	(1,170)	(1,178)
Total equity attributable to shareholders of the parent company	489,671	492,878
Non-controlling interests	2,447	2,314
Total equity	492,118	495,192
Total liabilities and equity	972,249	997,716

**(2) Condensed Interim Consolidated Statement of Income
and Condensed Interim Consolidated Statement of Comprehensive Income**
[Condensed Interim Consolidated Statement of Income]
[For the three months ended June 30, 2021]

(Millions of yen)

	Note	For the first quarter ended June 30, 2020	For the first quarter ended June 30, 2021
Revenues		154,773	226,852
Cost of sales		(138,129)	(191,136)
Gross profit		16,644	35,716
Selling, general and administrative expenses		(23,919)	(27,183)
Other income		3,067	1,073
Other expenses		(2,204)	(5,367)
Operating income (loss)	1	(6,412)	4,239
Interest income		52	67
Other financial income		165	337
Interest charges		(425)	(425)
Other financial expenses		(116)	(14)
Share of (losses) profits of investments accounted for using the equity method		(336)	79
Income (loss) before income taxes		(7,072)	4,283
Income taxes		3,676	(1,427)
Net income (loss)		(3,396)	2,856
Net income (loss) attributable to:			
Shareholders of the parent company		(3,340)	2,998
Non-controlling interests		(56)	(142)
Net income (loss)		(3,396)	2,856
Earnings per share attributable to shareholders of the parent company			
Basic		¥(7.81)	¥7.01
Diluted		—	—

Note: 1. Adjusted operating income, which is the operating income (loss) presented in the condensed interim consolidated statement of income, excluding other income and other expenses, is ¥(7,275) million and ¥8,533 million for the three months ended June 30, 2020 and 2021, respectively.

[Condensed Interim Consolidated Statement of Comprehensive Income]
[For the three months ended June 30, 2021]

(Millions of yen)

	For the first quarter ended June 30, 2020	For the first quarter ended June 30, 2021
Net income (loss)	(3,396)	2,856
Other comprehensive income		
Items not to be reclassified into net income		
Net change in fair value of financial assets measured at fair value through other comprehensive income	190	(36)
Share of other comprehensive income of investments accounted for using the equity method	49	9
Total items not to be reclassified into net income	239	(27)
Items that can be reclassified into net income		
Foreign currency translation adjustments	(588)	78
Net change in fair value of cash flow hedges	5	54
Share of other comprehensive income of investments accounted for using the equity method	(73)	143
Total items that can be reclassified into net income	(656)	275
Total other comprehensive income	(417)	248
Comprehensive income	(3,813)	3,104
Comprehensive income attributable to:		
Shareholders of the parent company	(3,762)	3,215
Non-controlling interests	(51)	(111)
Comprehensive income	(3,813)	3,104

(3) Condensed Interim Consolidated Statement of Changes in Equity

(Millions of yen)

	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total equity attributable to shareholders of the parent company	Non-controlling interests	Total equity
Balance at April 1, 2020	26,284	115,405	374,820	4,969	(1,165)	520,313	2,540	522,853
Changes in equity								
Net income (loss)	—	—	(3,340)	—	—	(3,340)	(56)	(3,396)
Other comprehensive income	—	—	—	(422)	—	(422)	5	(417)
Dividends to shareholders of the parent company	—	—	(5,558)	—	—	(5,558)	—	(5,558)
Dividends to non-controlling interests	—	—	—	—	—	—	—	—
Acquisition of treasury stock	—	—	—	—	(1)	(1)	—	(1)
Sales of treasury stock	—	—	—	—	—	—	—	—
Transfer to retained earnings	—	—	(176)	176	—	—	—	—
Total changes in equity	—	—	(9,074)	(246)	(1)	(9,321)	(51)	(9,372)
Balance at June 30, 2020	26,284	115,405	365,746	4,723	(1,166)	510,992	2,489	513,481
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total equity attributable to shareholders of the parent company	Non-controlling interests	Total equity
Balance at April 1, 2021	26,284	115,405	326,888	22,264	(1,170)	489,671	2,447	492,118
Changes in equity								
Net income	—	—	2,998	—	—	2,998	(142)	2,856
Other comprehensive income	—	—	—	217	—	217	31	248
Dividends to shareholders of the parent company	—	—	—	—	—	—	—	—
Dividends to non-controlling interests	—	—	—	—	—	—	(22)	(22)
Acquisition of treasury stock	—	—	—	—	(8)	(8)	—	(8)
Sales of treasury stock	—	0	—	—	0	0	—	0
Transfer to retained earnings	—	—	637	(637)	—	—	—	—
Total changes in equity	—	0	3,635	(420)	(8)	3,207	(133)	3,074
Balance at June 30, 2021	26,284	115,405	330,523	21,844	(1,178)	492,878	2,314	495,192

(4) Condensed Interim Consolidated Statement of Cash Flows

(Millions of yen)

	For the first quarter ended June 30, 2020	For the first quarter ended June 30, 2021
Cash flows from operating activities:		
Net income (loss)	(3,396)	2,856
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	13,317	11,644
Impairment losses	—	353
Share of losses (profits) of investments accounted for using the equity method	336	(79)
Financial income and expenses	324	35
Losses (profits) on sale of property, plant and equipment	232	150
Structural reform expenses	79	1,962
Net loss (gain) on business reorganization and others	(1,971)	—
Income taxes	(3,676)	1,427
(Increase) decrease in trade receivables	16,380	(14,238)
(Increase) decrease in inventories	(3,579)	(20,335)
(Increase) decrease in accounts receivable - other	4,771	(2,120)
Increase (decrease) in trade payables	(19,564)	21,108
Increase (decrease) in accrued expenses	(4,319)	(1,740)
Increase (decrease) in retirement and severance benefits	588	(254)
Other	(6,084)	(3,879)
Subtotal	(6,562)	(3,110)
Interest and dividends received	360	269
Interest paid	(538)	(476)
Payments for structural reforms	—	(2,024)
Income taxes paid	(3,536)	(226)
Net cash provided by (used in) operating activities	(10,276)	(5,567)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(10,210)	(5,461)
Purchase of intangible assets	(269)	(166)
Proceeds from sales of property, plant and equipment	127	190
Purchase of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method)	(26)	(327)
Proceeds from sale of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method)	25,438	1,013
Other	118	438
Net cash provided by (used in) investing activities	15,178	(4,313)

(Millions of yen)

	For the first quarter ended June 30, 2020	For the first quarter ended June 30, 2021
Cash flows from financing activities:		
Increase (decrease) in short-term debt, net	34,210	10,872
Proceeds from long-term debt	108	—
Repayment of long-term debt	(6,486)	(6,520)
Dividends paid to shareholders	(5,558)	—
Dividends paid to non-controlling interests	—	(22)
Acquisition of common stock for treasury	(1)	(8)
Proceeds from sales of treasury stock	—	0
Net cash provided by (used in) financing activities	<u>22,273</u>	<u>4,322</u>
Effect of exchange rate changes on cash and cash equivalents	(189)	131
Net increase (decrease) in cash and cash equivalents	<u>26,986</u>	<u>(5,427)</u>
Cash and cash equivalents at the beginning of the first quarter	<u>42,353</u>	<u>99,339</u>
Cash and cash equivalents at the end of the first quarter	<u><u>69,339</u></u>	<u><u>93,912</u></u>

(5) Segment Information

I The primary products and services included in each segment are as follows:

Reportable segment	Major products and services
Specialty Steel Products	<p>< Specialty Steel ></p> <ul style="list-style-type: none"> ·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 <p>< Roll ></p> <ul style="list-style-type: none"> ·Rolls for steel mills, Injection molding machine parts, Structural ceramic products, and Steel-frame joints for construction
Functional Components and Equipment	<p>< Automotive Casting ></p> <ul style="list-style-type: none"> ·HNM™ ductile cast iron products, Cast iron products for transportation equipment, HERCUNITE™ heat-resistant exhaust casting components, and Aluminum components <p>< Piping Components ></p> <ul style="list-style-type: none"> ·Piping and infrastructure components (G™ Gourd brand pipe fittings, valves, stainless steel and plastic piping components, water cooling equipment, precision mass flow control devices, and sealed expansion tanks)
Magnetic Materials and Applications / Power Electronics	<p>< Magnetic Materials ></p> <ul style="list-style-type: none"> ·NEOMAX® rare-earth magnets, Ferrite magnets, Other magnets, and applied products <p>< Power Electronics Materials ></p> <ul style="list-style-type: none"> ·Soft magnetic materials (Metglas® amorphous metals; FINEMET® nanocrystalline magnetic material; and soft ferrite) and applied products, and Ceramic components
Wires, Cables, and Related Products	<p>< Electric Wire & Cable ></p> <ul style="list-style-type: none"> ·Industrial cables, Electronic wires, Electric equipment materials, Cable assemblies, and Industrial rubber products <p>< Automotive Components ></p> <ul style="list-style-type: none"> ·Automotive electronic components and Brake hoses

II Last consolidated first quarter (from April 1, 2020 to June 30, 2020)

(Millions of yen)

	Business Segment					Others	Total	Adjustments	Condensed Interim Consolidated Statement of Income
	Specialty Steel Products	Functional Components and Equipment	Magnetic Materials and Applications /Power Electronics	Wires, Cables, and Related Products	Subtotal				
Revenues									
External customers	52,431	40,170	22,039	39,822	154,462	311	154,773	—	154,773
Intersegment transactions	45	—	28	52	125	387	512	(512)	—
Total revenues	52,476	40,170	22,067	39,874	154,587	698	155,285	(512)	154,773
Segment profit (loss)	1,516	(7,308)	(503)	(327)	(6,622)	252	(6,370)	(42)	(6,412)
Financial income	—	—	—	—	—	—	—	—	217
Financial expenses	—	—	—	—	—	—	—	—	(541)
Share of (losses) profits of investments accounted for using the equity method	—	—	—	—	—	—	—	—	(336)
Income before income taxes	—	—	—	—	—	—	—	—	(7,072)

Note: 1. Segment profit (loss) is based on operating income (loss).

2. Intersegment transactions are recorded at the same prices used in transactions with third parties. Adjustments represent mainly allocation variances of general and administrative expenses for corporate assets, which are not allocated to each reportable segment.

III Current first quarter (from April 1, 2021 to June 30, 2021)

(Millions of yen)

	Business Segment					Others	Total	Adjustments	Condensed Interim Consolidated Statement of Income
	Specialty Steel Products	Functional Components and Equipment	Magnetic Materials and Applications /Power Electronics	Wires, Cables, and Related Products	Subtotal				
Revenues									
External customers	63,746	76,132	31,773	54,903	226,554	298	226,852	—	226,852
Intersegment transactions	85	—	1	90	176	225	401	(401)	—
Total revenues	63,831	76,132	31,774	54,993	226,730	523	227,253	(401)	226,852
Segment profit (loss)	4,612	(1,132)	2,494	390	6,364	(26)	6,338	(2,099)	4,239
Financial income	—	—	—	—	—	—	—	—	404
Financial expenses	—	—	—	—	—	—	—	—	(439)
Share of (losses) profits of investments accounted for using the equity method	—	—	—	—	—	—	—	—	79
Income before income taxes	—	—	—	—	—	—	—	—	4,283

Note: 1. Segment profit (loss) is based on operating income.

2. Intersegment transactions are recorded at the same prices used in transactions with third parties. Adjustments represent mainly allocation variances of general and administrative expenses for corporate assets, which are not allocated to each reportable segment.