

Roadmap for Growth

Seeking to establish a new Hitachi Metals Group, we are working to further broaden our business domains and strengthening our operational foundation. With the global market in mind, we will continue implementing growth-oriented reforms built on improved profitability.

July 2013

Merger of Hitachi Metals Ltd. and Hitachi Cable, Ltd.

Effectively deployed resources of both Hitachi Metals and Hitachi Cable to broaden business domains and strengthen our operational foundation

Fiscal 2012 results

Net sales	¥897.7 billion
Operating income	¥25.4 billion
Net income	¥3.8 billion
D/E ratio	0.62 times
ROE	1.2%
Overseas sales ratio	37%
Overseas production ratio	22%

Note: Simple sum of results of Hitachi Metals and Hitachi Cable

Fiscal 2013–Fiscal 2015

Fiscal 2015 Medium-Term Management Plan

Shifted to profit-generating segments and built structures for sustainable growth

- (1) Strengthened capabilities to create new products and develop new technologies
- (2) Strengthened and accelerated global growth strategies
- (3) Established a robust operational foundation

Fiscal 2015 results

	(1USD=¥120)
Revenues	¥1,017.6 billion
Adjusted operating income*	¥76.1 billion
Net income attributable to owners of the parent company	¥69.1 billion
D/E ratio	0.44 times
ROE	14.4%
Overseas sales ratio	56%
Overseas production ratio	44%

Three-year cumulative

Operating cash flow	¥323.9 billion
Investment amount (including M&A)	¥313.5 billion
R&D expenses	¥56.8 billion

Fiscal 2016–Fiscal 2018

Fiscal 2018 Medium-Term Management Plan

Expand the business globally while improving profitability

Change to be a competitive business; Challenge ourselves to meet new targets
Achieving our goal of becoming the world's leading high-performance materials company

Action Plan

- 1. Continuous portfolio remodeling**
 - Concentrate on high-profit, high-growth segments
 - Use management resources efficiently
- 2. Organic growth (from capital investment and R&D)**
 - Strengthen and accelerate the pace of R&D
 - Advance the corporate *Monozukuri* Innovation Project
- 3. Growth through M&A**
 - Generate synergistic benefits
 - Acquire human resources and achieve rapid commercialization

Fiscal 2018 Plan

(Projected exchange rate: 1USD=¥115)

Revenues	¥1,120.0 billion
Adjusted operating income	¥120.0 billion
EBIT	¥112.0 billion
Net income attributable to owners of the parent company	¥75.0 billion
D/E ratio	0.38 times
ROA	6.4%
ROE	12.2%
Overseas sales ratio	58%
Overseas production ratio	45%

Three-year cumulative targets

Operating cash flow	¥340.0 billion
Investment amount (including M&A)	¥340.0 billion
R&D expenses	¥70.0 billion

Medium-Term Management Plan

Hideaki Takahashi
Representative Executive Officer, President and Chief Executive Officer



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Innovations in Monozukuri and R&D

Akitoshi Hiraki
Representative Executive Officer, Vice President and Executive Officer



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Business Strategies

Takehisa Seo
Executive Officer, President of High-Grade Metals Company



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Ryoji Akada
Executive Officer, President of Magnetic Materials Company



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Masato Hasegawa
Executive Officer, President of High-Grade Functional Components Company



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Kazuya Murakami
Executive Officer, President of Cable Materials Company



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* Adjusted operating income: Revenues – Cost of sales – Selling, general and administrative expenses