

Financial/Non-Financial Highlights

Highlights of Fiscal 2020 (Figures in the lower rows indicate year-on-year increases/decreases.)

Revenues
¥761.6 billion
 -13.6%

The decline was due to the impact of COVID-19.

Adjusted operating income*¹
-¥5.0 billion
 -¥19.4 billion

This was impacted by the decrease in revenues despite efforts to reduce fixed costs.

Adjusted operating margin
-0.7%
 -2.3 percentage points

We are aiming for an adjusted operating margin of 8% in fiscal 2022.

EBIT
-¥49.2 billion
 -¥10.8 billion

The decline was due to the decrease in adjusted operating income and the recording of an impairment loss.

Free cash flows
¥54.8 billion
 +¥5.3 billion

The increase was due to careful selection of investments and proceeds from sale of entities accounted for using the equity method.

Capital expenditure
¥28.8 billion
 -¥24.2 billion

We carefully selected and prioritized investments in production capacity expansion and rationalization to strengthen competitiveness.

R&D expenses
¥14.5 billion
 -¥1.4 billion

We are continuously investing in R&D on advanced materials aimed at helping realize a sustainable society.

Inventories
¥170.1 billion
 -¥9.8 billion

The decline was due to inventory control in response to demand in order to optimize inventories.

CCC*²
89.1 days
 +2.0 days

The increase was due to a significant decline in revenues despite efforts to optimize inventories.

*¹ Adjusted operating income = Revenues – Cost of sales – Selling, general and administrative expenses
 *² CCC = Working capital (Trade receivables + Inventories – Trade payables) ÷ Average daily revenue

Sales ratio of key environmentally conscious products

21.4%
 +1.2 percentage points

Under our management strategy, “key environmentally conscious products” are defined as products that are targeted for growth and contribute significantly to resolving environmental issues such as climate change and the effective use of resources.

CO₂ emissions
1,995 thousand t-CO₂
 -324 thousand t-CO₂

This was due to a decline in production volume, our emphasis on energy conservation activities, and switching to alternative fuel sources.

CO₂ emissions per unit
2.619 t-CO₂/million yen
 -0.5 points

We are promoting energy conservation activities and fuel conversion.

Recycling rate
76.7%
 +2.1 percentage points

Thanks to considerable progress in recycling at domestic offices, we will promote initiatives to raise recycling levels at overseas offices.

Percentage of positive engagement indicator evaluations in employee awareness surveys

50%
 -3 percentage points

We have set a goal of 60% for positive engagement indicator evaluations in our employee awareness surveys.

Water usage
11,349 thousand m³
 -837 thousand m³

We are promoting effective use of water such as the introduction of high water-efficiency models when equipment is replaced.

Occupational accident frequency*³
0.23
 -0.04 point

We established the Health and Safety Promotion Department and are pursuing various initiatives, including formulating the “Guidelines for Safe Organizations.”

Chemical substance emissions
88 tons
 -147 tons

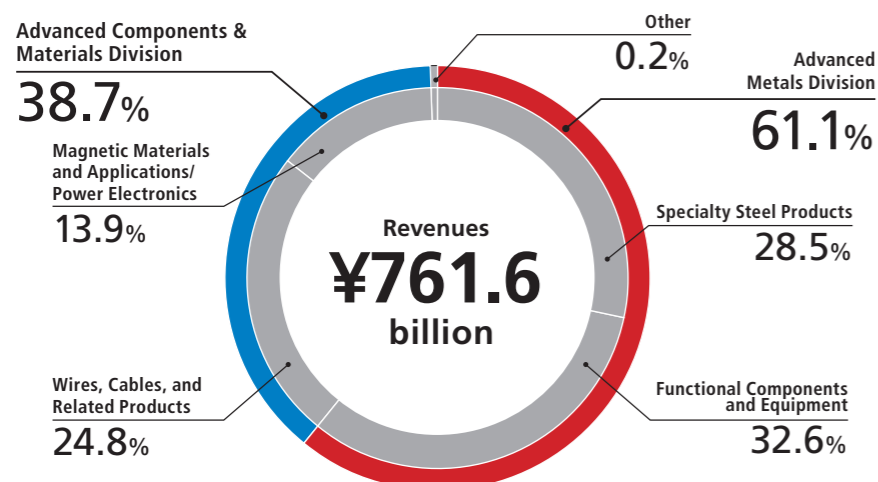
We continue to focus on alternative paint materials and other measures to address the amount of solvents in our paints.

Number of employees receiving human rights-related training
6,623
 -399

Under the Hitachi Metals Group Human Rights Policy, we provide all employees with the opportunity to participate in human rights-related training once every three years.

*³ Occupational accident frequency = Number of casualties due to occupational accidents ÷ Total actual working hours x 1,000,000 (calendar year)

Percentage of Fiscal 2020 Revenues by Segment*



* Division results are simple totals prior to eliminations for intersegment transactions.

Advanced Metals Division
 Revenues
¥465.3 billion
 Adjusted operating income
-¥12.0 billion

Advanced Components & Materials Division
 Revenues
¥295.3 billion
 Adjusted operating income
¥7.1 billion

Scope of Operations by Region in Fiscal 2020

Number of employees
28,620
 -1,185

Overseas sales ratio
55%
 +1 percentage point

Europe
 Revenues ¥35.4 billion
 Number of employees 114

North America
 Revenues ¥207.1 billion
 Number of employees 5,220

Japan
 Revenues ¥342.8 billion
 Number of employees 15,810

China
 Revenues ¥72.3 billion
 Number of employees 2,564

Other Asia
 Revenues ¥88.6 billion
 Number of employees 4,912

Other
 Revenues ¥15.4 billion
 Number of employees —