

# Expanding "Only 1, No. 1" products and businesses with the aim of an operating margin above 10%

The Hitachi Metals Group is expanding its "Only 1, No. 1" products and businesses in growing businesses and core businesses with the aim of achieving an operating margin of above 10% by fiscal 2025.

During the period covered by the Fiscal Year 2021 Medium-Term Management Plan, we are focusing on strengthening and expanding our "Only 1, No. 1" products and businesses in both growing businesses and core businesses. At the same time, we are pursuing selection and concentration to downsize, withdraw from, or spin off products and businesses that are deemed not to be core to our business. We are, therefore, forecasting a turnaround to a decline in revenues in fiscal 2021, but with an increase in the operating margin. We will develop a muscular product and business portfolio made up of highly competitive "Only 1, No. 1" products and businesses with the aim of achieving an operating margin of above 10% by fiscal 2025.

## Downsizing, withdrawing, spinning off

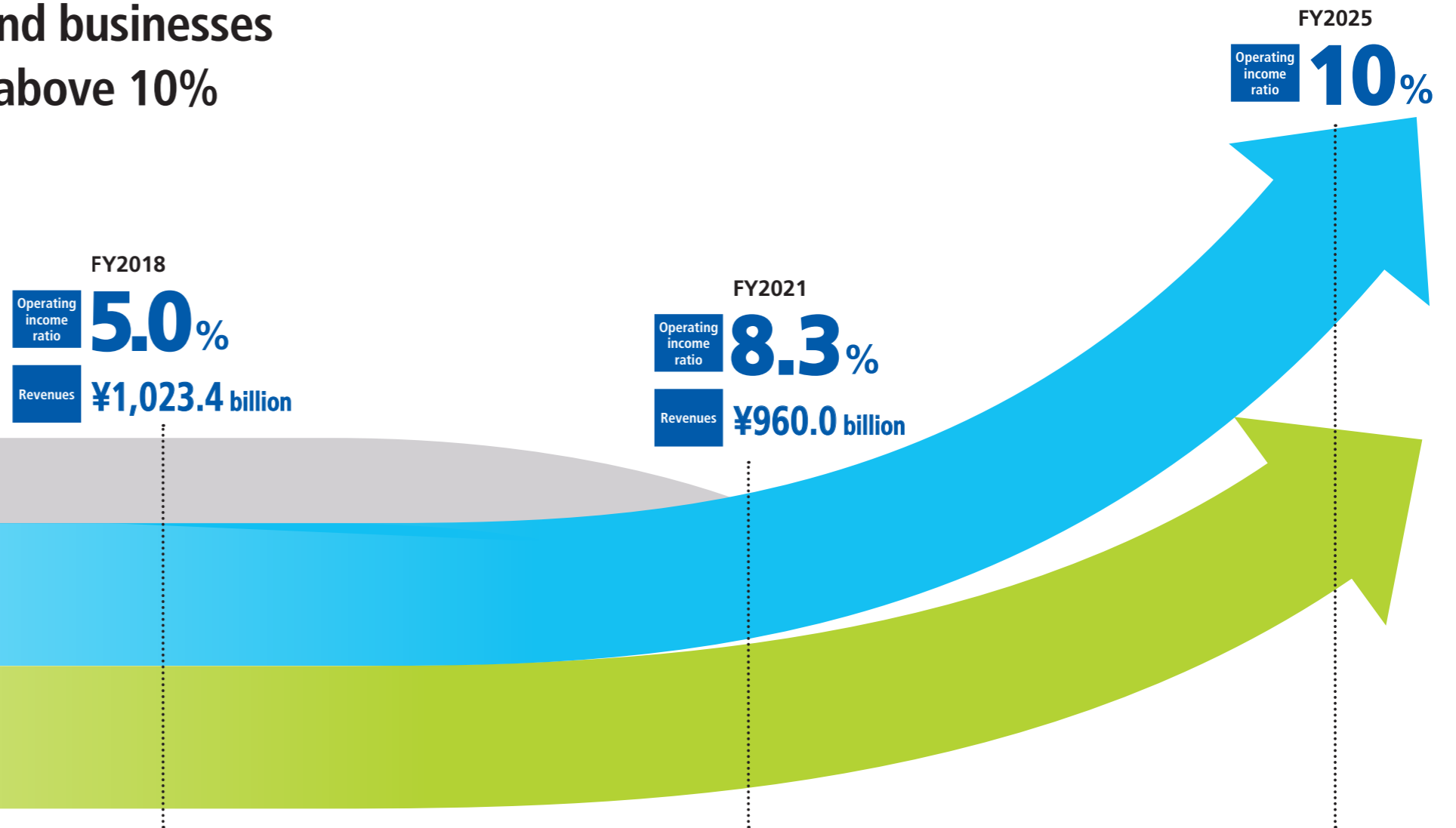
(business selection and concentration to downsize, withdraw from, or spin off non-core businesses)

## Growing businesses

(aiming for business expansion through proactive, disciplined investment in growth areas)

## Core businesses

(continuing to expand high-value-added products for which there is strong market demand)



### Product/Business Portfolio

#### Growing businesses

<b>The largest share worldwide</b>		Components and materials for aircraft		Magnet wires
<b>The largest share worldwide</b>		Power electronics materials		Medical cables and tubes
<b>The largest share worldwide</b>		Magnets for drive motors		

#### Core businesses

<b>The largest share worldwide</b>		<b>The largest share worldwide</b>		<b>The largest share in Japan</b>	
<b>The largest share worldwide</b>		<b>The largest share worldwide</b>		<b>The largest share in Japan</b>	
<b>The largest share worldwide</b>		<b>The largest share in Japan</b>		<b>The largest share in Japan</b>	

\* Shares are Hitachi Metals' estimates in target markets.