



Consolidated Financial Report [IFRS]

For the 3-month period ended June 30, 2022

July 27, 2022

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

Listed Stock Exchanges: Tokyo Stock Exchange, Inc. (Prime Market, Code Number 5486)

Representative: Mitsuaki Nishiyama, Chairperson, President, and CEO

Contact: Izumi Tsubouchi, General Manager, Corporate Communications Dept. Tel: +81-50-3664-9519

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

1. Performance for the First Quarter Ended June 30, 2022 (April 1 to June 30, 2022)

(1) Operating Results

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

	Revenues		Adjusted Operating Income		Operating Income		Income before Income Taxes		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June, 2022	276,811	22.0	11,829	38.6	9,781	130.7	19,870	363.9	15,110	429.1
June, 2021	226,852	46.6	8,533	—	4,239	—	4,283	—	2,856	—

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 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 attributable to Shareholders of the Parent Company		Comprehensive Income		Earnings per Share (Basic)	Earnings per Share (Diluted)
	Million yen	%	Million yen	%	Yen	Yen
June, 2022	15,067	402.6	38,965	—	35.24	—
June, 2021	2,998	—	3,104	—	7.01	—

(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, 2022	1,149,478	570,032	566,286	49.3	1,324.48
March, 2022	1,069,695	531,118	527,563	49.3	1,233.91

2. Dividends

	Dividends per Share				
	1Q	2Q	3Q	Term-end	Annual
	Yen	Yen	Yen	Yen	Yen
March, 2022	—	0.00	—	0.00	0.00
March, 2023	—				
March, 2023 (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, 2023 (April 1, 2022 to March 31, 2023)

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

	Revenues		Adjusted Operating Income		Income before Income Taxes		Net Income attributable to Shareholders of the Parent Company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Full-year	1,100,000	16.7	70,000	161.1	41,500	26.8	30,000	149.4

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 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, 2022	428,904,352	March, 2022	428,904,352
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(ii) Number of treasury stock outstanding at end of period

June, 2022	1,350,484	March, 2022	1,349,888
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(iii) Average number of shares issued during the term

June, 2022 (1Q)	427,554,073	June, 2021 (1Q)	427,561,153
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*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, 2023, including Consolidated Operating Forecasts” on page 7 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, 2022

(1) Information Regarding Operating Results

The Group's operating results for the three months ended June 30, 2022 were as followings.

During the three months ended June 30, 2022, the global economy slowed down due to the impact of factors such as the supply shortages of components and materials, disruptions in international logistics, lockdowns resulting from the reinforcement of China's zero-COVID policy, and the situation in Ukraine. In the business fields of the Group, the automotive-related area was affected by the impact of production adjustments implemented by automobile manufacturers and demand declined year on year. On the other hand, in the FA/robot-related area, capital investment demand related to the manufacture of automobiles and semiconductors increased. In the semiconductor-related area, demand remained at a high level as a result of a rise in demand for use in telecommunication devices and automobiles. Furthermore, reflecting the impact of the rise in raw material prices (sliding-scale raw material price system) and the depreciation of the yen, revenues increased by 22.0% year on year to ¥276,811 million. In terms of profit, while there was a negative impact of increases in expenses and energy costs due to soaring material prices, the Group promoted various cost reduction measures and revised the sales prices in the areas where the cost increases exceeded the level that could be absorbed through its corporate efforts. Adjusted operating income* increased by ¥3,296 million year on year to ¥11,829 million, due to an increase in profit as a result of the depreciation of the yen, additionally. Operating income increased by ¥5,542 million year on year to ¥9,781 million due to an increase of adjusted operating income. Income before income taxes increased by ¥15,587 million year on year to ¥19,870 million and net income attributable to shareholders of the parent company increased by ¥12,069 million year on year to ¥15,067 million.

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. By becoming independent from the Hitachi Group, it will be possible for the Company to develop its own growth strategy without being constrained by Hitachi, Ltd.'s portfolio strategy. Going private also allows the Company to plan strategies from a long-term perspective, make large-scale investments, and implement bold reforms with a sense of speed. The Company aims to regain its competitiveness and profitability and achieve sustainable growth and increase corporate value by responding to rapid changes in the market environment more speedily at a higher level through the search for investment opportunities, the acquisition of funds, and the formulation and execution of growth strategies, taking advantage of the global insights and networks of 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, 2022.

Specialty Steel Products

Revenues in the Specialty Steel Products segment for the three months ended June 30, 2022 were ¥74,647 million, an increase of 16.9% as compared with those for the three months ended June 30, 2021.

Breaking down the revenues by business, while demand for molds and tool steel remained virtually flat year on year both in Japan and internationally, sales increased year on year reflecting the impact of the rise in raw material prices (sliding-scale raw material price system) among other factors. Sales of materials for industrial equipment remained virtually unchanged year on year due to an increase in demand for materials for other industrial equipment and the impact of the rise in raw material prices (sliding-scale raw material price system) among other factors, despite a decline in demand for mainstay products related to automobiles. Sales of aircraft and energy-related materials significantly increased year on year as demand for energy-related materials remained firm in addition to the fact that demand related to small- and medium-sized passenger aircraft rebounded markedly among mainstay aircraft-related materials. Sales of electronic materials increased year on year due to remaining 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.

While sales of injection molding machine parts and steel-frame joints for construction remained virtually unchanged year on year, sales of various rolls increased year on year. As a result, sales of rolls on the whole increased on a year-on-year basis. Adjusted operating income increased by ¥3,050 million year on year to ¥7,456 million, due in part to an increase in demand for aircraft and energy-related materials and electronic materials; additionally, the depreciation of the yen and the promotion of various cost reduction measures etc. contributed to increasing the income. Operating income increased by ¥2,958 million to ¥7,570 million year on year.

Functional Components and Equipment

Revenues in the Functional Components and Equipment segment for the three months ended June 30, 2022 were ¥104,690 million, an increase of 37.5% year on year.

Breaking down the revenues by business, among automotive casting products, demand for heat-resistant exhaust casting components saw a year-on-year decrease owing to the changes in product mix and the impact of production adjustments carried out by automobile manufacturers. However, sales of automotive casting products remained virtually flat year on year due to the impact of the rise in raw material prices (sliding-scale raw material price system). Sales of cast iron products were impacted by production adjustments carried out by automobile manufacturers. Nonetheless, due to the impact from the rise in raw material prices (sliding-scale raw material price system) and the depreciation of the yen as well as an increase in demand for components for commercial vehicles and construction and agricultural equipment in the North American market, revenues outperformed the same period of the previous fiscal year. As a result, sales of automotive casting components as a whole increased year on year. Among piping components, sales of mainstay pipe fittings expanded year-on-year, as housing starts in the U.S. remained at a high level, despite a decline in demand in Japan. Sales of equipment for semiconductor manufacturing devices increased year on year as capital investment demand remained brisk reflecting the strength of the semiconductor market. As a result, sales of piping components as a whole increased year on year.

Adjusted operating income improved by ¥419 million year on year to ¥280 million as a whole, due in part to an increase in demand for components used in commercial vehicles and construction and agricultural equipment in the North American market, despite downward pressure on profit such as a decrease in demand for heat-resistant exhaust casting components in addition to the fact that raw material and sub-material prices as well as energy and transportation costs, etc., soared at a pace and scale exceeding forecast. Operating loss was ¥135 million, an improvement of ¥997 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, 2022 were ¥38,549 million, an increase of 21.3% year on year.

Breaking down the revenues by business, in magnetic materials, demand for rare earth magnets for the use in automotive electronic components decreased and demand related to industrial equipment such as FA/robots also remained sluggish. In addition, demand for ferrite magnets used in automotive electronic components also saw a decline. However, sales of magnetic materials on the whole increased year on year due to the impact from the rise in raw material prices (sliding-scale raw material price system) for both rare earth magnets and ferrite magnets.

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 in Asia and Americas. 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 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 ¥983 million year on year to ¥3,360 million, due partly to an increase in demand for power electronics materials as well as gains resulting from the depreciation of the yen and the promotion of various cost reduction measures. Operating income increased by ¥911 million year on year to ¥3,405 million.

Wires, Cables, and Related Products

Revenues in the Wires, Cables, and Related Products segment for the three months ended June 30, 2022, were ¥59,008 million, an increase of 7.3% year on year.

Breaking down the revenues by business, among electric wires and cables, sales of wires and cables for rolling stock decreased year on year reflecting mainly a decline in demand among users in China. In wires and cables for medical devices, revenues overall increased due to the demand increased year on year. Sales of magnet wires increased year on year due to the impact from the rise in raw material prices (sliding-scale raw material price system), despite a decline demand for use in automobiles. 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 overall rose year on year due to the effect of the depreciation of the yen among other factors, despite a decline in demand for mainstay electronic components reflecting production adjustments implemented by automobile manufacturers.

Adjusted operating income deteriorated by ¥2,189 million year on year, resulting in a loss of ¥564 million due in part to a decrease in demand for wires and cables for rolling stock and automotive electronic components, in addition to the fact that raw material and sub-material prices as well as energy and transportation costs, etc., soared at a pace and scale exceeding forecast. Operating income decreased by ¥1,358 million year on year, resulting in an operating loss of ¥968 million for the same period.

Other

Revenues in the Other segment for the three months ended June 30, 2022, were ¥348 million, a decrease of 33.5%, and adjusted operating income increased by ¥13 million to ¥65 million, as compared with those for the three months ended June 30, 2021. Operating income of the segment increased by ¥120 million year on year to ¥94 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, 2022, is as follows:

Total assets were ¥1,149,478 million, an increase of ¥79,783 million compared with the end of the fiscal year ended March 31, 2022. Current assets were ¥630,480 million, an increase of ¥60,025 million compared with the end of the fiscal year ended March 31, 2022. This was mainly due to increases of ¥33,495 million in inventories and ¥26,245 million in trade receivables. Non-current assets were ¥518,998 million, an increase of ¥19,758 million compared with the end of the fiscal year ended March 31, 2022. This was mainly due to increases of ¥12,028 million in goodwill and intangible assets and ¥4,977 million in property, plant, and equipment.

Total liabilities were ¥579,446 million, an increase of ¥40,869 million compared with the end of the fiscal year ended March 31, 2022. This was mainly due to increases in Short-term debt of ¥15,740 million and trade payables of ¥15,646 million. Total equity was ¥570,032 million, an increase of ¥38,914 million compared with the end of the fiscal year ended March 31, 2022. This was mainly due to increases of ¥15,067 million in retained earnings and ¥23,657 million in accumulated other comprehensive income as a result of an increase in foreign currency translation adjustments reflecting the depreciation of the yen.

2) Cash flows

Cash and cash equivalents as of the end of the three months ended June 30, 2022, were ¥127,462 million, an increase of ¥2,817 million compared with the end of the fiscal year ended March 31, 2022, as a result of the increase due to the effect of exchange rate changes on cash and cash equivalents despite 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, 2022, is as follows:

<Cash Flows from Operating Activities>

Net cash used in operating activities was ¥1,253 million. This was mainly attributable to the net effect of net income of ¥15,110 million, more than offset by depreciation and amortization of ¥12,078 million and expenditure of ¥33,087 million from increasing working capital.

<Cash Flows from Investing Activities>

Net cash used in investing activities was ¥7,775 million. This was mainly attributable to the purchase of property, plant, and equipment of ¥8,221 million.

<Cash Flows from Financing Activities>

Net cash provided by financing activities was ¥6,399 million. This was mainly attributable to net increase in short-term debt of ¥7,728 million, despite the net effect of repayment of long-term debts of ¥1,278 million.

(3) Forecasts for the Fiscal Year Ending March 31, 2023, including Consolidated Operating Forecasts

The Company's operating results for the three months ended June 30, 2022 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. With regard to the future outlook, the figures of the operating forecast for the fiscal year ending March 31, 2023 (April 1, 2022 through March 31, 2023) have not been revised from the forecast released on April 26, 2022 in consideration of the demand trends of our mainstay products, although there remain uncertainties such as the outlooks in raw material prices and foreign exchanges on top of COVID-19 policies in each country and the situation in Ukraine.

**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, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and cash equivalents	124,645	127,462
Trade receivables	187,264	213,509
Inventories	228,406	261,901
Other current assets	30,140	27,608
Total current assets	570,455	630,480
Non-current assets		
Investments accounted for using the equity method	10,889	11,445
Investments in securities and other financial assets	9,803	10,416
Property, plant, and equipment	330,966	335,943
Goodwill and intangible assets	118,655	130,683
Deferred tax assets	10,448	11,759
Other non-current assets	18,479	18,752
Total non-current assets	499,240	518,998
Total assets	1,069,695	1,149,478

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Short-term debt	100,316	116,056
Current portion of long-term debt	21,907	24,050
Other financial liabilities	26,121	21,795
Trade payables	200,659	216,305
Accrued expenses	41,161	46,449
Contract liabilities	787	1,023
Other current liabilities	3,849	7,665
Total current liabilities	394,800	433,343
Non-current liabilities		
Long-term debt	74,686	73,106
Other financial liabilities	146	148
Retirement and severance benefits	63,775	67,846
Deferred tax liabilities	2,924	2,668
Other non-current liabilities	2,246	2,335
Total non-current liabilities	143,777	146,103
Total liabilities	538,577	579,446
Equity		
Equity attributable to shareholders of the parent company		
Common stock	26,284	26,284
Capital surplus	114,288	114,288
Retained earnings	339,842	354,909
Accumulated other comprehensive income	48,338	71,995
Treasury stock, at cost	(1,189)	(1,190)
Total equity attributable to shareholders of the parent company	527,563	566,286
Non-controlling interests	3,555	3,746
Total equity	531,118	570,032
Total liabilities and equity	1,069,695	1,149,478

**(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, 2022]

(Millions of yen)

	Note	For the first quarter ended June 30, 2021	For the first quarter ended June 30, 2022
Revenues		226,852	276,811
Cost of sales		(191,136)	(234,586)
Gross profit		35,716	42,225
Selling, general and administrative expenses		(27,183)	(30,396)
Other income		1,073	1,351
Other expenses		(5,367)	(3,399)
Operating income	1	4,239	9,781
Interest income		67	77
Other financial income		337	10,105
Interest charges		(425)	(596)
Other financial expenses		(14)	(48)
Share of (losses) profits of investments accounted for using the equity method		79	551
Income before income taxes		4,283	19,870
Income taxes		(1,427)	(4,760)
Net income		2,856	15,110
Net income attributable to:			
Shareholders of the parent company		2,998	15,067
Non-controlling interests		(142)	43
Net income		2,856	15,110
Earnings per share attributable to shareholders of the parent company			
Basic		¥7.01	¥35.24
Diluted		—	—

Note: 1. Adjusted operating income, which is the operating income presented in the condensed interim consolidated statement of income, excluding other income and other expenses, is ¥8,533 million and ¥11,829 million for the three months ended June 30, 2021 and 2022, respectively.

[Condensed Interim Consolidated Statement of Comprehensive Income]
[For the three months ended June 30, 2022]

(Millions of yen)

	For the first quarter ended June 30, 2021	For the first quarter ended June 30, 2022
Net income	2,856	15,110
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	(36)	247
Share of other comprehensive income (loss) of investments accounted for using the equity method	9	(21)
Total items not to be reclassified into net income	(27)	226
Items that can be reclassified into net income		
Foreign currency translation adjustments	78	23,501
Net change in fair value of cash flow hedges	54	52
Share of other comprehensive income of investments accounted for using the equity method	143	76
Total items that can be reclassified into net income	275	23,629
Total other comprehensive income	248	23,855
Comprehensive income	3,104	38,965
Comprehensive income attributable to:		
Shareholders of the parent company	3,215	38,724
Non-controlling interests	(111)	241
Comprehensive income	3,104	38,965

(4) Condensed Interim Consolidated Statement of Cash Flows

(Millions of yen)


	For the first quarter ended June 30, 2021	For the first quarter ended June 30, 2022
Cash flows from operating activities:		
Net income	2,856	15,110
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	11,644	12,078
Impairment losses	353	40
Share of losses (profits) of investments accounted for using the equity method	(79)	(551)
Financial income and expenses	35	(1,666)
Losses (profits) on sale of property, plant, and equipment	150	111
Structural reform expenses	1,962	784
Income taxes	1,427	4,760
(Increase) decrease in trade receivables	(14,238)	(15,690)
(Increase) decrease in inventories	(20,335)	(25,037)
(Increase) decrease in accounts receivable - other	(2,120)	5,483
Increase (decrease) in trade payables	21,108	7,640
Increase (decrease) in accrued expenses	(1,740)	2,691
Increase (decrease) in retirement and severance benefits	(254)	303
Other	(3,879)	(6,116)
Subtotal	(3,110)	(60)
Interest and dividends received	269	524
Interest paid	(476)	(606)
Payments for structural reforms	(2,024)	(157)
Income taxes paid	(226)	(954)
Net cash provided by (used in) operating activities	(5,567)	(1,253)
Cash flows from investing activities:		
Purchase of property, plant, and equipment	(5,461)	(8,221)
Purchase of intangible assets	(166)	(237)
Proceeds from sales of property, plant, and equipment	190	587
Purchase of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method)	(327)	(38)
Proceeds from sale of investments in securities and other financial assets (including investments in subsidiaries and investments accounted for using the equity method)	1,013	17
Other	438	117
Net cash provided by (used in) investing activities	(4,313)	(7,775)

(Millions of yen)

	For the first quarter ended June 30, 2021	For the first quarter ended June 30, 2022
Cash flows from financing activities:		
Increase (decrease) in short-term debt, net	10,872	7,728
Repayment of long-term debt	(6,520)	(1,278)
Dividends paid to non-controlling interests	(22)	(50)
Acquisition of common stock for treasury	(8)	(1)
Proceeds from sales of treasury stock	0	—
Net cash provided by (used in) financing activities	<u>4,322</u>	<u>6,399</u>
Effect of exchange rate changes on cash and cash equivalents	<u>131</u>	<u>5,446</u>
Net increase (decrease) in cash and cash equivalents	<u>(5,427)</u>	<u>2,817</u>
Cash and cash equivalents at the beginning of the first quarter	<u>99,339</u>	<u>124,645</u>
Cash and cash equivalents at the end of the first quarter	<u><u>93,912</u></u>	<u><u>127,462</u></u>

(5) Segment Information

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"> ·HNMTM ductile cast iron products, Cast iron products for transportation equipment, HERCUNITETM heat-resistant exhaust casting components, and Aluminum components <p>< Piping Components ></p> <ul style="list-style-type: none"> ·Piping and infrastructure components ( TM 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 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.

III Current first quarter (from April 1 to June 30, 2022)

(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	74,538	104,690	38,537	58,926	276,691	120	276,811	—	276,811
Intersegment transactions	109	—	12	82	203	228	431	(431)	—
Total revenues	74,647	104,690	38,549	59,008	276,894	348	277,242	(431)	276,811
Segment profit (loss)	7,570	(135)	3,405	(968)	9,872	94	9,966	(185)	9,781
Financial income	—	—	—	—	—	—	—	—	10,182
Financial expenses	—	—	—	—	—	—	—	—	(644)
Share of (losses) profits of investments accounted for using the equity method	—	—	—	—	—	—	—	—	551
Income before income taxes	—	—	—	—	—	—	—	—	19,870

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.