To whom it may concern:

Company Name: Hitachi Metals, Ltd. Name of Representative: Mitsuaki Nishiyama

Chairperson, President, and CEO

(Code: 5486; First Section of the Tokyo Stock Exchange)

Contact: Izumi Tsubouchi General Manager, Corporate Communications Dept.

(Phone: +81-3-6774-3077)

(Correction) Partial Correction to "Announcement of Reorganization of Sales System in Japan (Transfer of Business Divisions of Wholly-owned Subsidiary through Demerger [Simplified Absorption-type Demerger])"

Hitachi Metals, Ltd. makes correction to the "Announcement of Reorganization of Sales System in Japan (Transfer of Business Divisions of Wholly-owned Subsidiary through Demerger [Simplified Absorption-type Demerger])" released on May 26, 2021 due to some errors in the contents. Corrections are shown as underlined.

Correction Details

Part of the correction; II. Sales Division, etc. Absorption-type Demerger

2. Overview of Parties to the Sales Division, etc. Absorption-type Demerger

[Before correction]

2. Overview of Parties to the Sales Division, etc. Absorption-type Demerger

2.010	Demerger company Successor company							
		(Hitachi Metals Trading)		(The Company)				
(1)	Name	Hitachi Metals Trading, Ltd.		Hitachi Metals, Ltd.				
		2-70, Konan 1-chome,		2-70, Konan 1-chome, Minato-ku, Tokyo				
(2)	Address	108-8224, Japan		108-8224, Japan				
(2)	Name and title of	Takehisa Seo		Mitsuaki Nishiyama				
(3)	representative President, CEO			Chairperson, President and CEO				
	Products and businesses	Marketing of specialty steel products;		Manufacture and marketing of specialty				
		functional components and equipment;		steel products; functional components and				
(4)		magnetic materials, applications and power		equipment; magnetic materials, applications				
		electronics; and wires, cables and related		and power electronics; and wires, cables and				
(5)	0.41	products ¥350 million (As of March 31, 2021)		related products ¥26,284 million (As of March 31, 2021)				
(5)	Capital Establishment		irch 31, 2021)					
(6)		<u>April 1950</u>		April 1956				
(7)	Number of outstanding shares	7,383,200 shares (As of March 31, 2021)		428,904,352 shares (As of March 31, 2021)				
(8)	Accounting date	March 31		March 31				
(9)	Major shareholders	Hitachi Metals, Ltd. 10		Hitachi, Ltd. 53.4%				
(2)	and shareholding ratio	(As of March 31, 2021)		(As of March 31, 2021)				
(10)			emerger company in n	nost recent fiscal year (fiscal year ended March				
(10)	31, 2021; Japanese GAA	(P)						
	Net assets			¥18,449 million				
	Total assets		¥52,153 million					
	Net assets per share		¥2,498					
	Net sales		¥112,812 million					
	Operating profit		¥2,009 million					
	Ordinary profit Profit		¥2,125 million					
			¥1,018 million					
	Profit per share		¥137					
(11)	Operating performance and financial position of successor company in most recent fiscal year (fiscal year ended March 31, 2021; consolidated; IFRS)							
	Total assets		¥972,249 million					
	Total equity		¥492,118 million					
	Equity per share attribut	table to shareholders of	¥1,145.26					
	the parent company							
	Revenues		¥761,615 million					
	Adjusted operating incor		(¥4,977 million)					
	Income before income ta		(¥50,588 million)					
	Net income attributable	to shareholders of the	(¥42,285 million)					
	parent company Earnings per share (basic	<u>, </u>		(¥98.90)				
	Lamings per snare (basic)		(‡ 98.90)				

^{*}Adjusted operating income = Revenues - Cost of sales - Selling, general & administrative expenses

2. Overview of Parties to the Sales Division, etc. Absorption-type Demerger

2.010	2. Overview of Fattles to the Sales Division, etc. Absorption-type Deficing						
		Demerger company		Successor company			
(1)	NT	(Hitachi Metals Trading)		(The Company)			
(1)	Name	Hitachi Metals Trading		Hitachi Metals, Ltd.			
(2)	Address	2-70, Konan 1-chome, Minato-ku, Tokyo		2-70, Konan 1-chome, Minato-ku, Tokyo			
	108-8224, Japan			108-8224, Japan			
(3)	Name and title of	Takehisa Seo		Mitsuaki Nishiyama			
	representative	President, CEO		Chairperson, President and CEO			
(4)	Products and businesses	Marketing of specialty steel products;		Manufacture and marketing of specialty			
		functional components and equipment;		steel products; functional components and equipment; magnetic materials, applications			
(4)		magnetic materials, applications and power electronics; and wires, cables and related		and power electronics; and wires, cables and			
		products		related products			
(5)	Capital ¥350 million (As of March 31		arch 31, 2021)	¥26,284 million (As of March 31, 2021)			
(6)	Establishment	September 1950	4011 31, 2021)	April 1956			
	Number of outstanding			•			
(7)	shares	7,383,200 shares (As of March 31, 2021)		428,904,352 shares (As of March 31, 2021)			
(8)	Accounting date	March 31		March 31			
(9)	Major shareholders	Hitachi Metals, Ltd. 10		Hitachi, Ltd. 53.4%			
(2)	and shareholding ratio			(As of March 31, 2021)			
(10)	Operating performance and financial position of demerger company in most recent fiscal year (fiscal year ended March						
(10)		1, 2021; Japanese GAAP)					
	Net assets			¥18,449 million			
	Total assets		¥52,153 million ¥2,498				
	Net assets per share						
	Net sales		¥112,812 million				
	Operating profit		¥2,009 million				
	Ordinary profit		¥2,125 million				
	Profit		¥1,018 million				
	Profit per share			¥137			
(11)	31, 2021; consolidated; IFRS)						
	Total assets		¥972,249 million				
	Total equity	4-1-1- 411-1-1- C	¥492,118 million				
	Equity per share attribut	table to snareholders of	¥1,145.26				
	the parent company Revenues			¥761,615 million			
	Adjusted operating incor	 ne*		(¥4,977 million)			
	Income before income ta		(¥4,977 million) (¥50,588 million)				
	Net income attributable to shareholders of the						
	parent company	to shareholders of the	(¥42,285 million)				
	Earnings per share (basic	(¥98.90)					
* A dine	Adjusted operating income = Revenues - Cost of sales - Selling general & administrative expenses						

^{*}Adjusted operating income = Revenues – Cost of sales – Selling, general & administrative expenses

Part of the correction; III. Business Division Absorption-type Demerger from Hitachi Metals Trading to Hitachi Metals Tool Steel and Sale to Dealers

- 1. Overview of Business Division to be Transferred from Hitachi Metals Trading to Hitachi Metals Tool Steel
- (3) Status after the absorption-type demerger"

[Before correction]

Successor company (Hitachi Metals Tool Steel)

Successor	Successor company (Thach Welais 1001 Steel)				
1	Name	Hitachi Metals Tool Steel, Ltd.			
2	Address	2-70, Konan 1-chome, Minato-ku, Tokyo 108-8224, Japan			
3	Name and title of	Fumihito Kobayashi, Chairperson, President and CEO			
	representative				
4	Products and businesses	Sale, thermal treatment and processing of specialty steel, etc.			
(5)	Share capital	¥100 million (As of March 31, 2021)			
6	Accounting date	March 31			

[After correction]

Successor company (Hitachi Metals Tool Steel)

1	Name	Hitachi Metals Tool Steel, Ltd.
2	Address	2-70, Konan 1-chome, Minato-ku, Tokyo 108-8224, Japan
3	Name and title of	Fumihito Kobayashi, President, CEO
	representative	
4	Products and businesses	Sale, thermal treatment and processing of specialty steel, etc.
(5)	Share capital	¥100 million (As of March 31, 2021)
6	Accounting date	March 31

Ends