

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

	Demerger company (Hitachi Metals Trading)	Successor company (The Company)																
(1) Name	Hitachi Metals Trading, Ltd.	Hitachi Metals, Ltd.																
(2) Address	2-70, Konan 1-chome, Minato-ku, Tokyo 108-8224, Japan	2-70, Konan 1-chome, Minato-ku, Tokyo 108-8224, Japan																
(3) Name and title of representative	Takehisa Seo President, CEO	Mitsuaki Nishiyama Chairperson, President and CEO																
(4) Products and businesses	Marketing of specialty steel products; functional components and equipment; magnetic materials, applications and power electronics; and wires, cables and related products	Manufacture and marketing of specialty steel products; functional components and equipment; magnetic materials, applications and power electronics; and wires, cables and related products																
(5) Capital	¥350 million (As of March 31, 2021)	¥26,284 million (As of March 31, 2021)																
(6) Establishment	April 1950	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 and shareholding ratio	Hitachi Metals, Ltd. 100% (As of March 31, 2021)	Hitachi, Ltd. 53.4% (As of March 31, 2021)																
(10) Operating performance and financial position of demerger company in most recent fiscal year (fiscal year ended March 31, 2021; Japanese GAAP)	<table><tr><td>Net assets</td><td>¥18,449 million</td></tr><tr><td>Total assets</td><td>¥52,153 million</td></tr><tr><td>Net assets per share</td><td>¥2,498</td></tr><tr><td>Net sales</td><td>¥112,812 million</td></tr><tr><td>Operating profit</td><td>¥2,009 million</td></tr><tr><td>Ordinary profit</td><td>¥2,125 million</td></tr><tr><td>Profit</td><td>¥1,018 million</td></tr><tr><td>Profit per share</td><td>¥137</td></tr></table>		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	¥2,125 million	Profit	¥1,018 million	Profit per share	¥137
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Total assets	¥52,153 million																	
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Operating profit	¥2,009 million																	
Ordinary profit	¥2,125 million																	
Profit	¥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)	<table><tr><td>Total assets</td><td>¥972,249 million</td></tr><tr><td>Total equity</td><td>¥492,118 million</td></tr><tr><td>Equity per share attributable to shareholders of the parent company</td><td>¥1,145.26</td></tr><tr><td>Revenues</td><td>¥761,615 million</td></tr><tr><td>Adjusted operating income*</td><td>(¥4,977 million)</td></tr><tr><td>Income before income taxes</td><td>(¥50,588 million)</td></tr><tr><td>Net income attributable to shareholders of the parent company</td><td>(¥42,285 million)</td></tr><tr><td>Earnings per share (basic)</td><td>(¥98.90)</td></tr></table>		Total assets	¥972,249 million	Total equity	¥492,118 million	Equity per share attributable to shareholders of the parent company	¥1,145.26	Revenues	¥761,615 million	Adjusted operating income*	(¥4,977 million)	Income before income taxes	(¥50,588 million)	Net income attributable to shareholders of the parent company	(¥42,285 million)	Earnings per share (basic)	(¥98.90)
Total assets	¥972,249 million																	
Total equity	¥492,118 million																	
Equity per share attributable to shareholders of the parent company	¥1,145.26																	
Revenues	¥761,615 million																	
Adjusted operating income*	(¥4,977 million)																	
Income before income taxes	(¥50,588 million)																	
Net income attributable to shareholders of the parent company	(¥42,285 million)																	
Earnings per share (basic)	(¥98.90)																	

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

[After correction]

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

	Demerger company (Hitachi Metals Trading)	Successor company (The Company)
(1) Name	Hitachi Metals Trading, Ltd.	Hitachi Metals, Ltd.
(2) Address	2-70, Konan 1-chome, Minato-ku, Tokyo 108-8224, Japan	2-70, Konan 1-chome, Minato-ku, Tokyo 108-8224, Japan
(3) Name and title of representative	Takehisa Seo President, CEO	Mitsuaki Nishiyama Chairperson, President and CEO
(4) Products and businesses	Marketing of specialty steel products; functional components and equipment; magnetic materials, applications and power electronics; and wires, cables and related products	Manufacture and marketing of specialty steel products; functional components and equipment; magnetic materials, applications and power electronics; and wires, cables and related products
(5) Capital	¥350 million (As of March 31, 2021)	¥26,284 million (As of March 31, 2021)
(6) Establishment	September 1950	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 and shareholding ratio	Hitachi Metals, Ltd. 100% (As of March 31, 2021)	Hitachi, Ltd. 53.4% (As of March 31, 2021)
(10)	Operating performance and financial position of demerger company in most recent fiscal year (fiscal year ended March 31, 2021; Japanese GAAP)	
	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	¥2,125 million
	Profit	¥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 attributable to shareholders of the parent company	¥1,145.26
	Revenues	¥761,615 million
	Adjusted operating income*	(¥4,977 million)
	Income before income taxes	(¥50,588 million)
	Net income attributable to shareholders of the parent company	(¥42,285 million)
	Earnings per share (basic)	(¥98.90)

*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)

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 representative	Fumihito Kobayashi, <u>Chairperson, President and CEO</u>
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 representative	Fumihito Kobayashi, <u>President, CEO</u>
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