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To whom it may concern:

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Hitachi Metals Establishes FY2018 Medium-Term Management Plan

Group aims to become the world's leading high-performance materials company

Hitachi Metals, Ltd. (head office: Minato-ku, Tokyo, President and Chief Executive Officer: Hideaki Takahashi; hereafter, "Hitachi Metals") has established a new medium-term management plan that will run through FY2018, ending March 31, 2019. The new plan aims to help the Hitachi Metals Group strengthen the business base and thereby promote the Group's growth in global markets and enable it to develop sustainably as a manufacturer of high-performance materials.

1. Philosophy of new medium-term management plan

Hitachi Metals contributes to society by offering unique materials and products in a range of industries that include automotive, industrial infrastructure, and electronics.

The economy today is restructuring drastically around the world. We expect that markets will globalize at an ever faster rate, intensifying our competition. In response to these circumstances, Hitachi Metals aims to expand our global business to increase profitability. To that end, we will work to increase organic growth and continually remodel our portfolio by making bold strategic investments for growth, including M&As. In this manner we will aim for sustained development by building a stronger business base: strengthening materials and product development, strengthening and expanding our markets and customer base, and preparing systems for global production and sales.

Thus we have established a new medium-term management plan to run through FY2018 to help us get through the great changes underway in our business environment and achieve new development as outlined above.

2. Management target numbers (consolidated basis)

	FY2015 results (announced April 27, 2016)	FY2018 plan
Revenue	¥1,017.6 billion	¥1,120.0 billion
Adjusted operating income	¥76.1 billion	¥120.0 billion
IFRS operating income	¥100.0 billion	¥112.0 billion
EBIT	¥99.1 billion	¥112.0 billion
Net income*	¥69.1 billion	¥75.0 billion
ROE	14.4%	12.2%
Percentage of revenues from overseas markets	56%	58%

* Net income attributable to shareholders of the parent company

3. Medium-Term Management Plan Basic Policy

Under the Fiscal 2018 Medium-Term Management Plan, we aim to “change to be a competitive business” and “challenge ourselves to meet new targets.” With change and challenge as our keywords, we will build a stronger business base and pursue a growth strategy as we aim to become the world’s leading high-performance materials company and grow sustainably over the long term.

Specific action plans are as follows.

(1) Accelerate the creation and execution of growth strategies

We will promote new product development and growth strategy investment (including M&A) through proactive R&D based on a market-in perspective that is attuned to what markets and customers are looking for. We will pick up the speed from development to commercial release, mass production, and sales expansion and accelerate the creation and cultivation of what will become our next core products. Also, in addition to strengthening the business base, we will invest strategically for growth to expand our global business and thereby increase profitability. These will make us more competitive and able to develop in global markets and help us expand our business domains in industrial infrastructure, energy, automotive, and electronics fields.

(2) Achieve a robust business structure and highly efficient business management

To build a robust business structure capable of responding flexibly to changes in the market environment, we will be concentrating management resources on fields where growth is expected, promoting efficient business operations, and increasing corporate value.

By continually remodeling our business portfolio, we aim to further strengthen our business base and establish a business structure that can compete and win on the global market. Moreover, we will advance a Corporate *Monozukuri* Innovation Project that merges GEMBA (workplace) improvement and technology development and will further strengthen profitability to become the world’s leading high-performance materials company.

(3) Strive to establish a business base that is sustainable over the long-term

By achieving the “creation and execution of growth strategies” and a “robust business structure and highly efficient business management”—the action plans in FY2018 Medium-Term Management Plan—we will enhance management efficiency to maintain sound financial strength and become a company that is sustainable over the long term.

We will additionally build an innovative corporate culture and achieve sustained growth by practicing diversity management and empowering people of all types to play an active role.

*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 to differ from those projected.