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**Kozo Horiuchi**



The Japanese industry is now in the midst of a significant change of trend. The worldwide recession triggered by the financial crisis of late 2008, described as one that happens once every hundred year, has delivered a severe blow to the industrial world. Further, environmental issues such as global warming announce the end of the oil culture brought by the industrial revolution, and the kind of radical change that happens only once every three hundred years looms over the industries of developed countries. The Japanese industry must take advantage of this radical change to overcome this once-a-century crisis. This most important issue now is also a challenge to the sustainable management of corporations in developed countries.

"Sustainable management", in addition to securing profits, means being helpful in solving global environmental issues and doing the right thing in society. From this standpoint, CSR (Corporate Social Responsibility) is a major challenge. While some companies implement CSR management as a strategy for competitiveness, others go a step further and implement it by emphasizing their corporate philosophy. Specifying an "ethical manner" and "self-discipline" in "A Message from the CEO", the CSR Report of Hitachi Metals clearly expresses an attitude of emphasis on the company's corporate philosophy.

The CSR of Japanese companies focuses on legal compliance. Since the detection of a violation of the Antimonopoly Act, Hitachi Metals has been working on company-wide compliance to prevent any reoccurrence. Based on its Code of Conduct, Hitachi Metals has enhanced its compliance system — conducting on-site training in Japanese and overseas units, conducting special audits, establishing a hotline, etc. — and works on promoting and developing employees' consciousness of compliance issues. This has proved effective.

Corporate activities are driven by two motives: "manufacturing"

and "pursuing profits". When the tendency to pursue profits gets stronger, altering the balance between the two, sustainable management becomes harder to achieve. This problem is linked to an organization's culture, and I expect these compliance issues to help maintain this balance. Compliance issues are the foundations of CSR management. In addition, I hope Hitachi Metals will strive further so as to improve employees' purposes in life, with consideration for perspectives such as participation, work-life balance, or creativity.

As stated in its management philosophy, Hitachi Metals is a manufacturing company that "applies itself to the advancement of technology". Because of this, we can expect Hitachi Metals to lead the industry, by developing environmental technologies, toward this radical change needed once every three hundred years. This CSR Report describes examples of promoting innovation in such fields as resource- and energy-saving, global warming prevention, and hazardous substance reductions. Hitachi Metals develops Eco-Products for the automobile, electronics and energy sectors. When the vectors of corporate activities will correspond to the needs of society, the spirit of manufacturing will be lifted further.

Global environmental issues are interdependent; if we solve a problem from only a technological standpoint, this will create another new problem. Therefore, what we should do now is to build a recycling system that links together the arterial industries and venous industries, aiming for a sound material-cycle system. Completing this cycle will also contribute to the conservation of biodiversity, and since this process will go beyond the scope of activity of a single company, cooperation between related industries will become necessary. I expect that Japanese leading-edge technologies will prove useful for the sustainability of the world economy.

### Hitachi Metal's Answer

As you have pointed out, Hitachi Metals is continuously working on compliance, absorbing the lessons of past problems to prevent their reoccurrence. Further, without limiting these efforts to simple measures for preventing reoccurrence, we seize these opportunities to educate employees, striving to foster "ethical manner" and "self-discipline" based on our Code of Conduct for Hitachi Metals Group Companies.

We have made efforts, in accordance with the demands of the times, to "contribute to society by creating the 'best possible company'", as stated in our management philosophy. The development of Eco-Products through manufacturing in our

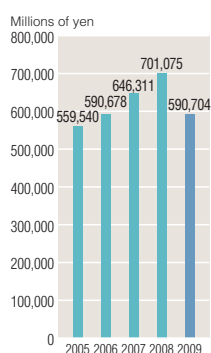
Group, in response to the needs of society, is part of these efforts. Such Eco-Products are indispensable to the building of a recycling-oriented society, ultimately an important task in solving environmental issues, and Hitachi Metals will be able to fulfill a role there. In addition, I feel that this role will result in contributions to society. In this manner, our management philosophy will nurture a good corporate culture within the Group, and passing down such culture to the generations can be an integral part of the CSR activities of Hitachi Metals. Keeping these concepts in mind, we will continue working aggressively to meet and exceed expectations of our stakeholders and society.

**Hiromi Yoshioka**  
Senior Vice President,  
Representative Executive Officer and Director  
Hitachi Metals, Ltd.

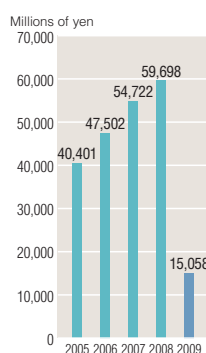


## Consolidated Financial Highlights (Years ended March 31, 2009)

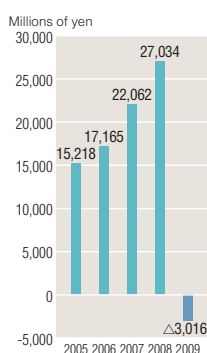
### Net sales



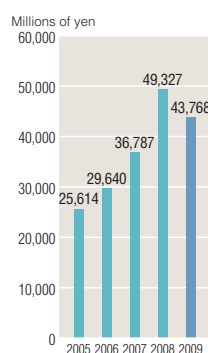
### Operating income



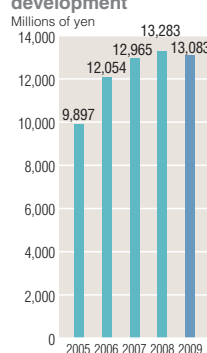
### Net income



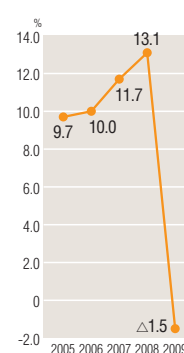
### Capital expenditures



### Research and development



### Return on equity



## Corporate Data

### Hitachi Metals Group Major Manufacturing Facilities (As of the end of March 2009)

#### High-Grade Metal Products and Materials



#### Yasugi Works

2107-2 Yasugi-cho, Yasugi-shi,  
Shimane 692-8601, Japan  
Tel: +81-854-22-3501



#### HMW, Ltd.

1-9-1 Kitahama, Wakamatsu-ku,  
Kitakyushu-shi, Fukuoka 808-8558, Japan  
Tel: +81-93-761-5131

#### Electronics and IT Devices



#### Tottori Works

70-2 Nan-ei-cho, Tottori-shi,  
Tottori 689-1121, Japan  
Tel: +81-857-53-6000



#### OE Device Center

18 Matsuyama-cho, Moka-shi,  
Tochigi 321-4346, Japan  
Tel: +81-285-80-0230



#### Kumagaya Works (NEOMAX Company)

5200 Mikajiri, Kumagaya-shi,  
Saitama 360-8577, Japan  
Tel: +81-48-531-1200



#### Saga Works

282 Fukumo, Omachi-cho,  
Kijima-gun, Saga 849-2102, Japan  
Tel: +81-952-82-2581



#### Wakayama Works

1850 Minato, Wakayama-shi,  
Wakayama 640-8404, Japan  
Tel: +81-73-456-4821

#### High-Grade Functional Components and Equipment



#### Kyushu Works

35 Nagahama-cho, Kanda-machi,  
Miyako-gun, Fukuoka 800-0393, Japan  
Tel: +81-93-436-2700



#### Moka Works

13 Kinugaoka, Moka-shi,  
Tochigi 321-4367, Japan  
Tel: +81-285-80-3111



#### Kumagaya Works (Automotive Components Company)

5200 Mikajiri, Kumagaya-shi,  
Saitama 360-8577, Japan  
Tel: +81-48-531-1111



#### Kuwana Works

2 Daifuku, Kuwana-shi,  
Mie 511-8511, Japan  
Tel: +81-594-24-2000

### Corporate Profile

<b>Establishment</b>	April 10, 1956
<b>Capital</b>	¥26.3 billion (As of the end of March 2009)
<b>Chief Executive Officer</b>	Nobuo Mochida President, Chief Executive Officer and Director
<b>Number of Employees</b>	Hitachi Metals Group: 18,740 (As of the end of March 2009)
<b>Products and Businesses</b>	Manufacture, sales, and service of high-grade metal products and materials; electronics and IT devices; high-grade functional components and equipment; and services and other activities
<b>Group Companies</b>	75 subsidiaries, 11 affiliates
<b>Headquarters</b>	SEAVANS North Building, 2-1 Shibaura 1-chome, Minato-ku, Tokyo 105-8614, Japan Tel: +81-3-5765-4000 Fax: +81-3-5765-8311



The Hitachi Metals Group is participating in the "Team Minus 6%" project to reduce greenhouse gas emissions



Hitachi Metals, Ltd. is a member of the Green Purchasing Network.

Messages concerning Hitachi Metals' corporate social responsibility efforts can be directed to:

**Hitachi Metals, Ltd.** CSR Management Office

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Tel: +81-3-5765-4591 Fax: +81-3-5765-4597 <http://www.hitachi-metals.co.jp/>