

Financial Highlights

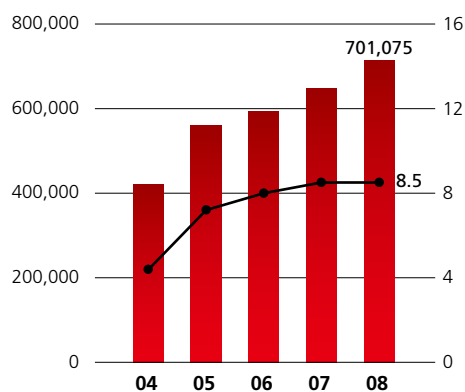
Hitachi Metals, Ltd. and Consolidated Subsidiaries

Years ended March 31, 2008, 2007, 2006, 2005 and 2004	Millions of yen (except otherwise noted)					Thousands of U.S. dollars (except otherwise noted)	Thousands of euros (except otherwise noted)
	2008	2007	2006	2005	2004	2008	
For the period							
Operating results:							
Net sales.....	¥701,075	¥646,311	¥590,678	¥559,540	¥420,080	\$7,010,750	€4,437,184
Operating income.....	59,698	54,722	47,502	40,401	18,576	596,980	377,835
Income before income taxes and minority interests.....	51,427	46,562	39,497	29,502	9,665	514,270	325,487
Net income.....	27,034	22,062	17,165	15,218	3,408	270,340	171,101
Cash flows:							
Operating cash flows.....	72,106	53,011	55,547	31,739	20,124	721,060	456,367
Free cash flows.....	33,994	(69,572)	27,564	17,990	2,425	339,940	215,152
Net cash flows.....	801	(17,824)	11,281	10,667	(14,448)	8,010	5,070
Growth initiative costs:							
Capital expenditures.....	49,327	36,787	29,640	25,614	17,628	493,270	312,196
Depreciation and amortization.....	29,385	24,392	22,579	22,933	19,108	293,850	185,981
Research and development.....	13,283	12,965	12,054	9,897	9,180	132,830	84,070
At period end:							
Total assets.....	¥619,466	¥629,590	¥554,275	¥532,285	¥429,289	\$6,194,660	€3,920,671
Interest-bearing debt.....	190,427	218,716	161,018	172,790	147,525	1,904,270	1,205,234
Net assets.....	235,507	222,626	179,960	162,400	151,224	2,355,070	1,490,551
Number of outstanding shares (thousands).....	352,561	345,118	346,456	348,640	353,427	—	—
Number of employees.....	20,308	20,826	22,213	23,282	17,225	—	—
Per share of common stock (yen, U.S. dollars and euros):							
Net income:							
Basic.....	¥ 76.48	¥ 63.81	¥ 48.95	¥ 42.65	¥ 9.09	\$ 0.76	€ 0.48
Cash dividends.....	12.00	10.00	10.00	10.00	5.00	0.12	0.08
Net assets.....	604.22	575.04	518.93	465.20	427.40	6.04	3.82

- Notes: 1. The above amounts were calculated under generally accepted accounting principles in Japan.
2. For the convenience of the reader, U.S. dollar and euro amounts in this annual report are translated from Japanese yen at ¥100=US\$1 and ¥158=€1, respectively, the approximate exchange rates at March 31, 2008.
3. In the fiscal year ended March 31, 2008, Hitachi Metals had no dilutive common stock outstanding. Accordingly, diluted net income per share information has not been disclosed.
4. Interest-bearing debt is the total of short-term borrowings, long-term debt and corporate bonds.
5. Hitachi Metals adopted the revised accounting standard for presentation of net assets in the balance sheet, effective for the year ended March 31, 2007. Figures for years ended March 31, 2006, 2005 and 2004 represent total shareholders' equity as originally reported. Corresponding presentation is utilized for net assets per share data.
6. Net income per share is calculated using the average number of outstanding shares for the period. Net assets per share is calculated by dividing net assets less minority interests by the number of outstanding shares as of the period-end.

Net Sales and Operating Income Margin

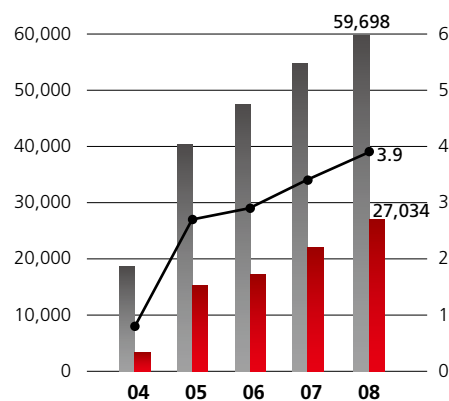
(¥ million, %)



■ Net sales
● Operating income margin

Operating Income, Net Income and ROS

(¥ million, %)



■ Operating income
■ Net income
● ROS

Note: In this report unless otherwise noted, years in graphs refer to fiscal years ended March 31.

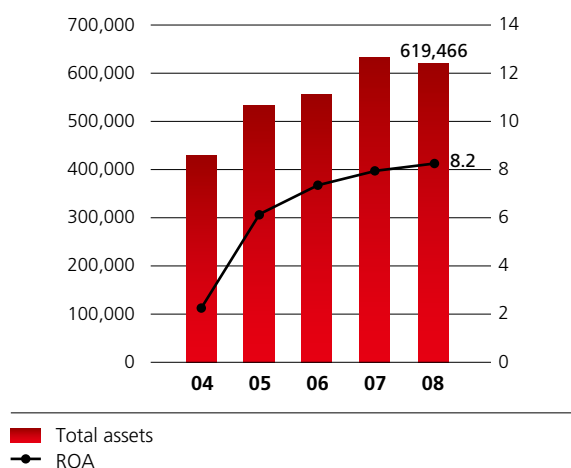
	Millions of yen (except otherwise noted)					Thousands of U.S. dollars (except otherwise noted)	Thousands of euros (except otherwise noted)
	2008	2007	2006	2005	2004	2008	
Reference information:							
Market value of shares	¥517,560	¥452,104	¥479,842	¥235,681	¥176,713	\$5,175,600	€3,275,696
Enterprise value (EV)	660,166	623,800	576,016	354,908	281,342	6,601,660	4,178,266
EBITDA	83,222	73,100	64,171	54,569	30,580	832,220	526,722
EBITDA margin (%)	11.9	11.3	10.9	9.8	7.3	—	—
EV/EBITDA ratio (times)	7.93	8.53	8.98	6.50	9.20	—	—

	%, Times						
Key financial indicators:							
CAGR of net sales (compared to 2006) (%)	8.9	9.4	—	—	—	—	—
CAGR of operating income (compared to 2006) (%)	12.1	15.2	—	—	—	—	—
Operating income margin (%)	8.5	8.5	8.0	7.2	4.4	—	—
Operating cash flow margin (%)	10.3	8.2	9.4	5.7	4.8	—	—
ROS (%)	3.9	3.4	2.9	2.7	0.8	—	—
ROA (%)	8.2	7.9	7.3	6.1	2.2	—	—
ROIC (%)	8.7	8.7	8.4	7.7	3.7	—	—
ROE (%)	13.1	11.7	10.0	9.7	2.2	—	—
Total asset turnover (times)	1.13	1.03	1.07	1.05	0.98	—	—
Shareholders' equity ratio (%)	34.4	31.5	32.5	30.5	35.2	—	—
Debt/equity ratio (times)	0.89	1.10	0.89	1.06	0.98	—	—
Debt/operating cash flow ratio (times) ..	2.64	4.13	2.90	5.44	7.33	—	—

- Notes: 7. EV is the total of market value of shares and net interest-bearing debt.
8. Earnings before interest, taxes, depreciation and amortization (EBITDA) refers to income before income taxes and minority interests before deducting net interest, depreciation and amortization.
9. EBITDA margin refers to EBITDA divided by net sales.
10. Hitachi Metals is aiming for net sales of ¥700 billion and operating income of ¥70 billion in fiscal 2010.
The compound annual growth rates (CAGR) of net sales and operating income are computed to review the progress on above targets versus 2006.
11. Return on sales (ROS) refers to net income divided by net sales.
12. Return on assets (ROA) is computed by dividing income before income taxes and minority interests by the average of total assets.
13. Return on invested capital (ROIC) is computed by dividing net operating income after tax (NOPAT) by the sum of average total shareholders' equity, average total valuation, translation adjustments and others, and average interest-bearing debt, with each average calculated using fiscal year-end and year prior figures.
14. Return on equity (ROE), the shareholders' equity ratio and the debt/equity ratio are computed by dividing net income by the sum of the average of total shareholders' equity, and average total valuation and translation adjustments and others, with averages calculated using fiscal year-end and year prior figures.

Total Assets and ROA

(¥ million, %)



Net Assets and ROE

(¥ million, %)

