

To Our Shareholders



Having assumed responsibilities as President, Chief Executive Officer and Director of Hitachi Metals on April 1st of this year, I am honored to take this first opportunity to thank all of you for reading our annual report.

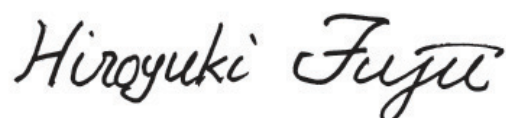
To introduce myself, I first entered Hitachi Metals in 1972, and since then my career has mainly been in the field of manufacturing technologies. From 2001 to 2008, I participated in management at the Information System Components Company. From 2008, I worked to strengthen Hitachi Metals competitiveness from the perspective of enhanced manufacturing productivity.

We have seen the results of urgent measures taken to strengthen the Group's platform in response to the worldwide economic crisis—a time of great severity for the Company. In addition, demand has bounced back and we have been able to turn the tide of our business results. Given this situation, I will take an aggressive stance to position 2010 as a year of recovery. Emblematic of this is the Fiscal 2012 Medium-Term Management Plan, a three-year action plan commenced in April and extending until fiscal 2012.

Although a heavy sense of economic uncertainty lingers—from the state of the European economy to the question of China being able to maintain its high-flying economic growth—we have set our sights on fiscal 2012, targeting consolidated net sales of ¥600.0 billion and operating income of ¥65.0 billion. We are also looking toward an overseas sales ratio of 50% and a new product sales ratio of 30%.

Achieving these targets may have seemed like a stretch up until the previous fiscal year, but, if we apply our collective strengths with all of our might, these figures will be within our grasp. It is my intention to take the lead and move forward inspired by a spirit to realize new growth.

The business advances Hitachi Metals has made have always been rooted in its position as a materials manufacturer that offers quality based on materials development with technological innovation in a wide range of fields. It is my belief that as technological innovation progresses, our business platform will broaden and this broadening will enhance Hitachi Metals' ability to pursue growth with integrated technologies. Although the economic environment will remain cloudy for some time to come, the path to be taken by the Hitachi Metals Group is clearly visible. Ensuring the proper sharing of knowledge among Group members on how to persevere and how to go on the offensive and that they execute operations in a timely fashion, will give us an ideal opportunity to raise enduring value in world markets even further. While maintaining a sense of urgency and not letting up for an instant, I intend to realize growth. I hope that you will continue to trust Hitachi Metals and sincerely ask for your support.



Hiroyuki Fujii President, Chief Executive Officer and Director