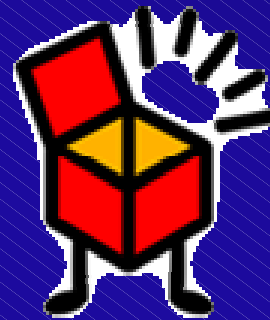


Financial Highlights

(the first quarterly ended June 30,2004)



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July 27, 2004

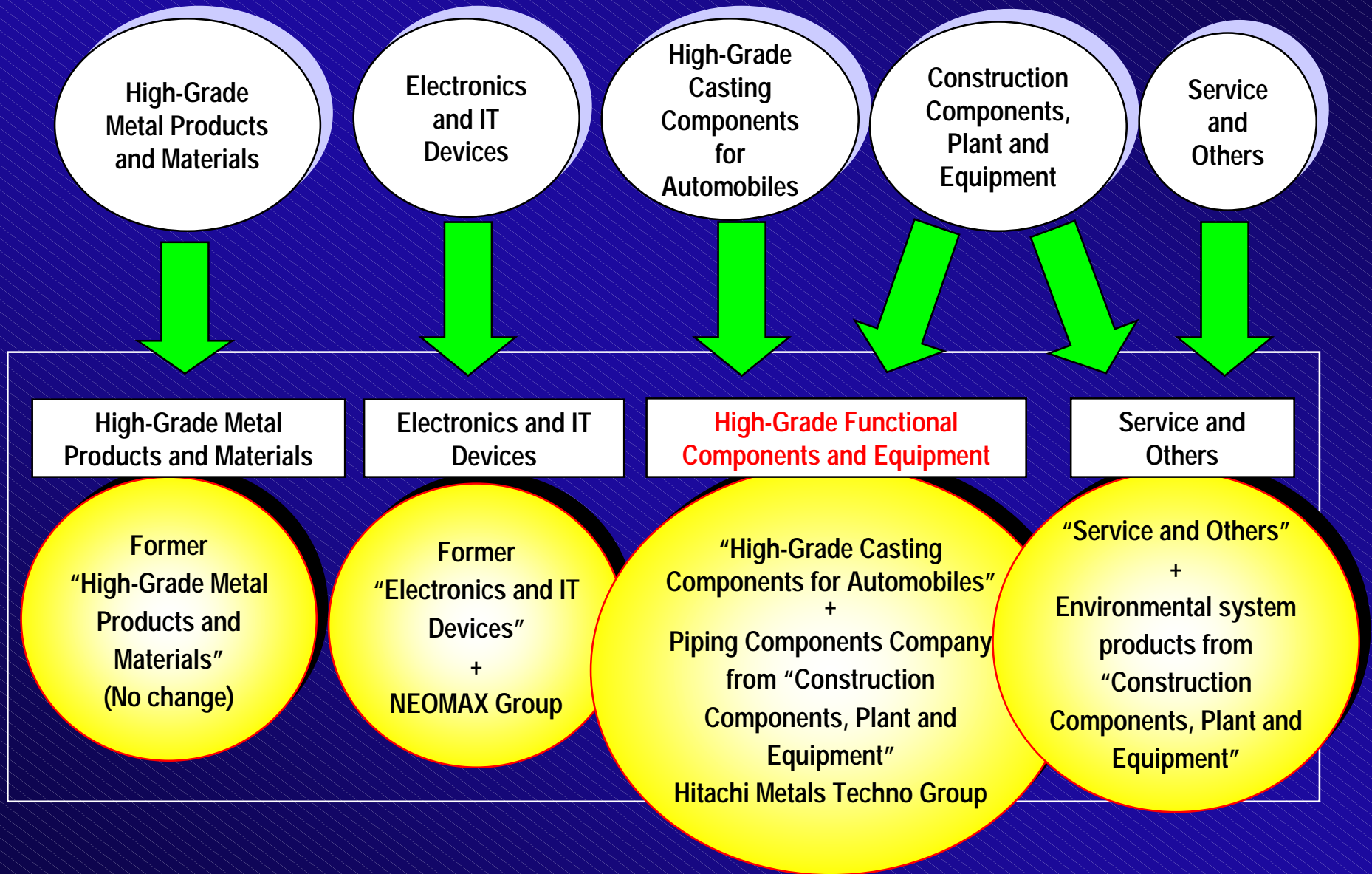
Hitachi Metals, Ltd.

<http://www.hitachi-metals.co.jp>

E-Mail : hmir@hitachi-metals.co.jp

Notes: "△" signs ahead of figures mean "minus".

Change in Business Segments



Change in Business Segments



High-Grade
Metal Products
and Materials

Specialty Steel Company
Roll Company
Hitachi Tool Engineering Group

Electronics and
IT Devices

Information Systems Components Company
OE Device Division
FINEMET Business Development Office
METGLAS Business Development Office
NEOMAX Group

High-Grade
Functional
Components
and Equipment

Automotive Components Company
Piping Components Company
Hitachi Metals Techno Group

Service and
Others

Sales and Service Company
Environmental Systems Division

Highlights from FY 2004 1Q Results



1. Net sales up 38% (¥37.4bn) from year earlier

High-grade Metal Products and Materials (up 21%)

Electronics and IT Devices (up 202%)

High-Grade Functional Components and Equipment (up 9%)

Service and Others (up 22%)

- Strong sales in the electronics and automotive fields
- Substantial rise in Electronics and IT Devices (consolidation of NEOMAX Group, strong sale of IT components)
- Greater share of sales overseas (up 4.9% from year earlier)
- Consolidation of NEOMAX Group

2. Operating income triples (3.3x), up ¥6.2bn

High-grade Metal Products and Materials (up ¥2.0bn)

Electronics and IT Devices (up ¥3.0bn)

High-Grade Functional Components and Equipment (up ¥0.8bn)

Service and Others (up ¥1.1bn)

- Reflecting rise in net sales
- Increases in all segments despite rising raw material costs
- Consolidation of NEOMAX Group

FY 2004 Interim Forecasts



1. Upward revision to interim forecasts

◆ Net Sales

- From ¥232.0bn → ¥265.0bn (+14%, ¥33.0bn)
 - High-grade Metal Products and Materials +8%
 - Electronics and IT Devices +6%
 - High-Grade Functional Components and Equipment +2%
- Increase of ¥67.2bn from FY03

◆ Operating Income

- From ¥9.0bn → ¥15.0bn (+67%, ¥6.0bn)
 - High-grade Metal Products and Materials +9%
 - Electronics and IT Devices +27%
 - High-Grade Functional Components and Equipment +14%
- Increase of ¥9.5bn from FY03
- Continued effects from rise in raw material prices

2. Full year forecasts held until business environment is clear

Performance of Chinese and U.S. economies; Movement in retail and material prices; Performance of electronics industry

Highlights



(¥100 million)

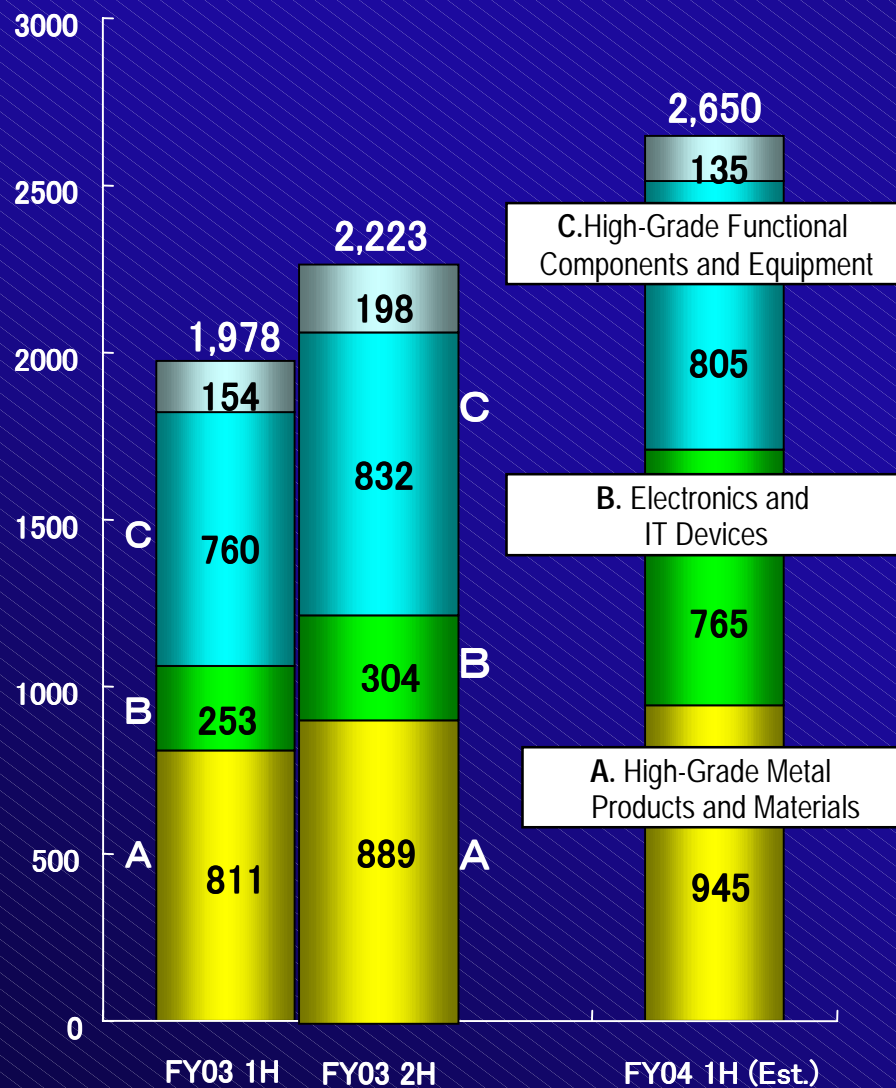
	Consolidated			
	6/04(quarter)	(A) Mid-term of fiscal 2004 (Revised Forecast)	(B) Mid-term of fiscal 2004 (Previous Forecast)	Difference (A)-(B)
Net Sales	1, 356	2, 650	2, 320	+330
Operating Income	88	150	90	+60
Ordinary Income	85	140	75	+65
Extraordinary Profit & Loss	5	△10	△10	±0
Income before income tax	90	130	65	+65
Net Income	47	60	25	+35

FY 2004 Interim Consolidated Net Sales & Operating Profit (By Segment)



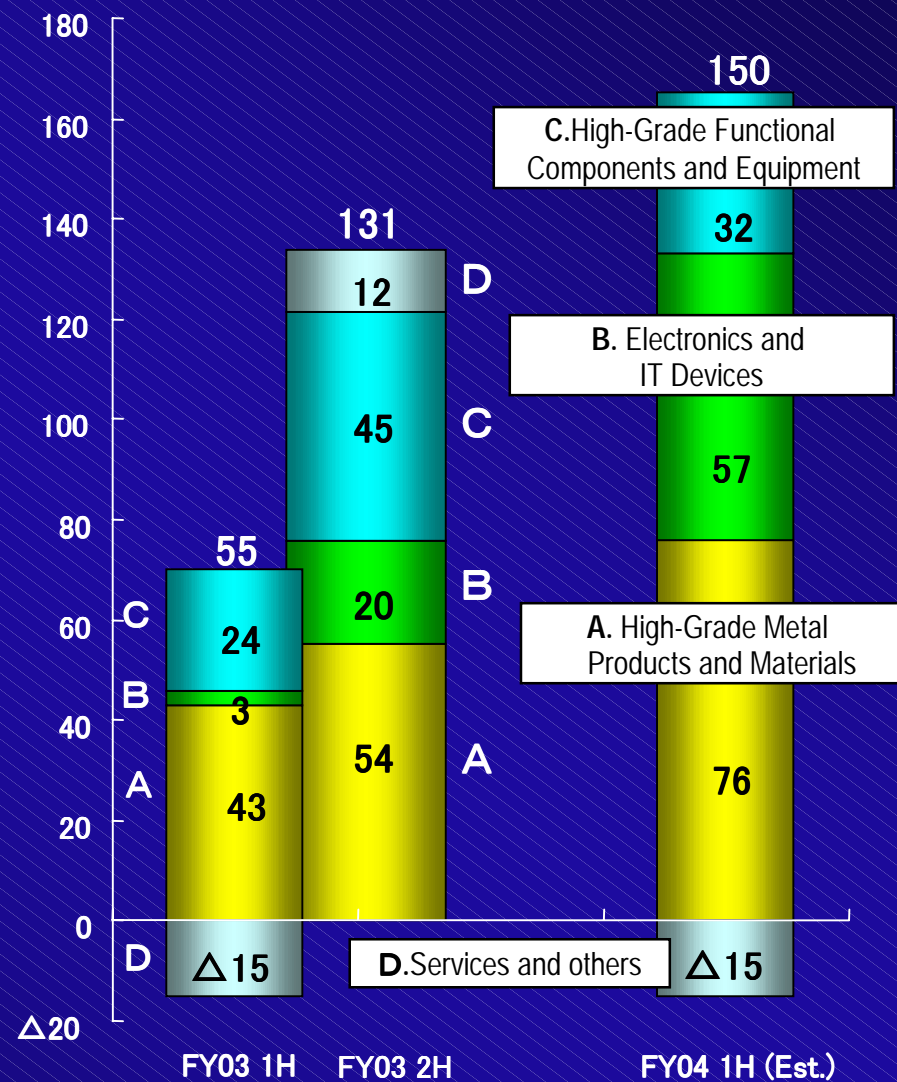
< Consolidated Net Sales (By Segment) >

(¥ 100 million)



< Consolidated Operating Profit (By Segment) >

(¥ 100 million)



Balance Sheet

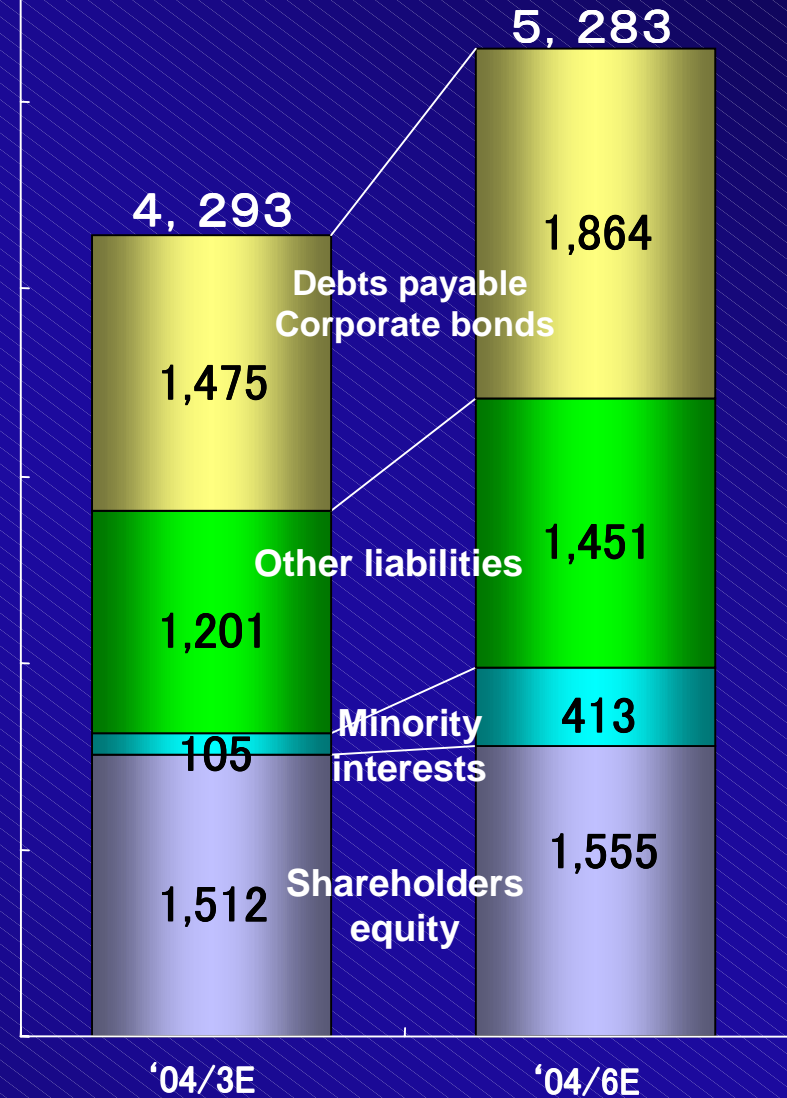
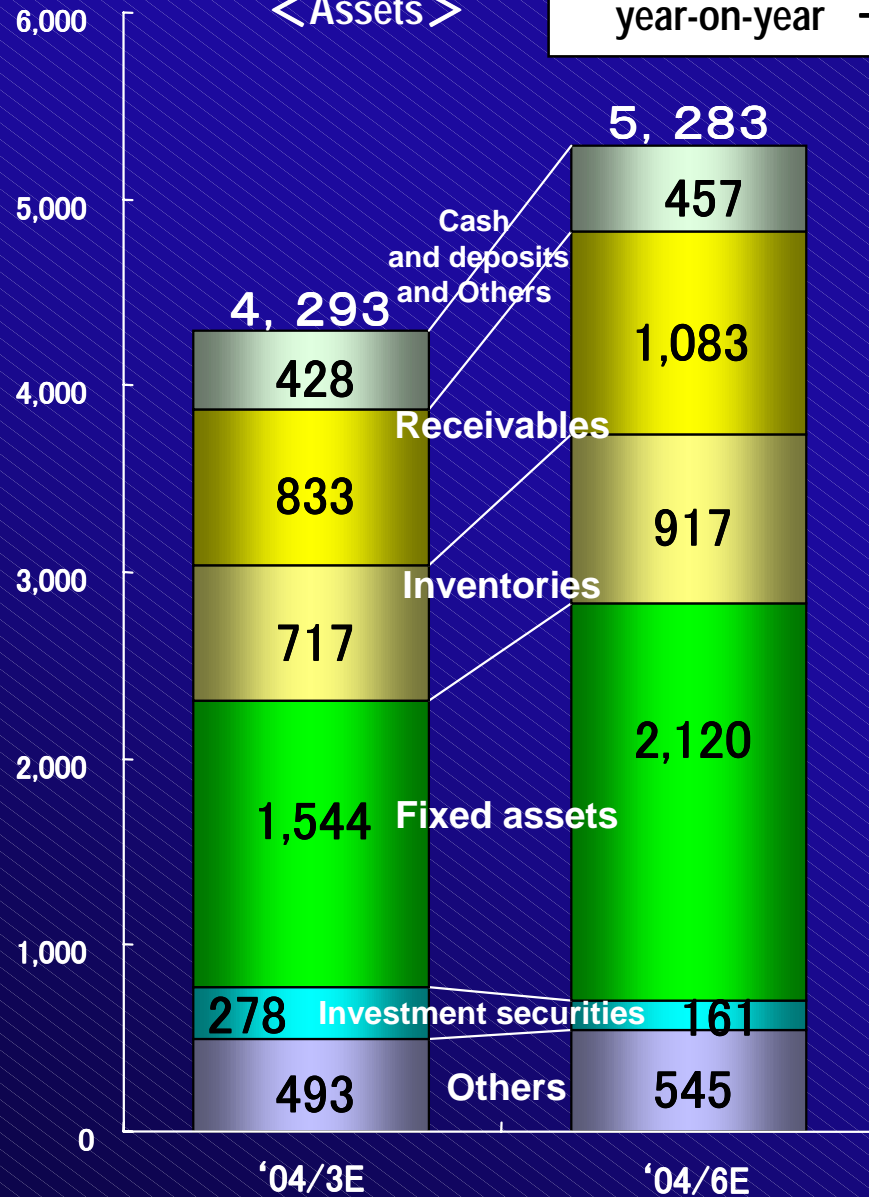


(¥ 100 million)

<Assets>

year-on-year + ¥99.0 billion

<Liabilities, Minority interests
And Shareholder's equity>

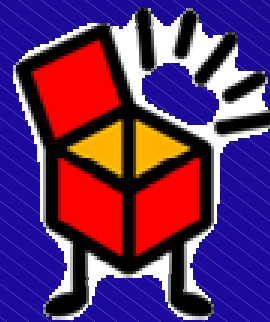


Consolidated Cash Flows



(¥ 100 million)

Item	6/04(quarter)	6/03(quarter)
Net income before tax adjustments	90	15
Depreciation costs	61	50
Capital investment	△47	△48
Others	△166	△44
Free cash flow	△62	△27
Reducing borrowings	0	△59
Dividend payments	△14	△13
Others	△1	0
Net increase in cash during Current Period	△77	△99



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