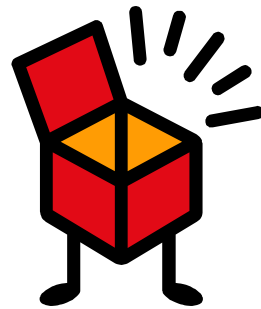


Financial Highlights

the first three quarters of fiscal 2005
(nine-month period)



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

Business Segments (FY2005~)



High-Grade Metal Products and Materials

Specialty Steel Company

Roll Company

Hitachi Tool Engineering Group

Electronics and IT Devices

Information Systems
Components Company

Soft Magnetic Materials Company

NEOMAX Group

High-Grade Functional Components and Equipment

Automotive Components Company

Piping Components Company

Hitachi Metals Techno Group

Service and Others

Environmental Systems Division

Other Manufacturing Company

Highlights



¥ 100 million

	Fiscal 2004			Fiscal 2005		
	FY04 1H (Actual)	FY04 3Q (Actual)	FY04 (Actual)	FY05 1H (Actual)	FY05 3Q (Actual)	FY05 (Est.)
Net Sales	2, 732	4, 146	5, 595	2, 842 (104%)	4, 351 (105%)	5, 830 (104%)
Operating Income	193	296	404	209 (+16)	336 (+40)	440 (+36)
Ordinary Income	173	266	364	203 (+30)	328 (+62)	430 (+66)
Income before income tax	169	266	295	155 (Δ14)	280 (+14)	375 (+80)
Net Income	82	131	152	62 (Δ20)	117 (Δ14)	165 (+13)
ROE (%)	10.6%	11.2%	9.7%	7.5%	9.3%	9.7%
Capital investment	115	172	256	126 (+11)	193 (+21)	300 (+44)
Depreciation costs	110	172	229	104 (Δ6)	166 (Δ6)	230 (+1)
Research & Development Expenses	49	73	99	59 (+10)	88 (+15)	120 (+21)

() contain initial forecast comparisons

1 Net Sales: 5% YoY Increase +¥20.5 billion

1

High-Grade Metal Products and Materials:	up 20%
Electronics and IT Devices:	down 1%
High-Grade Functional Components and Equipment:	up 8%

- Although adjustments were seen for certain electronics-related products, automobile and semiconductor industry-focused demand was favorable.
- Overseas sales ratio: 39%; New product sales ratio: 26%

2 Operating Income: 13% YoY Increase +¥4.0 billion

2

High-Grade Metal Products and Materials:	+¥2.1 billion
Electronics and IT Devices:	+¥2.8 billion
High-Grade Functional Components and Equipment:	+¥0.4 billion

- Although raw material price inflation was a source of pressure, operations showed healthy progression.
- Although net sales for High-Grade Functional Components and Equipment increased, growth remained at a low level, influenced by the launch of line developments aiming for higher production efficiency of casting components for automobiles.

■ **Net Sales: ¥583.0 billion (4% YoY increase, ¥9.0 billion over interim forecasts)**

- High-Grade Metal Products and Materials 20% increase, Electronics and IT Devices slight increase, High-Grade Functional Components and Equipment 5% increase
- Although certain electronics-related products are forecasted to face further adjustments, favorable demand for automotive-related products is expected to continue, bringing overall demand up to a high level.

■ **Operating Income: ¥44.0 billion (¥3.6 billion YoY increase, ¥1.0 billion over interim forecasts)**

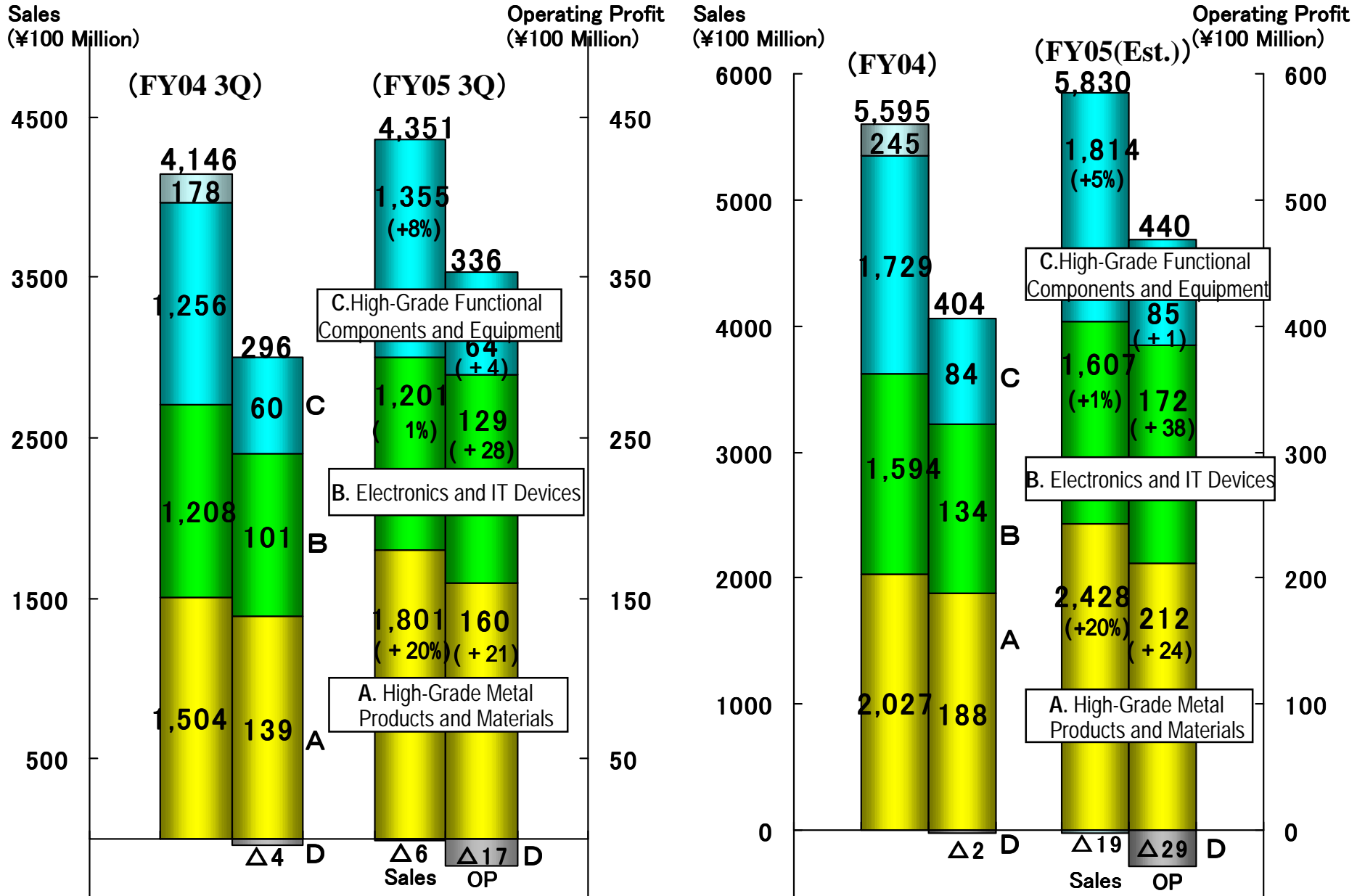
- High-Grade Metal Products and Materials +¥2.4 billion, Electronics and IT Devices +¥3.8 billion, High-Grade Functional Components and Equipment +¥0.1 billion
- The effects of high raw material prices are expected to continue.

■ **Ordinary Income: ¥43.0 billion (¥6.6 billion YoY increase, ¥2.0 billion over interim forecasts)**

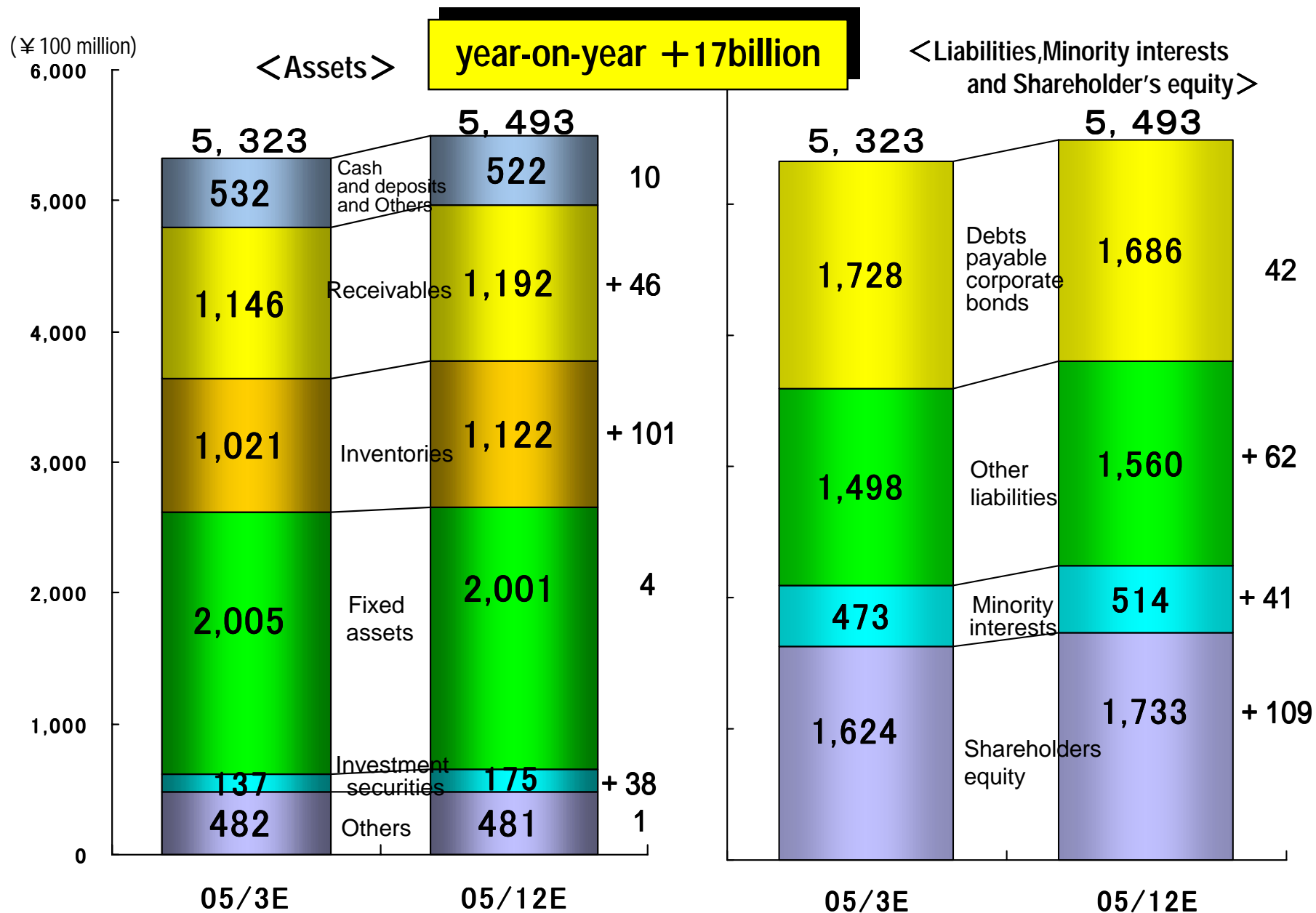
- Growth is expected from an increase in operating income and improvements to other income and expenses.

■ **Net Income: ¥ 16.5 billion (¥1.3 billion YoY increase, ¥0.5 billion over interim forecasts)**

Consolidated Net Sales - Operating Profit (By Segment)



Consolidated Balance Sheet

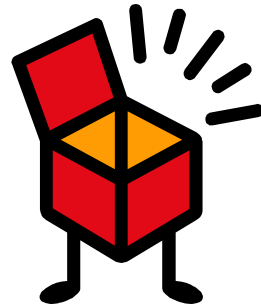


Consolidated Cash Flows



(¥ 100 million)

Item	FY04 3Q	FY05 3Q	FY04
Net income before tax adjustments	266	280	295
Depreciation costs	172	166	229
Capital investment	△162	△196	△245
Others	△225	△167	△99
Free cash flow	51	83	180
Reducing borrowings	△55	△46	△120
Dividend payments, others	△55	△58	△62
Effect of exchange rate changes	1	15	3
Net increase in cash during Current Period	△58	△6	1



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