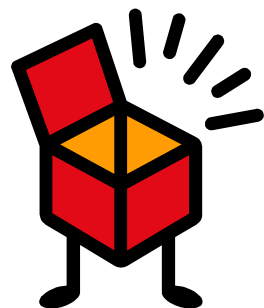


Financial Highlights

Fiscal 2008
(April 1, 2008 to March 31, 2009)



Materials Mag!c

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

Highlights



¥ 100 million, ():year-on-year

	FY2007		FY2008		FY2009	
	FY07 1H (Actual)	FY07 (Actual)	FY08 1H (Actual)	FY08 (Actual)	FY09 1H (Est.)	FY09 (Est.)
Net Sales	3,463	7,011	3,537 (102%)	5,907 (84%)	2,050 (58%)	4,600 (78%)
Operating Income	266	597	297 (+31)	151 (Δ446)	Δ35 (Δ332)	100 (Δ51)
Income before income taxes	244	514	297 (+53)	Δ2 (Δ516)	Δ64 (Δ361)	25 (+27)
Net Income	126	270	153 (+27)	Δ30 (Δ300)	Δ50 (Δ203)	10 (+40)
Capital investment	258	493	197 (Δ61)	438 (Δ55)	123 (Δ74)	198 (Δ240)
Depreciation costs	140	294	153 (+13)	318 (+24)	152 (Δ1)	310 (Δ8)
Research & Development Expenses	67	133	67 (±0)	131 (Δ2)	58 (Δ9)	117 (Δ14)

Consolidated Net Sales · Operating Income (By Segment)



Net Sales ¥590.7 billion Down 16% YoY (Δ ¥110.4 billion)

High-Grade Metal Products and Materials: down 9%

Electronics and IT Devices: down 28%

High-Grade Functional Components and Equipment: down 15%

The alloys for electronic products business was transferred from the Electronics and IT Devices segment to the High-Grade Metal Products and Materials segment in fiscal 2008.

■ High-Grade Metal Products and Materials Despite steady sales of rolls, demand for specialty steels including alloys for electronic products declined from the beginning of the 2Q due to adjustments within the semiconductor and liquid crystal industries. Results were also impacted by substantial cutbacks in tool steel production toward the end of the 3Q reflecting the slump in automobile- and household appliance-related markets.

■ Electronics and IT Devices Sales of information systems components declined due to the drop in mobile phone demand. Sales of magnets also contracted reflecting reduced production in automobile- and household appliance-related markets as well as a downturn in FA and related capital investment.

While sales of amorphous metals (soft magnetic materials) grew substantially on the back of firm results throughout the 1H of the fiscal year under review, results dropped off dramatically toward the end of the 3Q due to postponements in Infrastructure investment activity triggered by finance market instability.

■ High-Grade Functional Components and Equipment In casting components for automobiles, sales of ductile iron products fell substantially due to a drop in automobile production including trucks. Sales of HERCUNITE® for large vehicles in the United States also declined. Results in aluminum wheels were significantly impacted by the drop in passenger vehicle production most notably in Japan and the US where the number of manufactured automobiles declined. Sales of piping components were lackluster owing mainly to the effects of prolonged cutbacks in investment.

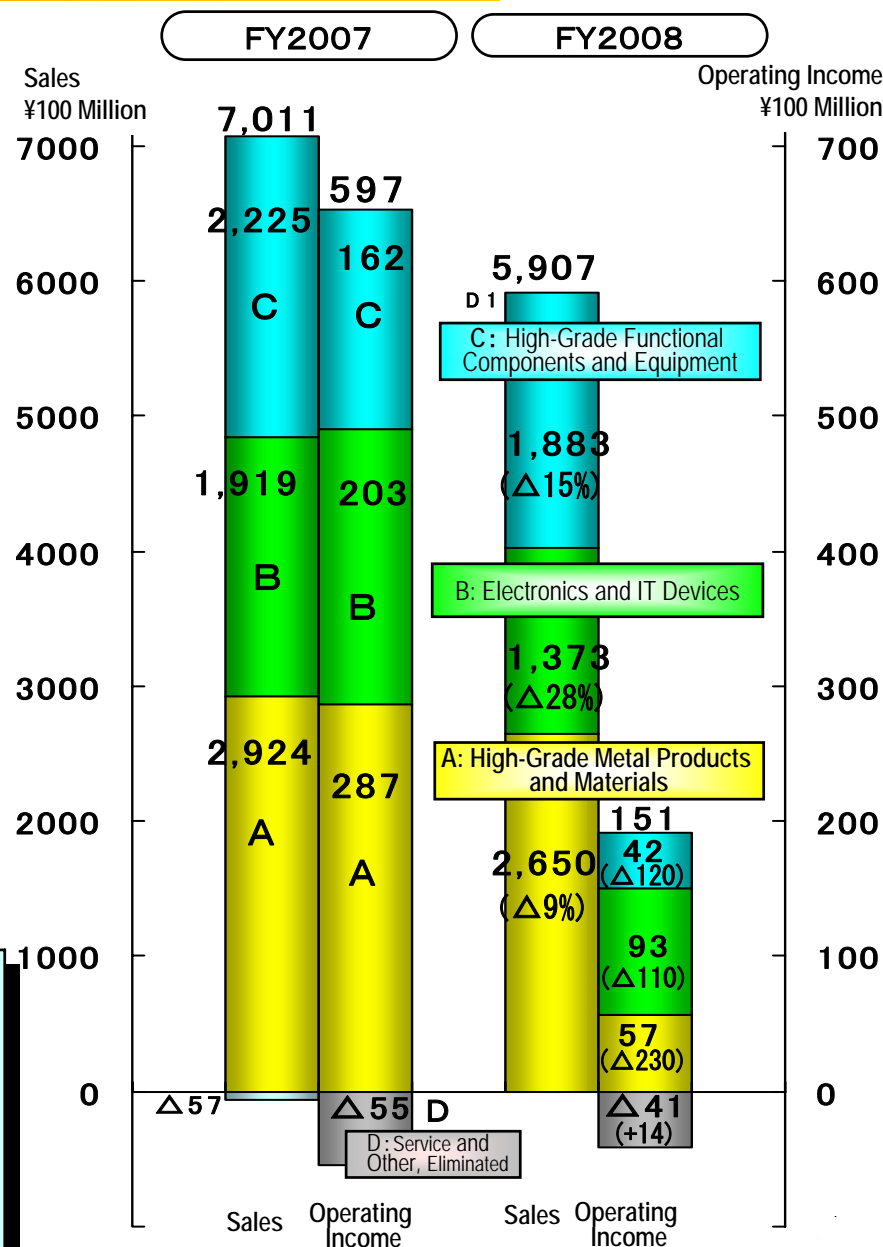
Operating Income ¥15.1 billion Down ¥44.6 billion YoY

High-Grade Metal Products and Materials: Δ ¥23.0 billion

Electronics and IT Devices: Δ ¥11.0 billion

High-Grade Functional Components and Equipment: Δ ¥12.0 billion

Operating income remained generally firm up to the 2Q of the fiscal year under review. From the 3Q, however, net sales declined impacted by the sudden and dramatic downturn in the economy, production adjustments reflecting moves to reduce inventories. Despite efforts to curtail fixed costs, operating income contracted substantially falling ¥44.6 billion year on year. This was mainly attributable to the significant impact of reduced operating activity.



Forecast of Results for FY09 by Segment



Net Sales ¥460.0 billion Down 22% YoY (Δ ¥130.7 billion)
Operating Income ¥10.0 billion Down 34% YoY (Δ ¥5.1 billion)

■ High-Grade Metal Products and Materials:

Net Sales ¥205.0 billion (down 23% YoY)
 Operating income ¥3.8 billion (Δ ¥1.9 billion)

■ Electronics and IT Devices:

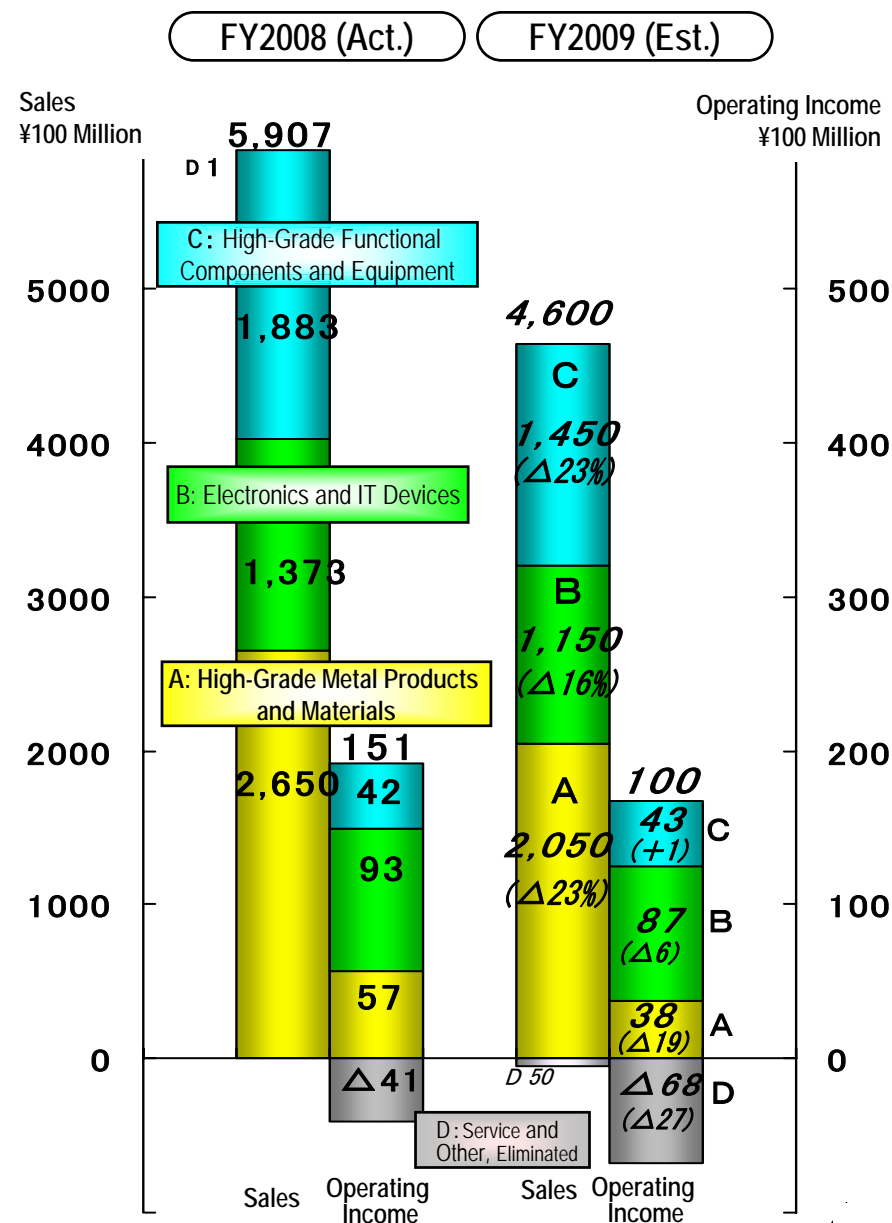
Net Sales ¥115.0 billion (down 16% YoY)
 Operating Income ¥8.7 billion (Δ ¥0.6 billion)

■ High-Grade Functional Components and Equipment:

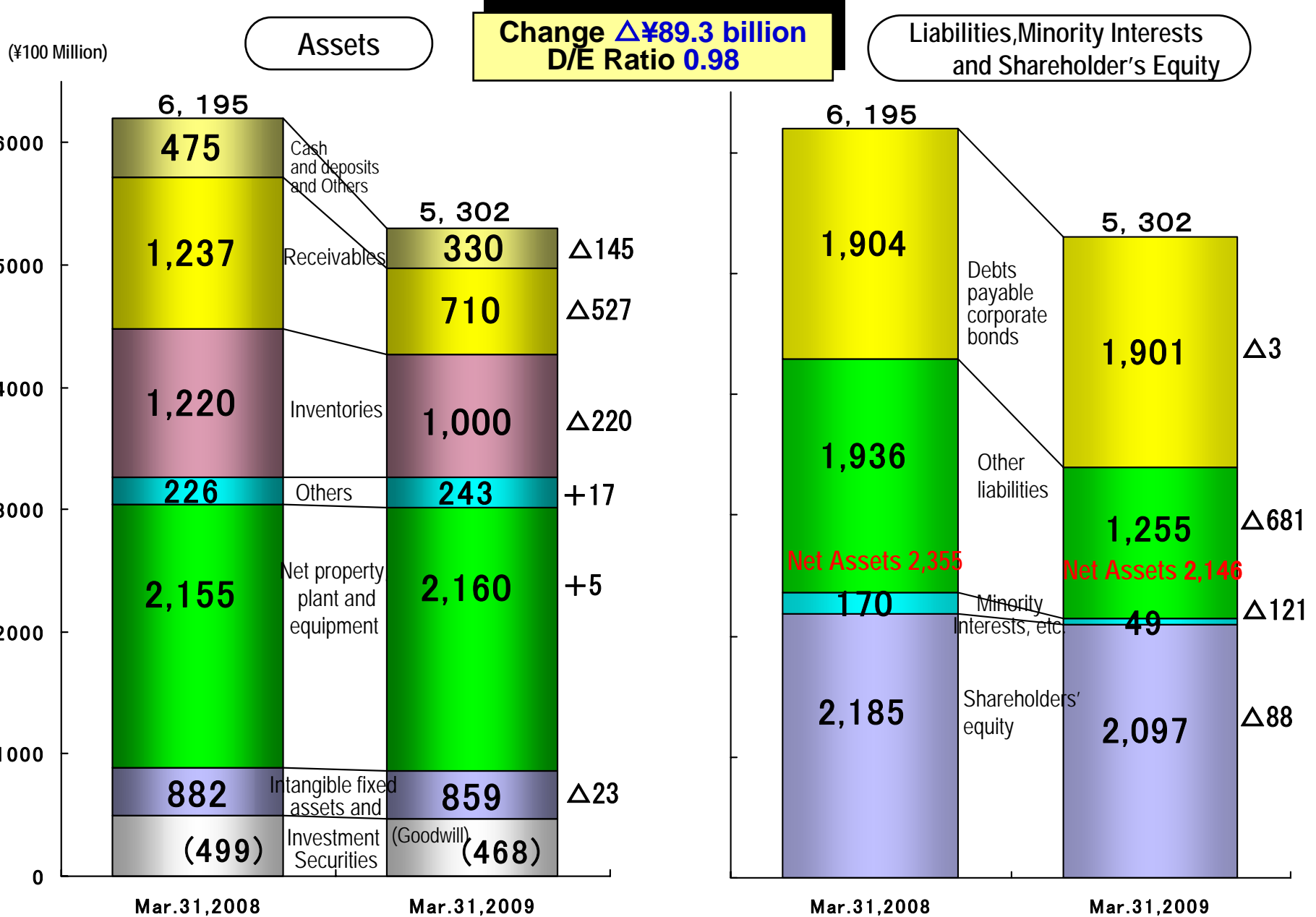
Net Sales ¥145.0 billion (down 23% YoY)
 Operating Income ¥4.3 billion (+¥0.1 billion)

While signs of a recovery in demand for electronics-related products are beginning to emerge, the timing for a pickup in automotive-related markets remains unclear. As a result, a continued harsh business environment is forecast to continue.

Hitachi Metals will make ongoing efforts to carry out production adjustments and reduce fixed costs while undertaking a fundamental reform of the Group's business structure and strengthening its platform for future growth.



Consolidated Balance Sheet



Consolidated Cash Flows



¥ 100 million

Item	End of 3/2008	End of 3/2009
Net income before tax adjustments	514	△2
Depreciation costs	294	318
Capital investment	△462	△437
Others	△6	75
Free cash flow	340	△46
Reducing borrowings	△263	18
Dividend payments, others	△52	△83
Effect of exchange rate changes	△17	△32
Net increase in cash during Current Period	8	△143

(Reference) 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

Soft Magnetic Materials Company

NEOMAX Company

High-Grade Functional Components and Equipment

Automotive Components Company

Piping Components Company

Hitachi Metals Techno Group

Service and Others

Sales, Services Division

Other Manufacturing Company



This document contains forward-looking statements, such as results forecasts and management plans, which are not historical facts. All such forward-looking statements were based upon all available information and upon assumptions and projections that were deemed rational at the time the Company prepared this document. Changes to the underlying assumptions or circumstances could cause actual results to differ substantially. Factors for causing such differences include, but are not limited to, the following:

- **Changes in economic conditions and regulations in main markets where the Company operates, particularly Japan, the United States, Asia and Europe**
- **Sudden changes in technological trends**
- **Changes in competitive advantage and the capabilities of the Company and its subsidiaries and affiliates to develop and commercialize new products and businesses**
- **Fluctuation in status and conditions of product markets, exchange rates or international commodity markets**
- **Changes in financing environments**
- **Capability of the Company and its subsidiaries and affiliates to cope with fluctuations in product supply and demand, status and conditions of product markets, exchange rates or international commodity markets**
- **Protection of the Company's intellectual property, and securing of licenses to use intellectual property of other parties**
- **Changes in status of alliances with other parties for product development, etc.**
- **Fluctuation of Japanese stock markets**