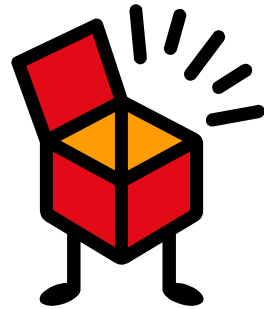


Financial Highlights

the 3-month period ended Jun.30,2009
(Fiscal 2009)



Materials Mag!c

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

Highlights

¥ 100 million

	Fiscal 2007			Fiscal 2008			Fiscal 2009		
	FY07 1Q (Actual)	FY07 1H (Actual)	FY07 (Actual)	FY08 1Q (Actual)	FY08 1H (Actual)	FY08 (Actual)	FY09 1Q (Actual)	FY09 1H (Est.)	FY09 (Est.)
Net Sales	1,724	3,463	7,011	1,756	3,537	5,907	925 (53%)	2,050 (58%)	4,600 (78%)
Operating Income	125	266	597	154	297	151	Δ45 (Δ199)	Δ35 (Δ332)	100 (Δ51)
Income before income taxes	171	244	514	174	297	Δ2	Δ56 (Δ230)	Δ64 (Δ361)	25 (+27)
Net Income	86	126	270	87	153	Δ30	Δ37 (Δ124)	Δ50 (Δ203)	10 (+40)
Capital investment	156	258	493	82	197	438	52 (Δ30)	123 (Δ74)	198 (Δ240)
Depreciation costs	73	140	294	75	153	318	74 (Δ1)	152 (Δ1)	310 (Δ8)
Research & Development Expenses	31	67	133	33	67	131	24 (Δ9)	58 (Δ9)	117 (Δ14)

() contain initial forecast comparisons

FY09 1Q Consolidated Net Sales • Operating Income (Loss) (By Segment)



Net Sales ¥92.5 billion Down 47% YoY (Δ ¥83.1 billion)

High-Grade Metal Products and Materials: down 48%
Electronics and IT Devices: down 50%
High-Grade Functional Components and Equipment: down 44%

■ High-Grade Metal Products and Materials

Specialty steel alloys for electronic products are on a recovery trajectory both for semiconductor and LCD use. Tool steels, particularly for automotive use, continued to experience a substantial decline, however, impacted by inventory adjustments. Sales of rolls declined reflecting the drop in steel production.

■ Electronics and IT Devices

While sales of permanent magnets for PC and household appliance applications are showing signs of recovery, sales to the automobile sector continue to decline on the back of production adjustments. Results are also feeling the impact of a large-scale drop in FA-related capital investment. Sales of mobile phone-related information systems components were robust. Overall demand, on the other hand, was weak. Turning to amorphous metals (soft magnetic materials), performance was down year on year.

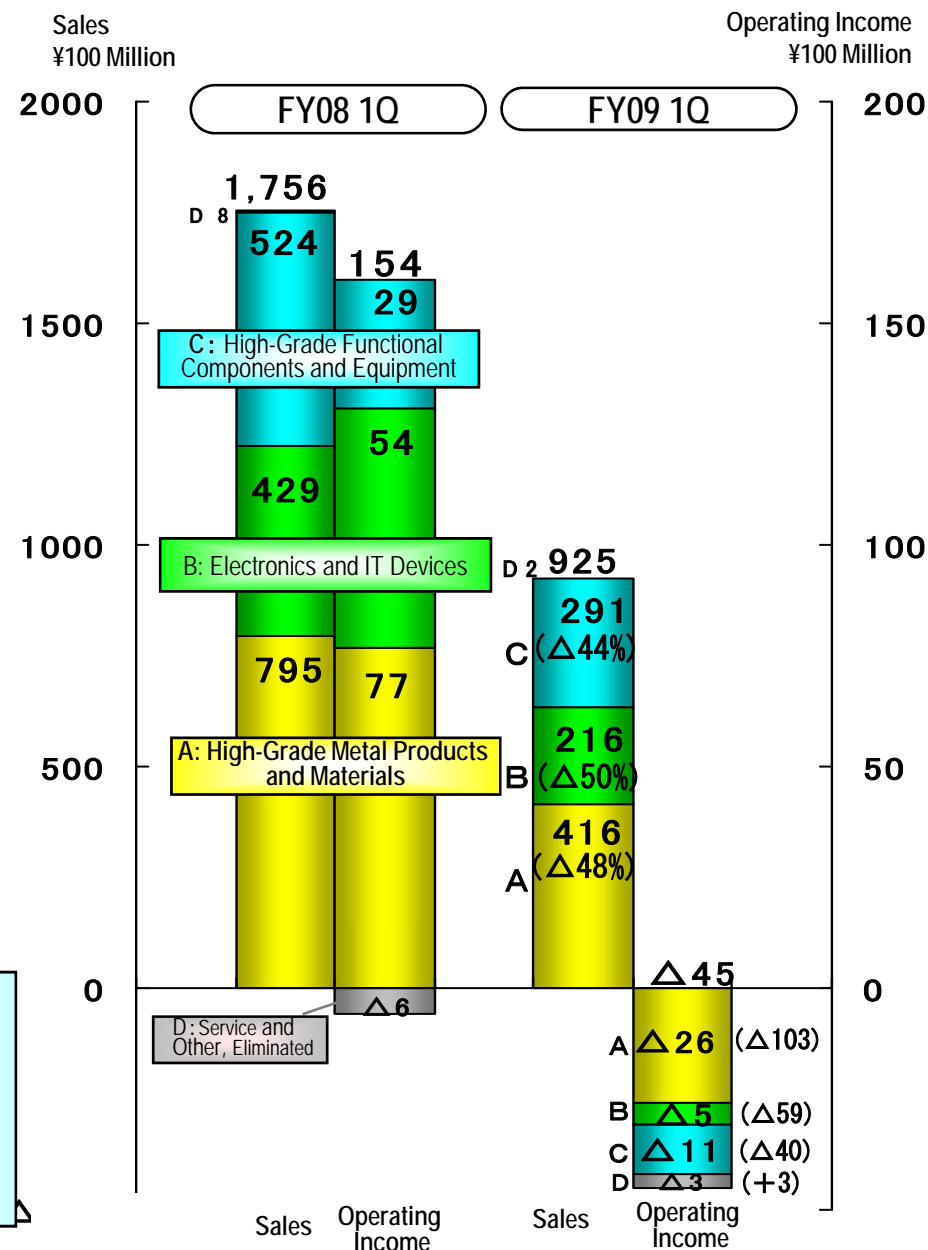
■ High-Grade Functional Components and Equipment

In casting components for automobiles, sales of ductile iron products declined considerably owing to the drop in automobile production. Results in heat-resistant exhaust casting components in Europe shifted toward a recovery mode. Demand in North America, however, remained weak. Buffeted by inventory adjustments, sales of aluminum wheels continued to decrease. Reflecting cutbacks in investment, demand for piping components remained lackluster.

Operating Income Δ ¥4.5 billion Down ¥19.9 billion YoY

High-Grade Metal Products and Materials: down ¥10.3 billion
Electronics and IT Devices: down ¥5.9 billion
High-Grade Functional Components and Equipment: down ¥4.0 billion

Despite ongoing efforts to reduce fixed costs, operating income fell ¥19.9 billion year on year, heavily impacted by the drop in sales. A drop that, in turn, was caused by automotive-related product inventory adjustments as well as stagnant demand.



FY09 Consolidated Net Sales • Operating Income Estimates

(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)

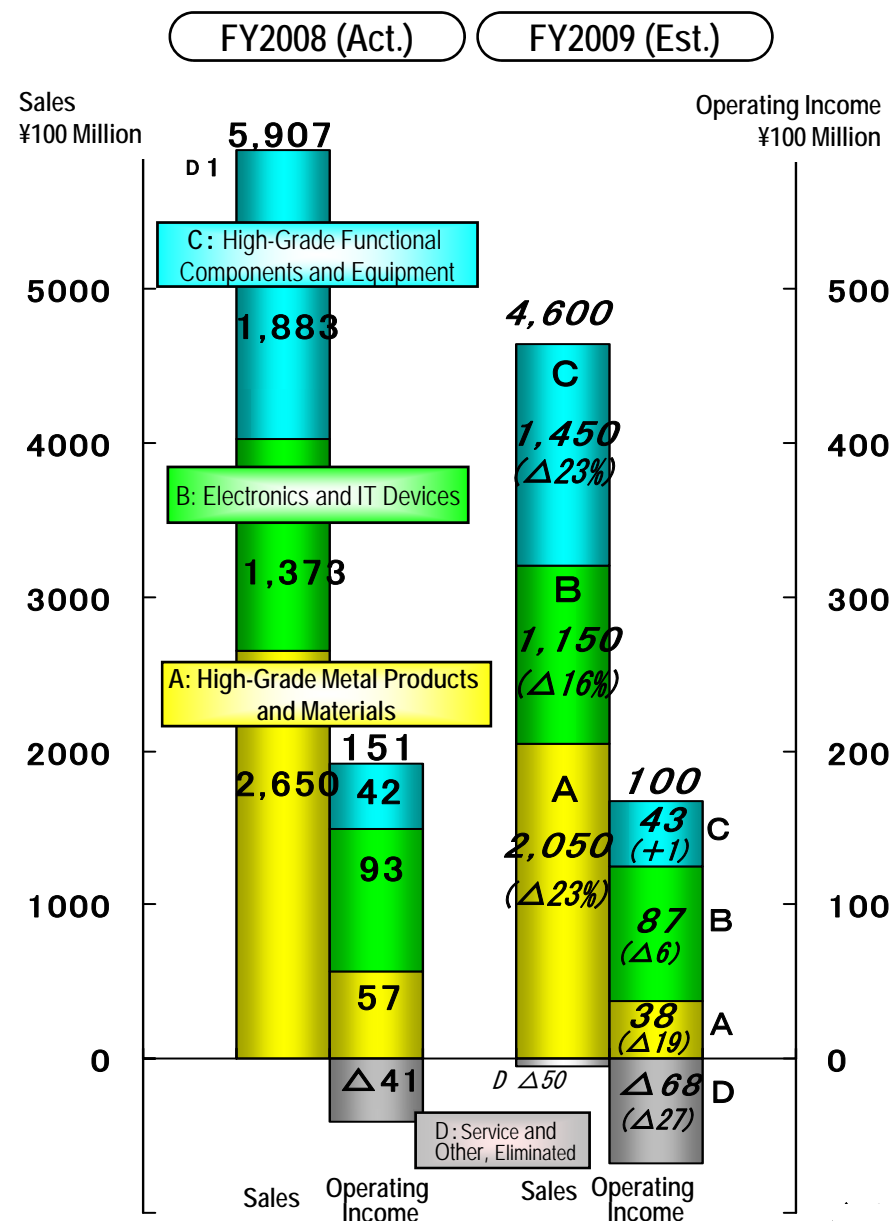
■ Electronics and IT Devices:

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

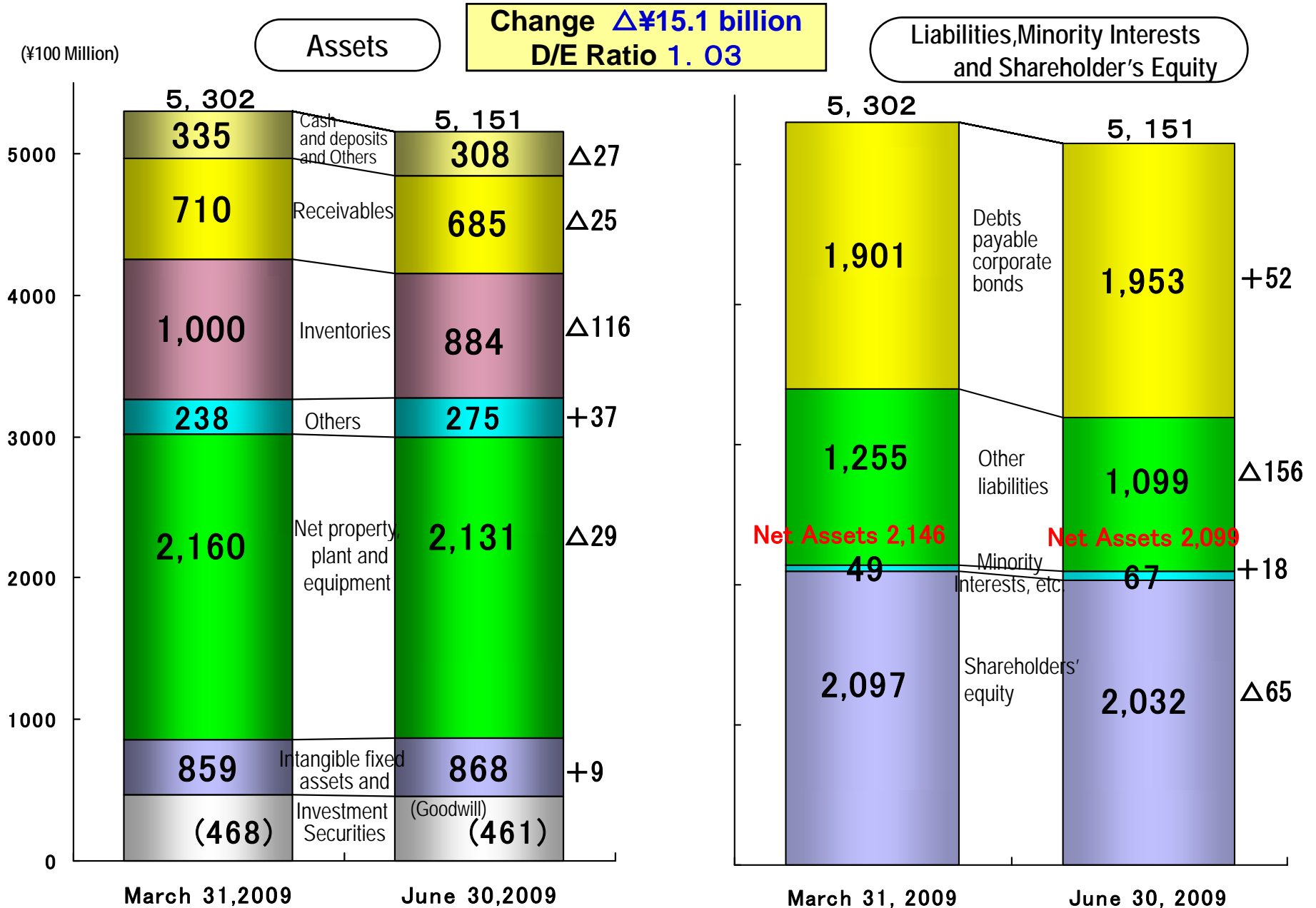
■ High-Grade Functional Components and Equipment:

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

Demand for electronics-related products is showing signs of a recovery. The timing for a positive turnaround in automotive-related markets, on the other hand, remains uncertain. Taking into consideration reductions in fixed costs and other initiatives, existing estimates remain unchanged. In addition to continued efforts to curtail fixed costs, Hitachi Metals will work to reform and reinforce the Group's business structure with the aim of securing further growth.



Consolidated Balance Sheet



連結キャッシュ・フロー

¥ 100 million

Item	End of 6/2008	End of 6/2009
Net income before tax adjustments	174	△56
Depreciation costs	75	74
Capital investment	△82	△52
Others	△190	△15
Free cash flow	△23	△49
Reducing borrowings	31	55
Dividend payments,others	△34	△31
Effect of exchange rate changes	△5	△1
Net increase in cash during Current Period	△31	△26

(Reference) Business Segments

High-Grade Metal Products and Materials

Specialty Steel Company

Roll Company

Hitachi Tool Engineering Group

Electronics and IT Devices

NEOMAX Company

Information Systems
Components Company

Soft Magnetic Materials 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**