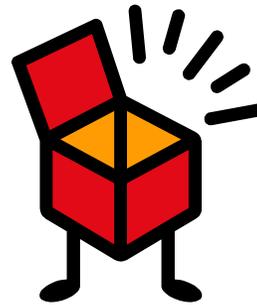


Financial Highlights

the 3-month period ended June 30, 2013
(Fiscal 2013)



Materials Mag!c

July 26, 2013

Hitachi Metals, Ltd.

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Demand Trends

Automobile-related: Domestic production picked up; Europe apart, overseas demand was up, including in North America and Asia.

Electronics-related: Demand was steady for such devices as smartphones and tablets terminals.

Industrial infrastructure-related: Demand was favorable overseas, and domestic public and private sector capital investment was solid.

Net Sales and Operating Income

Net sales: **¥135.4 billion** (down 4% from 1Q of FY2012, up 4% from 4Q of FY2012)

Operating income: **¥8.7 billion** (down ¥1.6 billion from 1Q of FY2012, up ¥5.0 billion from 4Q of FY2012)

After excluding the impact of lower raw materials prices, profit were up from the first quarter of FY2012.

- In the High-Grade Metal Products and Materials and High-Grade Functional Components and Equipment segments, sales and profit were higher than in the first quarter of FY2012 and the last quarter of FY2012.
- In the Magnetic Materials and Applications segment, earnings improved from the previous quarter despite the impact of lower raw materials prices.

(Former Electronics and IT Devices segment was renamed to Magnetic Materials and Applications segment on April 1, 2013.)

*Overseas Sales: ¥63.2 billion (accounting for 46.7% of net sales)

North America (¥18.1 billion, 13.4% of net sales); Asia (¥32.4 billion, 23.9%); Europe (¥10.6 billion, 7.8%); and Other (¥2.1 billion, 1.6%)

Full-Year Outlook

Net sales: ¥780.0 billion; operating income: ¥53.0 billion; net income: ¥34.0 billion

- The Company set up the Cable Materials Company in connection with a merger with Hitachi Cable, Ltd., as of July 1.
- The Company will reflect operating results from that company in the Cables and Related Products segment from the second quarter of FY2013.

(Note: If the first-quarter results of Hitachi Cable were included, net sales for FY2013 would be ¥868.3 billion, while operating income would be ¥56.2 billion)

- Although the quantitative impact of the merger will be limited in FY2013, management will endeavor to materialize the fruits of integration ahead of schedule from FY2014.

Consolidated Financial Highlights

(Unit: ¥ billion; []: year-on-year)

| | FY2012 (Actual) | | | | | | | FY2013 | | | | |
|-------------------------------|-----------------|-------|-------|-------|-------|-------|-----------|-----------------------------------|--|-------------|--|--------------------|
| | 1Q | 2Q | 1H | 3Q | 4Q | 2H | Full Year | 1Q Actual | 2Q Estimate | 1H Forecast | 2H Forecast | Full Year Forecast |
| Net sales | 141.1 | 133.3 | 274.4 | 130.9 | 130.5 | 261.4 | 535.8 | 135.4 [96%] +4% from FY12 4Q | 211.6 | 347.0 | 433.0 | 780.0 |
| | | | | | | | | Former Hitachi Cable 88.3 | Note: After factoring in 1Q results of the former Hitachi Cable, the 1H forecast would be up 59%, to ¥435.3 billion. | | Note: After factoring in 1Q results of the former Hitachi Cable, the full year forecast would be up 62%, to ¥868.3 billion. | |
| Operating income | 10.3 | 6.7 | 17.0 | 0.4 | 3.7 | 4.1 | 21.1 | 8.7 [-1.6] +5.0 from FY12 4Q | 12.8 | 21.5 | 31.5 | 53.0 |
| | | | | | | | | Former Hitachi Cable 3.2 | Note: After factoring in 1Q results of the former Hitachi Cable, the 1H forecast would be up ¥7.7 billion, to ¥24.7 billion. | | Note: After factoring in 1Q results of the former Hitachi Cable, full year forecast would be up ¥35.1 billion, to ¥56.2 billion. | |
| Ordinary income | 9.3 | 6.0 | 15.3 | 1.2 | 4.8 | 6.0 | 21.3 | 9.0 [-0.3] +4.2 from FY12 4Q | 10.5 | 19.5 | 31.5 | 51.0 |
| Extraordinary income (loss) | 2.4 | 0.0 | 2.4 | (1.5) | (5.0) | (6.5) | (4.1) | (1.5) [-3.9] +3.5 from FY12 4Q | (1.0) | (2.5) | (2.5) | (5.0) |
| Income before income taxes | 11.7 | 6.0 | 17.7 | (0.3) | (0.2) | (0.5) | 17.2 | 7.5 [-4.2] +7.7 from FY12 4Q | 9.5 | 17.0 | 29.0 | 46.0 |
| Net income | 7.3 | 3.6 | 10.9 | (0.7) | 2.8 | 2.1 | 13.0 | 3.7 [-3.6] +0.9 from FY12 4Q | 4.3 | 8.0 | 26.0 | 34.0 |
| ROE (%) | 13.1 | 6.5 | 9.8 | -1.2 | 4.5 | 1.7 | 5.5 | 5.9 [-7.2] +1.4 from FY12 4Q | 6.1 | 6.0 | 16.8 | 11.0 |
| Capital investment | 6.7 | 6.8 | 13.5 | 5.1 | 8.1 | 13.2 | 26.7 | 5.1 [-1.6] -3.0 from FY12 4Q | 10.9 | 16.0 | 24.0 | 40.0 |
| Depreciation and amortization | 5.7 | 5.9 | 11.6 | 6.1 | 6.5 | 12.6 | 24.2 | 6.3 [+0.6] -0.2 from FY12 4Q | 9.2 | 15.5 | 18.5 | 34.0 |
| R&D expenses | 2.8 | 2.7 | 5.5 | 2.8 | 2.8 | 5.6 | 11.1 | 2.7 [-0.1] -0.1 from FY12 4Q | 4.8 | 7.5 | 9.5 | 17.0 |

Net Sales and Operating Income by Segment: High-Grade Metal Products and Materials

Net Sales: ¥57.9 billion

No change from 1Q of FY2012, up 6% from 4Q of FY2012

Operating Income: ¥6.5 billion

Up ¥2.1 billion from 1Q of FY2012, up ¥1.8 billion from 4Q of FY2012

Sales and profit increased from both first quarter of FY2012 and the last quarter of FY2012 on the strength of an improved export climate as a result of a lower yen, increased demand for environment-friendly products and higher utilization.

■ Specialty Steel

•Molds and tool steels:

While demand in foreign markets recovered steadily, the domestic demand turnaround was only mild.

•Alloys for electronic products:

Demand was favorable for display-related materials in medium-to small-sized panels and solar power generation systems, while there was a recovery trend in semiconductors and other package materials.

•Industrial equipment and energy-related materials:

Demand for environment-friendly products was solid in automobile-related materials, while sales of energy-related materials rose on demand for aircraft components materials.

■ Rolls

•Rolls: Overseas demand increased while domestic demand was lackluster.

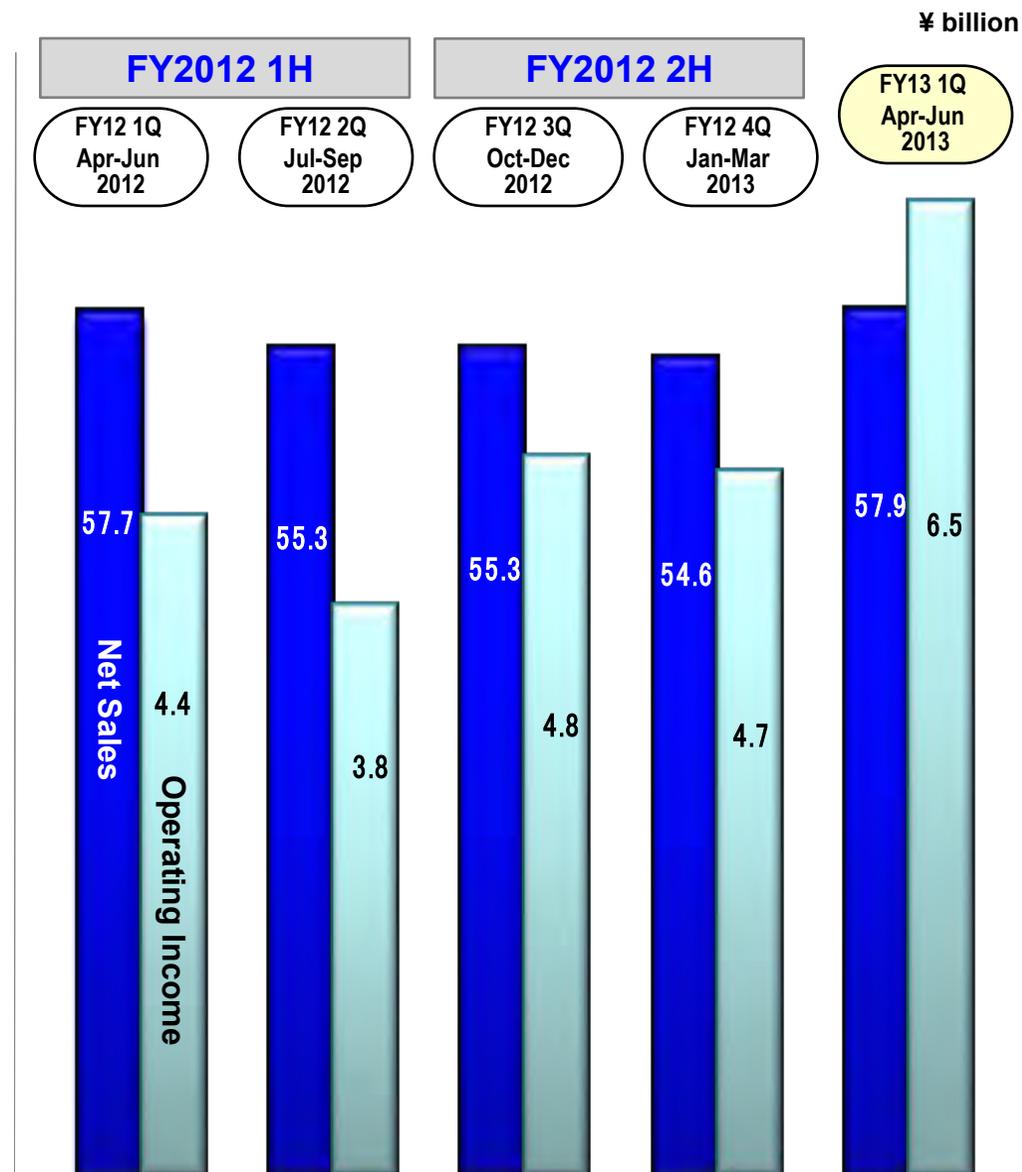
•Injection molding machine parts: Both domestic and overseas demand experienced recovery trends.

■ Amorphous Materials

Sales increased because of strong demand in the key Chinese market owing to Chinese government policies to encourage the deployment of energy-saving equipment.

■ Cutting Tools

Sales increased despite domestic demand for industrial machinery failing to recover, reflecting steady demand in foreign markets, supported by an improved export environment.



Net Sales and Operating Income by Segment: Magnetic Materials and Applications

Net Sales: ¥32.2 billion

Down 23% from 1Q of FY2012, no change from 4Q of FY2012

Operating Income: ¥0.8 billion

Down ¥4.1 billion from 1Q of FY2012, up ¥1.5 billion from 4 Q of FY2012

This segment benefited from favorable automotive and solar power demand; the remaining impact of lower raw materials prices caused profit to decline from the first quarter of FY2012, although they were higher than the last quarter of FY2012.

■ Magnets

▪ Rare earth magnets:

Sales decreased, as solid sales of automotive electronic components for hybrid cars and domestic cars were not sufficient to offset persistently low demand for hard disk drives and the impact of falling raw materials prices.

▪ Ferrite magnets:

Sales rose on strong demand for automotive electronic components and household appliance parts in the domestic and overseas markets.

■ Soft Magnetic Materials and Applications

Sales increased amid strong demand for parts for solar power generation systems and automotive electronic components, with sales of FINEMET® also rising with robust European demand for parts for solar power generation systems.

*Former Electronics and IT Devices segment was renamed to Magnetic Materials and Applications segment on April 1, 2013. Impact from this change to segment information is insignificant.

FY2012 1H

FY2012 2H

¥ billion

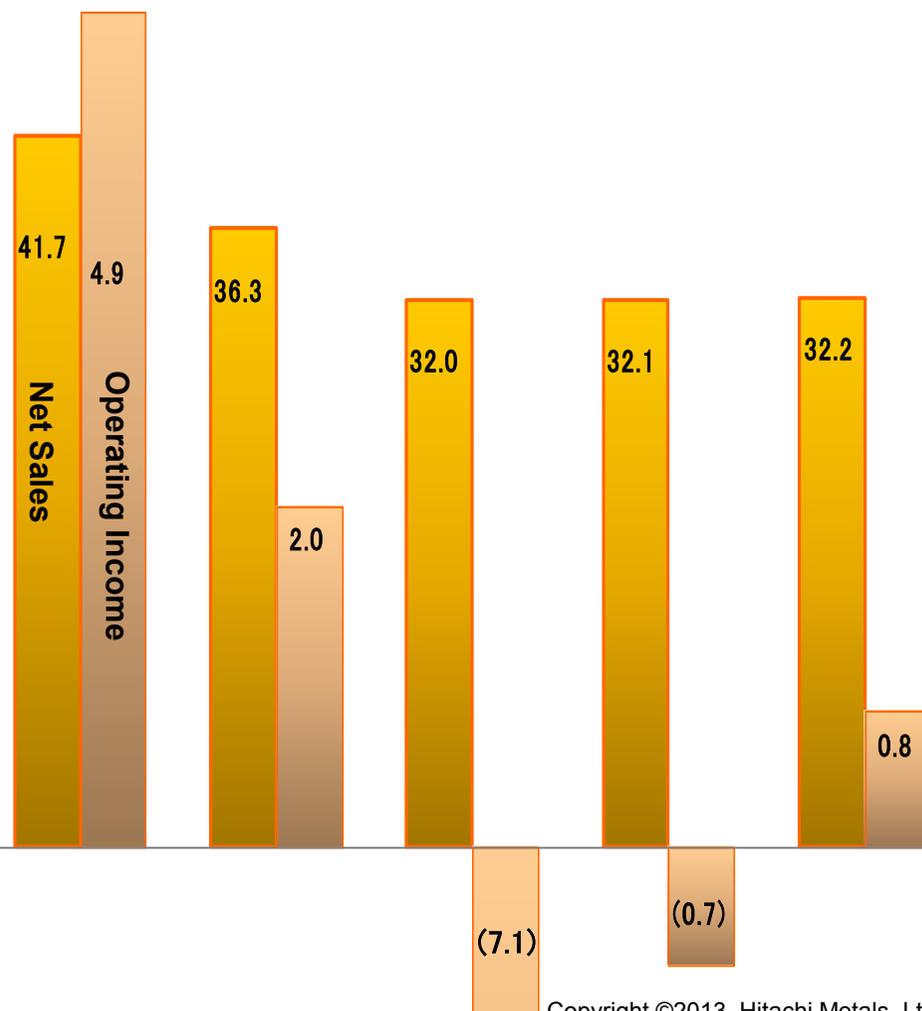
FY12 1Q
Apr-Jun
2012

FY12 2Q
Jul-Sep
2012

FY12 3Q
Oct-Dec
2012

FY12 4Q
Jan-Mar
2013

FY13 1Q
Apr-Jun
2013



Net Sales and Operating Income by Segment: High-Grade Functional Components and Equipment

Net Sales: ¥45.9 billion

Up 10% from 1Q of FY2012, up 4% from 4Q of FY2012

Operating Income: ¥3.2 billion

Up ¥1.0 billion from 1Q of FY2012, up ¥1.0 billion from 4Q of FY2012

Sales and profit were higher than in the first quarter of FY2012 and the last quarter of FY2012 on the strength of automotive demand in Japan and overseas and public and private sector capital investment.

■ Casting Components for Automobiles

• High-grade ductile iron products:

Sales increased with strong demand for passenger vehicles overseas, including in the United States, with brisk demand mainly for commercial vehicles in the domestic market also contributing.

• Heat-resistant exhaust casting components:

Despite an ongoing stagnation in the key European market, sales increased owing to strong demand in Japan and the United States in line with a trend toward engine downsizing.

• Aluminum Wheels:

Sales remained steady going to demand in the United States, which countered a domestic downturn.

■ Piping Components

• Pipe fittings:

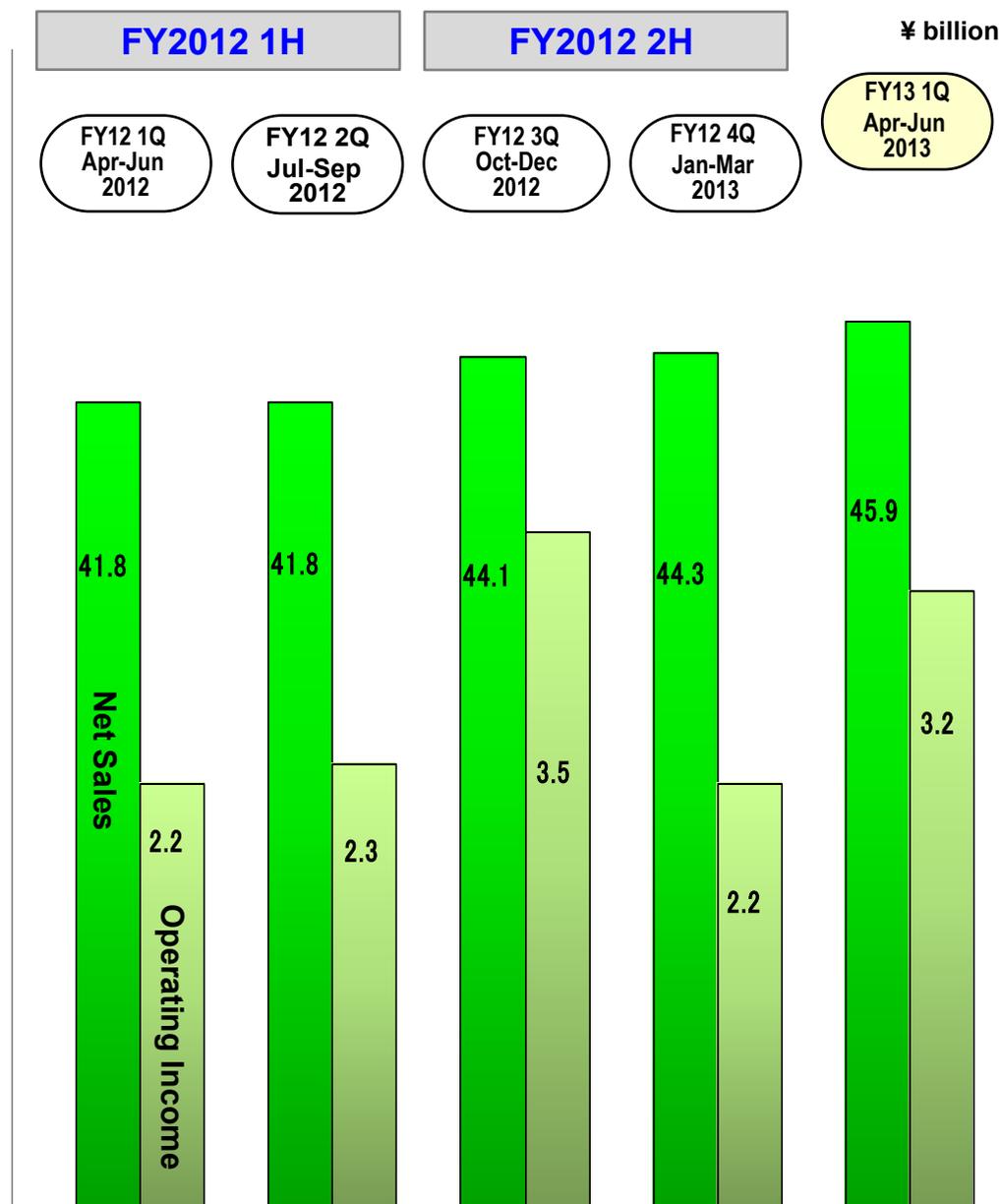
Sales were up owing mainly to an ongoing improvement in the U.S. housing market and a pickup in housing starts in Japan.

• Stainless steel and plastic piping components

Sales increased, as proven advantages in light of construction and earthquake resistance triggered demand for gas-related products.

■ Construction Components

Sales rose amid strong demand for steel construction, with support domestically from private sector capital expenditure and robust public investments.



Forecasts for Fiscal 2013 (post-merger figures)

Net Sales: ¥780.0 billion
Operating Income: ¥53.0 billion

The Company set up the Cable Materials Company in connection with a merger with Hitachi Cable, Ltd., as of July 1, 2013. The Company will reflect operating results from that company in the Cables and Related Products segment from the second quarter of FY2013.

Note: If Hitachi Cable's first-quarter sales of ¥88.3 billion and operating income of ¥3.2 billion were included, net sales for the first quarter of FY2013 would be ¥868.3 billion, while operating income would be ¥56.2 billion.

■ High-Grade Metal Products and Materials

Net Sales: ¥243.5 billion (up 9% from FY2012)
 Operating Income: ¥26.5 billion (up ¥8.8 billion from FY2012)

■ Magnetic Materials and Applications

Net Sales: ¥130.0 billion (down 9% from FY2012)
 Operating Income: ¥12.0 billion (up ¥12.9 billion from FY2012)

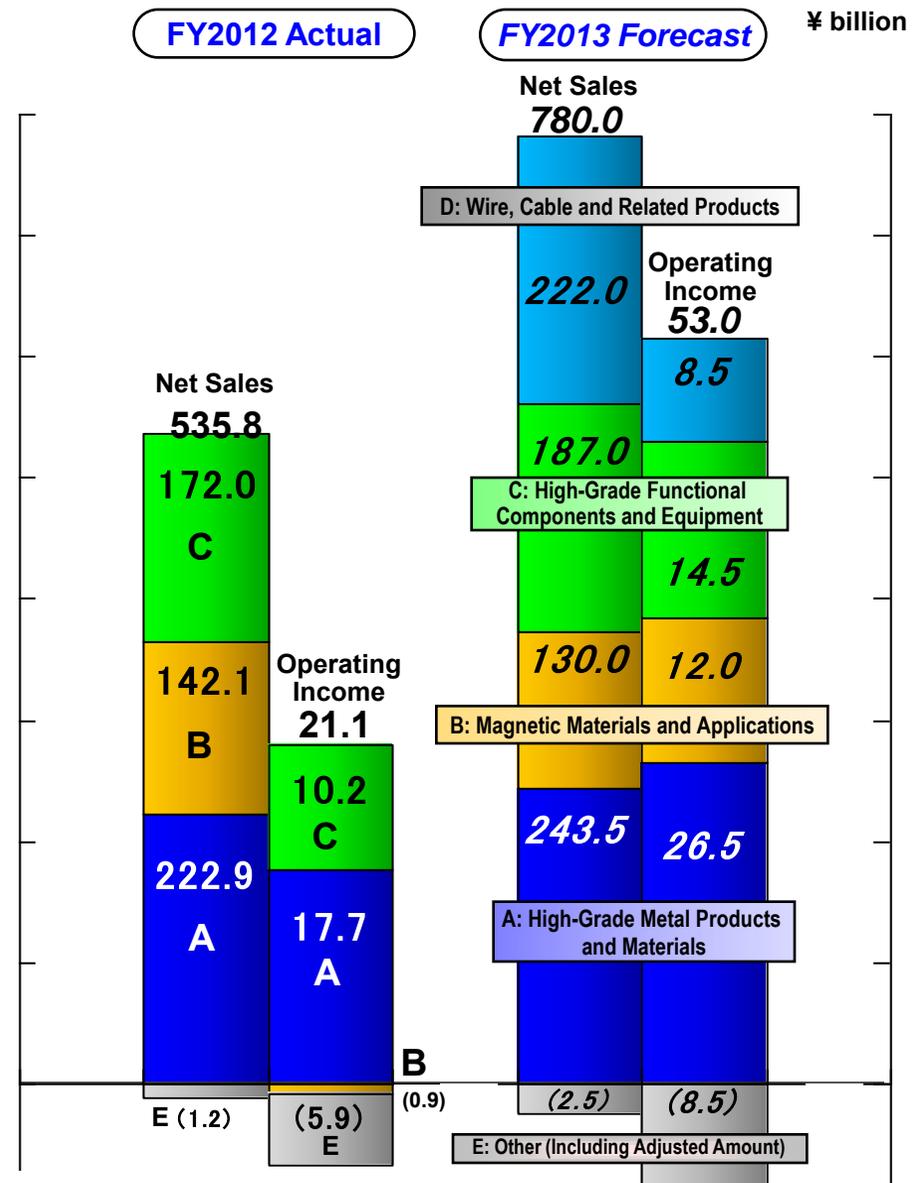
■ High-Grade Functional Components and Equipment

Net Sales: ¥187.0 billion (up 9% from FY2012)
 Operating Income: ¥14.5 billion (up ¥4.3 billion from FY2012)

■ Wire, Cable and Related Products

Net Sales: ¥222.0 billion
 Note: Factoring in first-quarter results, segment sales for fiscal 2013 would be ¥310.3 billion, down 14% from FY2012.

Operating Income: ¥8.5 billion
 Note: Factoring in first-quarter results, segment operating income for FY2013 would be ¥11.7 billion, up ¥7.4 billion from FY2012.



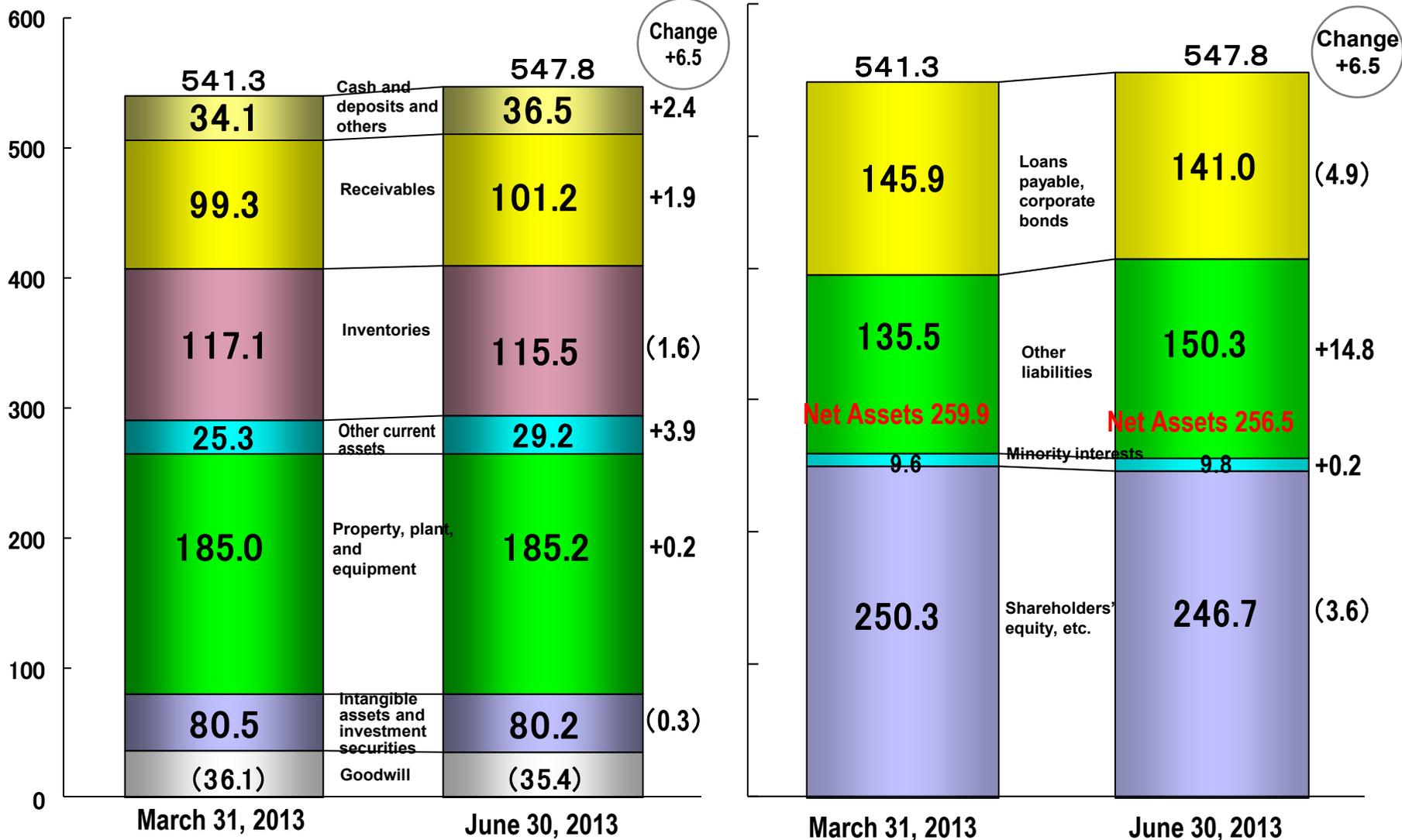
Consolidated Balance Sheets

Assets

June 30, 2013
D/E ratio **0.57**

Liabilities and Net Assets

¥ billion



Consolidated Cash Flows

(¥ billion)

| Item | 1Q FY2012 | 1Q FY2013 |
|---|-------------|-------------|
| Cash and cash equivalents at beginning of year | 2.8 | 34.1 |
| Income before income taxes and minority interests | 11.7 | 7.5 |
| Depreciation and amortization | 5.7 | 6.3 |
| Decrease (increase) in inventories | 1.7 | 3.1 |
| Other | (4.6) | (0.8) |
| Cash flows from operating activities | 14.5 | 16.1 |
| Capital investment* | (8.2) | (5.7) |
| Other | 0.8 | 0.2 |
| Free cash flow | 7.1 | 10.6 |
| Decrease (increase) in borrowings and bonds | (1.0) | (5.8) |
| Dividend payments, etc. | (2.9) | (3.3) |
| Net cash flow | 3.2 | 1.5 |
| Effect of exchange rate changes, etc. | (1.1) | 0.9 |
| Net increase (decrease) | 2.1 | 2.4 |
| Cash and cash equivalents at end of year | 30.1 | 36.5 |

*On an accrual basis (i.e., expenditures are recognized upon receipt and inspection of items)

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