

To our Shareholders and Investors:

Thank you for taking the time to read this annual report about the activities of Hitachi Metals, Ltd.

Hitachi Metals is currently facing a crucial turning point. During fiscal 2014, we acquired the shares of MMC Superalloy Corporation and added the company to our corporate group as Hitachi Metals MMC Superalloy, Ltd. from July to expand the scope of our business in the aircraft and energy segment. In November, we acquired Waupaca Foundry, Inc. of the U.S. as a strategy to grow the automotive iron casting business in the global market.

To restructure our existing portfolio, we also transferred the majority of the shares we held in Hitachi Tool Engineering, Ltd. (now Mitsubishi Hitachi Tool Engineering, Ltd.) to Mitsubishi Materials Corporation in the cemented carbide tool business, and sold the shares of Hitachi Metals Techno, Ltd. in the construction and industrial machinery-related business to provide the company a new structure to enable it to grow. We are pursuing the establishment of a joint venture in China in the rare earth magnet business, as we work to take a new step forward. We are implementing a broad range of measures, but each of this is an initiative that makes steady progress toward establishing a base for sustained growth.

The Hitachi Metals Group has sales exceeding one trillion yen and more than 50% of sales derive from overseas sales. We have achieved a business structure for doing business on a global scale. Fiscal 2015 is the final year of the Medium-Term Management Plan we are currently pursuing, and we will complete restructuring and continue to restructure the business portfolio to achieve further growth.

Our keywords are “Change” and “Challenge.” Hitachi Metals will aim for new heights in the future as well. It is my profound hope that this report will serve to further bond us to our valued stakeholders, increase your understanding of Hitachi Metals, and earn your renewed support of the Group’s vision and business endeavors over the years to come.

Hideaki Takahashi
President and Chief Executive Officer

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