

Hitachi Metals, Ltd. (July 29, 2003)

Code: 5486

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(URL <http://www.hitachi-metals.co.jp>)

Consolidated Financial Report for the 3-month Period Ended June 30, 2003

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Stock Exchange where listed (section): Tokyo (First), Osaka (First)

1. Note to consolidated financial report for the 3-month period ended June 30, 2003

There were no changes to the recognition and accounting treatment applicable to consolidated net sales compared with the fiscal year ended March 31, 2003.

2. Performance over the 3-month period, April 1, 2003 to June 30, 2003

(1st quarter of the fiscal year ending March 2004)

(1) Net sales (Figures are rounded off to the nearest million yen)

	Net sales	Change
1 st quarter fiscal year ending March 2004	98,178	0.2%
1 st quarter fiscal year ended March 2003	97,985	—
Fiscal year ended March 2003	408,658	(0.2%)

Notes: 1. Net sales are the cumulative total up to the end of the period under review. Percentage figures represent changes in net sales compared with the corresponding period of the previous fiscal year.

2. As the fiscal year under review is the first year the Company has reported quarterly results there is no basis for comparison for the same period of the previous fiscal year.

Supplementary information regarding net sales:

In the period under review, sales in the Electronics and IT Devices segment fell slightly below initial forecasts. Sales of automotive-related components however performed steadily, particularly in North America. As a result, results for the first quarter ended June 30, 2003 were essentially on par with forecasts set at the beginning of the period.

A portion of the Company's business activities is characterized by their seasonal nature. Sales of piping equipment are concentrated in the 3rd quarter, and the engineering business is concentrated in the 2nd and 4th quarter of each fiscal year.

(Reference) Non-consolidated net sales

(Figures are rounded off to the nearest million yen)

	Net sales	Change
1 st quarter fiscal year ending March 2004	58,042	(0.4%)
1 st quarter fiscal year ended March 2003	58,287	—
Fiscal year ended March 2003	246,835	4.3%

(2) There were no significant events during the quarter ended June 30, 2003 that impacted the financial position and operating performance of the Company and its consolidated subsidiaries.

3. Forecast of consolidated results for the fiscal year ending March 31, 2004

The Company's performance for the 1st quarter ended June 30, 2003 was essentially on par with initial forecasts, demand is however anticipated to remain sluggish due to continued uncertainty with regard future operating conditions. Although net sales are not expected to increase significantly, the Company will continue to enhance profitability of existing products, to focus on the development of new products, and the strengthen financial position.

In the event operating conditions significantly change, the Company will disclose information and any revisions to forecasts in a swift and open manner.

(Millions of yen unless otherwise stated)

	Net sales	Ordinary income	Net income	Net income per share (yen)
Interim period	198,000	5,300	1,500	4.20
Full year	420,000	14,000	3,500	9.80