

Hitachi Metals, Ltd. (July 27, 2004)

Code:5486

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

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Non-consolidated Financial Report for the first quarterly ended June 30, 2004

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

1. Items pertaining to the preparation of quarterly results:

(1) Use of simplified accounting procedures:

A simplified method has been used in certain cases to determine forecasted amounts presented in the quarterly reports for depreciation of property, plant and equipment.

(2) Changes in accounting principles in the most recent fiscal year: None

2. Performance over the year, April 1, 2004 to June 30, 2004 (Figures are rounded off to the nearest million yen)

(Figures are rounded off to the nearest million yen)

(1) Operating results	6/04(quarter)	6/03(quarter)	Change(%)	3/04
Net Sales (million yen).....	60,235	58,042	3.8	247,484
Operating income (million yen).....	2,325	116	—	4,669
Ordinary income (million yen).....	3,755	1,448	159.3	6,876
Net income (million yen).....	1,779	566	213.9	2,983
Net income per share (yen).....	5.03	1.59	—	—
Diluted net income per share (yen).....	—	—	—	—

(2) Financial standing	6/04(quarter)	6/03(quarter)	3/04
Total assets (million yen).....	278,961	288,265	285,536
Shareholders' equity (million yen).....	118,914	117,961	118,401
Shareholders' equity ratio(%).....	42.6	40.9	41.5
Shareholders' equity per share (yen).....	336.44	330.47	334.98

3. Forecasts of results for the term, April 1, 2004 to March 31, 2005

(1) Mid-term (April 1, 2004 to September 30, 2004)

	Millions of Yen		
	Net Sales	Ordinary	Net Income
Previous Forecast (A).....	105,000	3,500	1,300
Revised Forecast (B).....	119,000	5,000	2,000
Difference (B-A).....	+14,000	+1,500	+700
Change ((B-A)/A).....	+13%	+43%	+54%
(Reference)			
Results of at mid-term fiscal 2003.....	119,136	1,587	933

(2) At yearend (April 1, 2004 to March 31, 2005)

Only interim forecasts for fiscal 2004 (April 1, 2004 to March 31, 2005) are being submitted at the present time, due to the difficulty of predicting the business environment during the second half of the fiscal year at the current stage. Full year forecasts, both parent and consolidated, will be announced at the earliest possible moment, once the business environment for the second half becomes more apparent.

(3) Qualitative information regarding forecasts

Hitachi Metals is revising upward its sales and earnings forecasts for the interim period of fiscal year 2004 (April 1, 2004 to September 30, 2004), due to robust demand for personal computers, mobile telephones, and electronics-related products such as semiconductors, as well as strong demand in the automobile-related field.

Note: The forecast figures presented in the preceding sections, with the exception of actual results, are based on certain assumptions and predictions of the management at the time of preparation. Changes in business conditions or underlying assumptions may cause actual results may differ from those projected.