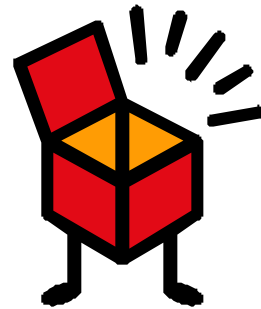


Financial Highlights

(the first quarterly ended June 30,2005)



Materials Mag!c

July 26, 2005

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

Business Segments (FY2005 ~)



High-Grade Metal Products and Materials

Specialty Steel Company

Roll Company

Hitachi Tool Engineering Group

Electronics and IT Devices

Information Systems Components Company

Soft Magnetic Materials Company

NEOMAX Group

High-Grade Functional Components and Equipment

Automotive Components Company

Piping Components Company

Hitachi Metals Techno Group

Service and Others

Environmental Systems Division

Other Manufacturing Company

Highlights



(¥100 million) (%:year-on-year)

	Fiscal 2004			Fiscal 2005		
	FY04 1Q (quarter)	FY04 1H	FY04	FY05 1Q (quarter)	FY05 1H (Est.)	FY05 (Est.)
Net Sales	1,356	2,732	5,595	1,398 (103%)	2,700	5,500
Operating Income	88	193	404	94 (+6)	190	400
Ordinary Income	85	173	364	99 (+14)	178	380
Income before income tax	90	169	295	85 (5)	146	337
Net Income	47	82	152	30 (17)	66	160
ROE (%)	12.2%	10.6%	9.7%	7.4%	8.0%	9.5%
Capital investment	47	115	256	57 (+10)	150	300
Depreciation costs	61	110	229	56 (5)	110	235
Research & Development Expenses	23	49	99	27 (+4)	55	110

Results of Operations in General

- Even though stock adjustment began for some electronic materials, net sales, operating profit, and ordinary income made a good showing thanks to strong demand, particularly from motor vehicle-related industries.
- Ordinary income rose ¥1.4 billion year on year as a result of improvements in operating profit and the non-operating income and expenditure balance. Net income for the year under review decreased ¥1.7 billion year on year as a loss of ¥1.5 billion in asset-impairment accounting was booked as a special loss.
- Because of such uncertainties as the effects of the revaluation of the Chinese yuan on the world economy and of rising raw material costs, the six-month interim period forecast and the full-year forecast are unchanged as things stand now.

Consolidated Net Sales • Operating Profit (By Segment)



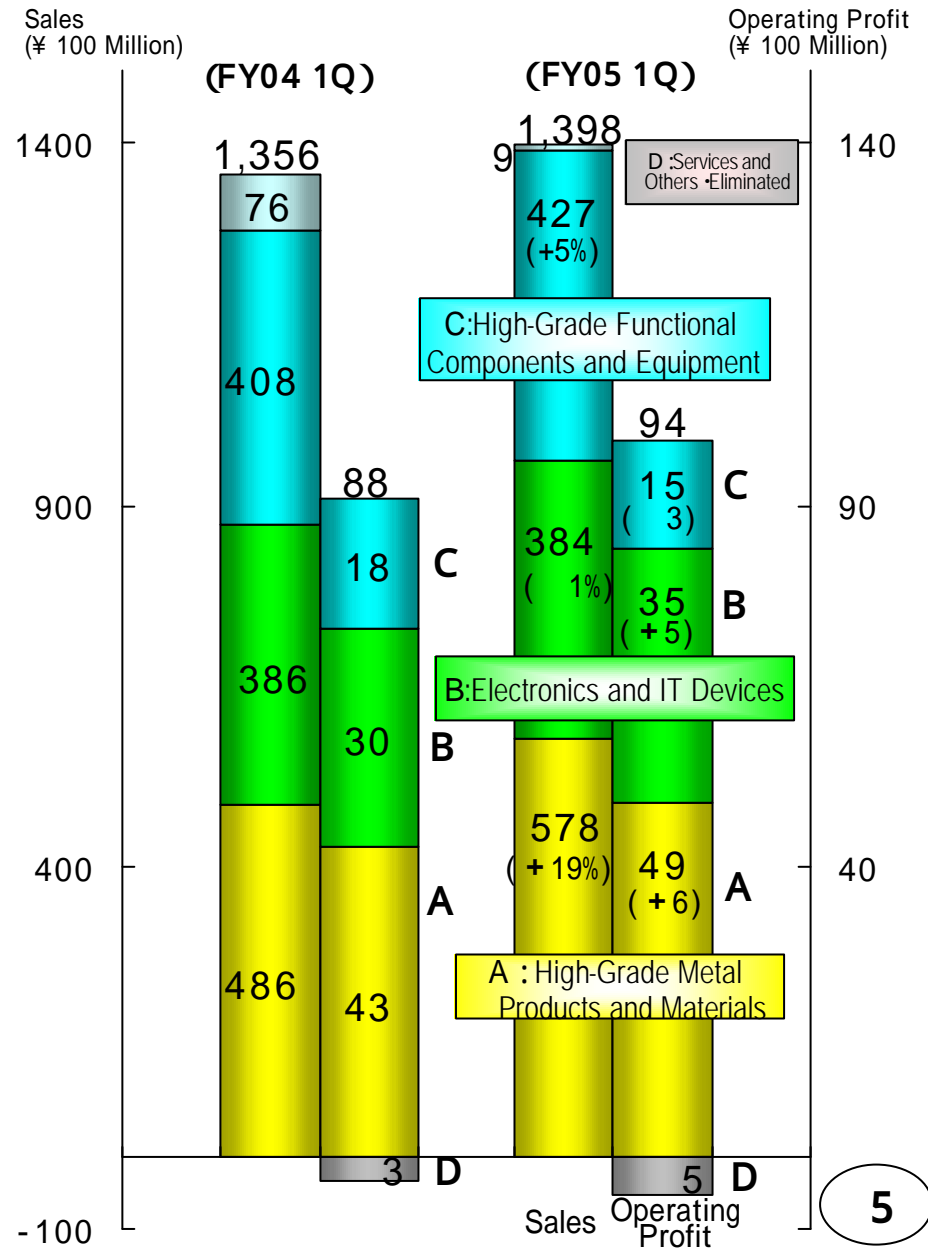
Sales 3% Y-O-Y increase

High-Grade Metal Products up 19%
 Electronics and IT Devices flat
 High-Grade Functional Components and Equipment up 5%

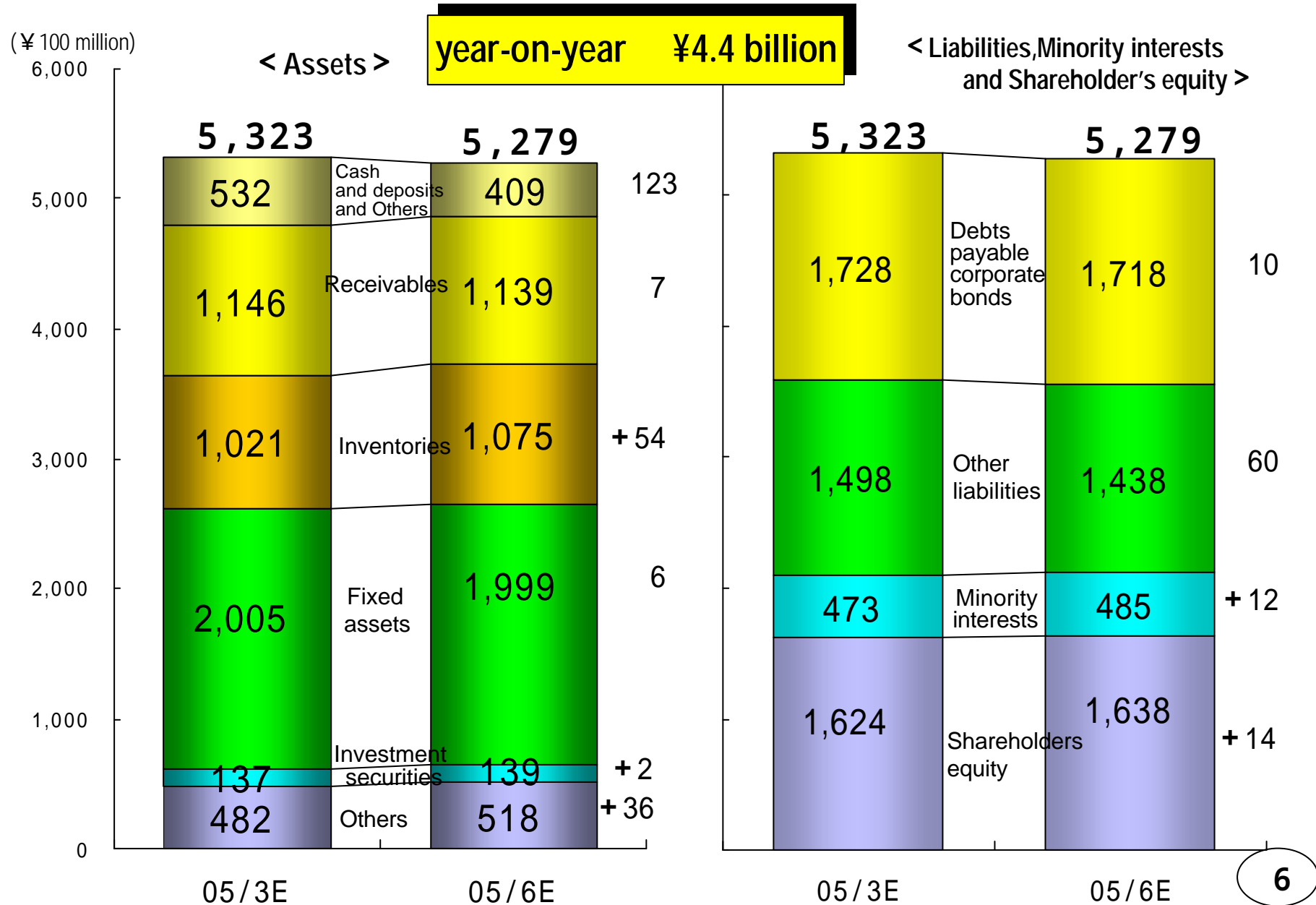
Operating profit ¥0.6 billion Y-O-Y increase

High-Grade Metal Products + ¥0.6bn
 Electronics and IT Devices + ¥0.5bn
 High-Grade Functional Components + ¥0.3bn

(%、¥100 million : year-on-year)



Consolidated Balance Sheet

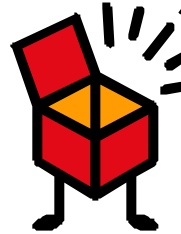


Consolidated Cash Flows



(¥ 100 million)

Item	FY04 1Q	FY05 1Q	FY04
Net income before tax adjustments	90	85	295
Depreciation costs	61	56	229
Capital investment	47	61	245
Others	166	170	99
Free cash flow	62	90	180
Reducing borrowings	0	10	120
Dividend payments	14	21	34
Others	1	4	25
Net increase in cash during Current Period	77	125	1



This document contains forward-looking statements, such as results forecasts, management plans, and projected which are not historical facts. All such forward-looking statements were based on assumptions and projections that were deemed rational for the purpose of making projections at the time this document was prepared. Changes to the underlying assumptions or circumstances could cause actual results to differ substantially.

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