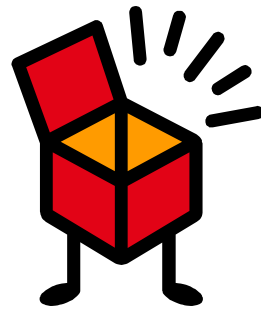


Financial Highlights

the 12-month period ended March 31, 2006
(Fiscal 2005)



Materials Mag!c

Apr. 27, 2006

Hitachi Metals, Ltd.

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

Business Segments



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

	FY2004		FY2005		FY2006	
	FY04 1H (Actual)	FY04 (Actual)	FY05 1H (Actual)	FY05 (Actual)	FY06 1H (Est.)	FY05 (Est.)
Net Sales	2, 732	5, 595	2, 842	5, 907 (106%)	2, 940	6, 000 (102%)
Operating Income	193	404	209	475 (+71)	220	480 (+5)
Ordinary Income	173	364	203	453 (+89)	210	455 (+2)
Income before income tax	169	295	155	395 (+100)	200	430 (+35)
Net Income	82	152	62	172 (+20)	95	210 (+38)
ROE (%)	10.6%	9.7%	7.5%	10.0%	10.3%	11. 2%
Capital investment	115	256	126	296 (+40)	210	430 (+134)
Depreciation costs	110	229	104	226 (Δ3)	122	260 (+34)
Research & Development Expenses	49	99	59	121 (+22)	70	140 (+19)

() contain initial forecast comparisons

1

Net Sales: 6% YoY Increase +¥31.2 billion

High-Grade Metal Products and Materials:	up 21%
Electronics and IT Devices:	flat
High-Grade Functional Components and Equipment:	up 7%

- Net record sales recorded. Although adjustments were seen for certain electronics-related products, automobile- and IT-related industry demand remained favorable.
- Overseas sales ratio: 39%; New product sales ratio: 27%

2

Operating Income: 18% YoY Increase + ¥7.1 billion

High-Grade Metal Products and Materials:	+¥4.0 billion
Electronics and IT Devices:	+¥3.7 billion
High-Grade Functional Components and Equipment:	+¥0.8 billion

- Although raw material price inflation was a source of pressure, sales price revisions were implemented and operations showed healthy progression.
- Income grew in Electronics and IT Devices, supported by an increase in magnetic materials results.
- Although demand was strong for High-Grade Functional Components and Equipment, operating income growth remained low, impacted by line development projects aimed at improving production efficiency in automobile casting components.

Hitachi Metals expects to achieve record results in Net sales, Operating income, and Net income

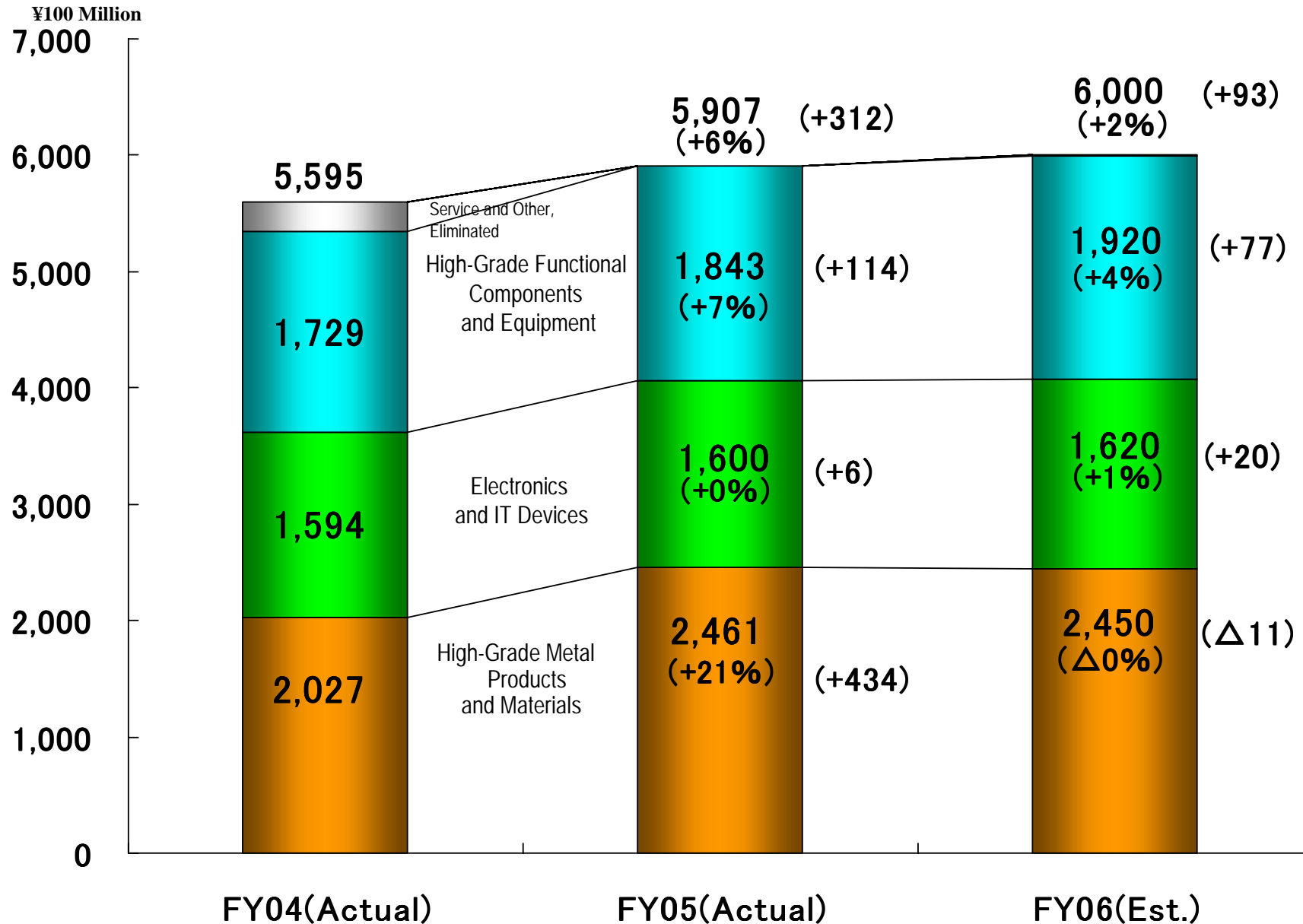
■ Net Sales: ¥600 billion (2% YoY increase, +¥9.3 billion)

- High-Grade Metal Products and Materials: on par YoY
- Electronics and IT Devices: slight increase
- High-Grade Functional Components and Equipment: 4% increase
- Although certain electronics-related products are forecast to face further adjustments, with demand expected to decline slightly in High-Grade Metal Products and Materials; favorable demand for automotive-related products is expected to continue, bringing overall demand up to a high level.

■ Operating Income: ¥48.0 billion (+¥0.5 billion YoY)

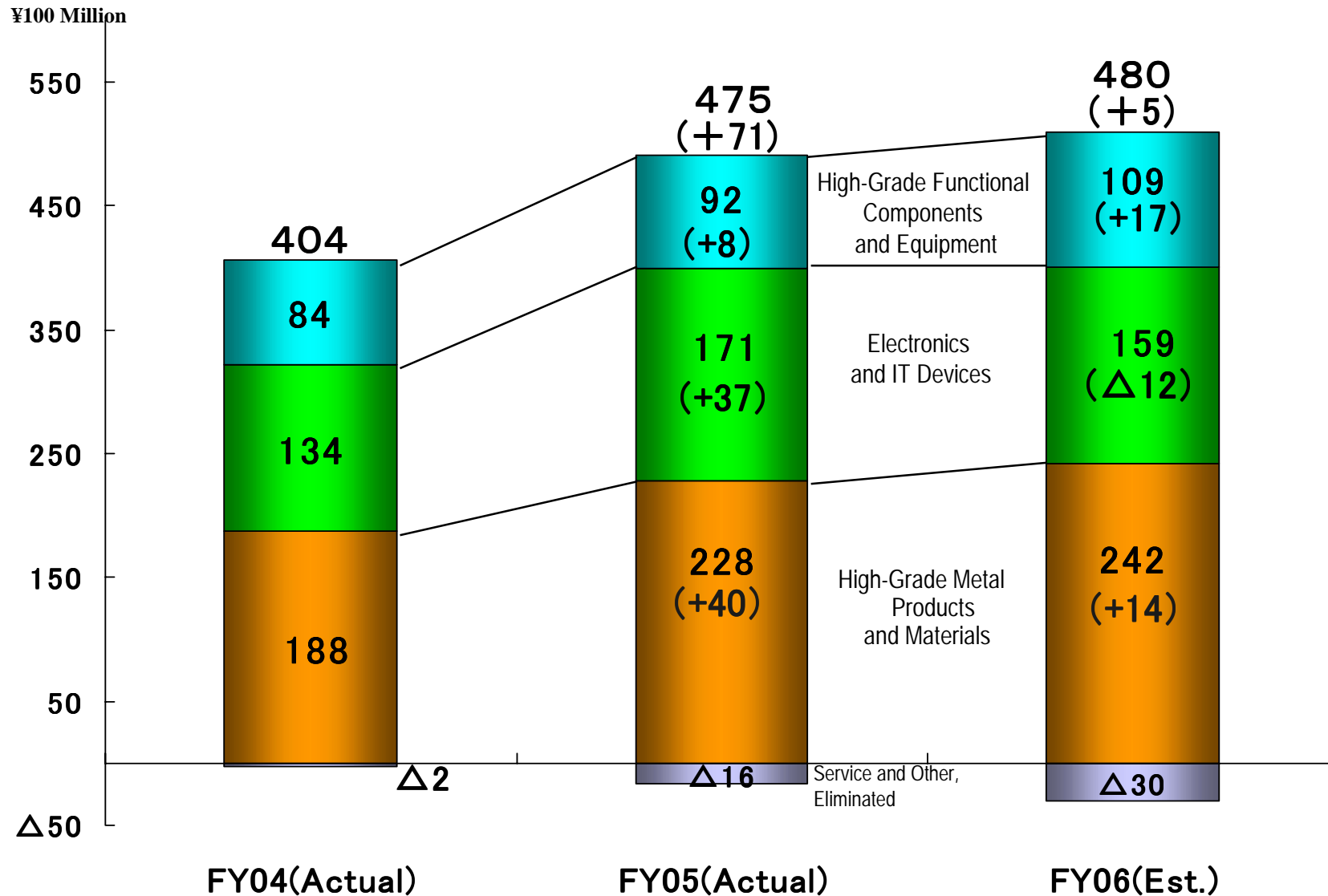
- Profit is expected to remain on par YoY due to investment (+¥5.3 billion) for future growth
- High-Grade Metal Products and Materials: +¥1.4 billion
- Electronics and IT Devices: △¥1.2 billion
- High-Grade Functional Components and Equipment: +¥1.7 billion
- Impact from high raw material prices is expected to continue to squeeze profits.

Consolidated Net Sales (By Segment)



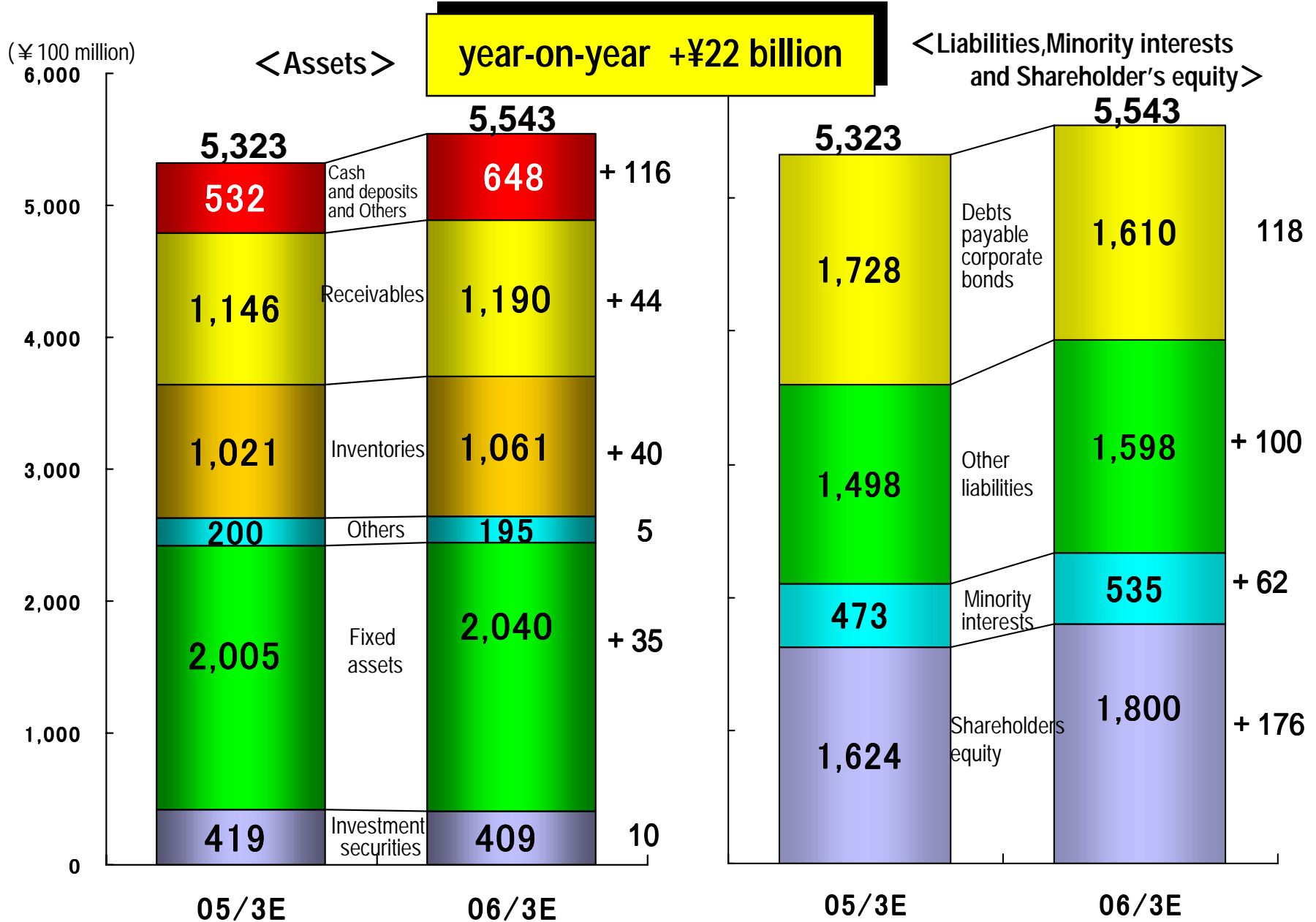
() contain initial forecast comparisons (%、¥100 Million)

Consolidated Operating Profit (By Segment)



() contain initial forecast comparisons (¥100 Million)

Consolidated Balance Sheet

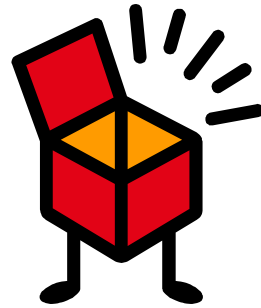


Consolidated Cash Flows



(¥100 million)

Item	FY2004	FY2005
Net income before tax adjustments	295	395
Depreciation costs	229	226
Capital investment	△245	△301
Others	△99	△44
Free cash flow	180	276
Reducing borrowings	△120	△122
Dividend payments, others	△62	△59
Effect of exchange rate changes	3	18
Net increase in cash during Current Period	1	113



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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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