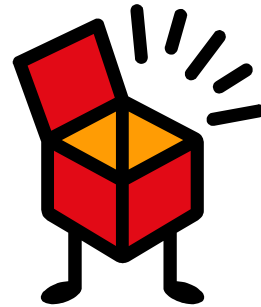


Financial Highlights

the first quarterly ended June 30,2007
(Fiscal 2007)



Materials Mag!c

July 30, 2007

 **Hitachi Metals, Ltd.**

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

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

Highlights



¥ 100 million

	Fiscal 2006			Fiscal 2007		
	FY06 1Q (Actual)	FY06 1H (Actual)	FY06 (Actual)	FY07 1Q (Actual)	FY07 1H (Est.)	FY07 (Est.)
Net Sales	1,520	3,101	6,463	1,724	3,420	6,750
Operating Income	123	257	547	125	250	550
Income before income taxes	124	227	466	171	237	490
Net Income	51	117	221	86	117	255
ROE (%)	11.4%	12.7%	11.7%	16.8%	11.3%	12.2%
Capital investment	79	195	368	156	230	390
Depreciation costs	61	116	244	73	148	292
Research & Development Expenses	29	64	130	31	70	146

() contain initial forecast comparisons

FY07 1Q Consolidated Net Sales · Operating Income (By Segment)



Net Sales

13% YoY Increase +20.4 billion

High-Grade Metal Products and Materials: up 10%
Electronics and IT Devices: up 16%
High-Grade Functional Components and Equipment: up 8%

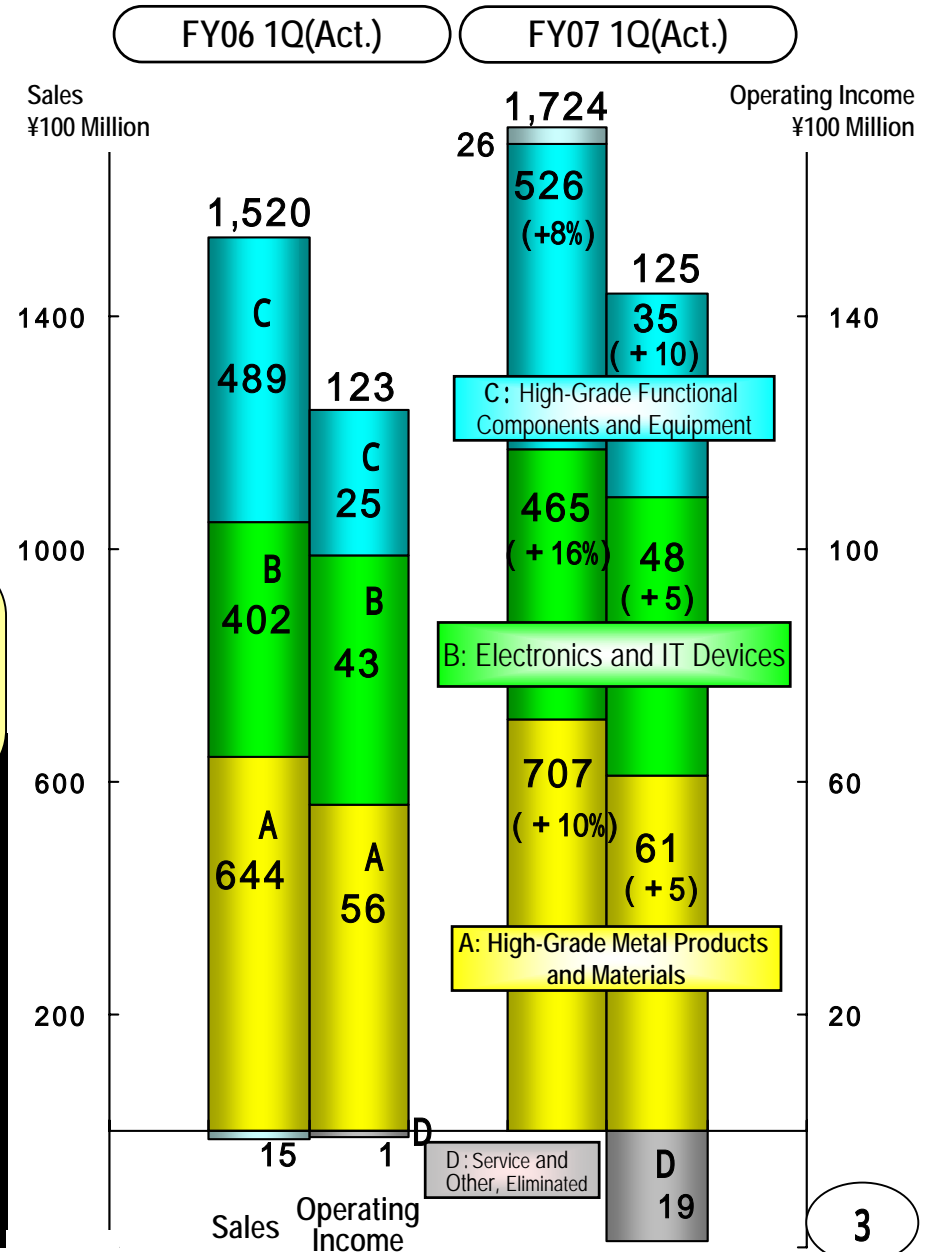
- Continued strong demand from automobile and IT-related industries
- Overseas sales ratio 40%
- New product sales ratio 27%

Operating Income

2% YoY Increase +0.2 billion

High-Grade Metal Products and Materials: +¥0.5 bn
Electronics and IT Devices: +¥0.5 bn
High-Grade Functional Components and Equipment: +¥1bn

- Despite factors including a sharp rise in raw materials prices, an increase in depreciation and amortization related to tax revisions, and costs for amortization of goodwill, overall operations remained strong and operating income was up year on year.
- In High-Grade Functional Components & Equipment, income increased as a result of stronger sales and significant improvement in manufacturing costs due to greater efficiency in production of casting components for automotive use.



FY07 Consolidated Net Sales · Operating Income (By Segment)



Net Sales

4% YoY Increase 28.7 billion

High-Grade Metal Products and Materials: up 7%
 Electronics and IT Devices: up 13%
 High-Grade Functional Components and Equipment: up 4%

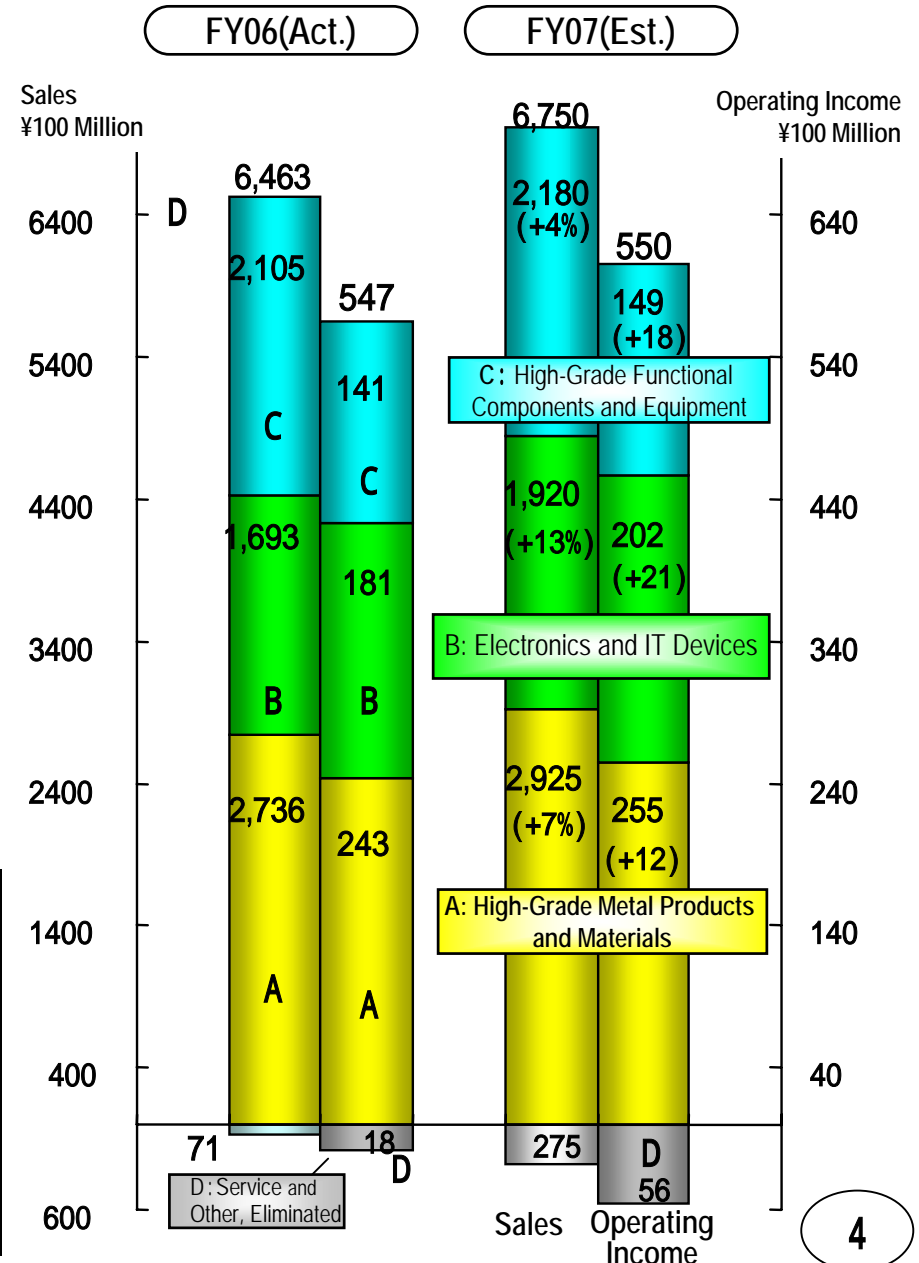
- The Company also expects demand to remain strong, particularly for products related to automobiles, IT and household appliances.
- Raise interim period forecast by ¥10bn
- Full-year forecasts are unchanged

Operating Income

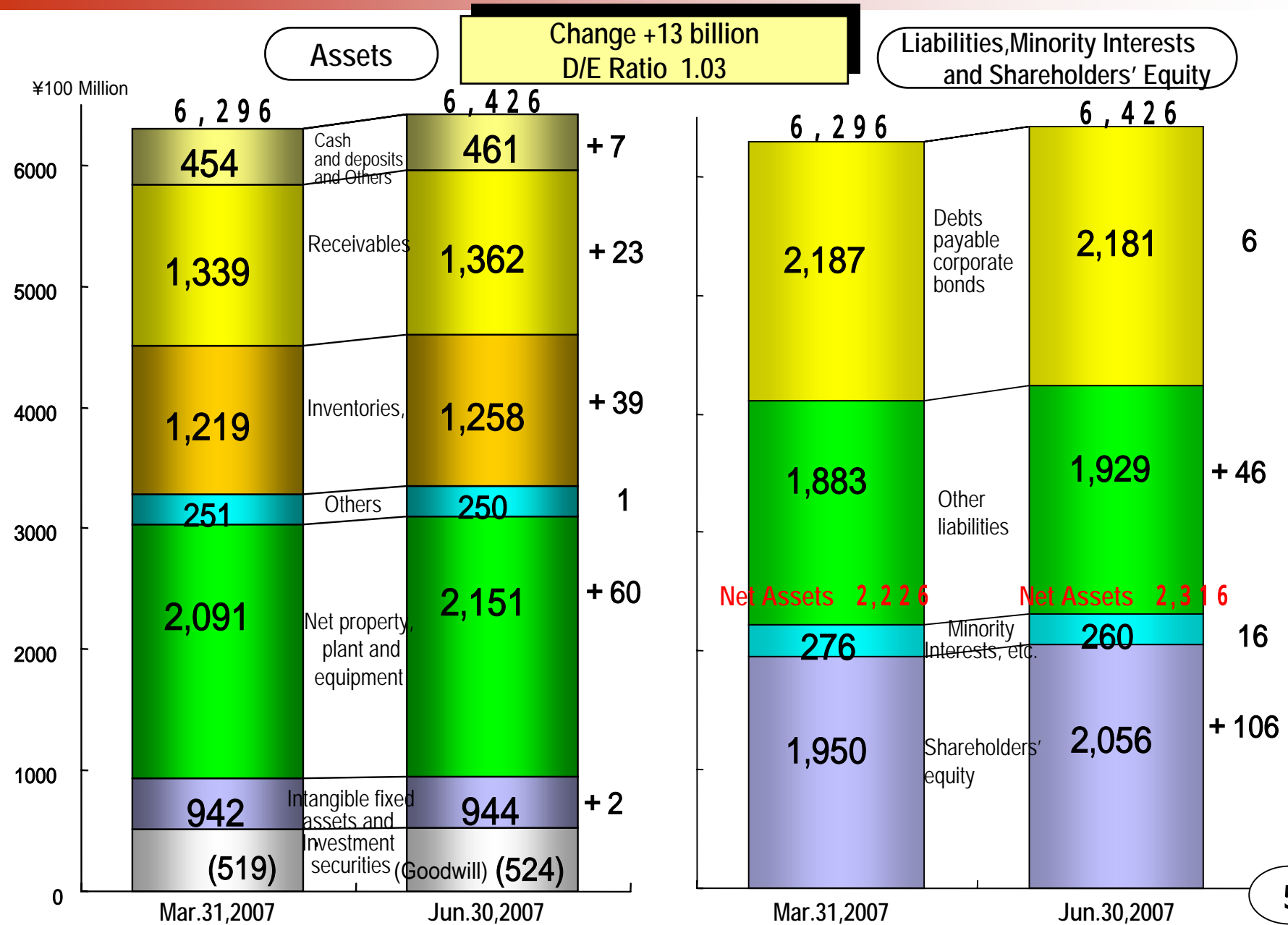
Flat YoY Increase +0.3 billion

High-Grade Metal Products and Materials: +¥1.2 bn
 Electronics and IT Devices: +¥2.1 bn
 High-Grade Functional Components and Equipment: +¥0.8bn

- Raise interim period forecast by ¥1bn
- At the same time, full-year forecasts are unchanged due to uncertainties such as the impact of costs in light of material price swings.



Consolidated Balance Sheet

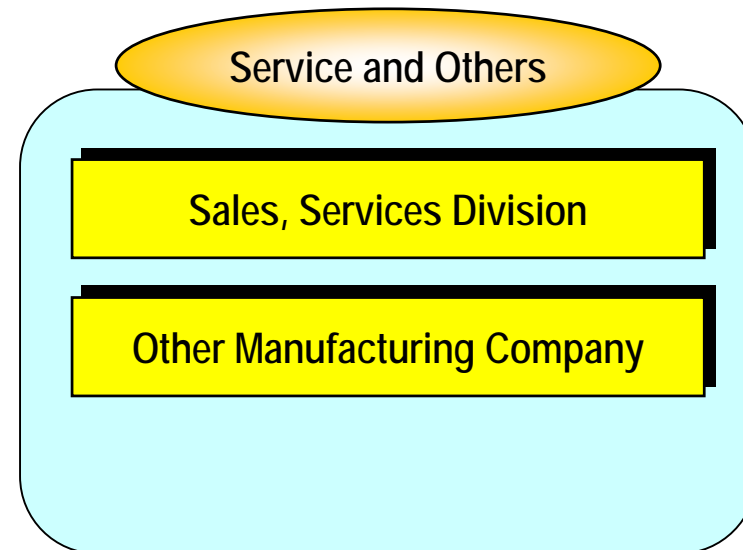
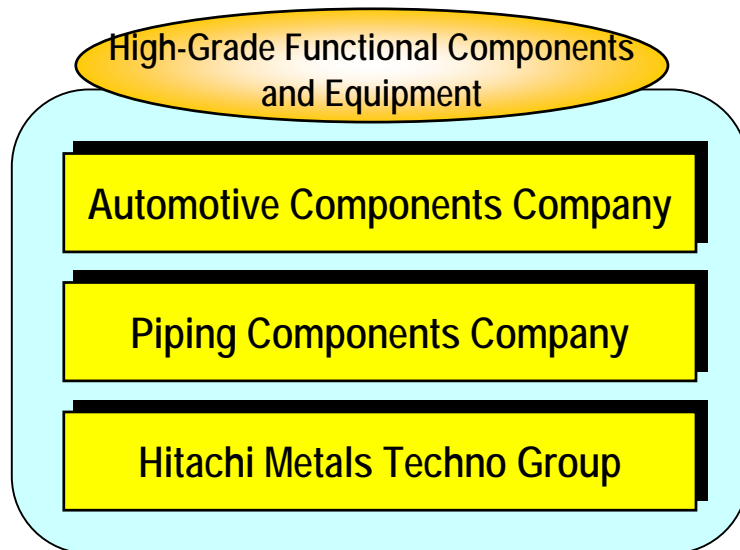
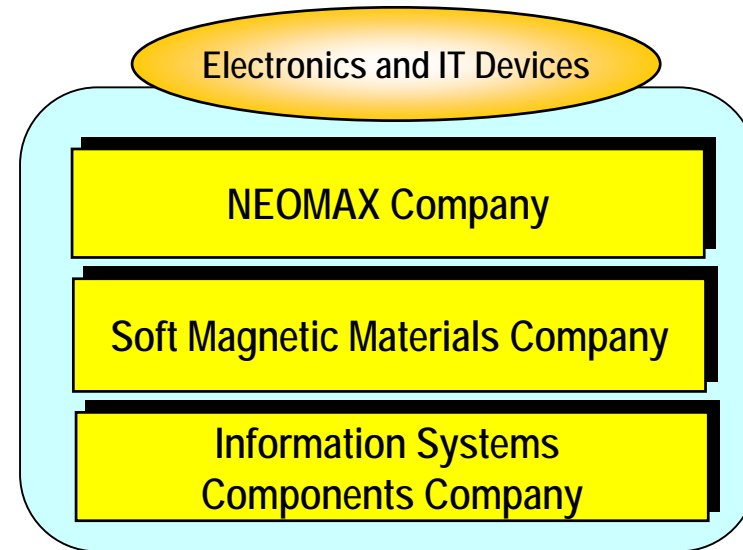
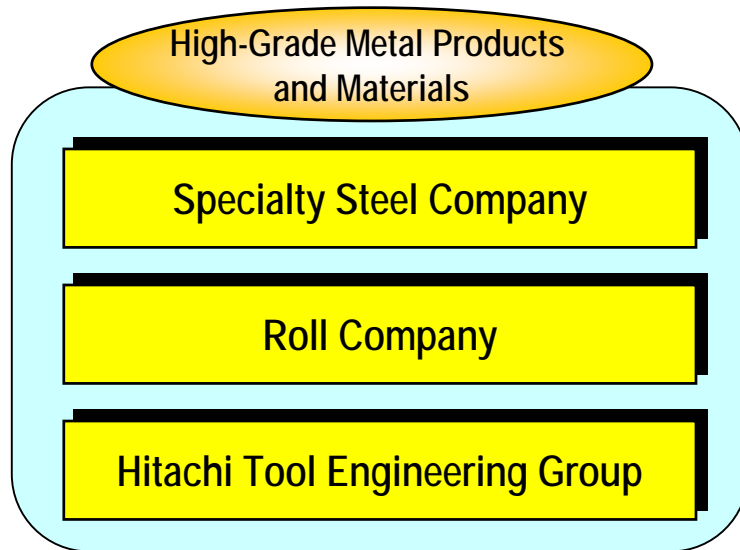


Consolidated Cash Flows



Item	FY06 1Q	FY07 1Q	¥ 100 million
			(Reference) FY2006
Net income before tax adjustments	1 2 4	1 7 1	4 6 6
Depreciation costs	6 1	7 3	2 4 4
Capital investment	7 0	1 3 2	3 3 9
Purchase of shares in consolidated subsidiary companies	0	0	8 6 6
Others	1 1 1	8 0	2 0 1
Free cash flow	4	3 2	6 9 6
Reducing borrowings	8	1 2	5 6 9
Dividend payments, others	3 1	1 6	6 0
Effect of exchange rate changes	1	5	9
Net increase in cash during Current Period	3 6	9	1 7 8

(Reference) Business Segments





This document contains forward-looking statements, such as results forecasts and management plans, which are not historical facts. All such forward-looking statements were based upon all available information and upon assumptions and projections that were deemed rational at the time the Company prepared this document. Changes to the underlying assumptions or circumstances could cause actual results to differ substantially. Factors for causing such differences include, but are not limited to, the following:

- **Changes in economic conditions and regulations in main markets where the Company operates, particularly Japan, the United States, Asia and Europe**
- **Sudden changes in technological trends**
- **Changes in competitive advantage and the capabilities of the Company and its subsidiaries and affiliates to develop and commercialize new products and businesses**
- **Fluctuation in status and conditions of product markets, exchange rates or international commodity markets**
- **Changes in financing environments**
- **Capability of the Company and its subsidiaries and affiliates to cope with fluctuations in product supply and demand, status and conditions of product markets, exchange rates or international commodity markets**
- **Protection of the Company's intellectual property, and securing of licenses to use intellectual property of other parties**
- **Changes in status of alliances with other parties for product development, etc.**
- **Fluctuation of Japanese stock markets**