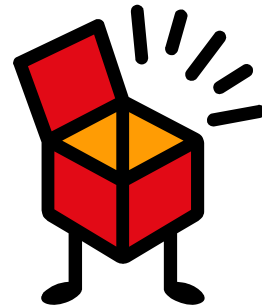


Financial Highlights

the First Three Quarters of FY08
(period ended Dec.31,2008)



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Hitachi Metals, Ltd.

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

E-Mail : hmir@hitachi-metals.co.jp

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

Highlights



¥ 100 million, (): year-on-year

	Fiscal 2007			Fiscal 2008				
	FY07 1H (Actual)	FY07 First 3Qs (Actual)	FY07 (Actual)	FY08 1H (Actual)	FY08 First 3Qs (Actual)	FY08(Est.) (08/12)	FY08 Revision to Forecasts	Change
Net Sales	3,463	5,274	7,011	3,537 (102%)	4,967 (94%)	6,190 (88%)	5,920 (84%)	96%
Operating Income	266	442	597	297 (+31)	329 (Δ113)	297 (Δ300)	120 (Δ477)	Δ177
Income before income taxes	244	420	514	297 (+53)	251 (Δ169)	170 (Δ344)	20 (Δ494)	Δ150
Net Income	126	224	270	153 (+27)	96 (Δ128)	50 (Δ220)	0 (Δ270)	Δ50
Capital investment	258	355	493	197 (Δ61)	307 (Δ48)	420 (Δ73)	400 (Δ93)	Δ20
Depreciation costs	140	219	294	153 (+13)	234 (+15)	330 (+36)	330 (+36)	±0
Research & Development Expenses	67	99	133	67 (±0)	98 (Δ1)	140 (+7)	131 (Δ2)	Δ9

Consolidated Net Sales · Operating Income (By Segment) for the First Three Quarters of FY08



Net Sales ¥496.7 billion Down 6% YoY (Δ ¥30.7 billion)

High-Grade Metal Products and Materials: up 2%
 Electronics and IT Devices: down 20%
 High-Grade Functional Components and Equipment: down 6%

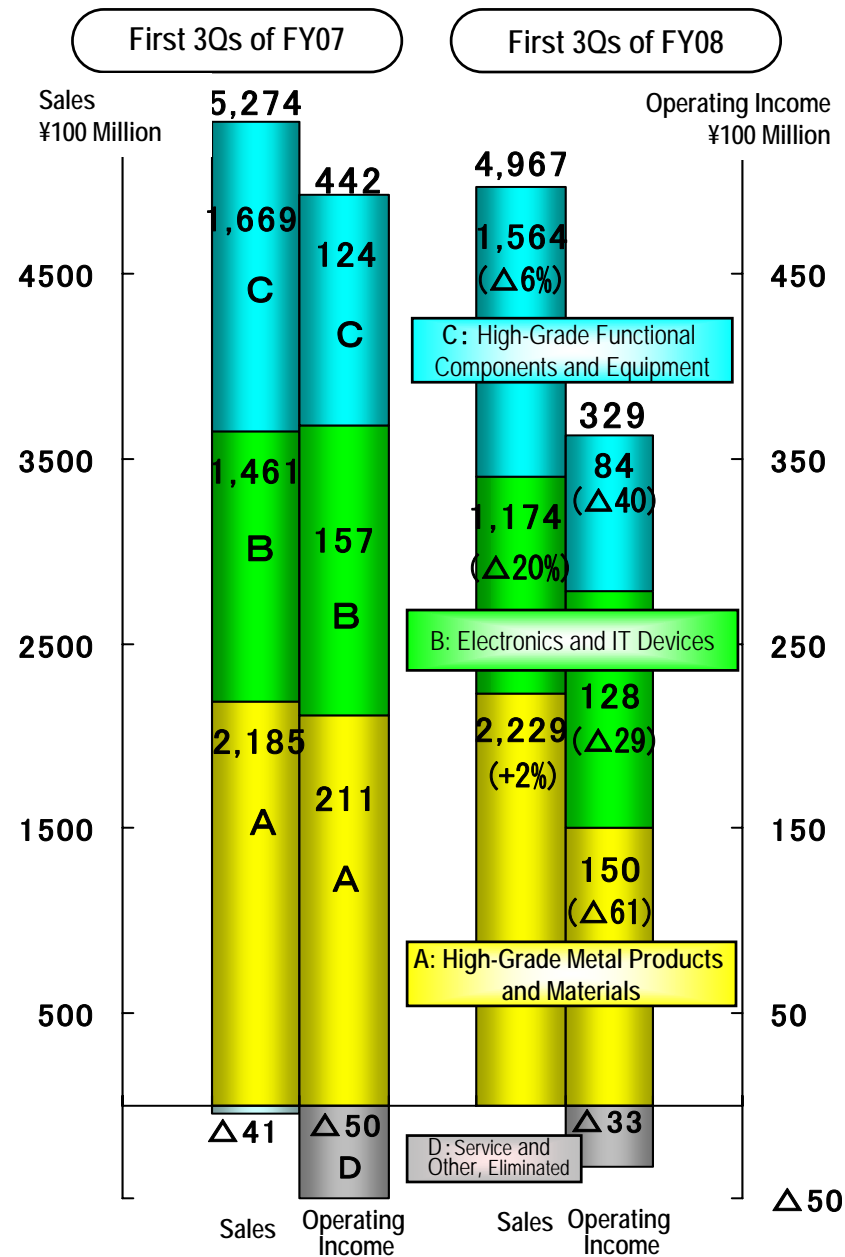
From the latter half of the second quarter, the Company experienced weaker demand due to the rapid slowdown in the automotive market, sluggish sales in the electronics-related industry and the impact of restricted capital investments. As a result, consolidated net sales for the first three quarters of FY08 decreased 6% year on year.

Operating Income ¥32.9 billion Down 25% YoY (Δ ¥11.3 billion)

High-Grade Metal Products and Materials: Δ ¥6.1 billion
 Electronics and IT Devices: Δ ¥2.9 billion
 High-Grade Functional Components and Equipment: Δ ¥4.0 billion

Despite robust performance until the second quarter of fiscal 2008, the results were impacted by declining sales due to the substantial drop in demand from the latter half of the second quarter.

Accordingly, operating income dropped 25% year on year in spite of the Company's efforts to reduce fixed costs.



Forecast of Results for FY08 by Segment



Net Sales ¥592.0 billion Down 16% YoY (Δ ¥109.1 billion)
Operating Income ¥12.0 billion Down 80% YoY (Δ ¥47.7 billion)

■ High-Grade Metal Products and Materials:

Net Sales ¥266.0 billion (down 9% YoY)
 Operating income ¥5.0 billion (Δ ¥23.7 billion)

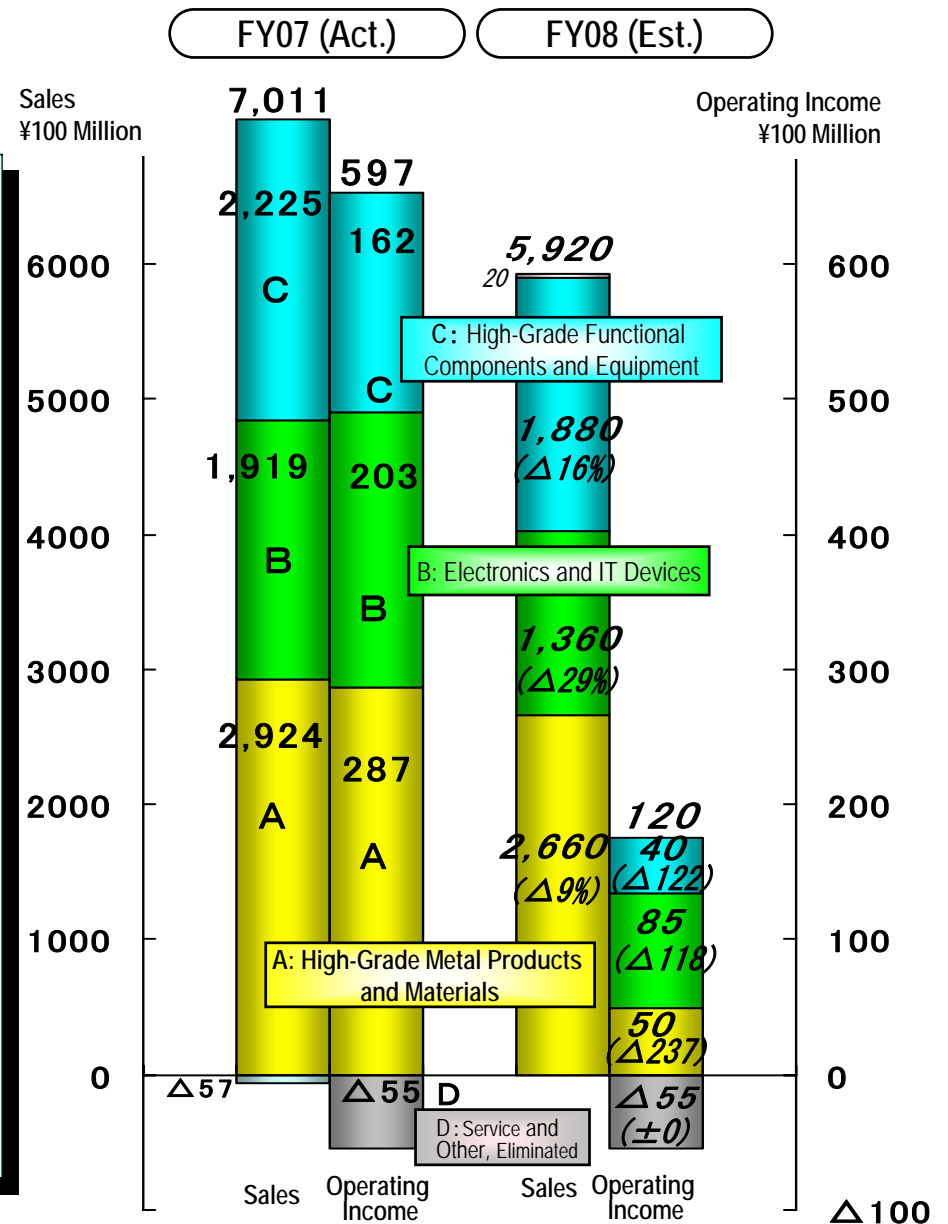
■ Electronics and IT Devices:

Net Sales ¥136.0 billion (down 29% YoY)
 Operating Income ¥8.5 billion (Δ ¥11.8 billion)

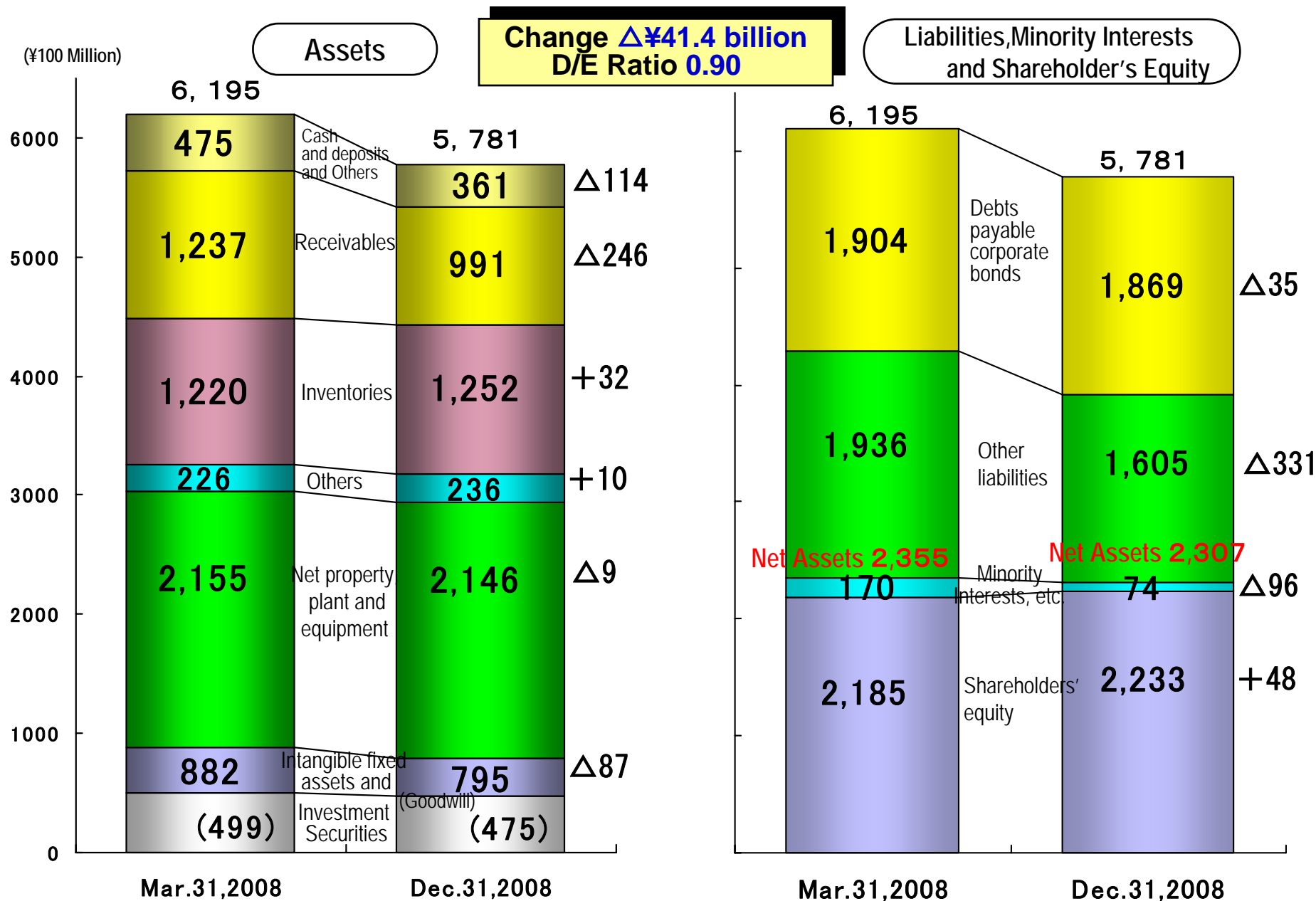
■ High-Grade Functional Components and Equipment:

Net Sales ¥188.0 billion (down 16% YoY)
 Operating Income ¥4.0 billion (Δ ¥12.2 billion)

The harsh business environment is expected to continue on the back of sluggish demand in the automotive and electronics-related markets and restricted capital investment triggered by the worldwide economic recession. Hitachi Metals will make ongoing efforts to carry out production adjustments and reduce fixed costs. Together with this, the Company will accelerate the development of a high-efficiency production structure, while reducing inventories, in order to generate cash.



Consolidated Balance Sheet



Consolidated Cash Flows



¥ 100 million

Item	End of 12/2008
Net income before tax adjustments	251
Depreciation costs	234
Capital investment	△334
Others	△152
Free cash flow	△1
Reducing borrowings	△26
Dividend payments, others	△53
Effect of exchange rate changes	△31
Net increase in cash during Current Period	△111

(Reference) 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 Company

High-Grade Functional Components and Equipment

Automotive Components Company

Piping Components Company

Hitachi Metals Techno Group

Service and Others

Sales, Services Division

Other Manufacturing Company



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**