

For Immediate Release

Hitachi Metals, Ltd. (Sep. 27, 2006)

Code: 5486

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

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

Notice of Treasury Stock Purchase

(Pursuant to Article 459, Section 1-1 of the Corporations Law provided for in the Company's Articles of Incorporation)

Tokyo, Japan, September 27, 2006—Hitachi Metals, Ltd. announces its decision, made at the Board of Directors meeting held September 27, 2006, to purchase treasury stock based on Article 459, Section 1-1 of the Corporations Law provided for in the Company's Articles of Incorporation.

1. Reason for the acquisition

To allow for the flexible implementation of the Company's capital policy

2. Details

- (1) Type of shares to be acquired: Common stock
- (2) Number of shares: Up to 1,750,000 shares
- (3) Amount of acquisition: Up to 2,000,000,000 yen
- (4) Acquisition period: October 2, 2006 to January 31, 2007

Reference:

Treasury stock as of August 31, 2006

Total number of shares issued (excluding treasury stock): 345,660,981 shares

Total number of shares of treasury stock: 11,507,706 shares