

For Immediate Release

Hitachi Metals, Ltd. (April 25, 2007)

Code: 5486

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

2-1 Shibaura 1chome, Minato-ku, Tokyo

Contact: Sig Ishigay, Officer and General Manager

Corporate Communications Tel: +81-3-5765-4073

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

Matters Related to the Parent Company

1. Parent Company Information

(As of March 31, 2007)

Name	Affiliation	Percentage of voting rights held by the parent company (%)	Stock exchanges on which the parent company's stock is traded
Hitachi, Ltd.	Parent company	56.8 (0.6)	First section of the Tokyo Stock Exchange, First section of the Osaka Securities Exchange, First section of the Nagoya Stock Exchange, Fukuoka Securities Exchange, Sapporo Stock Exchange, New York Stock Exchange (U.S.)

Note: The figure in parentheses indicates the percentage of indirect ownership in the percentage of voting rights held by the parent company.

2. Position of Listed Companies in the Hitachi Group, and Transactional, Personnel, and Capital Relationships with the Parent Company and its Group Companies

As a development-driven company, Hitachi Metals constantly endeavors to enhance its core technologies and to create new products and businesses by developing and testing new technologies. Continually offering new value to society through these endeavors is the foundation on which our business activities are built. Toward these ends, in principle, Hitachi Metals maintains autonomy in its business operations and transactions with its parent company, Hitachi, Ltd. At the same time, as a member of the Hitachi Group, Hitachi Metals has a close collaborative relationship with Group companies through joint research and development and other initiatives. Through effective use of shared management resources, we aim to provide high quality products and services. As a listed company, Hitachi Metals maintains a constant awareness of shareholder expectations and assessments of its value by investors and the overall stock market. Hitachi Metals also recognizes that a rational decision-making process implemented with a sense of urgency is critical to management. Accordingly, Hitachi Metals works to provide timely and appropriate disclosure. At the same time, the Company formulates management plans in an effort to realize sustainable growth and strengthens corporate governance. Through these activities, Hitachi Metals aims to improve corporate value and maximize value for all shareholders as well as the parent company.

As of March 31, 2007, Hitachi, Ltd. and its Group companies held 56.8% of shareholder voting rights in Hitachi Metals. Of Hitachi Metals' three outside directors, two hold concurrent positions respectively as director and representative executive officer of Hitachi, Ltd. In addition, 5 employees of the parent company have been dispatched to the administrative and R&D departments of Hitachi Metals. Hitachi Metals also conducts a range of transactions with Hitachi, Ltd. based upon the Hitachi

Group pooling system. These include the borrowing and lending of funds, selling and purchasing of products, providing services, and transactions that relate to technology and the use by Hitachi Metals of Hitachi's corporate emblem. Hitachi Metals and Hitachi Group companies mutually sell and purchase products, and provide services for one another. Moreover, Hitachi Metals also provides loans to joint-venture companies it has established with Hitachi, Ltd. and organizations from outside the Group, and guarantees the debt of such joint-venture companies.

Hitachi Metals' Board of Directors includes two directors who hold concurrent positions as director and representative executive officer of Hitachi, Ltd. This raises the possibility of their voicing of opinions at meetings of the Board of Directors and thereby influencing decisions related to Hitachi Metals' management policies. However, Hitachi Metals' Board of Directors consists of one outside director appointed from outside of the Hitachi Group of companies, two outside directors who hold concurrent positions as directors and executive officers of Hitachi, Ltd., and four directors from within Hitachi Metals. Consequently, less than half of Hitachi Metals' directors hold concurrent positions at the parent company, and we believe that we are able to maintain autonomy in our business decisions. Hitachi Metals has accepted dispatched employees from the parent company for the purpose of personnel exchange, and none of the dispatched employees have assumed influential posts at Hitachi Metals. Furthermore, the terms and conditions of transactions with Hitachi, Ltd. and other Group companies are determined after mutual discussion regarding common practices and market prices. Hitachi Metals' business activities are not significantly dependent on transactions with the parent company and other Group companies. In light of these factors, Hitachi Metals believes it is able to maintain a sufficient degree of independence from the parent company.

Concurrent Positions of Directors

(As of April 1, 2007)

Position	Name	Position at Parent Company or its Group Companies	Reason for Appointment
Outside Director	Yoshiki Yagi	Director, Hitachi, Ltd.	To strengthen audit functions over Hitachi Metals' Board of Directors and to secure collaboration within the Hitachi Group
Outside Director	Junzo Kawakami	Representative Executive Officer, Executive Vice President and Executive Officer, Hitachi, Ltd.	To strengthen audit functions over Hitachi Metals' Board of Directors and to secure collaboration within the Hitachi Group