

For Immediate Release

Hitachi Metals, Ltd. (April 30, 2008)

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

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Listed Stock Exchanges: Tokyo and Osaka (First Section, Code 5486)

Matters Related to the Parent Company

1. Parent Company Information

(As of March 31, 2008)

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	55.7 (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. Towards these ends, 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.

In addition to the capital relationship indicated in **1. Parent Company Information** above, the relationship between Hitachi, Ltd, its Group companies and Hitachi Metals principally consists of the following personnel and transactional relationships.

- a. Hitachi Metals' Board of Directors consists of seven directors, including three outside directors, two of whom hold concurrent positions as director and representative executive officer of Hitachi, Ltd. This raises the possibility of their voicing opinions and participating in the voting process at meetings of the Board of Directors and thereby influencing decisions related to Hitachi Metals' management policies. In addition, Hitachi Metals' Board of Directors includes one director who holds a concurrent position as director of Hitachi, Ltd. and outside director of another Hitachi Group company. One of Hitachi Metals' three outside directors has previous experience outside of the Hitachi Group of companies. Hitachi Metals' four executive officers, who bear responsibility for the execution of operations hold no concurrent positions as director for either Hitachi, Ltd. or its Group companies (excluding Hitachi Metals Group companies). Directors who hold concurrent director positions within Hitachi Metals, Hitachi, Ltd., and its Group companies (excluding Hitachi Metals Group companies) are as follows.

Concurrent Positions of Directors

(As of March 31, 2008)

Position	Name	Position at Parent Company or its Group Companies	Reason for Appointment
Director (Outside Director)	Yoshiki Yagi	Director, Hitachi Ltd. Chairman of the Board (Outside Director), Hitachi Capital Corporation Chairman of the Board (Outside Director), Hitachi Kokusai Electric, Inc.	To contribute to improving efficiency, strengthening management decisions and audit functions and securing close collaboration with the Hitachi Group based on management experience and specific knowledge as director in charge of the audit function at Hitachi, Ltd.
Director (Outside Director)	Junzo Kawakami	Representative Executive Officer, Executive Vice President and Executive Officer, Hitachi, Ltd. Director (Outside Director), Hitachi Chemical Co., Ltd.	To contribute to improving efficiency, implementing management decisions, strengthening audit functions and securing close collaboration with the Hitachi Group based on management experience and knowledge gained within Hitachi, Ltd. and its Group companies.
Chairman of the Board	Michihiro Honda	Director, Hitachi, Ltd. Director (Outside Director), Hitachi Transport System, Ltd.	To apply management knowledge and experience gained as a manager for the benefit of Hitachi Metals and the companies indicated and to provide a consolidated Group management perspective.

Two employees of the parent company have been dispatched to the R&D departments of Hitachi Metals.

b. 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, provision of services, and pursuit transactions that relate to technology in addition to the use by Hitachi Metals of Hitachi's corporate emblem. Hitachi Metals and Hitachi Group companies mutually sell and purchase products, and provide services to one another. Moreover, Hitachi Metals 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 maintains a policy of continually striving to provide high quality products and services while preserving a close and collaborative relationship with the Group companies of Hitachi, Ltd. At the same time, Hitachi Metals believes it is able to maintain sufficient independence from the parent company to ensure the autonomy of its business decisions despite the concurrent directors as listed above, dispatched employees and transactions with the parent company. Hitachi Metals outlines the rationale behind such convictions below.

a. Fewer than half of Hitachi Metals' directors hold concurrent positions at the parent company while one appointed director has previous experience outside of the Hitachi Group of companies. As such, we believe this composition of directors reflects a good variety of opinions in Board of Directors' discussions and thereby facilitates the maintenance of autonomy in 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.

b. The terms and conditions of transactions with Hitachi, Ltd. and its Group companies are effectively 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 its Group companies.