

For Immediate Release

Hitachi Metals, Ltd. (January 20, 2009)

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

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Stock Exchanges Where Listed (section): Tokyo (First), Osaka (First)

Notice of Dissolution of a Group Company (Subsidiary of a Subsidiary Company)

Tokyo, Japan, January 20, 2009 — Hitachi Metals, Ltd. today announced its decision to dissolve Newport Precision Inc. , a subsidiary of a subsidiary company. Brief details are as follows.

1. Background to Dissolution

Since its establishment, Newport Precision Inc. (“NPI”) has been primarily engaged in the manufacture of hydraulic power steering vanes targeted at the North American automobile market. Due to the impact of the shift from hydraulic to electric power steering as well as the downturn in the economy, demand for hydraulic power steering vanes has declined. Hitachi Metals has therefore decided to dissolve NPI with the aim of increasing efficiency in the application of management resources.

2. Company Profile

Name:	Newport Precision Inc.
Location:	400 Cherry Street, Newport, Tennessee 37821, U.S.A.
Representative:	Shuuichi Nakamura
Business:	Manufacture of hydraulic power steering vanes
Date Established:	August, 1996
Total Assets:	Approximately ¥543 million (As of September 30, 2008)
Fiscal year-End:	March
Paid-in Capital and Shareholding:	Approximately ¥465 million (Hitachi Metals America, Ltd. 80%, Moriya Cutlery Laboratory, Ltd. 20%)

Past Three Years' Results:

	Fiscal Year Ended March 31, 2006	Fiscal Year Ended March 31, 2007	Fiscal Year Ended March 31, 2008
Net Sales	¥980 million	¥1,032 million	¥987 million
Ordinary Income (Loss)	¥(21) million	¥27 million	¥32 million
Net Income (Loss)	¥(13) million	¥18 million	¥19 million

3. Plans Pending

Plans are in place to dissolve the company on March 31, 2009.

4. Impact on Hitachi Metals' Performance

Hitachi Metals estimates it will incur a loss of approximately ¥100 million in connection with the dissolution of NPI. This loss has been factored into Hitachi Metals' performance forecasts. Accordingly, there is no change to the Company's forecasts of results previously announced.