

Hitachi Metals, Ltd.

For Immediate Release

January 30, 2003
Hitachi Metals, Ltd.

Reinforcing Corporate Governance **—Hitachi Metals, Ltd. Adopts Company-with-Committees Structure—**

Hitachi Metals, Ltd. (TSE: 5486, President and Representative Director: Michihiro Honda) will further reform its corporate governance structure by adopting a company-with-committees structure in June 2003. This initiative is being taken in accordance with recent revisions to Japan's Commercial Code.

Hitachi Metals is putting forward four strategies as the basis for maximizing its corporate value: maintain the dominant competitive advantage of the Company's core products; reorganize fundamental operations focusing on electronics-related products; aggressively develop global business; and create and nurture new products and businesses that will serve as an impetus for growth. Hitachi Metals has positioned the maximization of corporate value as a key management task.

By reinforcing corporate governance based on the company-with-committees structure, Hitachi Metals is building an agile management structure that can effectively implement these core strategies. At the same time, the Company will invite outside directors to join its Board, establishing a management framework that those outside the Company will view as being fair and transparent.

The adoption of the company-with-committees structure will be discussed at the Annual General Meeting of Shareholders to be held in June 2003.

[Purpose of Adopting the Company-with-Committees Structure]

(1) Accelerate decision-making

Hitachi Metals introduced an Executive Officer System in 2001 and significantly reduced the number of Board members. This move accelerated management decisions through the delegation of administrative decision-making authority. The adoption of the company-with-committees structure will further strengthen this foundation and allow for bolder and swifter implementation of business reorganization, strategic investments, and other initiatives.

(2) Ensure transparency and efficiency

The objective opinions of outside directors, including those from Hitachi, Ltd., and a strengthening of the supervisory function of the Board of Directors will serve to ensure the transparency and efficiency of Hitachi Metals' operations.

[Appointment of the Chairman of the Board]

In accordance with the new system, a Chairman has been provisionally appointed

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to head the Board of Directors. The Board of Directors will ratify this appointment after the Annual General Meeting of Shareholders to be held in June 2003.

<u>New Title</u>	<u>Name</u>	<u>Present Title</u>
Chairman of the Board	Dr. Tsutomu Kanai	Director, Hitachi Metals, Ltd. Chairman and Representative Director, Hitachi, Ltd. President, Hitachi Research Institute

(Reference)

A profile of the provisionally appointed Chairman of the Board of Directors

Name:	Dr. Tsutomu Kanai
Place of Birth:	Kyoto Prefecture
Education:	PhD in Mechanical Engineering, Tokyo University
Date of Birth:	February 26, 1929 (73 years of age)
Career History:	May 1958 Joined Hitachi, Ltd. June 1985 Executive Managing Director, Hitachi, Ltd. June 1987 Senior Executive Managing Director, Hitachi, Ltd. June 1989 Executive Vice-President and Director, Hitachi, Ltd. June 1991 President and <u>Representative Director</u> , Hitachi, Ltd. April 1999 Chairman and <u>Representative Director</u> , Hitachi, Ltd. June 1999 Director, Hitachi Metals, Ltd. (concurrent post) June 2001 President, Hitachi Research Institute (concurrent post) June 2003 Chairman, Hitachi Metals, Ltd. (provisional appointment for ratification)

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