

## **For Immediate Release**

**Hitachi Metals, Ltd. (September 24, 2003)**  
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Stock Exchange where listed (section): Tokyo(First), Osaka(First)

### **Notice Regarding Transfer of the Water Treatment Business**

Tokyo, Japan, September 24,2003—Hitachi Metals, Ltd.(“Hitachi Metals”) announced today that it has reached a basic agreement with Hitachi Plant Engineering & Construction Co., Ltd. (“Hitachi Plant”, TSE1970) on the transfer of Hitachi Metals’ water treatment business to Hitachi Plant. The transfer is scheduled to take place on October 1, 2003.

#### 1. Background

Both Hitachi Plant and Hitachi Metals have engaged in water treatment operations while employing their respective technological strengths. Due to recent reductions in public works spending, however, market competition is becoming more intense. To prosper under these circumstances, we believe it is necessary to combine the strengths of each company and to further enhance each company’s unique characteristics.

We aim to generate synergistic effects and increase competitiveness through the integration of the water treatment operations of Hitachi Plant, which has a core, comprehensive engineering business in water treatment, and Hitachi Metals, which specializes in distinctive materials technology-based water treatment plants.

#### 2. Transfer Details

1) The water treatment business of the Environmental Systems Company of Hitachi Metals will be transferred to Hitachi Plant.

However, Hitachi Metals will in principle fulfill orders that were received before September 30.

2) Accordingly, approximately 100 personnel related to the water treatment technologies and operations in the Environmental Systems Company at Hitachi Metals will be transferred to Hitachi Plant.

3) Sales of the business to be transferred were approximately ¥12.0 billion in the fiscal year ended March 31, 2003 on a non-consolidated basis.

#### 3. Impact on Earnings

The impact of the transfer of the water treatment business will be minimal on the performance of both companies in the fiscal year ending March 31, 2004.

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