

For Immediate Release

Hitachi Metals, Ltd. (March 29, 2006)

Code:5486

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

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

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

Notice of Dissolution of Subsidiary

Tokyo, Japan, March 29, 2006—— Hitachi Metals, Ltd. has announced the decision to dissolve Hitachi Metals MPF, Ltd., a wholly owned subsidiary, the details of which follow.

1. Background to Dissolution

Hitachi Metals MPF, Ltd. has primarily engaged in the manufacture and sale of magnesium casings for consumer electronics and information appliances. Due to declining demand amid a shrinking market in recent years, Hitachi Metals has decided to dissolve this subsidiary.

2. Company Profile

Name: Hitachi Metals MPF, Ltd.

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

Representative: Naomasa Matake

Business: Manufacture and sale of magnesium casings

Date Est.: October 1, 2001

Total Assets: ¥156 million (as of February 28, 2006)

Fiscal year-end: March 31

Capital and Major Shareholders: ¥100 million (100% of shares held by Hitachi Metals)

Past Three Years' Results:

	Fiscal 2002	Fiscal 2003	Fiscal 2004
Net Sales	¥ 1,043 million	¥ 801 million	¥ 470 million
Ordinary Income	(¥ 69 million)	(¥ 371 million)	(¥ 342 million)
Net Income	(¥ 58 million)	(¥ 368 million)	(¥ 240 million)

3. Dissolution Schedule: Dissolution to be completed by March 31, 2006

4. Impact on Hitachi Metals' Performance

The impact of the dissolution of this subsidiary has already been factored into the Company's earnings estimates, so there will be no revisions to existing estimates.

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