

November 14, 2013

To whom it may concern:

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The Decision on Dismissal of the Appeal against the Levy of Value-Added Tax
Filed by the Subsidiary of Hitachi Metals, Ltd. in Korea

On April 28, 2011, a subsidiary of Hitachi Metals, Ltd. (the “Company”) in Korea filed a complaint against the levy of value-added tax (VAT) on business transactions within a bonded area. The Company’s Korean subsidiary, however, received the notice of dismissal of the appeal from the National Tax Tribunal in Korea on November 5, 2013. Accordingly, the Company announces the decision on dismissal of the appeal against the levy of VAT filed by its subsidiary in Korea as follows.

1. Overview

The Company’s Korean subsidiary was imposed value-added tax by the National Tax Service in the central area of Republic of Korea (“Korean NTS”) on December 27, 2010, on business transactions within a bonded area. The subsidiary paid the VAT on February 28, 2011; however, it filed the complaint against the VAT of ₩43,000 million being imposed on transactions of exported items on April 28, 2011 (“appeal against the VAT levied by Korean NTS on the Company’s Korean subsidiary”).

After deliberations at the National Tax Tribunal in Korea, the Company’s Korean subsidiary received a notice from the Tax Tribunal regarding its decision on dismissal of the appeal against the levy of VAT on November 5, 2013.

2. Effects on Financial Results

The Company had recorded the respective tax refund receivable for the amount paid on February 28, 2011 by the subsidiary in long-term accounts receivable—other. Considering this decision on dismissal as an adjusting event after the reporting period for the six months ended September 30, 2013, the Company decided to reverse long-term accounts receivable—other amounting to ¥3,905 million (₩43,000 million, translated at the exchange rate as of September 30, 2013), and recorded extra ordinary losses amounting to ¥3,166 million, after deducting translation adjustments of ¥793 million, for the six months ended September 30, 2013. As a consequence, the Company restated certain items in its “Consolidated Financial Report for the 6-month period ended September 30, 2013” released on October 28, 2013.

For details of the restatements, please refer to the revised “Consolidated Financial Report for the 6-month period ended September 30, 2013 (with restatements and numeric data restatements),” released together with this notice.

Forecasts of results for the term, April 1, 2013 to March 31, 2014, remain unchanged.