

February 25, 2002

Company Name: Hitachi Cable, Ltd.
Representative: Seiji Hara
President and Representative Director
Listings: First Section, Tokyo Stock Exchange, Inc.
First Section, Osaka Securities Exchange Co., Ltd.
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**Notice Concerning
the Merger of two Semiconductor Packaging Materials Companies**

This is to announce that it was determined at a February 25, 2002 meeting of the board of directors that the non-consolidated subsidiary Hitachi Cable Precision Co., Ltd. (Yonezawa City, Yamagata Prefecture; President: Michinori Shimogaichi; here in after HCPJ) will merge with the consolidated subsidiary Kitsuda Co., Ltd. (Yonezawa City, Yamagata Prefecture; President: Michinori Shimogaichi; here in after Kitsuda). The above two companies manufacture transistor leadframes for the Japanese market.

1. Purpose of Merger

HCPJ was established in December 2000. Production of transistor leadframes was subsequently transferred to HCPJ from Densen Works (Hitachi City, Ibaraki Prefecture) in an effort to strengthen HCPJ's position as a leadframe manufacturer for the Japanese market. As this transfer process is nearing completion, Hitachi Cable Group has determined that the leadframe manufacturing system serving the domestic market should be restructured. Therefore, the Group plans to merge HCPJ with Kitsuda, a company also involved in transistor leadframe manufacturing. This merger will make for a stronger and more efficient transistor leadframe business.

2. Merger Method

- (1) Kitsuda will transfer the whole of operations to HCPJ on May 1, 2002.
- (2) Kitsuda will be liquidated upon completion of the transfer

3. Details of Operations Transfer

(1) Operations to be transferred

The whole of Kitsuda's operations (manufacturing and sales operations including electronic components and metal processing products)

(2) 2000 performance of operations to be transferred

Net Sales	Net Income
2,692 million yen	199 million yen

(3) Assets and liabilities of operations to be transferred (forecast as of April 30, 2002)

A. Assets

Asset	Value
Current Assets	968 million yen
Fixed Assets	971 million yen
Revenue from Market Price Evaluation of Land	83 million yen

B. Liabilities

Liability	Value
Current Liabilities	536 million yen
Fixed Liabilities	116 million yen
Debt	1,345 million yen

(4) Transfer price and payment method

A. Price: ¥25 million

B. Payment method: cash

4. Details of Liquidation

- (1) Loss due to liquidation: none
- (2) Date of liquidation: undecided

5. Future Outlook

(1) HCPJ Forecasts

	Fiscal 2003	Fiscal 2004
Net Sales	4,400 million yen	5,400 million yen
Income before Income Taxes	154 million yen	216 million yen

(2) Effect on Hitachi Cable Consolidated Performance

HCPJ is expected to become a consolidated subsidiary of Hitachi Cable as of fiscal 2003, so this merger is not expected to have any effect on the Company's consolidated performance.

Reference: Forecast of Kitsuda's Fiscal 2002 Performance

	Net Sales	Income before Income Taxes
Fiscal 2002	2,480 million yen	-214 million yen

Kitsuda Summary

- 1) Name: Kitsuda Co, Ltd.
- 2) President: Michinori Shimogaichi
President
- 3) Location: 901 Hosen-cho, Yonezawa City
Yamagata Prefecture
- 4) Date of Establishment: March 25, 1957
- 5) Capital: 105 million yen (as of September 30, 2001)
- 6) Investment Ratio: Hitachi Cable, Ltd., 100%
- 7) Primary Business: Production and sales of electronic components and metal processing products
- 8) Accounts Settled: March 31
- 9) Employees: 94 (as of September 30, 2001)
- 10) Total Assets: 2,037 million yen (as of September 30, 2001)
- 11) Outstanding Shares: 210,000
- 12) Shareholders' Equity: 110 million yen (as of September 30, 2001)

- 13) Major Partners: Sanyo Electric Co., Ltd., Hitachi Cable, Ltd.,
Fujitsu, Ltd.
- 14) Major Lending Partners: The Fuji Bank, Ltd., The Bank of Tokyo-Mitsubishi,
Ltd.
- 15) Performance over the past three years

	Fiscal 1999	Fiscal 2000	Fiscal 2001
Net Sales	2,376 million yen	2,585 million yen	2,692 million yen
Ordinary Income	17 million yen	26 million yen	56 million yen
Net Income	-45 million yen	39 million yen	199 million yen
Net Income per Share	-218.68 yen	190.00 yen	949.10 yen
Cash Dividend per Share	—	—	—
Shareholder's Equity per Share	-766.13 yen	-208.97yen	741.40 yen

HCPJ Summary

- 1) Name: Hitachi Cable Precision Co., Ltd.
- 2) President: Michinori Shimogaichi
President
- 3) Location: 901 Hosen-cho, Yonezawa City
Yamagata Prefecture
- 4) Date of Establishment: December 1, 2000
- 5) Capital: ¥10 million (as of September 30, 2001)
- 6) Investment Ratio: Hitachi Cable, Ltd., 100%
- 7) Primary Business: Production and sales of electronic components and materials
- 8) Accounts Settled: March 31
- 9) Employees: 35 (as of September 30, 2001)
- 10) Total Assets: 5 million yen (as of September 30, 2001)
- 11) Performance

	Net Sales	Income before Income Taxes
Fiscal 2002 (forecast)	300 million yen	-82 million yen