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Company Name: Hitachi Cable, Ltd.
President: Norio Sato
Listings: First Section, Tokyo Stock Exchange, Inc.
First Section, Osaka Securities Exchange Co., Ltd.
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Fujinaga Electric Co., Ltd. merges with FUJINAGA, Ltd.

Hitachi Cable, Ltd. ("Hitachi Cable") has decided to merge the subsidiary Fujinaga Electric Co., Ltd. ("Fujinaga Electric") with Fujinaga Electric's own subsidiary FUJINAGA, Ltd. ("FUJINAGA") effective April 1, 2006

1. Reasons for the merger:

Founded in 1946 for the primary purpose of selling wires and cables, Fujinaga Electric became a Hitachi Cable subsidiary in 2003. Founded in 2003 as a Fujinaga Electric subsidiary, FUJINAGA primarily processes wire and cable terminals, then sells the processed products.

The Hitachi Cable group is currently proceeding with efforts to achieve a more appropriate number of group companies, thereby maximizing group synergies, while concurrently promoting thorough reductions in the group's operating costs, implementing corporate social responsibility (CSR) activities, and ensuring more thorough implementation of current management policies and the sharing of management strategies. By consolidating FUJINAGA's processing of wire and cable terminals and sales of processed products under the Fujinaga Electric organizational umbrella, this merger is intended to improve operational efficiency and reduce administrative costs.

2. Details of this merger:

(1) Effective date of merger:

April 1, 2006 (scheduled)

(2) Method of merger:

As the surviving company, Fujinaga Electric, will absorb FUJINAGA

(3) Consolidation ratio:

Fujinaga Electric already owns all shares of FUJINAGA stock. No new shares will be issued, and this merger will not affect capitalization amounts.

3. Summary of the parties to the merger (as of September 30, 2005):

	Surviving company	Merged company
(1) Company name	Fujinaga Electric Co., Ltd.	FUJINAGA, Ltd.
(2) Lines of business	Sale of wires and cables	Processing and sale of wires and cables
(3) Established	November 1946	December 2003
(4) Headquarters location	1-2 Kanda Ogawacho, Chiyoda-ku, Tokyo	383-10 Aza Kita, Numabukuro, Matsukawamachi, Fukushima Pref.
(5) Representative	Representative Director: Masanori Atsumi	Representative Director: Yoshiaki Shiraishi
(6) Capital	50 million yen	10 million yen
(7) Total shares issued and outstanding	1,000,000 shares	100 shares
(8) Shareholders' equity	304 million yen	93 million yen
(9) Total assets	5,173 million yen	143 million yen
(10) End of fiscal year	End of March	End of March
(11) Number of employees	100	25
(12) Major clients	Kawasaki Heavy Industries, Ltd., Toko Denko Co., Ltd.	Fujinaga Electric, JAE Hakko, Ltd.

(13) Major shareholders and percentage of shares held	Hitachi Cable: 85%	Fujinaga Electric: 100%
(14) Primary banks	Mizuho Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd.	The Toho Bank, Ltd.,
(15) Relationships between parties to the merger	Capital relationships:	FUJINAGA is a wholly-owned subsidiary of Fujinaga Electric.
	Personnel relationships:	FUJINAGA directors have been assigned from Fujinaga Electric.
	Transaction relationships:	Orders placed by Fujinaga Electric account for the majority of FUJINAGA's sales.

4. Business performance of parties to the merger over the three most recent fiscal years

	Fujinaga Electric Co., Ltd. (Surviving company)			FUJINAGA, Ltd. (Merged company)		
	FY 2003	FY 2004	FY 2005	FY 2003	FY 2004	FY 2005
Fiscal year						
Sales (millions of yen)	7,350	8,873	13,285	-	68	442
Operating income (millions of yen)	30	116	255	-	7	34
Ordinary income (millions of yen)	22	179	291	-	7	34
Net income (loss) (millions of yen)	4	-130	144	-	4	19
Net income (loss) per share (yen)	4	-130	144	-	41,331	193,309
Shareholders' equity per share (yen)	117	80	223	-	667,101	860,410

5. Post-merger summary

- (1) Company name: Fujinaga Electric Co., Ltd.
- (2) Lines of business: Sale and processing of wires and cables
- (3) Headquarters location: 1-2 Kanda Ogawacho, Chiyoda-ku, Tokyo
- (4) Representative: Masanori Atsumi
- (5) Capital: 50 million yen
- (6) End of fiscal year: End of March

6. Effects of this merger on Hitachi Cable business performance:

This merger will have no effect on Hitachi Cable's consolidated or non-consolidated business performance.