

January 25, 2006

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Listings: First Section, Tokyo Stock Exchange, Inc.  
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**Merger of Tohoku Rubber Co., Ltd., Tohoku Rubber Sales, Ltd., and  
Tohoku Rubber Molding Co., Ltd.**

Hitachi Cable, Ltd. ("Hitachi Cable") has decided to merge the subsidiary Tohoku Rubber Co., Ltd. ("Tohoku Rubber") with Tohoku Rubber subsidiaries Tohoku Rubber Sales Co., Ltd. ("Tohoku Rubber Sales") and Tohoku Rubber Molding Co., Ltd. ("Tohoku Rubber Molding"), effective April 1, 2006.

1. Reasons for the merger:

Founded in 1943, Tohoku Rubber primarily manufactures and sells industrial-use rubber products. Tohoku Rubber Sales was founded in 1968 as Tohoku Shoji Co., Ltd. In 2001 the sales units of Tohoku Rubber were transferred to the latter company, which then assumed the name Tohoku Rubber Sales Co., Ltd. The new company primarily handled sales of industrial-use rubber products manufactured by the Hitachi Cable Group. Founded in 1966 as Tohoku Endless Kogyo Co., Ltd., Tohoku Rubber Molding in 1971 was renamed Tohoku Rubber Molding Co., Ltd.. Its primary areas of operations involve the processing, repair, and sale of industrial-use rubber 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. Based on this policy, the merger of Tohoku Rubber Sales and Tohoku Rubber Molding into Tohoku Rubber is intended to rationalize and improve the efficiency of Tohoku Group activities, focusing on administrative sections and back-office systems. It is also expected to further reduce administrative costs and improve service by enabling rapid response to client needs, based on the establishment of a consolidated organization handling both manufacture and sales.

2. Details of this merger:

(1) Effective date of merger:

April 1, 2006 (scheduled)

(2) Method of merger:

Surviving company, Tohoku Rubber, will absorb Tohoku Rubber Sales and Tohoku Rubber Molding.

(3) Consolidation ratio:

Tohoku Rubber already owns all shares of Tohoku Rubber Sales and Tohoku Rubber Molding stock, and no new shares will be issued. This merger will not affect capitalization amounts.

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

	Surviving company	Merged company	Merged company
(1) Company name	Tohoku Rubber Co., Ltd.	Tohoku Rubber Sales, Ltd.	Tohoku Rubber Molding Co., Ltd.
(2) Lines of business	Manufacture, sale, etc. of rubber and chemical-compound products	Sale of rubber products and other products	Processing, repair, sale, etc. of rubber products
(3) Established	November 1943	April 1968	January 1966
(4) Headquarters location	1-1-12 Minato, Miyagino-ku, Sendai, Miyagi Pref.	1 Kanda-Izumicho, Chiyoda-ku, Tokyo	1-1-12 Minato, Miyagino-ku, Sendai, Miyagi Pref.
(5) Representative	Masao Yamaguchi	Masao Yamaguchi	Masaaki Watanabe

(6) Capital	276 million yen	27 million yen	10 million yen
(7) Total shares issued and outstanding	5,520,000 shares	34,000 shares	2,000 shares
(8) Shareholders' equity	359 million yen	114 million yen	14 million yen
(9) Total assets	2,252 million yen	1,232 million yen	62 million yen
(10) End of fiscal year	End of March	End of March	End of March
(11) Number of employees	139	40	27
(12) Major clients	Tohoku Rubber Sales and others	Hitachi High-Technologies Corporation and others	Tohoku Rubber and others
(13) Major shareholders and percentage of shares held	Hitachi Cable: 55.5%	Tohoku Rubber: 100%	Tohoku Rubber: 100%
(14) Primary banks	The 77 Bank Ltd.	The 77 Bank Ltd.	The 77 Bank Ltd.
(15) Relationships between parties to the merger	Capital relationships:	Tohoku Rubber Sales and Tohoku Rubber Molding are wholly-owned subsidiaries of Tohoku Rubber.	
	Personnel relationships:	Some Tohoku Rubber directors also serve as directors of Tohoku Rubber Sales and Tohoku Rubber Molding.	
	Transaction relationships:	Tohoku Rubber Sales is a sales-company subsidiary of Tohoku Rubber. Tohoku Rubber Molding is a manufacturing subsidiary of Tohoku Rubber.	

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

	Tohoku Rubber (Surviving company)			Tohoku Rubber Sales (Merged company)			Tohoku Rubber Molding (Merged company)		
	FY 2003	FY 2004	FY 2005	FY 2003	FY 2004	FY 2005	FY 2003	FY 2004	FY 2005
Sales (millions of yen)	2,504	3,016	3,099	4,457	4,880	4,585	264	413	366
Operating income (millions of yen)	-399	-52	30	49	35	7	8	4	2
Ordinary income (millions of yen)	-408	-63	37	22	5	5	8	6	5
Net income (loss) (millions of yen)	-375	113	37	21	22	9	6	3	0
Net income (loss) per share (yen)	-68	21	7	612	654	278	3,034	1,540	4
Shareholders' equity per share (yen)	36	57	61	2,335	3,010	2,954	4,192	5,732	5,735

5. Post-merger summary

- (1) Company name: Tohoku Rubber Co., Ltd.
- (2) Primary lines of business: Manufacture and sale of industrial-use rubber products
- (3) Headquarters location: 1-1-12 Minato, Miyagino-ku, Sendai, Miyagi Pref.
- (4) Representative: Masao Yamaguchi
- (5) Capital: 276 million yen
- (6) End of fiscal year: End of March

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

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