

January 11, 2007

Company Name: Hitachi Cable, Ltd.  
President: Norio Sato  
Listings: First Section, Tokyo Stock Exchange, Inc.  
First Section, Osaka Securities Exchange Co., Ltd.  
Code Number: 5812  
Contact: Masaaki Tomiyama,  
Deputy Group-Executive,  
Human Resources & Administration Group  
TEL: +81-3-6381-1050

**Merger of Hitachi Cable (Suzhou) Co., Ltd. with Hitachi Cable Fine Tech (Suzhou) Co., Ltd.**

Hitachi Cable, Ltd. has announced plans to merge, effective April 1, 2007, its consolidated subsidiaries Hitachi Cable (Suzhou) Co., Ltd. and Hitachi Cable Fine Tech (Suzhou) Co., Ltd. This merger is contingent upon approval by the government of the People's Republic of China's Jiangsu Province, in which both companies are located.

**1. Purpose of this merger**

Hitachi Cable (Suzhou) and Hitachi Cable Fine Tech (Suzhou) were both established in 2003 in the Xujiang Industrial Park, located in the city of Suzhou, Jiangsu Province, China. Hitachi Cable (Suzhou) manufactures and sells wires for information and electronic devices, while Hitachi Cable Fine Tech (Suzhou) manufactures and sells processed components and wire components incorporating such wires. Since their establishment, each of these two companies has built up its own business as an independent company. Now, with the passage of three years since their founding and the resulting stabilization of their business performance, both companies are seeking to achieve further business expansion.

At the same time, the Chinese market for wires for information and electronic devices is growing rapidly with the entry of major electronics and machinery manufacturers, centered on Japanese firms. As a result, there is a pressing need for the Hitachi Cable Group to build a structure capable of responding firmly to such demand.

For these reasons, Hitachi Cable has decided to merge these two companies to form a company handling all aspects of manufacturing—from wires through processing—which will strengthen the companies' business foundation through the optimization of resource allocation. In this way, the companies will work to expand their businesses through efforts including improving their technological capabilities and cost competitiveness and entering new fields with high levels of added value.

**2. Details of this merger**

(1) Effective date of merger:  
April 1, 2007 (planned)

(2) Merger method:

As the surviving company, Hitachi Cable (Suzhou) will absorb Hitachi Cable Fine Tech (Suzhou).

3. Summary of the parties to this merger (as of September 30, 2006)

	Surviving company	Absorbed company
(1) Company name	Hitachi Cable (Suzhou) Co., Ltd.	Hitachi Cable Fine Tech (Suzhou) Co., Ltd.
(2) Lines of business	Manufacture and sale of wires for information and electronic devices	Manufacture and sale of processed components and wire components for information and electronic devices
(3) Established	January 2003	January 2003
(4) Location of headquarters	No. 18 Shijin Road, Xujiang Industrial Park, Xukou, Wuzhong, Suzhou, Jiangsu, P.R.C.	Blocks 6&7, Shanggong Standard Factory, Xujiang Industrial Park, Xukou, Wuzhong, Suzhou, Jiangsu, P.R.C.
(5) Representative	Hiroshi Sasaki, Chairman	Fumimasa Nakahigashi, Chairman
(6) Registered capital	US\$32,600,000	US\$3,000,000
(7) Fiscal year ends	December 31	December 31
(8) Number of employees	357	830
(9) Major customers	Shanghai Hitachi Cable Trading Co., Ltd., and others	Hitachi Cable Fine Tech, Ltd., and others
(10) Major shareholder(s) and percentage(s) of shares held	Hitachi Cable, Ltd.: 100%	Hitachi Cable Fine Tech, Ltd.: 70% Hitachi Cable, Ltd.: 30%

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

	Hitachi Cable (Suzhou) Co., Ltd. (surviving company)			Hitachi Cable Fine Tech (Suzhou) Co., Ltd. (absorbed company)		
Fiscal year	FY 2003	FY 2004	FY 2005	FY 2003	FY 2004	FY 2005
Sales (millions yen)	-	496	1,974	169	667	1,586
Ordinary income (millions yen)	-	240	21	63	76	95

5. Post-merger summary

- (1) Company name: Hitachi Cable (Suzhou) Co., Ltd.
- (2) Lines of business: Manufacture and sale of wires for information and electronic devices and processed components and wire components incorporating such wires
- (3) Headquarters: No. 18 Shijin Road, Xujiang Industrial Park, Xukou, Wuzhong, Suzhou, Jiangsu, P.R.C.
- (4) Representative: Hiroshi Sasaki, Chairman
- (5) Registered capital: US\$35,600,000
- (6) Fiscal year ends: December 31
- (7) Number of employees: approximately 1200
- (8) Major shareholders and percentage of shares held: Hitachi Cable, Ltd. (94%), Hitachi Cable Fine Tech, Ltd. (6%)

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

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