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Listings: First Section, Tokyo Stock Exchange, Inc.  
First Section, Osaka Securities Exchange Co., Ltd.  
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## **LOI reached on transfer of LCD COF business**

The Board of Directors of Hitachi Cable, Ltd. (headquarters: Chiyoda-ku, Tokyo, Japan; President & CEO: Norio Sato) today signed a letter of intent (LOI) with CASIO MICRONICS CO., LTD. (headquarters: Ome-shi, Tokyo, Japan; President and Representative Director: Yoshio Ono). Under this agreement, the two companies will begin exploring the potential transfer of chip-on-film (COF)\*<sup>1</sup> business belonging to CASIO MICRONICS to Hitachi Cable. COFs are used in LCD panels. The two companies plan to discuss specific terms and conditions in the near future before drafting a formal agreement, with the end of March 2008 set as the rough target date for finalizing the agreement.

### **1. Reasons for signing this LOI**

Hitachi Cable is currently focusing on its tape automated bonding (TAB) business\*<sup>2</sup> for semiconductor applications. Since this area represents one of core businesses, Hitachi Cable has explored various avenues to ensure future growth in its scale and profitability. At the same time, CASIO MICRONICS has considered potential alliances as part of its LCD COF business management strategy. The two companies offer complementary technologies, with virtually no overlap in their current respective customer bases. Given these interests and competencies and based on a shared recognition of the possible rewards and synergies generated by such a partnership, Hitachi Cable and CASIO MICRONICS have engaged in sustained talks concerning the feasibility and structure of a potential alliance, leading to this LOI on exploring the potential transfer of COF business belonging to CASIO MICRONICS to Hitachi Cable.

Hitachi Cable believes this proposed alliance will expand the scale of its business, enhance its technology R&D capabilities, improve efficiency, and strengthen its international competitiveness in the area of LCD COFs.

### **2. Overview of business under consideration for transfer**

- (1) Business: CASIO MICRONICS' business of COFs for use in LCD panels
- (2) Sales: 12,721 million yen (actual sales for fiscal year ended March 2007)

**3. Asset and liability accounts of the business being considered for transfer and respective amounts, method of transfer, transfer price, transfer schedule, accounting overview, etc.**

Specifics are to be determined in future discussions and announced at the appropriate time.

**4. Future prospects**

Details of matters such as performance projections for the business under consideration for transfer and the effects on Hitachi Cable's business performance are to be determined in future discussions and announced at the appropriate time.

**5. CASIO MICRONICS Overview**

(1) Name:	CASIO MICRONICS CO., LTD.
(2) Location of headquarters:	10-6 Imai 3-chome, Ome-shi, Tokyo, Japan
(3) Representative:	Yoshio Ono, President and Representative Director
(4) Founded:	July 1987
(5) Capital:	2,992 million yen (as of September 30, 2007)
(6) Number of employees:	679 (as of September 30, 2007)
(7) Primary lines of business:	Research and development, manufacture, and sale of electronic components
(8) Major shareholders and percentages of shares held:	CASIO COMPUTER CO., LTD. 75.13% CASIO MICRONICS employee stock ownership plan 0.87% Trust & Custody Services Bank, Ltd. (money trust account) 0.80% (as of September 30, 2007)
(9) Net assets:	7,227 million yen (as of September 30, 2007)
(10) Total assets:	27,951 million yen (as of September 30, 2007)
(11) Sales:	20,946 million yen (actual sales in fiscal year ended March 2007)
(12) Fiscal year ends:	March 31
(13) Relation to Hitachi Cable:	No capital, personnel, or other relations

\*1 COF: COF stands for Chip On Film. Packaging materials with built-in LCD driver IC chips using two layers of base materials.

\*2 TAB: TAB stands for Tape Automated Bonding. A film-based semiconductor packaging material. Hitachi Cable's TAB business includes COF operations.