

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: Shinichiro Suzumura,
Deputy Group Executive,
Human Resources & Administration Group
TEL: +81-3-6381-1050

Hitachi Cable accepts transfer of LCD COF business (transfer of subsidiary)

On February 1, Hitachi Cable, Ltd. concluded a letter of intent with CASIO MICRONICS CO., LTD. (headquarters: Ome, Tokyo, Japan; President and Representative Director: Yoshio Ono; referred to as CASIO MICRONICS hereinafter) on a course of action whereby CASIO MICRONICS' chip-on-film (COF)*¹ business for use in LCD panels would transfer to Hitachi Cable. The two companies have consulted repeatedly since then on the specifics of the proposed transfer. At a meeting held today, the Board of Directors of Hitachi Cable approved the acquisition of all shares in the newly formed subsidiary of CASIO MICRONICS established through a spin-off, assuming control of its COF operations and renaming this subsidiary Hitachi Cable Film Device, Ltd. (Hitachi Cable Film Device). An agreement on this transfer of shares was also concluded at this meeting. Future plans call for Hitachi Cable to acquire all shares in the new subsidiary and for Hitachi Cable Film Device to begin business operations on June 1, 2008, assuming approval of the spin-off of the company's COF business at the CASIO MICRONICS' shareholders meeting.

1. Reasons for this transfer and future TAB business developments

Its Tape Automated Bonding (TAB) business*² targeting semiconductor applications is one of the current focus areas for the Hitachi Cable Group. The Group has adopted the strategy of striving for growth while distributing risks associated with market fluctuations by operating with a balance between its COF business targeting LCD panels and TAB business targeting memory and other uses. However, the COF market on which this strategy is based has declined due to rapid price drops, and Hitachi Cable has been forced to accept impairment losses related to the COF manufacturing equipment at its Kofu facility.

Given these circumstances, Hitachi Cable has made various efforts to improve the performance of its COF business. As part of these efforts, it has consulted with CASIO MICRONICS repeatedly on assuming the latter's COF operations. The two companies have now reached agreement on the various conditions related to this transfer and have formally concluded an agreement.

The transfer will more than double the Hitachi Cable Group's COF business from its current size, giving it one of the world's leading market shares. By increasing production volumes, synergies in the areas of technology, sales, and raw materials purchasing, and the addition of facilities transferred from CASIO MICRONICS at low depreciation burdens, the Group is seeking to slash costs while improving COF business performance.

TAB sales for memory and other applications remain strong overall, and additional growth is expected. There is pressing demand to expand capacity given the growth expected particularly in the use of TAB products as DRAM packaging materials. However, facilities expansion would require the construction of additional buildings, entailing significant investment and time before completion. The Hitachi Cable Group chose to act quickly to expand capacity at minimum investment by converting the excess COF production capacity resulting from this transfer to TAB for memory use.

The Hitachi Cable Group will leverage this transfer to become a top TAB producer, striving for improved performance in its COF business operations and expanding TAB business activities targeting memory and other applications.

2. Transfer method

Hitachi Cable will acquire all shares in a newly established subsidiary of CASIO MICRONICS created by the spin-off, assuming control of its COF operations and renaming this subsidiary Hitachi Cable Film Device, Ltd.

3. Acquisition price, number of shares, etc.

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| (1) Acquisition price | :6 billion yen
(Plans call for final adjustment of the acquisition price in accordance with the state of assets, liabilities, etc. as of June 1, 2008, the scheduled transfer date.) |
| (2) Seller | :CASIO MICRONICS |
| (3) Number of shares purchased and resulting holdings | :4,000 shares (making the business a wholly-owned subsidiary of Hitachi Cable) |

4. Overview of subsidiary to be transferred

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| (1) Name | :FD Acquisition, Ltd.
(Name change to Hitachi Cable Film Device, Ltd.. planned for June 1, 2008) |
| (2) Head office | :545 Itchohata, Chuo, Yamanashi Prefecture |
| (3) Representative | : Naoyuki Nakayama, President
(a different representative will be dispatched from Hitachi Cable effective June 1, 2008) |
| (4) Date of founding | :Mid-April 2008 (scheduled) |
| (5) Capital | :2,000 million yen (as of May 31, 2008; projected) |
| (6) Number of employees | :Approximately 500 (as of May 31, 2008; projected) |
| (7) Primary areas of operations | :Manufacture and sale of COF products for LCD use |
| (8) Major shareholder and shareholding percentages | :A wholly-owned subsidiary of CASIO MICRONICS
(as of May 31, 2008; projected) |
| (9) Net assets | :6 billion yen (as of May 31, 2008; projected) |
| (10) Total assets | :6.7 billion yen (as of May 31, 2008; projected) |
| (11) Fiscal year ends | :March 31 |

5. Future schedule (planned)

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| (1) Special general meeting of shareholders of CASIO MICRONICS | :April 30, 2008 |
| (2) Acquisition of shares in and change in name of FD Acquisition, Ltd. | :June 1, 2008 |

6. Future prospects

This transfer is expected to increase sales for fiscal 2009 by approximately 10 billion yen, growth reflected in both Hitachi Cable's consolidated and nonconsolidated business performance. The transfer will have only minor effects on profits and losses.

7. Overview of CASIO MICRONICS

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| (1) Name | :CASIO MICRONICS CO., LTD. |
| (2) Head office | :10-6 Imai 3-chome, Ome, Tokyo, Japan |
| (3) Representative | :Yoshio Ono, President and Representative Director |
| (4) Date of founding | :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 areas of operations | :Research and development, manufacture, and sales of electronic components |
| (8) Major shareholders and shareholding percentages | :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 relationships |

*1 COF:

Abbreviation for Chip On Film. Packaging materials with LCD-driver IC chips built-in, using two layers of base materials.

*2 TAB:

Abbreviation for Tape Automated Bonding. A semiconductor packaging material using film. Hitachi Cable's COF business is part of its TAB operations.