

June 20, 2013

Sumitomo Metal Mining Co., Ltd.

Hitachi Cable, Ltd.

## **Commencement of Operations by Integrated Lead Frame and Copper Product Businesses**

Sumitomo Metal Mining Co., Ltd. (SMM) and Hitachi Cable, Ltd. passed resolutions on October 29, 2012 approving integration of the two companies' lead frame business operations and investment by SMM into Hitachi Cable's copper products business (excluding copper tube and brass operations), and have since moved forward with preparations for this. Licenses and permissions have now been attained in accordance with the competition laws, etc. in the relevant countries, and operations will commence at the integrated lead frame and copper product businesses on July 1, 2013.

### **1. Objectives Behind Business Integration**

SMM and Hitachi Cable had separately made ongoing efforts to streamline management of and strengthen the business structures of their respective operations in lead frames and, in Hitachi Cable's case, copper products (excluding copper tubes and brass products). This integration of operations has been undertaken based on the judgment that consolidating their management resources – their lead frame businesses and Hitachi Cable's operations in copper strips, an upstream process – can be expected to generate greater synergy benefits for both companies.

### **2. Overview of Integrated Companies**

The details of the integrated companies that will commence operations on July 1, 2013 are as follows.

#### **(1) Integrated lead frame business**

Corporate name: SH Materials Co., Ltd.  
Headquarters: 5-11-3 Shinbashi, Minato-ku, Tokyo  
Name and title of representative: President and representative director Shuji Noguchi  
Capitalization: 1 billion yen  
Ownership: SMM 51%, Hitachi Cable 49%  
Business scope: Manufacture and sales of lead frames and related products  
Consolidated annual sales: 35 billion yen (estimated)  
Consolidated employees: Approx. 2,600 (including affiliated sales and production bases)  
Sales bases: Domestic: Tokyo, Osaka. Overseas: Singapore

Production bases: Domestic: Yonezawa (Yamagata Pref.), Miyako (Iwate Pref.), Kawanishi (Niigata Pref.), Hitachi (Ibaraki Pref.), Niihama (Ehime Pref.), Okuchi (Kagoshima Pref.)

Overseas: China (Suzhou, Chengdu), Taiwan, Malaysia

(2) Integrated copper products business

Corporate name: SH Copper Products, Ltd.

Headquarters: 3550 Kidamari, Tsuchiura, Tochigi

Name and title of representative: President and representative director Masahiko Abe

Capitalization: 1 billion yen

Ownership: Hitachi Cable 50%, SMM 50%

Business scope: Manufacture and sales of copper products (copper strips, copper products for electric applications)

Annual sales: 50 billion yen (estimated)

Employees: Approx. 550

Sales bases: Tokyo, Osaka, Nagoya, Tsuchiura (Ibaraki Pref.)

Production base: Tsuchiura

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