

January 30, 2003

Company Name: Hitachi Cable, Ltd.

Representative: Seiji Hara, President and Representative Director

Listings: First Section, Tokyo Stock Exchange, Inc.

First Section, Osaka Securities Exchange Co., Ltd.

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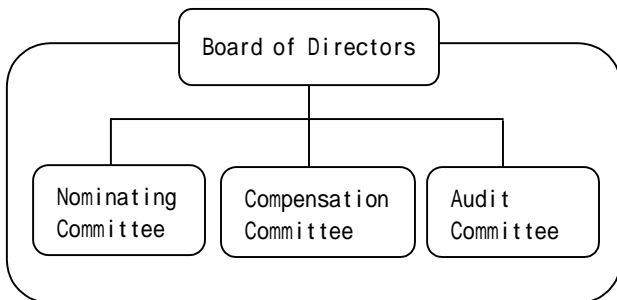
### **Regarding the transition to a company which adopts the Committees System**

At its meeting held today, the Board of Directors of Hitachi Cable, Ltd. (Hitachi Cable, the Company) decided to make the transition to “a company which adopts the Committees System,” subject to the approval of the Regular General Shareholders’ Meeting to be held in the latter part of June 2003, as provided for under the Revised Commercial Code of Japan (to be implemented April 1, 2003).

As the management environment continues to present severe challenges, Hitachi Cable believes that three objectives will be extremely important for strengthening its global competitiveness. These are to “create a plus spiral in the Company’s activities through exercising concentration and selectivity in resource allocation,” “strengthen cooperation of Hitachi Group,” and “focus on compliance and customer satisfaction.” Hitachi Cable intends to take speedier and more appropriate actions than previously to reach these objectives and, to make the management of its activities fair and easy to understand, will make the transition to a company which adopts the Committees System.

As the Company makes the transition to a new company which adopts the Committees Systems, the company will draw on the benefits of its new corporate governance system, including the delegation of greater authority to the Company’s Executive Officers and the proper operation of the committees that will be formed.

## Hitachi Cable's New Corporate Governance and Operational Structure (General Outline)

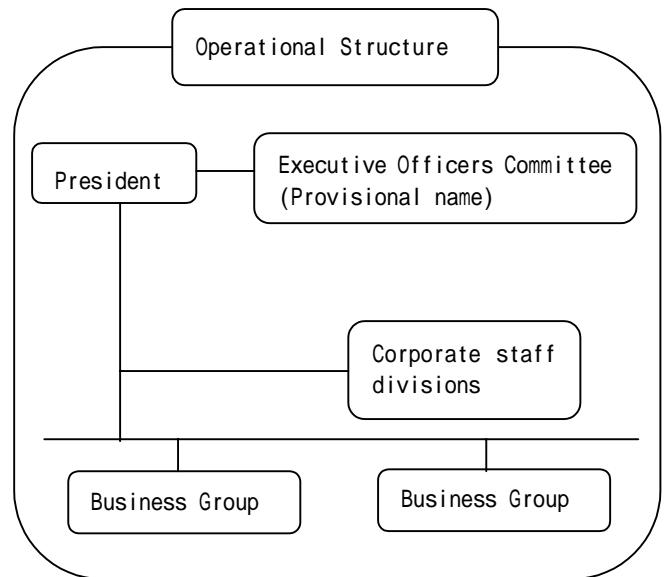


### Composition of the Board

Directors (also holding position of Executive Officer)

Directors (not holding position of Executive Officer)

Outside Director



Please note that accompanying the introduction of this new system, candidates for the positions of Board Directors and Executive Officers have not been decided as of this date, with the exception of Hiroshi Kuwahara and Norio Satoh, whose nominations are announced in a separate statement today.

### Explanation of Terminology

#### (1) A company which adopts the Committees System

Under the Law Revising a Portion of the Commercial Code, etc. (Revised Commercial Code), which will be implemented April 1, 2003, large companies (defined as incorporated enterprises with capital of ¥500 million or more, or liabilities of ¥20 billion or more) and companies viewed as large companies (defined as incorporated enterprises with capital of over ¥100 million but less than ¥500 million that are required to undergo periodic audits by an independent auditor under the terms of their Articles of Incorporation) may choose a new corporate governance structure by including the appropriate statements in their Articles of Incorporation. Specifically, on the condition that such companies form three committees (for nominating, compensation, and audit) in which outside directors account for a majority of the total membership and establish executive officers for day-to-day conduct of operations, this system allows for a substantial delegation of authority from the board of directors for decision making related to operations to the executive officers. Under this system, however, companies will no longer appoint corporate auditors as in the past.

Since decision-making authority for day-to-day conduct of operations is delegated to the executive officers, this system ( ) allows for rapid decision making, ( ) strengthens the overall management oversight functions of the board of directors, including the committees, and ( ) is expected to increase efficiency and transparency of management.

## **(2) Authority of each committee in the Board of Directors**

The committees set up within the board of directors have the following authority:

Nominating Committee: Decides on proposals to be presented to the regular general shareholders' meeting regarding the appointment and dismissal of directors.

Audit Committee: (a) Supervises the board directors and executive officers regarding the conduct of their duties and responsibilities, (b) Decides on proposals to be presented to the regular general shareholders' meeting regarding the selection and dismissal of the independent auditor and proposals recommending against the reappointment of the independent auditor.

Compensation Committee: Sets policies for deciding the content of compensation packages to be received by individual board directors and executive officers and decides on the content of specific compensation packages.

## **(3) The roles of Board Directors, the Board of Directors, and Executive Officers in a company which adopts the Committees System**

### ***Board Directors***

May not engage in day-to-day management of business operations, unless this is required by legal provisions, and may not be appointed or given assignments by the board of directors.

The terms of board directors will end at the conclusion of the general shareholders' meeting held to review the final closing of accounts within one year or less from the time of the board director's appointment.

### ***Board of Directors***

Decides on basic management policies, selects executive officers, decides on other matters related to a company which adopts the Committees Systems, and supervises the directors and executive officers in the performance of their duties and responsibilities.

The new system strengthens the capabilities of the board of directors, including the committees, to carry out overall management supervision.

***Executive Officers***

Carry out the duties and responsibilities delegated to them by the board of directors and other operational matters of a company which adopts the Committees Systems, with the exception of matters that must be decided by the board of directors.

Selection and dismissal of executive officers is carried out by the board of directors.

Executive officers may hold the position of board directors, with the exception of board seats on the audit committee.

The terms of executive officers will extend through the end of the first board of directors meeting held following the conclusion of the regular general shareholders ' meeting held to review the final closing of accounts within one year or less from the time of the executive officer ' s appointment.

The number of executive officers may range from one to any number deemed appropriate, but in the event of the appointment of more than one such office, the board of directors of a company which adopts the Committees System must appoint one executive officer as representative (a representative executive officer).

Executive officers have the duty to report on conditions within their areas of responsibility to the board of directors at least once every three months.

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Please note that all persons who view the content of the announcement of this matter prior to 12 hours from the time of its announcement (1:00 am on January 31, 2003, Japan time), will be regarded as interested parties or recipients of primary information under insider trading regulations as provided for in Article 166 of the Securities and Exchange Law and Article 30 of the Implementation Ordinances of that Law and should therefore exercise appropriate caution.  
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