

January 28, 2002

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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### **Notice Regarding Reorganization of the Overseas Sales System**

It was determined at a January 28, 2002 Board of Directors Meeting that the following measures would be instituted in order to enhance the Company's overseas sales system.

#### **1. Reorganization Summary**

1) Two new regional sales companies will be established. One is Hitachi Cable Asia Ltd. (HCAS), which will be established in Hong Kong. The other is Hitachi Cable Europe Ltd. (HCE), which will be established in London.

2) The consolidated subsidiary Hitachi Cable International Ltd. (HCLI; Headquarters: Chiyoda-ku, Tokyo; President: Keisuke Izumi), will transfer its Asian and European sales operations to the above regional sales companies on March 31, 2002.

3) On April 1, 2002, HCLI will be merged with Hitachi Cable, Ltd.

\*Please see the chart at the end of this document for a summary of the new overseas sales system.

## 2. Reorganization Goals

The transfer of Asian and European sales operations from HCLI to the new regional sales companies noted above will clarify regional performance responsibility and allow the development of sales strategies and activities appropriate for local market needs. In addition, it is expected that this transfer will enable business expansion. At the same time, the merger of HCLI with Hitachi Cable, Ltd. will improve the efficiency of such headquarters functions as administration.

## 3. New Regional Sales Companies

### (1) *Hitachi Cable Asia Ltd. (HCAS)*

President:	Undecided
Location:	Hong Kong
Date of Establishment:	February 2002 (expected)
Capital:	The equivalent of ¥70million in foreign currency (expected)
Investment Ratio:	Hitachi Cable, Ltd., 100%
Start of Operations:	April 1, 2002 (expected)
Primary Business:	Sales of Hitachi Cable group products in the Asian region
Accounts Settled:	December 31
Sales:	Approximately ¥10.0 billion (forecast for the period from April to December, 2002)
Employees:	Approximately 50 (employees transferred from HCLI)

### (2) *Hitachi Cable Europe Ltd. (HCE)*

President:	Undecided
Location:	London
Date of Establishment:	February 2002 (expected)
Capital:	The equivalent of ¥30million in foreign currency (expected)

Investment Ratio:	Hitachi Cable, Ltd. 100%
Start of Operations:	April 1, 2002 (expected)
Primary Business:	Sales of Hitachi Cable group products in the European region
Accounts Settled:	December 31
Sales:	Approximately ¥2.0 billion (forecast for the period from April to December, 2002)
Employees:	Approximately 10 (employees transferred from HCLI)

#### 4. The Merger of HCLI

##### (1) Merger Summary

- 1) Merger Date: April 1, 2002 (expected)
- 2) Method: HCLI will be fully merged with Hitachi Cable, Ltd. Hitachi Cable expects this merger to occur without needing approval from a General Shareholders Meeting, as provided for in Paragraph 1, Section 3, Article 413 of the Commercial Code.
- 3) Merger Ratio: Hitachi Cable owns all existing shares of HCLI, so no new shares will be issued due to the merger. In addition, the capital amount will not change.

##### (2) Effect on Fiscal 2003 Performance

There is expected to be little effect on the Company's non-consolidated performance. There will also be no effect on consolidated performance.

Cooperation with Hitachi Cable America HCA Inc. (HCA; Headquarters: New York; President: Toyonori Haruta), and the above measures will allow Hitachi Cable Group to put in place a three-pronged overseas sales framework covering North America, Europe, and Asia. This new framework will allow the Group to take into account local market features and needs, which will make for better and more efficient sales activities in the

tumultuous overseas markets.

## Reference

### *HCLI Summary*

- 1) Name: Hitachi Cable International, Ltd.
- 2) President: Keisuke Izumi
- 3) Location: 1-6-1 Otemachi, Chiyoda-ku, Tokyo
- 4) Date of Establishment: February 1, 1993
- 5) Capital: ¥100 million (as of September 30, 2001)
- 6) Investment Ratio: Hitachi Cable, Ltd., 100%
- 7) Start of Operations: April 1, 1993
- 8) Primary Business: Sales of Hitachi Cable Group products
- 9) Accounts Settled: March 31
- 10) Employees: 73 (as of September 30, 2001)
- 11) Business Performance:

(Units= ¥billions)

	<b>Net Sales</b>	<b>Net Income</b>
<b>Fiscal 2001</b>	22.03	0.17
<b>Fiscal 2002 (forecast)</b>	23.85	0.01

## Chart: Overseas Sales Framework

