

January 30, 2001

Hitachi Cable, Ltd.
Sumitomo Electric Industries, Ltd.

Regarding the Announcement by the Fair Trade Commission

Hitachi Cable, Ltd. (hereinafter referred to as "Hitachi Cable," President: Seiji Hara) and Sumitomo Electric Industries, Ltd. ("Sumitomo Electric," President: Norio Okayama) have been consulting with The Fair Trade Commission to determine if there are any problems with the comprehensive business tie-up in high-voltage electric power cable which might violate the Antimonopoly Act.

The plan includes the merging of production and sales by product type and the establishment of a joint venture company.

The Fair Trade Commission pointed out that the business tie-up covering both sales and production may be in violation of the Antimonopoly Act.

After the review, the two companies submitted an alternative plan. Under the new plan the business tie-up will involve only the production side. Domestic sales activities will be done by the two companies separately.

Today, this plan was approved by The Fair Trade Commission.

The joint venture company is planned to start operation in October of 2001 as scheduled. The framework details will be announced after the contract is signed in the end of March , 2001.