

To Whom It May Concern:

December 21, 2005  
Hitachi Cable, Ltd.  
(Code number: 5812)

**Transfer and integration of optical fiber cable and optical hardware and equipment  
business to Advanced Cable Systems Corporation**

Hitachi Cable, Ltd (President: Norio Sato) and Corning Cable Systems (President and CEO: Larry Aiello; Headquarters: North Carolina, U.S.A.) have reached a basic agreement to expand the scope of Advanced Cable Systems Corporation by exercising the transfer and integration of the hardware and equipment businesses operating in Japan of Hitachi Cable, Ltd. and Corning Cable Systems. Under the proposed arrangement, Advanced Cable Systems will be responsible for the design, development, manufacture, and sales and marketing activities for optical cable and hardware and equipment products in Japan. Hitachi Cable, Ltd. and Corning Incorporated will each continue to own a 50% interest in Advanced Cable Systems. Corning Cable Systems, a wholly owned subsidiary of Corning Incorporated and part of Corning's telecommunications segment, manages Corning's interest in Advanced Cable Systems. The transaction is expected to be finalized in January 2006.

Advanced Cable Systems was established by Hitachi Cable, Limited and Corning Cable Systems as a joint venture in 2002 to increase their competitiveness in the optical fiber cable market in Japan. Advanced Cable Systems is currently a contract manufacturer of optical fiber cable on behalf of both Hitachi Cable Ltd. and Corning Cable Systems, striving to improve productivity by integrating both companies' manufacturing technologies and joint purchasing of materials. By exercising the transfer of the abovementioned business to Advanced Cable Systems, the company intends to achieve long-term synergies. The company will continue to grow its market position for optical fiber cable and hardware and equipment products in anticipation of the expected future growth of FTTH (Fiber-to-the-Home).

**【Profile of current Advanced Cable Systems】**

- (1) Business fields: Manufacture of optical fiber cables
- (2) Established: March 2002
- (3) Capital: 1.7 billion Yen (US\$14.2 million) (As of March 31, 2005)
- (4) Sales: 4.8 billion Yen (US\$40 million) (Fiscal year 2004)

- (5) Equity position: Hitachi Cable 50%, Corning Cable Systems 50%
- (6) Number of employees: 136 (As of March 31, 2005)
- (8) Head office: 6-1, 1-chome, Otemachi, Chiyoda-ku, Tokyo (In registration)
- (9) Production base and head office: 1-1, 5-chome, Hidaka-cho, Hitachi-city, Ibaraki Pref. (In the premises of Hidaka plant of Hitachi Cable, Ltd.)

**【Profile of Advanced Cable Systems after transfer/integration】** (subject to change)

- (1) Business fields: Manufacture and sale of optical fiber cable and hardware and equipment
- (2) Capital: 1.7 billion Yen
- (3) Sales: 15 billion Yen (estimated)
- (4) Equity position: Hitachi Cable Ltd. 50%, Corning Cable Systems 50%

**【Profile of Corning Cable Systems】**

- (1) Head office: Hickory, North Carolina, U.S.
- (2) Established year: 2000; Number of employees: Approximately 10,000
- (3) Business fields: Corning Cable Systems, part of the telecommunications segment of Corning Incorporated, is recognized as a world leader in telecommunications technology. A wholly-owned subsidiary of Corning Incorporated, Corning Cable Systems specializes in the development and manufacture of fiber optic cables, interconnect hardware, connectors, cable assemblies, splicing and test equipment, as well as specialized copper telephone accessories for voice, data, and video communications applications.

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