

February 27, 2006

Company Name: Hitachi Cable, Ltd.  
President: Norio Sato  
Listings: First Section, Tokyo Stock Exchange, Inc.  
First Section, Osaka Securities Exchange Co., Ltd.  
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**Notice of extraordinary losses booked in connection with application of accounting for impairment of fixed assets and extraordinary profits booked in connection with transfer of fixed assets**

At the meeting of the Board of Directors of Hitachi Cable, Ltd. held February 27, 2006, a decision was made to book extraordinary losses incurred in connection with the application of accounting for impairment of fixed assets and extraordinary profits arising from transfer of fixed assets.

1. Extraordinary losses booked in connection with application of accounting for the impairment of fixed assets

(1) Reasons for loss on impairment and specifics thereof:

Hitachi Cable has restructured its production systems and optimized its human-resource assignments in its fiber-optic and optical submarine cable sectors. Nevertheless, these areas show no prospects for recovery due to factors such as continuing declines in product prices and the rising cost of petroleum and other raw materials. Hitachi Cable has therefore decided to apply impairment charges to its fiber-optic and optical submarine cable manufacturing equipment.

In addition, impairment charges have been applied to dormant compound-semiconductor manufacturing equipment at subsidiary Giga Epitaxy Technology Corp. (GET; located in Taiwan).

(2) Projected value of impairment charges booked as extraordinary losses  
(Units: millions yen)

	Consolidated	Non-Consolidated
Fiber-optic sector manufacturing equipment	2,095	2,095
Optical submarine cable sector manufacturing equipment	1,115	1,115
GET dormant assets	326	-
Total	3,536	3,210

## 2. Booking of profits on sales of fixed assets

### (1) Reasons for sale and summary thereof:

To boost capital efficiency, Hitachi Cable is seeking to reduce its holdings of fixed assets. In keeping with this policy, the company will sell a company-housing site it currently owns to the Sankei Building Co., Ltd. and Sankei Building Estate Co., Ltd. This property is located in Tokyo's Shinagawa Ward.

### (2) Details of assets to be transferred:

(Units: millions yen)

Details of assets and addresses	Book value	Sale value	Current state
Land: approximately 1,180 square meters Buildings: company housing (three stories) and other buildings Property Addresses: 203-14 Kita-Shinagawa 3-chome, Shinagawa-ku, Tokyo 203-15 Kita-Shinagawa 3-chome, Shinagawa-ku, Tokyo 203-52 Kita-Shinagawa 3-chome, Shinagawa-ku, Tokyo	99	1,420	Used for company housing

### (3) Overview of buyers

Overview of the Sankei Building Co., Ltd.:

Company name:	The Sankei Building Co., Ltd.
Address:	6-1 Otemachi 1-chome, Chiyoda-ku, Tokyo
Representative:	Itsuro Nakamoto
Capital:	14,120 million yen
Major shareholders:	Fuji Television Network, Inc., Sankei Shimbun Co., Ltd., and others
Primary lines of business:	Real estate leasing, building sales, etc.
Affiliation with Hitachi Cable:	None

Overview of Sankei Building Estate Co., Ltd.:

Company name:	Sankei Building Estate Co., Ltd.
Address:	4-3 Nihonbashi Muromachi 2-chome, Chuo-ku, Tokyo
Representative:	Shuji Kawai
Capital:	3 million yen
Major shareholder:	Sankei Building Co., Ltd.
Primary lines of business:	Real estate leasing, building sales, etc.
Affiliation with Hitachi Cable:	None

These assets are to be purchased jointly by the Sankei Building Co., Ltd. and Sankei Building Estate Co., Ltd.

(4) Transfer schedule:

February 27, 2006: Final decision on transfer; conclusion of transfer agreement (planned)

March 31, 2006: Settlement of transfer (planned)

April 12, 2006: Property delivered (planned)

3. Future projections

Due to the transactions described in 1 and 2 above, Hitachi Cable will book in its consolidated settlement of accounts for the fiscal year ending March 2006 a loss on impairment of assets of 3,536 million yen (booked as extraordinary loss) and a profit on sales of fixed assets of 1,302 million yen (booked as extraordinary profit). It will also book in nonconsolidated settlement of accounts for the fiscal year ending March 2006 a loss on impairment of assets of 3,210 million yen (booked as extraordinary loss) and a profit on sales of fixed assets of 1,302 million yen (booked as extraordinary profit).

The company's projected performance outlook remains unchanged by the transactions, since the extraordinary losses and extraordinary profits fall within the range of consolidated and nonconsolidated projections for the fiscal year ending March 2006. (These projects were released with the announcement on February 1, 2006 of settlement of accounts for the third quarter of the corresponding fiscal year.)

Reference: Performance projections for the fiscal year ending March 2006

(Units: millions yen)

	Sales	Ordinary income	Net income
Consolidated	418,000	12,000	5,400
Nonconsolidated	265,000	7,000	3,300