

February 17, 2006

Company name: Hitachi Cable, Ltd.  
Representative: Norio Sato, President  
Listings: First Section, Tokyo Stock Exchange, Inc.  
First Section, Osaka Securities Exchange Co., Ltd.  
Code Number: 5812  
Contact: Masaaki Ishikawa,  
General Manager, Administration Dept.,  
Human Resources & Administration Group  
Tel. +81-3-5252-3261

## **Restructuring of sales operations of Southeast Asia group companies**

Hitachi Cable, Ltd. has announced a restructuring of the sales operations of its Southeast Asia group companies as outlined below, centering on Hitachi Cable's subsidiary Hitachi Cable (Singapore) Pte. Ltd ("Hitachi Cable Singapore"). This restructuring will strengthen the Hitachi Cable Group's sales structure in the Southeast Asia region.

### **I. Overview and goals of this restructuring**

The Southeast Asia region has seen marked economic growth in recent years, with members of the Association of Southeast Asian Nations (ASEAN) projected to post an economic growth rate of more than 5% for the fiscal year 2005. Further, high growth rates are expected to continue.

The Hitachi Cable Group has sales companies, branches, and other offices in four countries in the Southeast Asia region: Singapore, Malaysia, Thailand, and the Philippines. In the past, each of these facilities has carried out independent sales activities. However, in order to develop these Southeast Asia markets to an even greater extent and to respond to booming demand in developing markets such as India and Vietnam, beginning April 1 this sales structure will be strengthened by placing Hitachi Cable's subsidiary Hitachi Cable Singapore — which manufactures and sells products including wires and cables, processed wire and cable products, and lead frames — in charge of coordinating the sales activities of each facility.

Specifically, the sales operations of the Singapore branch of Hitachi Cable Asia Ltd., a subsidiary of Hitachi Cable that sells wires, cables, and other products, will merge with Hitachi Cable Singapore and all shares now held by Hitachi Cable Asia in HCAS Thai Trading Co., Ltd ("HCS Thai Trading"). will be acquired by Hitachi Cable Singapore. In addition, a new Sales Planning Division will be established within Hitachi Cable Singapore, whose goals will include the development of synergies and stronger governance through increased marketing power in the Southeast Asia region, as well as stronger partnerships with the sales facilities under its purview.

In connection with this restructuring, the name Hitachi Cable Singapore will be replaced by the new designation Hitachi Cable Asia Pacific Pte. Ltd ("Hitachi Cable Asia Pacific).

## II. Merger of the operations of the Singapore branch of Hitachi Cable Asia with Hitachi Cable Singapore

### 1. Details

#### (1) Details of this merger

The sales operations of the Singapore branch of Hitachi Cable Asia will be transferred to Hitachi Cable Singapore.

#### (2) Fiscal year 2005 business performance for the entity to be transferred

	Singapore branch of Hitachi Cable Asia performance (a)	Hitachi Cable Asia performance (b)	Comparison (a/b)
Sales (in HK dollars)	396,002,000	1,083,859,000	36.5%
Operating income (in HK dollars)	5,784,000	16,157,000	35.8%
Ordinary income (in HK dollars)	7,016,000	14,926,000	47.0%

#### (3) Transfer schedule

Agreement concluded: February 17, 2006

Business transferred: April 1, 2006 (planned)

### 2. Summary of Hitachi Cable Asia (as of December 31, 2004)

- (1) Name: Hitachi Cable Asia Ltd.
- (2) Lines of business: Sales of wires, cables, etc.
- (3) Founded: April 2002
- (4) Headquarters: Kowloon, Hong Kong
- (5) Representative: Toshio Minami, President
- (6) Capital: HK \$4,500,000
- (7) Shareholders' equity: HK \$24,231,000
- (8) Total assets: HK \$314,475,000
- (9) Fiscal year ends: December 31
- (10) Number of employees: 59
- (11) Major shareholder(s) and percentage(s) of shares held: Hitachi Cable: 100%

### 3. Summary of the recipient of the transferred business (as of December 31, 2004)

- (1) Name: Hitachi Cable (Singapore) Pte. Ltd.
- (2) Lines of business: Manufacture and sale of products including wires and cables, processed wire and cable products, and lead frames
- (3) Founded: July 1974
- (4) Headquarters: Jurong Town, Singapore
- (5) Representative: Kunio Nakagawa, President
- (6) Capital: S \$16,000,000
- (7) Shareholders' equity: S \$52,600,000

(8) Total assets:	S \$98,560,000
(9) Fiscal year ends:	December 31
(10) Number of employees:	350
(11) Major shareholder(s) and percentage(s) of shares held:	Hitachi Cable: 83% A.C.T. Holding Pte. Ltd.: 7% Hitachi Magnet Wire, Ltd.: 5% Hitachi Cable Fine Tech, Ltd.: 5%

### III. Change in the company name of Hitachi Cable Singapore, and change in company representative

Overview of this subsidiary: See II -3 above.

Reason for this change: The new company name has been chosen to reflect more precisely the company's new role in charge of coordinating sales facilities in four Southeast Asia markets (Singapore, Malaysia, Thailand, and the Philippines), in accordance with the restructuring of the sales activities of group companies in Southeast Asia.

New company name: Hitachi Cable Asia Pacific Pte. Ltd.

New name takes effect: April 1, 2006 (planned)

New representative: Toshio Minami, President

### IV. Acquisition by Hitachi Cable Singapore of the shares held by Hitachi Cable Asia in HCAS Thai Trading

#### 1. Reason for this transfer of shares:

Strengthening the coordination of sales efforts by placing HCAS Thai Trading, which sells wires and cables, copper products, electronic components and materials, automotive hoses, and other products, under the organization of Hitachi Cable Singapore, which coordinates sales facilities in four Southeast Asia markets (Singapore, Malaysia, Thailand, and the Philippines).

#### 2. Overview of the subsidiary whose shares will be transferred (as of December 31, 2004)

(1) Name:	HCAS Thai Trading Co., Ltd.
(2) Lines of business:	Sales of wires and cables, copper products, electronic components and materials, automotive hoses, and other products
(3) Founded:	February 2004
(4) Headquarters:	Bangkok, Thailand
(5) Representative:	Hiroshi Shizukawa, President
(6) Capital:	4,000,000 Thai baht
(7) Total shares issued and outstanding	4,000 shares
(8) Shareholders' equity:	6,828,000 Thai baht
(9) Total assets:	25,722,000 Thai baht
(10) Fiscal year ends:	December 31
(11) Number of employees:	10
(12) Major shareholder(s) and percentage(s) of shares held:	Wangnoi Marketing Ltd.: 51% Hitachi Cable Asia Ltd.: 49%

#### 3. Business performance of HCAS Thai Trading in the most recent fiscal year (2005)

(1) Sales:	45,773,000 Thai baht
(2) Operating income:	2,665,000 Thai baht

- (3) Ordinary income: 3,726,000 Thai baht
4. Overview of the recipient of this transfer of shares: See II -3 above.
5. Number of shares transferred and number of shares held by Hitachi Cable Asia before and after the transfer
- |                                                                      |                                           |
|----------------------------------------------------------------------|-------------------------------------------|
| (1) Number of shares held by Hitachi Cable Asia before the transfer: | 1,960<br>(percentage of shares held: 49%) |
| (2) Number of shares transferred:                                    | 1,960                                     |
| (3) Number of shares held by Hitachi Cable Asia after the transfer:  | 0 (percentage of shares held: 0%)         |
6. Transfer price: not yet determined
7. Schedule: April 1, 2006 (planned)

V. Effects of this transfer on Hitachi Cable business performance

This merger will have no effect on the non-consolidated business performance of Hitachi Cable. In addition, this merger will have only minor effects on the consolidated business performance of Hitachi Cable.