

August 8, 2006

Company Name: Hitachi Cable, Ltd.
President: Norio Sato
Listings: First Section, Tokyo Stock Exchange, Inc.
First Section, Osaka Securities Exchange Co., Ltd.
Code Number: 5812
Contact: Masaaki Tomiyama
Deputy Group-Executive,
Human Resources & Administration Group
TEL: +81-3-6381-1050

Hitachi Cable overseas subsidiary to withdraw from the manufacture and sale of vinyl-insulated wires for automobiles

Hitachi Cable, Ltd. has announced that its Philippines subsidiary, Hitachi Cable Philippines, Inc., will withdraw from the manufacture and sale of vinyl-insulated wires for automobiles, or automotive wiring, effective October 31, 2006.

Hitachi Cable Philippines will focus its resources on the manufacture and sale of office-equipment rollers and other products.

1. Reasons for withdrawal from this business area

Established in July 1997, Hitachi Cable Philippines currently manufactures and sells office-equipment rollers for use in printers and other products, in addition to automotive wiring. Recently intensifying competition in the automotive-wiring market in the Philippines has led to projections of declining profitability for Hitachi Cable Philippines' automotive-wiring operations.

Seeking to restructure its core business, or wires and cables business, the Hitachi Cable Group is currently seeking to achieve optimal production, higher efficiency, cost reductions, and other improvements groupwide. As part of its efforts to focus resources on selected areas, it has decided to cease Hitachi Cable Philippines' automotive-wiring business, effective October 31, 2006, based on projections of decreased profitability.

2. Overview of decision to withdraw from this area

(1) Specifics of line of business in question

Manufacture and sale of automotive wiring

(2) Performance of the business in question and consolidated business performance of Hitachi Cable (FY 2006)

	Hitachi Cable Philippines automotive- wiring business performance (a)	Hitachi Cable consolidated business performance (b)	Ratio (a/b)
Sales	2,016 million yen	425,092 million yen	0.5%
Ordinary income	72 million yen	12,042 million yen	0.6%

(3) Schedule

Plans call for withdrawal from this line of operations to take effect October 31, 2006.

3. Future projections

Withdrawing from this line of business is projected to result in extraordinary losses of approximately 700 million yen in the 2007 fiscal year.

Since these extraordinary losses fall within the range of consolidated business performance projections for the fiscal year ended March 2007, as announced with the settlement of accounts for the first quarter of the fiscal year (July 28, 2006), no changes will result in the values of these projections.

4. Overview of Hitachi Cable Philippines

- (1) Company name: Hitachi Cable Philippines, Inc.
- (2) Lines of business: manufacture and sale of automotive wiring and rubber products
- (3) Established: July 1997
- (4) Headquarters: Batangas, Philippines
- (5) Representative: Miyafumi Midorikawa, President
- (6) Capital (as of March 31, 2006): 250 million pesos (approximately 600 million yen)
- (7) Sales (FY 2006): 1,491 million pesos (approximately 3.4 billion yen)
- (8) Number of employees: 347 (as of March 31, 2006)
- (9) Investment ratio: Hitachi Cable Philippines is a wholly-owned subsidiary of Hitachi Cable