

June 1, 2007

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President: Norio Sato
Listings: First Section, Tokyo Stock Exchange, Inc.
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Hitachi Cable to strengthen sales structure in Hong Kong and South China regions by consolidating operations of subsidiary sales companies

As outlined below, Hitachi Cable, Ltd. plans to strengthen its sales structure in the Hong Kong and South China regions by consolidating the operations of its Hong Kong sales subsidiaries, HDS International (HK) Ltd., HMC Trading (H.K.) Co., Ltd. and Hitachi Cable Asia Ltd.

1. Overview and objectives of this business restructuring

In the Hitachi Cable Group, three companies have each independently handled sales activities in the Hong Kong and South China regions: Hitachi Cable Asia, HDS International, and HMC Trading (H.K.). However, in order to further strengthen the presence of the Hitachi Cable Group in the Hong Kong and South China markets and to improve the efficiency of management, Hitachi Cable has decided to strengthen its sales structure in these regions by consolidating these three companies into Hitachi Cable Asia effective July 1.

Specifically, HDS International (a subsidiary of Hitachi Cable's subsidiary Hitachi Densen Shoji, Ltd.) and HMC Trading (H.K.) (a subsidiary of Hitachi Cable's subsidiary Hitachi Cable Trading Ltd.) will transfer their business operations to Hitachi Cable's subsidiary Hitachi Cable Asia, and the capital of Hitachi Cable Asia will be increased through investment by Hitachi Densen Shoji and Hitachi Cable Trading. Later, HDS International and HMC Trading (H.K.) will be liquidated.

2. Transfer of the businesses of HDS International and HMC Trading (H.K.), and liquidation of these companies

(1) Details

(i) Details of businesses transferred

All business operations of HDS International and HMC Trading (H.K.) (i.e., sales of Hitachi Cable Group products in the Hong Kong and South China regions) will be transferred to Hitachi Cable Asia. As a result, HDS International and HMC Trading (H.K.) will be liquidated.

(ii) Business performance and financial conditions of HDS International and HMC Trading (H.K.) in the fiscal year 2006 (January 1, 2006 – December 31, 2006)

	HDS International	HMC Trading (H.K.)
Net Sales (in thousands of Hong Kong dollars)	47,764	10,761
Operating income (in thousands of Hong Kong dollars)	861	1,137
Ordinary income (in thousands of Hong Kong dollars)	1,235	437
Total assets (in thousands of Hong Kong dollars)	15,228	2,437
Net assets (in thousands of Hong Kong dollars)	2,979	300

(iii) Schedule

Date of conclusion of agreement on transfer of businesses : June 15, 2007 (planned)

Date of general meeting of shareholders held to approve liquidation of subsidiaries and transfer of businesses : June 15, 2007 (planned)

Date of transfer of businesses : July 1, 2007 (planned)

Date of liquidation of subsidiaries : Liquidation to be completed by December 31, 2007 (planned)

(2) Overview of Hitachi Cable Asia (as of December 31, 2006)

(i) Name : Hitachi Cable Asia Ltd.

(ii) Primary lines of business : Sale of Hitachi Cable and Hitachi Cable Group products

(iii) Date established : April 2002

(iv) Headquarters : Hong Kong

(v) Representative : Toru Aoki

(vi) Capital : 4,500 thousand Hong Kong dollars
Following a capital increase effective June 30, capital will increase to 5,625 thousand Hong Kong dollars

(vii) Fiscal year ends : December 31

(viii) Number of employees : 55

(ix) Major shareholders and percentages of shares held : Currently a wholly owned subsidiary of Hitachi Cable
Major shareholders and their percentages of shares held following the increase in capital to take effect June 30:
Hitachi Cable (80%), Hitachi Densen Shoji (10%), Hitachi Cable Trading (10%)

(3) Overview of HDS International (as of December 31, 2006)

(i) Name	: HDS International (HK) Ltd.
(ii) Primary lines of business	: Sale of Hitachi Cable and Hitachi Cable Group products
(iii) Date established	: March 2003
(iv) Headquarters	: Hong Kong
(v) Representative	: Tetsuya Yamamura
(vi) Capital	: 4,000 thousand Hong Kong dollars
(vii) Fiscal year ends	: December 31
(viii) Number of employees	: 5
(ix) Major shareholders and percentages of shares held	: A wholly owned subsidiary of Hitachi Densen Shoji

(4) Overview of HMC Trading (H.K.) (as of December 31, 2006)

(i) Name	: HMC Trading (H.K.) Co., Ltd.
(ii) Primary lines of business	: Sale of Hitachi Cable and Hitachi Cable Group products
(iii) Date established	: July 2003
(iv) Headquarters	: Hong Kong
(v) Representative	: Yusuke Matsumoto
(vi) Capital	: 500 thousand Hong Kong dollars
(vii) Fiscal year ends	: December 31
(viii) Number of employees	: 1
(ix) Major shareholders and percentages of shares held	: A wholly owned subsidiary of Hitachi Cable Trading

3. Effects on Hitachi Cable business performance

This restructuring and consolidation will have no effect on Hitachi Cable's consolidated or nonconsolidated business performance.