

August 4, 2005

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President: Norio Sato
Listings: First Section, Tokyo Stock Exchange, Inc.
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Notice of Merger with Consolidated Subsidiary, Transfer of the Business of a Consolidated Subsidiary, Change of a Consolidated Subsidiary's Name, and Transfer of Shares in a Consolidated Subsidiary in Connection with the Restructuring of the Hitachi Cable Group's Underground and Overhead Power Cable and Telecommunications System Installation Businesses

As part of its efforts to strengthen the business of the Hitachi Cable Group, Hitachi Cable, Ltd. ("Hitachi Cable") has decided to restructure its underground and overhead power cable and telecommunications system installation businesses as outlined below.

1. Summary of and reasons for this business restructuring:

Currently, the Hitachi Cable group is endeavoring to achieve a more appropriate number of group companies, in order to improve group synergy effects and to promote thoroughly both reductions in the operating costs of subsidiaries and activities related to corporate social responsibility (CSR), as well as proceeding with the thorough implementation of existing management policies and the sharing of management strategies.

As part of these efforts, it will restructure its underground and overhead power cable and telecommunications system installation businesses as outlined below.

Specifically, the underground power cable installation business of Hitachi Cable subsidiary Power & Com Tech, Ltd. ("P&C"), which handles design and contracting for construction related to underground and overhead power cable and telecommunications system installation, will be transferred to P&C's wholly owned subsidiary Hidaka Dengyo, Ltd. ("Hidaka Dengyo"), and P&C with its remaining overhead power cable and telecommunications system installation business will be merged with the overhead power cable and telecommunications system installation business of Hitachi Cable.

After P&C's underground power cable installation business has been transferred to Hidaka Dengyo, the latter will change its name to Power & Com Tech, Ltd. (the "new P&C") and all Hidaka Dengyo shares held by Hitachi Cable will be transferred to J-Power Systems

Corp. (“JPS;” equity method affiliate), a joint venture of Hitachi Cable and Sumitomo Electric Industries, Ltd. that handles the manufacture and sale of power cables. These moves are intended to promote increased business efficiency by concentrating the overhead power cable and telecommunications system installation business at Hitachi Cable and the underground power cable installation business at JPS.

The effects of this restructuring on the consolidated and nonconsolidated business performance of Hitachi Cable will be negligible.

2. Merger of Power & Com Tech, Ltd. with Hitachi Cable

(1) Overview of this merger:

A. Date of conclusion of merger agreement between Hitachi Cable and P&C:

August 4, 2005

B. Date of signing of merger agreement: August 4, 2005

C. Approval of the merger agreement by the General Shareholders’ Meeting:

Hitachi Cable plans to conduct this merger using the method established under Article 413-3, Paragraph 1 of the Commercial Code of Japan. As such, it shall be conducted without obtaining the approval of a General Shareholders’ Meeting.

D. Effective date of merger: October 1, 2005 (planned)

E. Date of registration of merger: October 3, 2005 (planned)

(2) Method of merger

As the surviving company, Hitachi Cable will absorb P&C.

(3) Consolidation ratio

Since Hitachi Cable already owns all shares of P&C stock issued and outstanding, no new shares will be issued in connection with this merger, and amounts of equity shall remain unchanged.

(4) Amount paid in this merger

No funds shall be paid in connection with this merger.

(5) Summary of the parties to this merger (as of March 31, 2005):

(1) Company name	Hitachi Cable, Ltd. (Surviving company)	Power & Com Tech, Ltd. (Merged company)
(2) Lines of business	Manufacture and sale of wires, cables, information-technology and electronics products, copper products, devices, etc.; and design and contracting for installation of power and telecommunication cables	Design and contracting for installation of power and telecommunication cables
(3) Established	April 1956	September 1974
(4) Location of headquarters	1-6-1 Otemachi, Chiyoda-ku, Tokyo, Japan	2-26-2 Nishi-Nippori, Arakawa-ku, Tokyo

(5) Representative	Norio Sato, President and CEO	Yuichi Abe, President
(6) Capital (millions yen)	25,948	400
(7) Total shares issued and outstanding	374,018,174	800,000
(8) Shareholders' equity (millions yen)	157,607	1,161
(9) Total assets (millions yen)	263,905	3,397
(10) Fiscal year ends	End of March	End of March
(11) Number of employees	4,069	147
(12) Major customers	Hitachi, Ltd., NTT group companies, etc.	Hitachi Cable, Ltd. and others
(13) Major shareholders and percentages of shares held	Hitachi, Ltd.: 51.14% Master Trust Bank of Japan, Ltd. (trust account): 3.82% Japan Trustee Services Bank, Ltd. (trust account): 3.29%	Hitachi Cable, Ltd.: 100%
(14) Main transaction banks	UFJ Bank Ltd. and others	Mizuho Corporate Bank, Ltd. and others
(15) Relationships between parties to this merger	Capital relationships:	The merged company is a wholly owned subsidiary of the surviving company.
	Personnel relationships:	Some directors of the merged company are assigned from the surviving company.
	Transaction relationships:	Most of the merged company's sales result from orders from the surviving company.

(6) Business performance over the three most recent fiscal years

	Hitachi Cable, Ltd. (Surviving company)			Power & Com Tech, Ltd. (Merged company)		
Fiscal year	FY 2003	FY 2004	FY 2005	FY 2003	FY 2004	FY 2005
Sales (millions yen)	242,909	237,757	258,367	14,576	15,174	11,380
Operating income (millions yen)	-4,872	1,108	3,449	174	281	112
Ordinary income (millions yen)	-3,020	1,435	4,996	198	283	67

(7) Post-merger summary

A. Company name: Hitachi Cable, Ltd.

B. Lines of business:

Manufacture and sale of wires, cables, information-technology and electronics products, copper products, devices, etc.; and design and contracting for installation of power and telecommunication cables

C. Location of headquarters: 1-6-1 Otemachi, Chiyoda-ku, Tokyo, Japan

D. Representative: Norio Sato, President and CEO

E. Capital:

25,948 million yen (Since Hitachi Cable already owns all shares of P&C stock issued and outstanding, no new shares will be issued in connection with this merger, and amounts of capital shall remain unchanged.)

F. Total assets: 266 billion yen (2.1 billion yen)

Note: The above figure represents projected total assets. The figure in parentheses represents the projected increase in total assets due to this merger.

G. Fiscal year ends: End of March

3. Transfer of P&C's underground power cable installation business to Hidaka Dengyo

(1) Details of this transfer

A. Line of business to be transferred:

The underground power cable installation business

B. Performance of the business to be transferred (FY 2005):

	Underground power cable installation business performance (a)	P&C business performance (b)	Percentage (a/b)
Sales (millions yen)	960	11,380	8.4%
Operating income (millions yen)	16	112	14.3%
Ordinary income (millions yen)	-24	67	-

C. Schedule for transfer of business

Date of conclusion of business transfer agreement: August 4, 2005

Date of business transfer: September 30, 2005 (planned)

(2) Summary of the company receiving transfer of this business (as of March 31, 2005)

(1) Company name	Hidaka Dengyo, Ltd.
(2) Lines of business	Design and contracting for electrical construction
(3) Established	November 1973
(4) Location of headquarters	4-12-1 Kawajiricho, Hitachi City, Ibaraki Pref.
(5) Representative	Hiroshi Kadota, President
(6) Capital (millions yen)	10*
(7) Total shares issued and outstanding	20,000*
(8) Shareholders' equity (millions yen)	59
(9) Total assets (millions yen)	113

(10) Fiscal year ends	End of March
(11) Number of employees	15
(12) Major customers	Hitachi Cable, Ltd., JPS, and others
(13) Major shareholder and percentage of shares held	P&C: 100%
(14) Main transaction banks	Joyo Bank, Ltd. and others

* As a result of this business restructuring, Hidaka Dengyo will undergo an increase of 10 million yen in capital, resulting in a total of 20 million yen in capital and 40,000 shares issued and outstanding.

4. Change of Hidaka Dengyo's name

(1) Summary of this subsidiary: See 3 (2) above.

(2) Reason for this change:

In order to ensure the smooth transfer of the underground cable installation business from P&C, this company will adopt the same name as the source of this transferred business, P&C.

(3) New name: Power & Com Tech, Ltd.

(4) Date of name change: October 1, 2005 (planned)

5. Transfer to JPS of Hidaka Dengyo shares held by Hitachi Cable

(1) Reason for this transfer of shares

Since Hitachi Cable affiliate JPS also handles the underground power cable installation business, the shares held by Hitachi Cable in Hidaka Dengyo (new P&C), to which the underground power cable installation business of P&C will be transferred, will be transferred to JPS in order to promote integrated management, to reduce operational costs, and to increase synergy effects.

(2) Summary of the subsidiary whose shares will be transferred

See 3 (2) above for a summary of Hidaka Dengyo, Ltd.

(3) Business performance of Hidaka Dengyo over the three most recent fiscal years

Fiscal year	FY 2003	FY 2004	FY 2005
Sales (millions yen)	131	142	266
Operating income (millions yen)	1	-2	58
Ordinary income (millions yen)	1	8	57

(4) Recipient of this transfer of shares

A. Name: J-Power Systems Corp.
B. Representative: Kiyoshi Shimojima, President and Representative

Director

C. Location of headquarters: 3-13-16 Mita, Minato-ku, Tokyo

D. Major lines of business:

Research, development, design, manufacturing, construction, and sales for power cables, overhead cables, attendant products, and related systems

E. Relationship with Hitachi Cable:

JPS is an equity-method affiliate of Hitachi Cable (which owns 50% of total JPS shares issued and outstanding)

(5) Number of shares to be transferred and number of shares held by Hitachi Cable before and after the transfer

A. Number of shares held by Hitachi Cable before the transfer:

40,000* (ownership ratio: 100% of shares and 100% of voting rights)

B. Number of shares to be transferred: 40,000*

C. Number of shares held by Hitachi Cable after the transfer: 0 (ownership ratio: 0%)

* The above figures reflect numbers of shares after the increase in capital described in the footnote to 3 (2) above.

(6) Monetary value of transfer

To be announced

(7) Schedule

This transfer is planned to take place on or after October 1, 2005