April 27, 2005

Company name: Hitachi Cable, Ltd.
Representative: Norio Sato, President
Listings: First Section, Tokyo Stock Exchange, Inc.
First Section, Osaka Securities Exchange Co., Ltd.
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Notification Concerning the Allotment of Stock Options

(Warrant rights to be issued on preferential terms in accordance with the regulations of Articles 280-20 and 280-21 of the Commercial Code)

At the meeting of the Board of Directors of Hitachi Cable, Ltd. held on April 27, 2005, the Board of Directors agreed in principle to provide stock options to the Company's Board Directors, Executive Officers, and employees by issuing warrant rights without compensation in accordance with the regulations of Articles 280-20 and 280-21 of the Commercial Code. Based on this decision, the Board of Directors resolved that a resolution concerning the allotment of stock options be proposed at the 68th Regular Shareholders Meeting to be held on June 29, 2005. An outline of the resolution is as follows.

1. Reason for issuance of warrant rights on especially preferential terms to parties other than shareholders:

To increase the motivation and morale of the Company's Board Directors, Executive Officers, and employees with the aim of improving business results, and to reflect the shareholders' point of view through the management.

2. Parties who will receive allotment of warrant rights:

Company's Board Directors, Executive Officers, and employees as of the date of issuance of warrant rights ("warrant issuance date" hereinafter), as determined by the Board of Directors.

3. Types and quantities of shares subject to warrant rights:

The total number of shares shall be limited to a maximum of 360,000 shares of the Company's common stock. The number of shares subject to each warrant right ("number of shares allotted" hereinafter) shall be 1,000 shares.

In the event of a stock split or a reverse stock split involving Company's common stock taking place on or after the warrant issuance date, the number of shares allotted under unexercised and unreleased warrant rights shall be adjusted in proportion to the ratio of the stock split or the reverse stock split. Any fractional remainder of less than one share resulting from this adjustment shall be rounded down. In line with this adjustment, the total number of shares subject to warrant rights shall be adjusted by multiplying the number of shares allotted after adjustment by the total number of warrant rights not exercised or released at that time.

In addition, when unavoidable, such as in cases in which the Company undergoes a reduction in capital, merger, corporate division, or other such process that requires the adjustment of the number of shares allotted on or after the warrant issuance date, the Company shall adjust the number of shares allotted within a reasonable scope, after taking into consideration the terms and conditions etc. of the reduction in capital, merger, corporate division, or other such process. In line with this adjustment, the total number of shares subject to warrant rights shall be adjusted by multiplying the number of shares allotted after adjustment by the total number of warrant rights not exercised or released at that time.

4. Total number of warrant rights to be issued:

A maximum of 360 warrants.

5. Issuance price of warrant rights:

The warrants shall be issued without compensation.

6. Price to be paid when exercising warrant rights:

The price to be paid when exercising each warrant right shall be the price paid or disposal price per share issued or transferred due to exercise of each warrant right (“exercise price” hereinafter), multiplied by the number of shares allotted.

The exercise price shall be the average value of daily closing prices (including market quotations; “closing price” hereinafter) per share of the Company’s common stock for ordinary transactions on the Tokyo Stock Exchange over the thirty-trading-day period beginning on the forty-fifth trading day prior to the warrant issuance date (the number of days with no closing prices shall not be included in the calculation of average prices; fractions of less than 1 yen shall be rounded up), multiplied by 1.05 (fractions of less than 1 yen shall be rounded up). However, if this average value is less than the closing price per share of the Company's common stock on the Tokyo Stock Exchange on the warrant issuance date (on a day on which there is no closing price, this value shall be the most recent closing price achieved prior to the warrant issuance date; the same hereinafter), the exercise price shall be that closing price multiplied by 1.05 (fractions of less than 1 yen shall be rounded up).

Provided that, in the event of a stock split or a reverse stock split involving the Company’s common stock taking place on or after the warrant issuance date, the exercise price shall be adjusted in proportion to the reciprocal of the ratio of the stock split or the reverse stock split. Any fractional remainder of less than 1 share shall be rounded up.

In the event that the Company issues new shares of common stock or disposes of treasury stocks on or after the warrant issuance date at a price less than the market price of common stock (not including exercise of warrant rights, conversion of preferred stock to common stock, and exercise of subscription rights and purchase of odd-lot shares under the regulations of Article 280-19 of the former Commercial Code in force prior to the enactment of the Law Regarding the Partial Amendment of the Commercial Code [Law No. 128 of 2001]), the exercise price shall be adjusted using the following formula, with any fractional remainder of less than 1 yen resulting from this adjustment rounded up:

$$\text{Adjusted exercise price} = \text{Exercise price before adjustment} \times \frac{\text{Number of shares of common stock outstanding} + \dfrac{\text{Number of new shares of common stock issued} \times \text{Price paid per share}}{\text{Price of common stock before issuance of new shares}}}{\text{Number of shares of common stock outstanding} + \text{Number of new shares of common stock issued}}$$

“Number of shares of common stock outstanding” in the above formula refers to the total number of shares of the Company’s common stock already issued, minus the total number of shares of common stock held by the Company as treasury shares. In the case of disposal of treasury shares, the above formula still applies, with “number of new shares of common stock issued” replaced by “number of treasury shares disposed of,” “price paid per share” replaced by “disposal price per share,” and “price of common stock before issuance of new shares” replaced by “price of common stock before disposal.”

In addition, when unavoidable, such as in cases in which the Company undergoes a reduction in capital, merger, corporate division, or other such process that requires the adjustment of the exercise price on or after the warrant issuance date, the Company shall adjust the exercise price within a reasonable scope, after taking into consideration the terms and conditions etc. of the reduction in capital, merger, corporate division, or other such process.

7. Period for exercise of warrant rights:

July 1, 2007 – June 28, 2010.

8. Conditions for exercise of warrant rights:

Warrant rights may not be partially exercised.

9. Reasons and conditions for release of warrant rights:

(1) Should a merger that would dissolve the Company be approved by a shareholders meeting of the Company, or should a stock swap or a stock transfer that would result in the Company becoming a wholly owned subsidiary of another company be approved by a shareholders meeting of the Company, the Company may release unexercised warrant rights without compensation.

(2) In addition, the Company may release unexercised warrant rights acquired and held by the Company at any time without compensation.

10. Restriction on transfer of warrant rights:

Transfer of warrant rights requires approval of the Board of Directors.

11. Outline of allotment of warrant rights:

In allotting warrant rights to the parties eligible to receive them ("eligible parties" hereinafter), the Company shall conclude with each eligible party the Warrant Right Allotment Agreement as outlined below:

(1) The eligible party may not transfer, pledge, or otherwise dispose of the warrant right allotted to a third party.

(2) Until the time for exercise, the eligible party shall have the continuous right to exercise the warrant right, as long as he or she maintains a trust relationship with the Company or is employed by the Company (in the event of loss of this trust relationship due to completion of term, loss of position, retirement, or resignation, or when the eligible party is no longer employed by the Company, he or she shall have the right to exercise the warrant right for two years following such event, within the period for exercise stipulated under "7" above), subject to the terms and conditions of the Warrant Right Allotment Agreement.

(3) In the event of the death of the eligible party, his or her heirs may not exercise the warrant right. In such a case, the relevant warrant right shall revert to the Company without compensation.

(4) In addition to the above matters, any other matters, including causes for reversion of the warrant right from the eligible party to the Company and restrictions on exercise of the warrant right, shall be determined by the terms and conditions of the Warrant Right Allotment Agreement.

Note: The details above are contingent upon approval at the 68th Regular Shareholders Meeting to be held on June 29, 2005 of the resolution concerning issuance of warrant rights on specially preferential terms to parties other than shareholders.