

July 25, 2003

Company Name: Hitachi Cable, Ltd.
President: Norio Sato
Listings: First Section, Tokyo Stock Exchange, Inc.
 First Section, Osaka Securities Exchange Co., Ltd.
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Announcement of Merger

Hitachi Cable, Ltd. (the “Company”) announced today that it had decided to merge with one of its consolidated subsidiaries, Hitachi Cable Distribution, Ltd. (“Hitachi Cable Distribution”) as described below.

1. Purpose of the Merger

Hitachi Cable Distribution transferred its sales operations regarding construction-use wires and cables on January 1, 2003, to Sumiden Hitachi Cable, Ltd. (“Sumiden Hitachi Cable”), jointly established on July 29, 2002, by the Company, Sumitomo Electric Industries, Ltd., Tatsuta Electric Wire & Cable Co., Ltd., and Tonichi Kyosan Cable, Ltd. (“Tonichi Kyosan Cable”). Hitachi Cable Distribution will be absorbed by the Company to facilitate the winding-up process.

2. Summary of the Merger

(1) Schedule

- ① Approval of merger contract by president of the Company and board of directors of Hitachi Cable Distribution: July 25, 2003
- ② Signing of merger contract: July 25, 2003
- ③ Shareholders’ meeting to approve merger contract: In accordance with the provisions of Article 413-3, Paragraph 1 of the Commercial Law, the Company will proceed with the merger without approval of the merger contract at the shareholders’ meeting.
- ④ Merger date: October 1, 2003 (subject to change)
- ⑤ Registration: October 1, 2003 (subject to change)

(2) Method: The Company merges as the surviving company with Hitachi Cable Distribution (the defunct company).

(3) Merger ratio: The Company owns all outstanding shares of Hitachi Cable Distribution. No additional shares will therefore be issued, and there will be no change in the amount of capital.

(4) Delivered money due to merger: None

3. Profiles of companies concerned (as of March 31, 2003)

(1) Trade Name	Hitachi Cable, Ltd. (transferee)	Hitachi Cable Distribution, Ltd. (transferor)
(2) Lines of business	Manufacture and sales of wires and cables, information systems, electronic components, copper products, and electrical equipment	Sales of construction-use wires and cables
(3) Establishment	April 1956	September 1983
(4) Head office address	1-6-1 Otemachi, Chiyoda-ku, Tokyo	7-6-5 Ueno, Taito-ku, Tokyo
(5) Representative	Norio Sato, President	Kazuo Inaba, President
(6) Capital (in millions of yen)	25,948	200
(7) Total number of outstanding shares	374,018,174	4,000
(8) Shareholders' equity (in millions of yen)	159,553	72
(9) Total assets (in millions of yen)	286,554	6,009
(10) End of Fiscal year	End of March	End of March
(11) Number of employees	4,657	— (* 1)
(12) Main customers	Hitachi, Ltd., NTT group companies, and others	Matsumoto Dengyo Co., Ltd., Fujinaga Electric Co., Ltd., and others
(13) Major shareholders and shareholding ratio	Hitachi, Ltd. : 52.21% The Master Trust Bank of Japan, Ltd. (trust account) : 4.99% Japan Trustee Services Bank, Ltd. (trust account) : 3.00%	Hitachi Cable, Ltd. : 80% Tonichi Kyosan Cable, Ltd. : 20%
(14) Main financing banks	UFJ Bank Limited and others	Mizuho Bank, Ltd.
(15) Relationship between companies concerned	Capital ties	Hitachi Cable Distribution is a subsidiary of Hitachi Cable.
	Personnel ties	Hitachi Cable has dispatched board members to Hitachi Cable Distribution.
	Business ties	Hitachi Cable Distribution has borrowed funds from Hitachi Cable.

(*1) Hitachi Cable Distribution employees (92 persons) have been transferred to Sumiden Hitachi Cable in accordance with the transfer of operations to Sumiden Hitachi Cable on January 1, 2003.

(*2) Hitachi Cable Distribution became the Company's wholly owned subsidiary on July 18, 2003, when the Company acquired 800 shares of Hitachi Cable Distribution from Tonichi Kyosan Cable.

(16) Business results of last three fiscal years

Fiscal year	Hitachi Cable, Ltd. (transferee)			Hitachi Cable Distribution, Ltd. (transferor)		
	2001	2002	2003	2001	2002	2003
Net sales (in millions of yen)	330,426	269,850	242,908	32,271	27,134	19,657
Operating income (in millions of yen)	18,764	-4,469	-4,871	72	67	-126
Ordinary income (in millions of yen)	19,385	-2,738	-3,019	86	57	-140
Current net income (in millions of yen)	7,110	-263	-3,334	-7	18	-489
Current net income per share (yen)	19.04	-0.70	-8.98	-1,989	4,529	-122,464
Dividends per share (yen)	10.00	7.50	5.00	-	2,265	-
Shareholders' equity per share (yen)	490.01	464.35	433.81	146,629	146,458	18,214

4. Condition following the merger

(1) Trade name: Hitachi Cable, Ltd.

(2) Lines of business: Manufacture and sales of wires, cables, information systems, electronic components, copper products, and electrical equipment

(3) Head office address: 1-6-1 Otemachi, Chiyoda-ku, Tokyo

(4) Representative: Norio Sato, President

(5) Capital: 25,948 million yen (The Company owns all outstanding shares of Hitachi Cable Distribution. No additional shares will therefore be issued, and there will be no change in the amount of capital.)

(6) Total assets: 275 billion yen (0.1 billion yen)

Note: The figure for total assets above is an estimate. The figure in parentheses is the estimated increase in assets following the merger, and included in the figure for total assets.

(7) End of fiscal year: End of March

(8) Possible effect of merger on business results

The effect of the merger on the Company' s non—consolidated business results is considered minor because the operations of Hitachi Cable Distribution were already transferred to Sumiden Hitachi Cable on January 1, 2003. Consolidated business results will not be affected by the merger.