

April 25, 2002

Company Name: Hitachi Cable, Ltd.
Representative: Seiji Hara
President and Representative Director
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Notification Concerning Stock Option Grants

(Stock options to be granted on advantageous terms in accordance with Articles 280-20 and 280-21 of the Commercial Code)

At the Board of Directors Meeting held on April 25, 2002, Hitachi Cable made a tentative decision to grant stock options free of charge in the form of warrant rights to board members and employees in accordance with Articles 280-20 and 280-21 of the Commercial Code. As stated below, details concerning this tentative decision will be discussed at the 65th Annual General Meeting of Shareholders, which will be held on June 27, 2002.

1. The reason for granting warrant rights to non-shareholders on especially advantageous terms

Warrant rights are to be granted as incentives to improve the performance of board members and employees.

2. Eligible persons

Board members and employees chosen at the Board of Directors Meeting

3. Type and number of new warrant rights to be granted

The upper limit on shares of common stock to be issued is 333,000. The number of shares authorized for issuance upon exercise of each warrant right (hereinafter "the number of authorized shares") is set at 1,000.

Should a stock split or stock consolidation occur after the date on which warrant rights are granted (hereinafter "the granting date"), the number of authorized shares will be adjusted in proportion to the ratio of shares split or consolidated. Fractions resulting from the adjustment will be rounded down. Along with this adjustment, the total number of authorized shares will be revised by multiplying the adjusted number of authorized shares by the total number of warrant rights that are outstanding at the time the split or consolidation occurred.

In addition, Hitachi Cable will rationally adjust the number of authorized shares if a capital reduction, merger, corporate breakup, or other event requiring the adjustment occurs after the granting date. Along with this adjustment, the total number of authorized shares will be revised by multiplying the adjusted number of authorized shares by the total number of warrant rights outstanding at the time such events occur.

4. Total number of warrant rights to be granted

At most, 333 warrant rights will be granted.

5. Amount to be charged for warrant rights

No charge

6. Amount of money to be paid by those exercising warrant rights

The amount of money to be paid by those exercising their warrant rights will be determined by multiplying the number of authorized shares by the price per share issued or transferred upon exercise of each warrant right (hereinafter "the issuing price").

The issuing price per share will be the average daily closing price (including bid price) for ordinary shares of common stock traded on the Tokyo Stock Exchange during a period of 30 consecutive trading days beginning 45 trading days prior to the granting date. (Figures do not include days on which no closing price is reported; fractions will be rounded up to the nearest yen). However, if the said amount falls below the closing price on the granting date, the issuing price per share will be the same as the closing price on the granting date. (In cases where no closing price is reported, the closing price of the first trading day prior to the granting date will be used.)

Should a stock split or stock consolidation occur after the granting date, the issuing price will be adjusted in inverse proportion to the split or consolidation ratio. Fractions will be rounded up to the nearest yen.

If, after the granting date, Hitachi Cable issues new shares of common stock or disposes of its treasury stock at a price below market value, the issuing price for outstanding warrant rights will be adjusted by means of the formula stated below. (Adjustments will not be made if warrant rights have been exercised; preferred stock has been converted into common stock; convertible bonds have been converted into common stock under the former Commercial Code in force prior to the enactment of the Law Regarding the Partial Amendment of the Commercial Code (Law No. 79, 2001); or warrant rights have been exercised pursuant to Article 280-19 of the former Commercial Code.)

$$\begin{array}{l}
 \text{Adjusted issuing price=} \\
 \frac{\text{The number of shares of} \\
 \text{common stock already issued} + \frac{\text{The number of newly issued shares of common stock X the issuing price per share}}{\text{The market price per share of common stock before issuance}}}{\text{Pre-adjusted issuing price X} \frac{\text{The number of shares of common stock already issued} + \text{The number of newly issued shares of common stock}}{\text{The market price per share of common stock before issuance}}}
 \end{array}$$

Using this formula, the "number of shares of common stock already issued" is calculated by subtracting the total number of shares of treasury stock from the total number of shares issued. When disposing of treasury stock, the same formula will be used by substituting "the number of shares of treasury stock to be disposed" for the "number of newly issued shares of common stock," and the "disposal price per share" for the "issuing price per share."

Should a capital reduction, merger, corporate breakup, or other event necessitating the adjustment of the issuing price occur after the granting date, Hitachi Cable will take into account the nature of the event and rationally adjust the issuing price accordingly.

7. Period during which the warrant rights may be exercised

July 1, 2004, through June 26, 2012

8. Restrictions on exercising warrant rights

The partial exercise of warrant rights is not permitted.

9. Retirement of unexercised warrant rights

(1) In the event that the General Shareholders' Meeting approves a merger through which Hitachi Cable is absorbed by another corporation or a stock swap or transfer through which it becomes a wholly owned subsidiary of another corporation, Hitachi Cable will have the right to retire all unexercised warrant rights free of charge.

(2) In addition, Hitachi Cable reserves the right to retire any unexercised warrant rights that it has acquired and held, and it may do so at any time, free of charge.

10. Restrictions on transfer of warrant rights

Warrant rights may be transferred only after receiving the approval of the Board of Directors.

11. Apportionment of warrant rights

Warrant rights will be apportioned through the Warrant Rights Apportionment Agreement, which is outlined below and will be signed by Hitachi Cable and the recipient of the apportioned warrant right (hereinafter “warrant right recipient”).

(1) The warrant right recipient may not transfer or pledge the apportioned warrant rights to any third party or dispose of them in any other manner.

(2) The warrant right recipient may exercise the warrant rights even after he has ceased to be a board member or employee of the Company. (Subject to the provisions set forth in the Warrant Rights Apportionment Agreement)

(3) Should the warrant right recipient die, his heirs may not exercise the warrant rights. In such cases, the said warrant rights shall be returned to the Company without charge.

(4) In addition to the provisions stated above, additional circumstances requiring the return of warrant rights from warrant right recipients to the Company, stipulations regarding the exercise of warrant rights and other items are set forth in the Warrant Grant Agreement.

Note: All of the above is subject to the approval of the agenda "Issuance of warrant rights to non-shareholders on especially advantageous terms" at the 65th Annual General Meeting of Shareholders on June 27, 2002.