

May 27, 2002

Hitachi Cable, Ltd.

President and Representative Director: Seiji Hara

Code No.: 5812

Listing: First Section, Tokyo Stock Exchange, Inc.

First Section, Osaka Securities Exchange Co., Ltd.

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Notice Regarding Reorganization of Sales Subsidiaries

A May 27, 2002, Board of Directors Meeting approved the merger of four of Hitachi Cable's consolidated subsidiaries into one company. The subsidiaries to be consolidated are: Hitachi Densen Shoji, Ltd. (Headquarters: Chiyoda Ward, Tokyo, President and Representative Director: Tetsuo Hashimoto, Hereafter: Hitachi Densen Shoji); Ibanichi Densen Shoji, Ltd. (Headquarters: Hitachi City, Ibaraki Prefecture, President and Representative Director: Kenichi Kashimura, Hereafter: Ibanichi Densen Shoji); Chunichi Densho, Ltd. (Headquarters: Nagoya City, Aichi Prefecture, President and Representative Director: Yoshiyuki Kobayashi, Hereafter: Chunichi Densho); and Nissen Densen Shoji, Ltd. (Headquarters: Sendai City, Miyagi Prefecture, President and Representative Director: Shozou Shibukawa, Hereafter: Nissen Densen Shoji).

1. Reason for merger

The domestic market for wires and cables, the main area of business of the four companies mentioned above, has become very difficult due to clients shifting operations overseas and declining private capital spending, and it has become essential to improve competitiveness by improving customer service.

Consolidating the operations of the four companies into one company will allow the Company to strengthen the connections between areas as well as strengthen marketing in each individual area and improve its transport services as well as streamlining all systems, especially management and operations while strengthening its business base. These measures are also expected to improve profitability.

2. Content of the Merger

(1) Merger Schedule

Merger date: October 1, 2002 (tentative)

(2) Type of Merger

Hitachi Densen Shoji will be the surviving company and absorb Ibanichi Densen Shoji, Chunichi Densho, and Nissen Densen Shoji.

(3) Consolidation Ratio

Hitachi Densen Shoji will allocate one share for every share of Ibanichi Densen Shoji, Chunichi Densho, and Nissen Densen Shoji, making the consolidation ratio 1:1:1:1.

3. Summary of Merging Companies (As of March 31, 2002)

	Hitachi Densen Shoji	Ibanichi Densen Shoji	Chunichi Densho	Nissen Densen Shoji
(1) Business	Sale of wires and cables	Sale of wires and cables	Sale of wires and cables	Sale of wires and cables
(2) Established	Feb. 10, 1964	Oct. 1, 1970	March 1, 1967	Sept. 1, 1967
(3) Capital	230 million yen	50 million yen	40 million yen	30 million yen
(4) Shares Issued	460,000	100,000	80,000	60,000
(5) Shareholders' Equity	1,434 million yen	1,018 million yen	391 million yen	399 million yen
(6) Total Assets	7,793 million yen	1,369 million yen	1,412 million yen	1,576 million yen
(7) Accounts Settled	March 31	March 31	March 31	March 31
(8) Employees	125	34	46	28
(9) Major Clients	Electrical Construction Companies The Hitachi Group Companies	Electrical Construction Companies The Hitachi Group Companies	Electrical Construction Companies The Hitachi Group Companies	Electrical Construction Companies The Hitachi Group Companies
(10) Major Shareholders & Investment Ratio	Hitachi Cable, Ltd.: 95.7% Toritsu Syokai, Ltd.: 4.3%	Hitachi Cable, Ltd.: 100%	Hitachi Cable, Ltd.: 90% Others: 10%	Hitachi Cable, Ltd.: 100%
(11) Main Banks	UFJ Bank, Ltd, Mizuho Bank, Ltd.	Joyo Bank, Ltd., Toho Bank Co., Ltd.	UFJ Bank, Ltd	Joyo Bank, Ltd., 77 Bank, Ltd.

4 .Business Results of Merging Companies for Past Three Years (Each Fiscal year is ended Mar.31)

(1) Hitachi Densen Shoji

	FY2000	FY2001	FY2002
Net Sales	20,893 million yen	23,288 million yen	18,564 million yen
Ordinary Income	171 million yen	308 million yen	61 million yen

(2) Ibanichi Densen Shoji

	FY2000	FY2001	FY2002
Net Sales	5,943 million yen	6,956 million yen	5,473 million yen
Ordinary Income	57 million yen	102 million yen	88 million yen

(3) Chunichi Densho

	FY2000	FY2001	FY2002
Net Sales	5,414 million yen	6,292 million yen	5,435 million yen
Ordinary Income	45 million yen	107 million yen	50 million yen

(4) Nissen Densen Shoji

	FY2000	FY2001	FY2002
Net Sales	3,665 million yen	4,101 million yen	3,339 million yen
Ordinary Income	39 million yen	42 million yen	26 million yen

5 . Post-merger Summary

(1) Official Corporate Name

Hitachi Densen Shoji, Ltd.

(2) Business

Sale of wires and cables

(3) Address

1-16 Sakumacho, Kanda, Chiyoda Ward, Tokyo

(4) President and Representative Director

Tetsuo Hashimoto

(5) Capital

350 million yen

(6) Total Assets

Approximately 12 billion yen

(7) Accounts Settled

March 31

6 . Effect on the Business Results of Hitachi Cable, Ltd.

This merger will have no effect on the non-consolidated business results of Hitachi Cable, Ltd.

The effect of this merger on the consolidated business results of Hitachi Cable, Ltd. is expected to be negligible.