May 26, 2003

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President and Representative Director: Norio Sato
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 advantageous terms in accordance with Articles 280-20 and 280-21 of the Commercial Code)

At the meeting of the Board of Directors of Hitachi Cable, Ltd. held May 26, 2003, the Board of Directors agreed in principle to provide stock options to Board Directors, Executive Officers appointed by the Board after conclusion of the Regular General Shareholders' Meeting (simply "Executive Officers" hereinafter) and to employees, subject to the approval of partial amendment of the articles of incorporation at the forthcoming 66th regular general company shareholders' meeting, scheduled for June 27, 2003 (the Regular General Shareholders' Meeting hereinafter). These stock options are to be issued in the manner specified for issuance of warrant rights without compensation in the regulations under Articles 280-20 and 280-21 of the Commercial Code. The Board of Directors decided to refer to the Regular General Shareholders' Meeting a measure calling for the issuance of stock options as follows.

1. Reason for issuing warrant rights on advantageous terms to parties other than shareholders

To increase the motivation and morale of the company's Board Directors, Executive Officers and employees with regard to business results.

2. Parties to receive allotment of warrant rights

Company Board Directors, Executive Officers and employees as of the date of issuance of the warrant rights (Purchase Warrant Issuance Date hereinafter), as determined by the Board of Directors.

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

The total number of shares is to be limited to 353,000 shares of Hitachi Cable common stock. The number of shares covered by each stock purchase warrant (Number of Shares Allotted hereinafter) shall be 1,000 shares.

In the event of a stock split or reverse stock split involving Hitachi Cable common stock taking place on or after the Purchase Warrant Issuance Date, the number of shares granted under unexercised stock options will be adjusted in proportion to the ratio of the stock split or reverse stock split. Any fractional remainder less than a single share shall be rounded down. As a result of this adjustment, the total number of shares covered by each stock purchase warrant shall be equal the product of the number of shares granted after adjustment multiplied by the total number of warrant rights not exercised or redeemed at the appropriate time.

In addition, when unavoidable as in cases when the Company undergoes a reduction of capital, a merger, corporate division, or other such process that requires the adjustment of the number of shares granted by each stock purchase warrant on or after the Purchase Warrant Issuance Date, the Company shall adjust the number of shares granted within a reasonable scope after taking into consideration the terms and conditions of the reduction of capital, merger, corporate division, or other such process. As a result of this adjustment, the total number of shares covered by each stock purchase warrant shall be equal the product of the number of shares granted after adjustment multiplied by the total number of warrant rights not exercised or redeemed at the appropriate time.

4. Total number of warrant rights to be issued
Up to 358 warrants.

5. Issuance price of warrant rights
The warrants shall be issued without compensation.

6. Fee for exercising the warrant rights

The fee for exercising each stock purchase warrant shall be the price paid or disposal price per share issued or transferred due to the exercise of each warrant (Price Paid hereinafter), multiplied by the number of shares granted.

The Price Paid shall be the average value of daily closing prices (including market quotations; the Closing Price hereinafter) per share on the Tokyo Stock Exchange (the number of days with no closing prices will be excluded from calculations of average prices; fractions of less than one yen shall be rounded up) of the Company's common stock for ordinary transactions over the thirty-trading-day period, beginning the forty-fifth (45^{th}) trading day before the date of issuance of the stock purchase warrant, multiplied by 1.05 (fractions of less than one yen shall be rounded up). However, if this average value is less than the Closing Price on the date of issuance of the stock purchase warrant (on a day on which there is no closing price, this value shall be the closing price achieved on the date closest to the date of issuance of the stock purchase warrant, either the previous trading day or earlier, hereinafter applicable), the Price Paid shall be the value of the Closing Price on the date of issuance of the stock purchase warrant multiplied by 1.05 (fractions less than one yen shall be rounded up).

In the event of a stock split or a reverse stock split involving Hitachi Cable common stock occurring on or after the Warrant Issuance Date, the Price Paid shall be adjusted in proportion to the reciprocal of the ratio of the stock split or reverse stock split. Any fractional remainder of less than one yen shall be rounded up.

In the event the Company issues new shares of common stock or disposes of treasury shares on or after the Warrant Issuance Date at a price less than the market price of common stock (not including exercise of warrant rights, transfer of preferred stock to common stock, or exercise of stock options and purchase of odd-lot shares under the regulations of Article 280 Section 19 of the Commercial Code before revision, according to the Law Regarding the Partial Amendment of the Commercial Code [Law No. 128 of 2001]), the Price Paid shall be adjusted by the following formula. Any fractional remainder of less than one yen resulting form the adjustment shall be rounded up:

Adjusted Price Paid＝

$$\text{Price Paid before adjustment} \times \frac{\text{Number of shares of stock outstanding} + \dfrac{\text{Number of new shares of common stock issued} \times \text{Price Paid per share}}{\text{Price of common stock before issuance of new shares}}}{\text{Number of shares of common stock outstanding} + \text{Number of new shares of common stock issued}}$$

"Number of shares of common stock outstanding" in the above formula refers to the total number of shares of Company stock already issued, minus the total number of treasury shares held by the Company. In the case of treasury share disposal, 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 as in cases when the Company undergoes a reduction of capital, a merger, a corporate division, or other such process that requires the adjustment of the Price Paid on or after the Purchase Warrant Issuance Date, the Company shall adjust the Price Paid within a reasonable scope after taking into consideration the terms and conditions of the reduction of capital, merger, corporate division, or other such process.

7. Valid period for exercise of warrant rights
July 1, 2005 — June 26, 2008.

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 dissolving the Company or 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 general shareholder’s meeting of the Company, the Company may release any unexercised warrant rights without penalty.

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

10. Restriction on transfer of warrant rights
Transfer of warrant rights requires the approval of the Board of Directors.

11. Overview of distribution of warrant rights

In distributing warrant rights to parties eligible to receive them (“eligible parties” hereinafter), the Company shall conclude a Stock Purchase Warrant Agreement with each eligible party, as outlined below.

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

(2) Until the expiration of the valid exercise period, the eligible party retains the right to exercise the stock purchase warrant, as long as he or she maintains a trust relationship with or is employed by the Company (in the event of loss of this trust relationship due to completion of term, resignation, or retirement, or when the eligible party is no longer employed by the Company, he or she shall retain the right to exercise the stock purchase warrant for two years following such event, within the valid exercise period stipulated in 7. above), subject to the terms and conditions of the Stock Purchase Warrant Agreement.

(3) In the event of the death of the eligible party, his or her heir(s) may not exercise the stock purchase warrant. In such case, the relevant stock purchase warrant shall revert to the Company without penalty.

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

Note: The details above are contingent upon approval at the 66th regular general shareholders’ meeting of the Company, to be held June 27, 2003, of a resolution concerning issuance of warrant rights on advantageous terms to parties other than shareholders