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Company Name: Hitachi Cable, Ltd.

President and Representative Director: Norio Satoh

Listings: First Section, Tokyo Stock Exchange, Inc.

First Section, Osaka Securities Exchange Co., Ltd.

Code Number: 5812

Contact: Shinichiro Suzumura,

General Manager, Administration Dept.,

Human Resources & Administration Group

TEL: +81-3-5252-3261

Proposal for Reduction of Wage Level Made to Labor Union

In response to the growing severity of the business environment faced by Hitachi Cable, cost reduction measures including human resource restructuring and reduction of materials procurement costs have been implemented. However, goals regarding the recovery of business results have not been met and the severe operating environment is expected to continue into fiscal 2004. As a result, the Company has made the following proposal and is currently consulting with the labor union regarding a reduction of the wage level as an emergency measure to achieve a recovery of business results.

Specific details regarding the reduction of the wage level will be announced upon the finalization of an agreement with the labor union.

1. Main content of the proposal

(1) Degree of reduction

The monthly wage level for union employees would be reduced by 7% following the implementation of periodic pay raise for skill improvement for the current fiscal year.

(2) Term of implementation

Applied from the June 2003 pay period to the March 2004 pay period.

2. Effect on business results

To be announced upon finalization of an agreement with the labor union.