

March 25, 2002

Company Name: Hitachi Cable, Ltd.
Representative: Seiji Hara
President and Representative Director
Listings: First Section, Tokyo Stock Exchange, Inc.
First Section, Osaka Securities Exchange Co., Ltd.
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Notice Regarding the Consolidation of the Magnet Wire Manufacturing Business

Hitachi Cable, Ltd., announces that it was decided at the March 25, 2002 Board of Directors meeting that the Company's magnet wire manufacturing business will be transferred to the consolidated subsidiary Hanashima Electric Wire Co., Ltd. (President and Representative Director: Yuji Kobayashi, hereinafter Hanashima Electric Wire). In addition, Hanashima Electric Wire will change both its name and location.

1. Transfer of the Magnet Wire Manufacturing Business

(1) Reason for Transfer

Until now, the domestic manufacture of magnet wires has been handled by two companies, Hitachi Cable itself and the aforementioned Hanashima Electric Wire. In order to create a more competitive business that is able to react quickly to changes in the magnet wire market environment, Hanashima Electric Wire was made a Hitachi Cable wholly-owned subsidiary through a February 1, 2002 exchange of shares. In order to respond appropriately in this difficult business environment, the Hitachi Cable Group has determined that it is necessary to further rationalize its magnet wire manufacturing business by consolidating it in a single company. This consolidation will allow the Group to strengthen the foundation of its domestic magnet wire business.

(2) Transfer Details

1) Business to be transferred

The magnet wire manufacturing business

2) Recent performance of the business to be transferred (fiscal year ended March 31, 2001)

	Magnet Wires (a)	Non-Consolidated Total (b)	Ratio (a/b)
Net Sales	17,460 million yen	330,426 million yen	5.3%
Operating Income	520 million yen	18,764 million yen	2.8%
Ordinary Income	502 million yen	19,385 million yen	2.6%

Reference: Forecast for fiscal year ending March 31, 2002

	Magnet Wires (a)	Non-Consolidated Total (b)	Ratio (a/b)
Net Sales	12,380 million yen	265,000 million yen	4.7%
Operating Income	-367 million yen	-4,300 million yen	—
Ordinary Income	-389 million yen	-3,000 million yen	—

3) Assets to be transferred (as of September 30, 2001)

Assets to be Transferred	
Item	Book Value
Machinery	1,042 million yen
Others	1,498 million yen
Total	2,540 million yen

4) Transfer price and payment method

The two companies will cooperate to calculate the current asset value based on the figures above. The method of payment is expected to be cash.

5) Transfer date

August 1, 2002 (expected)

6) Future outlook

This concentration and rationalization will make for an increase in revenue of approximately 900 million yen per year. The fiscal 2004 forecast for the post-transfer Hanashima Electric Wire (which will become Hitachi Magnet Wire Co., Ltd., as described below) is for net sales of 11,830 million yen, operating income of 170 million yen, and income before income taxes of 133 million yen.

2. The Change in Hanashima Electric Wire's Name

(1) Reason for Change

The name will be changed in order to leverage the highly trusted "Hitachi" brand in the magnet wire market as well as to cement the new company's position as Hitachi Cable Group's sole domestic magnet wire manufacturer.

(2) New Name

Hitachi Magnet Wire Co., Ltd. (expected)

(3) Date of Name Change

August 1, 2002 (expected)

(4) Miscellaneous

Together with the name change, the company will move its headquarters to Hitachi City, Ibaraki prefecture.

3. Hanashima Electric Wire Summary

(1) Name: Hanashima Electric Wire Co., Ltd.

(2) Address: 37-18 Kumano-cho
Itabashi-ku, Tokyo
(Satellite office: 108-8 Matsubara
Sayamagahara, Iruma-shi, Saitama)

(3) President: Yuji Kobayashi

(4) Capital: 300 million yen (as of September 30, 2001)

(5) Shareholders: Hanashima Electric Wire became a wholly-owned subsidiary of Hitachi Cable through an exchange of shares on February 1, 2002

(6) Primary Business: Manufacture and sales of magnet wires

(7) Employees: 134 (as of September 30, 2001)

(8) Relationship with Hitachi Cable

Capital Relationship	Wholly-owned subsidiary
Personnel Relationship	4 overlapping director, 2 temporary director, 1 employee seconded
Business Relationship	Hitachi Cable will consign the manufacture of magnet wires (worth 293 million yen for the first half of the fiscal year 2002) to Hanashima Electric Wire

(9) Total Assets: 3,417 million yen (as of September 30, 2001)

(10) Net Sales and Ordinary Income for the most recent fiscal year (fiscal year ended March 31, 2001)

Net Sales	5,187 million yen
Ordinary Income	-186 million yen