

**Hitachi Cable, Ltd.**

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**Announcement concerning the granting of Stock Options**

(Granting of Stock Options pursuant to the Commercial Code chapter 280, article 19 and Hitachi Cable Ltd. chapter 5, article 3)

With regards to the resolution to grant stock options discussed at the 63rd Annual meeting of Shareholders on June 29th 2000 -the announcement below shows decisions on the issuing date etc., made in the board of directors meeting on July 31st 2000.

1.The Stock Option Granting Date.

August 8th 2000.

2. Decision on issue price per share (price for exercising of the warrants)

Issue price per share is to be decided on 8th August 2000.

This price will be set as determined at the 63rd Annual meeting of Shareholders on June 29th 2000. The issue price per share will be the average of the last price (fractions less than 1 Yen will be rounded up) of ordinary dealing of the par-value common stocks of the company on the Tokyo Stock Exchange on each day (except the days on which dealing is not concluded) of the month prior to the month of the granting date. However, when this averaged amount is less than the last price of the granting date, the price will be set at the last price of the granting date.

If a stock split or a stock consolidation takes place after the stock option granting date, the issue price per share will be adjusted in proportion to the reciprocal ratio of stock split or stock consolidation and if upon calculation there is a fraction of a full Yen, it will be rounded up to the nearest Yen.

Also, if after the granting date new common stocks are issued at a price less than the market price of the common stocks (except the conversion of convertible bonds to stocks, the exercising of stock options and conversion of preferred stocks to common stocks) the issue price will be adjusted by using the following formula, and if upon calculation there is a fraction of a full Yen, it will be rounded up to the nearest Yen.

$$\begin{array}{rclcl}
 \text{Issue Price after adjustment} & = & \text{Issue Price before adjustment} & \times & \frac{\text{Number of the common stocks already issued} + \text{Number of new shares to be issued}}{\text{Number of the common stocks already issued} + \text{Number of new the common stocks to be issued}} \\
 & & & & \times \frac{\text{Amount to be paid per share}}{\text{Current market price per the common stocks}}
 \end{array}$$

Furthermore, if after the granting date, we perform an M&A with another company or merge to establish a new company, we will carry out necessary adjustments to our issuing price.

### 3. Amount of issuing price per share not capitalized.

With the granting of options, the amount is the capitalized amount (based on the following calculation), subtracted from the issuing price per share of the stocks issued (when an issuing price adjustment has been made, it is the post adjustment price)

1. By granting options, the amount of capitalized stocks issued is 1/2 the issuing price per share. Also, when an issuing price adjustment has been made, the capitalized amount is 1/2 of the post adjustment issuing price per share. If as a result of this calculation there is a fraction of a full Yen, it will be rounded up to the nearest Yen.

2. If the amount computed according to the calculation above (2), falls below our par-value common stock's face amount, the amount capitalized into stock will hold the face amount.