

July 30, 2001

**Hitachi Cable, Ltd.**

Seiji Hara

President and Representative Director

(code number: 5812, First Division at TSE and OSE)

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**Announcement concerning the granting of Stock Options**

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

With regards to the resolution to grant stock options discussed at the 64th Annual Meeting of Shareholders on June 28th 2001 -the announcement below shows decisions on the issue date etc., made in the board of directors meeting on July 30th 2001.

1.The stock option granting date

August 8th 2001

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

The issue price per share shall be determined on August 8, 2001.

It was resolved at the 64th Annual Meeting of Shareholders held on June 28, 2001 that the issue price per share shall be the daily average price of closing prices (including closing bid or offered price) of the ordinary shares of the common stock of the Company as reported by the Tokyo Stock Exchange for the 30 trading days (excluding trading day or days on which no closing price or closing bid or offered price is reported; fractions shall be rounded upward) commencing on the 45th trading day before said options have been granted. However, should the relevant amount be less than the closing price on the stock option granting date (if there is no closing price, then the first trading day prior to the stock option granting date for which there is a closing price), the issue price per share shall be the closing price on the stock option 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.

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

Furthermore, if after the stock option 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 issue price.

### 3. Amount of issue 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 issue 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 issue price adjustment has been made, the capitalized amount is 1/2 of the post adjustment issue 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 (1), falls below our par-value common stock 's face amount, the amount capitalized into stock will hold the face amount.