

May 9, 2000

Concerning the reorganization of our consolidated subsidiaries.

As part of a plan to strengthen our consolidated management, we have decided to reorganize our consolidated subsidiaries and would like to give you the details as follows.

1. Aims and details.

The severity of the business environment around us is becoming more grave, as apart from the state of the art technology sector: customers are shifting overseas, product prices are falling and the participation in the market of foreign makers' products is causing domestic demand to stagnate and competition to become more and more intense for manufacturers both here and abroad. Also business accounting is in the midst of a trend where consolidation is considered important and the superiority or inferiority of consolidated management has become the key to business evaluation.

In the middle of this, we too have been regarding the 'strengthening of our consolidated management' as a top priority management issue and up to now we have been putting forward a variety of considerations.

Now, we will merge our 6 geographically close domestic consolidated subsidiaries into 3 groups where a synergy effect by integration from the point of view of business type can be expected and, as a result, consolidated competitive power is going to be strengthened by ensuring the improvement of business efficiency.

2. Details of the merger:

<Time period of merger: July 1, 2000>.

New company	Merging companies	Aim of merger
Hitachi Cable Fine Tech, Ltd.	Hitachi Fine Wire, Ltd. Hitachi Cable Assemblies, Ltd.	The construction of a continuous production system – from cable material to assembly – for cable for electronic appliances.
Hitachi Cable Logistics and Technology, Ltd.	Hitachi Cable Wood Products & Housing, Ltd. Hitachi Cable Transportation, Ltd.	The strengthening and rationalization of our group distribution department.
Hitachi Cable MEC-Tech, Ltd.	Hitachi Cable Fine Material, Ltd. Hitachi Cable Poly-Tech, Ltd.	The enriching of and concentration of environmentally related business for electronic related goods.

An outline of the reorganization of related subsidiaries:

Company Name	Capital (million yen)	Head Office	Main business details
Hitachi Fine Wire, Ltd.	200	Ibaragi-ken, Hitachi Prefecture	The manufacture and sale of cable.
Hitachi Cable Assemblies, Ltd.	160	Ibaragi-ken, Hitachi Prefecture	The manufacture and sale of cable and cable assembled products.
Hitachi Cable Wood Products & Housing, Ltd.	120	Ibaragi-ken, Hitachi Prefecture	The manufacture and sale of insulated mold products, chemical products and flameproof materials and the recycling of discarded goods.
Hitachi Cable Transportation, Ltd.	100	Ibaragi-ken, Hitachi Prefecture	The manufacture and sale of rubber and electronic products.
Hitachi Cable Fine Material, Ltd.	200	Ibaragi-ken, Hitachi Prefecture	The packaging, dispatch and warehouse control businesses of the Hitachi Cable group.
Hitachi Cable Poly-Tech, Ltd.	120	Ibaragi-ken, Hitachi Prefecture	The manufacture and sale of cable spools and wooden material assembled products.