

July 23, 2004

Hitachi Cable, Ltd.

Sumitomo Electric Industries, Ltd.

Notice of Transfer and Consolidation to J-Power Systems Corp. of Businesses for Sale of High-Voltage Power Cables to Domestic Power Companies

Hitachi Cable, Ltd. (President & CEO: Norio Sato; hereinafter “Hitachi Cable”), Sumitomo Electric Industries, Ltd. (President & COO: Masayoshi Matsumoto; hereinafter “Sumitomo Electric Industries”), and J-Power Systems Corp. (President: Kusuo Sanjo; hereinafter “JPS”) have advanced with planning for the transfer and consolidation to JPS of Hitachi Cable’s and Sumitomo Electric Industries’ businesses for sale of products such as high-voltage CV cables, ACSR products, and medium-voltage distribution wires (referred to collectively hereinafter as “high-voltage power cables”) to domestic power companies. These efforts are intended as a response to declining demand trends and as a means for achieving further cost reductions.

Together with these plans, the three companies have had a detailed inspection done by the Fair Trade Commission of Japan (JFTC) concerning whether this consolidation would violate the Antimonopoly Act. The JFTC has found that this consolidation would not effectively restrict competition (i.e., that it would not violate the Antimonopoly Act).

Note: The JFTC announced its findings at 3:00 p.m. on July 23, 2004.

As a result of these findings from the JFTC, Hitachi Cable and Sumitomo Electric Industries will both transfer and consolidate to JPS their businesses for sale of

high-voltage power cables to domestic power companies, with a target of October 2004 for such transfer and consolidation. From this point, arrangements for transfer and consolidation will be made by a committee led by the directors in charge of such plans from these three companies.

Hitachi Cable and Sumitomo Electric Industries will continue to conduct sales on their own to domestic users other than power companies.

Please address any inquiries concerning this matter to:

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Department

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Explanations of terminology:

(1) CV (Crosslinked Polyethylene Polyvinyl Chloride) cables:

These cables utilize crosslinked polyethylene insulation, which uses a reticulate molecular structure achieved by crosslinking polyethylene to greatly improve performance against softening under heat, a weakness of polyethylene. They are used for a wide range of voltages, from 600 V to 500 kV, and for a wide variety of applications, such as for cables and power lines in buildings and factories and for underground transmission lines in urban areas.

(2) ACSR (Aluminum Conductor Steel Reinforced) products:

These are wires, with zinc-plated steel wires intertwined at the core and hardened aluminum wires intertwined on the exterior. These are used for overhead power transmission lines installed on tall steel towers.

Profile of J-Power Systems Corp.:

(1) Lines of business: Research, development, design, manufacturing, installation, and export of electric power cables, overhead power transmission lines and accessories, and related systems

(2) Established: July 2001

(3) Capital: 4 billion yen

(4) Sales: 52.1 billion yen (FY 2004, ending Mar 31, 2004)

(5) Shareholders: Hitachi Cable, Ltd. (50%), Sumitomo Electric Industries, Ltd. (50%)

(6) Number of employees: approximately 900

(7) Representative: Kusuo Sanjo, President

(8) Headquarters: Mita 43 MT. Bldg., 3-13-16 Mita, Minato-ku, Tokyo

(9) Facilities: Toyoura Works (Hitachi, Ibaraki Pref.), Hitaka Works (Hitachi, Ibaraki Pref.), Osaka Works (Konohana-ku, Osaka), Tokyo Construction Center (Ota-ku, Tokyo), Osaka Construction Center (Konohana-ku, Osaka)