



Representative Executive Officer, President and Chief Executive Officer **Mitsuo Imai**

Under our new medium-term management plan, Plan “BRIDGE,” we will implement new initiatives designed to restore our status as a highly profitable enterprise and reshape Hitachi Cable Group into a truly global entity.

In the year ended March 31, 2010, we implemented comprehensive cost reduction measures and launched a business-restructuring program that brought significant progress toward a recovery in our financial performance. For the year ending March 2011, we have set new goals under our new medium-term management plan, Plan “BRIDGE.” We will transform Hitachi Cable Group into a group of highly profitable businesses based primarily on infrastructure-related materials, parts and devices. The keys to realizing this vision are a business management that focuses on profit margins, and the significant strengthening of our overseas business operations.

Conditions through FY 2010

Q.1

Would you outline your initiatives during the year ended March 2010 and your financial results for that period?

A.1

In the year ended March 2010, we substantially reduced our losses through comprehensive cost cuts and structural reforms.

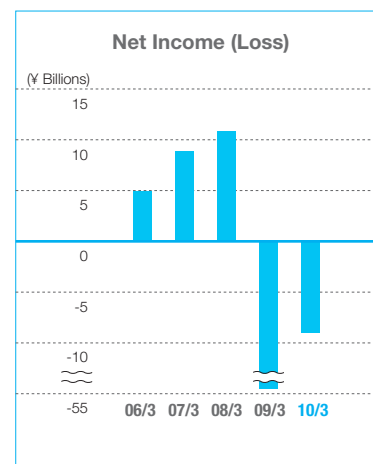
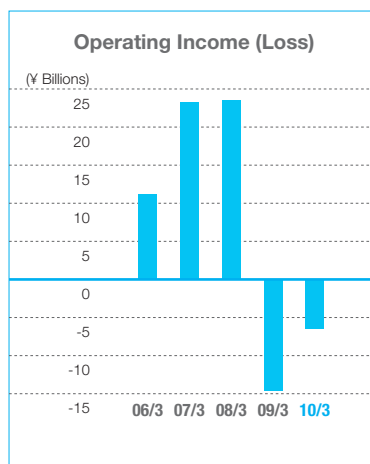
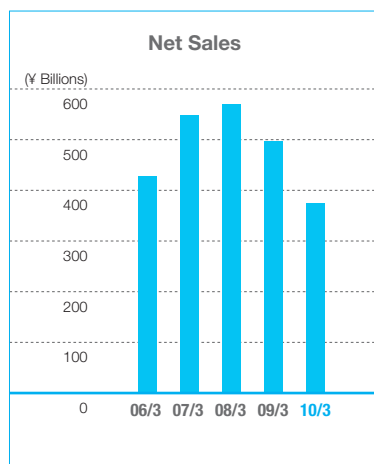
In the preceding three years, we worked under the medium-term management plan, Plan "BEGIN" to achieve growth and expansion by maintaining steady income streams in our core businesses and by investing management resources aggressively in priority target areas. Our basic policy under this plan, which covered a three-year period from the year ended March 2007, was to build a new platform for growth. The plan targeted operating income of ¥20,000 million, which we reached in its first year. However, our efforts to build a new growth foundation were thwarted by the financial crisis that began in the U.S. in 2008. This crisis, among the worst in a century, triggered a global decline in business performance, and in the year ended March 2009, we recorded substantial losses.

In the year ended March 2010, our entire organization united in a determined effort to bring Hitachi Cable safely through this storm by strengthening our financial performance. The first step was to stop the hemorrhaging through comprehensive measures to minimize costs, especially fixed costs. This resulted in savings of ¥16.6 billion, which was largely in line with our initial target. We also rationalized business segments in which profitability was

most seriously impacted, such as semiconductor-related and automotive products. Specifically, we reduced the number of overseas production companies by four through measures that included the dissolution of a joint venture in the area of wiring for electronic devices. We also reduced the number of North American manufacturing sites for automotive components from five to three. In the area of tape automated bonding (TAB), we centralized our LCD chip on film (COF) production operations in Japan, thereby reducing the number of production sites from three to one. We also integrated our sales companies.

Although net sales were 24% lower year on year, at ¥372,450 million in the year ended March 2010, these measures allowed us to reduce the operating loss to ¥6,381 million, compared with a loss of ¥14,740 million in the previous fiscal year. We also dramatically improved our net loss, which was reduced from ¥53,775 million in the previous fiscal year to ¥9,110 million in the year ended March 2010.

Note: For detailed information about financial performance in the year ended March 31, 2010, see "Management's Discussion and Analysis" on Page 13.



New medium-term management plan: Fundamental policies

Q.2

Briefly, what are your targets under Plan “BRIDGE,” the new medium-term plan?

A.2

Under this plan, we aim first to restore our status as a highly profitable enterprise and drive our evolution as a truly global entity by making profit margins a core management focus as we review our priority targets. We will also radically strengthen our overseas business operations.

Plan “BRIDGE” was launched in the year ending March 2011 and runs through the year ending March 31, 2013. The name reflects our vision of the plan as a bridge leading beyond the current difficulties and carrying us onward to the realization of these two goals.

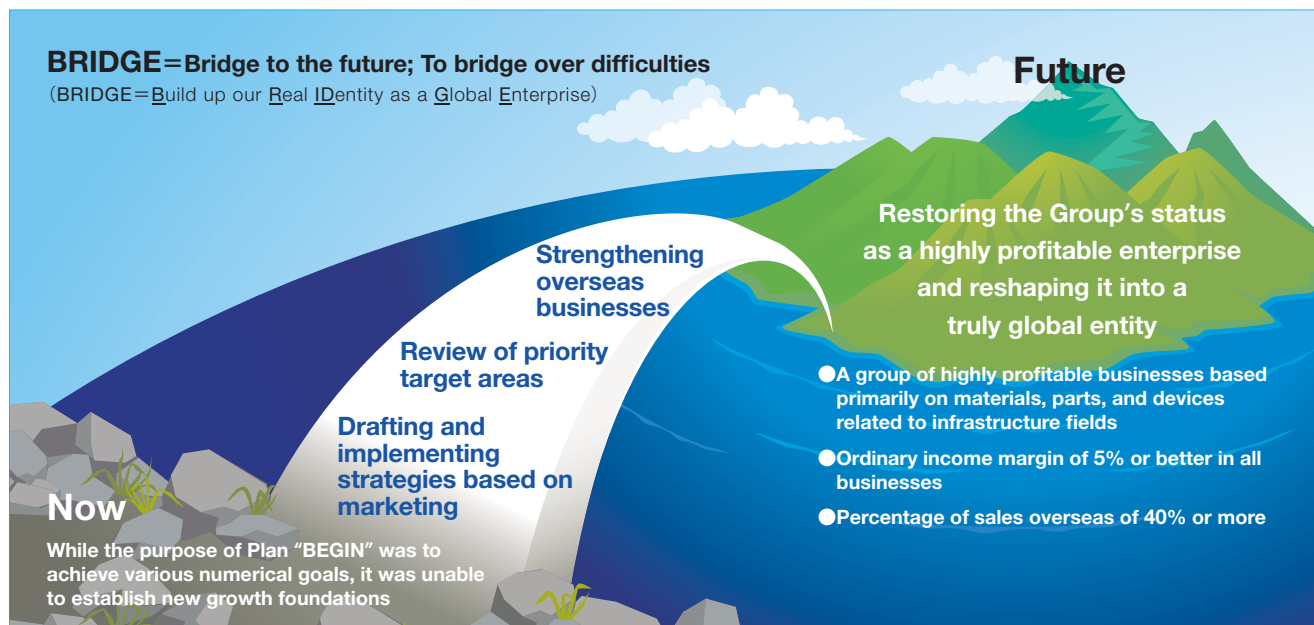
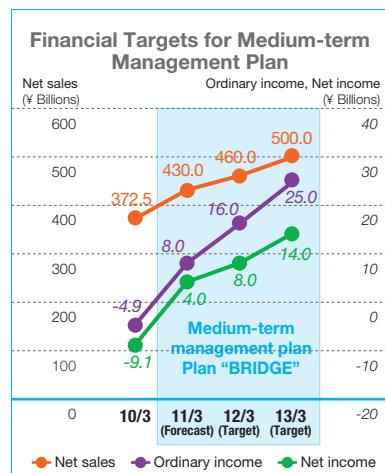
Our first step toward realizing this plan will be the development of a robust income base through management policies that focus firmly on profit margins. In the past, the Hitachi Cable Group has given priority to quantitative business expansion as a way of increasing profit. Plan “BRIDGE” calls for profit maximization through efficiency improvements that lead to higher profit margins. We will achieve this by carefully managing ordinary income* ratios in each business unit to ensure that the ratio of ordinary income to net sales reaches at least 5% in every unit.

We have also reviewed the priority target areas set down in the previous medium-term management plan and identified infrastructure-related projects as a new priority area. In addition, we will radically strengthen our business operations in overseas economies with high growth potential, with the aim of raising the overseas operations’ share of net sales to 40% or higher.

Through these initiatives, we aim to achieve net sales of ¥500 billion, ordinary income of ¥25 billion and an overseas

sales ratio of 40% as a future goal. At the same time, we will work to drive Hitachi Cable’s evolution as a highly profitable enterprise with infrastructure-related materials, parts and devices as its core areas.

Note: Ordinary income is income before income taxes and extraordinary items.



New medium-term management plan: Reviewing priority target areas

Q.3

What new priority target areas have emerged during the review under Plan “BRIDGE”?

A.3

We have identified three new priority target areas, comprising electric power infrastructure and next-generation energy, industrial infrastructure and information and telecommunications infrastructure. We will invest management resources intensively in these areas.

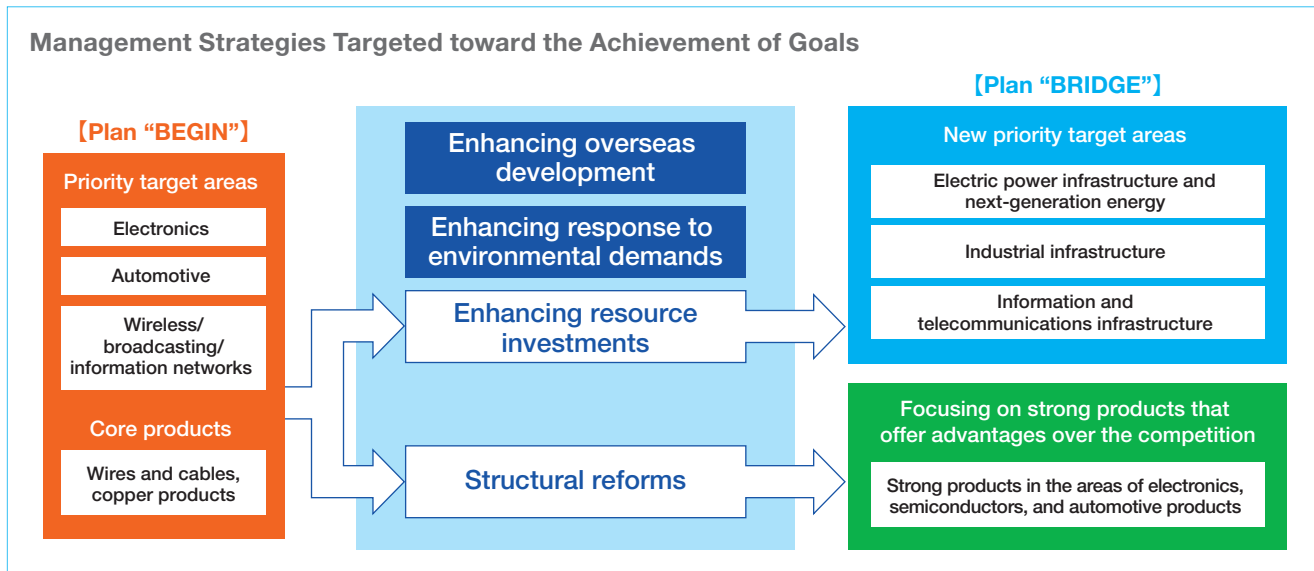
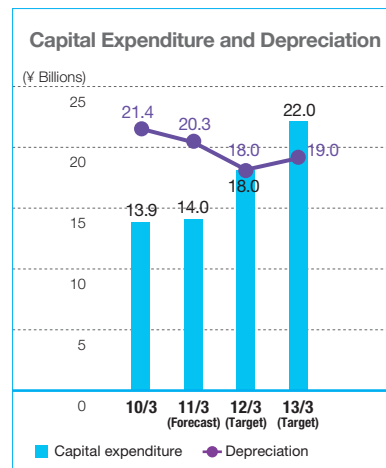
Under our previous medium-term management plan, Plan “BEGIN,” we sought to maintain steady income streams in core business areas, including wires and cables, copper products and brake hoses. We also worked to expand our business by primarily investing management resources in three priority areas: electronics, automotive and wireless, broadcasting and information networks.

One of our core goals under Plan “BRIDGE” is to harness growth in infrastructure demand, especially in overseas markets. Another is to strengthen and expand our wires and cables business and information system business, which are key areas of excellence for the Hitachi Cable Group. While focusing on these two goals, we will also consider ways to enhance our capacity to meet environmental needs. We have also identified three new priority target areas: electric power infrastructure and next-generation energy, industrial infrastructure and information and telecommunications infrastructure.

In our already existing areas of focus—electronics, semiconductors and automotive products—we will focus on product categories in which we have a unique advantage. We will also take steps to improve our earning power and reshape our business structures.

We plan to maintain our capital expenditure at around the same level as depreciation, which means that we will cap

spending at around ¥20 billion per year. Hitherto, we have concentrated our capital expenditure on many electronics-related and automotive-related products, both of which were identified in our previous medium-term management plan as priority target areas. Following our review of priority target areas, we plan to shift the focus of investment to wires and cables-related and information and telecommunications network-related products. We will also engage in active capital spending overseas.





Priority target areas and core product lines

Electric Power Infrastructure and Next-Generation Energy

In this area we will focus in particular on products in the fields of heavy electrical machinery and solar power generation, and growing our superconductivity business.

In the area of products in the fields of heavy electrical machinery, our goal is to capture a substantial share of demand resulting from the replacement of the numerous heavy electrical facilities installed in Japan between the 1960s and 1980s, when power consumption was expanding. We are also determined to expand sales of products for nuclear power facilities, and to harness new sources of demand, such as wind power. At the global level, we will bid for major orders for large-scale electric power infrastructure and explore business opportunities in the smart grid market. In the area of products related to solar power generation, we will build a global supply structure for solder-plated rectangular wires, which are used to collect electric power generated by solar cells. Our aim is to gain the biggest share of the market for this product. We will also target the expansion of our superconductivity business.

Note: 1 "No Warp" is a registered trademark of Hitachi Cable, Ltd. in Japan.



Magnet wires for large-capacity transformers



"No Warp"¹ solder-plated rectangular wires

Industrial Infrastructure

Our activities in this area center on wires and cables for railway vehicles and signals, products for industrial equipment and machine tools, probe cables for medical applications and products for next-generation automotive components.

In the railway vehicle category, we are expanding and enhancing our range of products that meet the European Norm (EN) standard and combine features that include high fire-resistance and low smoke emission. We will mobilize the resources of the entire Hitachi Group in an effort to win major overseas orders. Our priority in the area of products for industrial equipment and machine tools is to expand our sales of cables for semiconductor manufacturing machinery and robots. The Hitachi Cable Group is well known for its alloy expertise, and in the field of probe cables for medical applications, we will use that knowledge to develop highly sophisticated products, while applying our global production resources to reduce costs. One of our goals in relation to products for next-generation automotive components is to expand our share of the market for magnet wires. We also aim to expand our sales of copper foil for use in vehicle-mounted lithium-ion batteries.



EN standard-compliant wires and cables for railway vehicles



A wide variety of enameled wires for use in electric motors

Information and Telecommunications Infrastructure

Our priority categories in this area include information network devices, antennae and high-frequency coaxial cables, and optical submarine cables. In the information network devices category, we aim to secure a share of the Japanese market for Ethernet switches while also expanding our activities globally, especially into Southeast Asia. We have already established a delivery track record in Thailand and Vietnam, and we will continue to target further sales growth. Our ambition in the antenna and high-frequency coaxial cable category is to be the number one manufacturer in Japan by continually bringing competitive new products to the market. The Hitachi Cable Group has won contracts to supply broadcast antenna systems for installation on the Tokyo Sky Tree², which when completed in the spring of 2012 will be the world's tallest free-standing broadcast tower. We will continue our efforts to contribute to the successful completion of this project. As one of the world's big-three manufacturers of optical submarine cables, we will continue our efforts to secure major contracts on a global basis.

Notes: 2 "Tokyo Sky Tree" is a registered trademark of Tobu Railway Co., Ltd. and Tobu Tower Sky Tree Co., Ltd. in Japan.

3 "APRESIA" is a registered trademark of Hitachi Cable, Ltd.

4 "Ethernet" is a registered trademark of Fuji Xerox Co., Ltd.



The APRESIA³ Series of Ethernet⁴ switches

New medium-term management plan: Thoroughly strengthening overseas businesses

Q.4

What policies will you implement to strengthen your overseas businesses?

A.4

We will strengthen our earning capacity by developing marketing-based strategies, and by restructuring our worldwide production operations.

Japan's nominal GDP peaked in 1995 and has remained flat ever since. This contrasts with the performance of China and other emerging economies, which, despite temporary setbacks, have maintained high growth almost continuously since 2002. This pattern is expected to continue. We believe that overseas business expansion is vital to our growth as a highly profitable enterprise.

In the past, the Hitachi Cable Group has expanded overseas in individual product categories in step with overseas business expansion by Japanese companies. For this reason, our production sites have tended to be small in scale and widely scattered. There have also been issues with earning performance. We intend to break out of this pattern and improve our earning potential by developing marketing-based strategies, and by developing overseas business operations on our own initiative. We will target

growth areas, such as clean energy and social infrastructure, especially in the growth markets of Asia. Another priority will be to strengthen alliance strategies.

Furthermore, we will look to establish core manufacturing facilities to produce several of our main products. At the same time, in a number of business segments, especially wires and cables for use in electronics, automotive components, lead frames and compound semiconductors, we will realign procurement, manufacturing and logistics globally, work to build optimized business operating systems and increase business efficiency. With regard to sales, we are focusing efforts on expanding sales channels to non-Japanese companies.

These policies will increase the contribution of overseas sales to total net sales from 25% in the year ended March 31, 2010 to 38% in the year ending March 2013.

Strengthening Our Overseas Business Operations

1 Moving into infrastructure fields

- Capturing demand for products for next-generation energy markets
- Growing sales of wires and cables for use in railway vehicles and signals and nuclear-power cables worldwide
- Tackling the Southeast Asian information infrastructure market, focusing on APRESIA® switches

2 Review of distribution of operations among overseas facilities, establishment of core manufacturing facilities

- Quick startup of Hitachi Cable Vietnam ▶ Making it a core facility for Southeast Asia
- Thorough improvements in cost structures through the optimization of worldwide business implementation structures (procurement, manufacturing, logistics, etc.) for electronic wires, automotive components, lead frames, compound semiconductors, etc.

3 Strengthening alliance strategies



New medium-term management plan: Reinforcing R&D capabilities

Q.5

What is your thinking on measures to strengthen R&D activities?

A.5

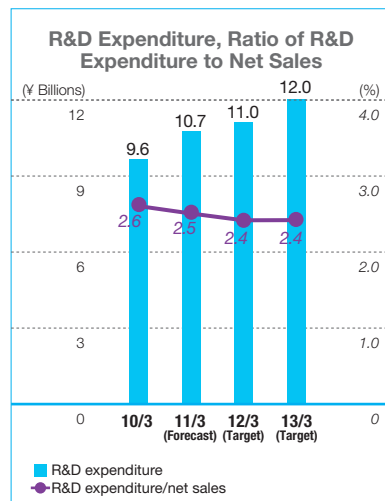
While focusing on the development of element technologies, we will also work to anticipate market needs by creating and commercializing new products as quickly as possible, especially in our priority target areas.

To meet the needs of our customers while also maintaining strong earning potential, we must be able to surpass our competitors in the creation of a continuing stream of high-added-value products. We see R&D as the key to sustainable growth for the Hitachi Cable Group, and we intend to strengthen our R&D capabilities to an even higher level.

Our R&D efforts will center on reinforcing and developing element technologies needed to support the future growth and success of the Hitachi Cable Group. One area of focus will be technologies for materials, including metals, resins and fibers. Another focus will be electrical and electronic design technologies, such as high-field insulation and high-speed transmission technologies. We will also commit resources to the development of mechanical technologies to ensure reliability in the production of our products. In our priority target areas, we aim to link our R&D activities to the early development and commercialization of products that anticipate the needs of our customers and have the potential to stimulate market growth. As we expand our overseas activities, we will need to utilize and protect our technology resources, and intellectual property strategies will be extremely important. We will strengthen our total R&D capabilities by devising and implementing intellectual property strategies

that are linked to our business strategies.

R&D expenditure in the year ended March 2010 amounted to ¥9,612 million (ratio of R&D expenditure to net sales, 2.6%). In the future, we plan to maintain our R&D expenditure at around 2.5% of net sales.



Public Recognition for Hitachi Cable's Superfine Copper Alloy Wires

Developed and mass-produced by the Hitachi Cable Group, superfine copper alloy wires combine superior flexibility with excellent electrical properties and can be produced in superfine sizes with diameters as small as 16 μ m. These properties were achieved by optimizing the trace amounts of tin and indium added to the copper.

This achievement has earned considerable public recognition. In the 2009 National Commendation for Invention Program of the Japan Institute of Invention and Innovation, the technology won the Minister of Education, Culture, Sports, Science Award and the Distinguished Invention Service Award. Other awards include the 56th Okochi Memorial Technology Prize presented by the Okochi Memorial Foundation.

Superfine copper alloy wire is used in medical equipment, such as advanced ultrasonograph probes, and in a wide range of other fields, including telecommunications and machining. The Hitachi Cable Group is determined to achieve sustainable growth by continuing to develop basic technologies that can be used in various fields.



(Top) Probe cables for use in ultrasound diagnostic equipment

(Bottom) A 10 μ m copper alloy wire, recently developed by Hitachi Cable, is compared with a human hair.

New medium-term management plan: Corporate System

Q.6

What are your views on human resource development, manufacturing and other corporate systems?

A.6

We see our corporate systems as growth infrastructure, and we will continue to strengthen them by further refining the Hitachi Cable Just-in-Time (JIT) Production System, as well as by developing human resources capable of competing in a global arena.

Since March 2006, we have been working to improve our manufacturing systems, including the reduction of lead times and inventories, primarily through the implementation of the Hitachi Cable Just-in-Time (JIT) Production System. We will further refine and consolidate this system in Japan, and also implement it fully in the facilities of our overseas group companies, starting in China and Southeast Asia.

Another priority is to develop human resources with the drive and initiative needed to compete in a global arena. We will further enhance our OJT-based human resource development systems and comprehensively review our educational programs. Our aim is to train people to form their decisions based on wide-ranging perspectives. At the same time, we will continue to lay foundations for the expansion of our overseas operations by enhancing educational programs and promotion opportunities for local staff at Hitachi Cable Group companies in other countries.



At the 8th Hitachi Cable Group International Convention on SMALL GROUP ACTIVITY

Hitachi Cable Group companies in Japan and overseas maintain active programs of small group activities as a core element in their total quality control (TQC) programs. In April 2010, 17 delegations from eight countries gave presentations on their day-to-day activities at the eighth international convention.

Events such as this provide training opportunities for Group employees everywhere, and for disseminating the Hitachi Cable Just-in-Time (JIT) Production System.

CSR Activities

Q.7

Please describe the corporate social responsibility initiatives of Hitachi Cable.

A.7

Our basic policy is to remain faithful to fundamental principles, first, “Keep to the Straight and Narrow,” by doing right, and also to contribute to society through our business activities.

Our Code of Conduct, which is based on our Corporate Vision, calls for every member of the Hitachi Cable Group to “Keep to the Straight and Narrow,” so that we can pursue sincere business activities in harmony with society as a member of the international community. Under this Code of Conduct, we will work to ensure compliance with laws, regulations and corporate ethics. We will also maintain and strengthen CSR-based management policies in such areas as environmental protection, quality and safety, respect for human rights and diversity, and information security so as to implement social contribution activities continuously.

Specific initiatives during the year ended March 31, 2010 include the reinforcement and enhancement of our internal control systems. We improved internal control systems throughout the

Hitachi Cable Group by offering support to group companies that have recently become subject to our audit processes, and by using consulting firms to provide guidance and implement educational programs for overseas group companies. Efforts to raise employees’ awareness of human rights and strengthen information security centered on the use of e-learning¹ programs.

We strive to harmonize our production activities with environmental protection. In addition to global warming prevention measures and the effective utilization of resources, we closely control emissions of chemical substances. In particular, we are working to reduce atmospheric emissions of VOCs². In the year ended March 31, 2010, we reduced the amount of VOCs released into the atmosphere to 386 tons, in part by installing gas recovery

systems and other equipment that became fully operational in the period under review. This represents a reduction of 47% from the 728 tons released in the year ended March 2001. Product-related initiatives included the reduction of environmental loads through the use of environmentally compliant designs, and the careful management of hazardous chemical substances.

In May 2010, the Japan Fair Trade Commission issued an administrative order against manufacturers of optical fiber cable products. Though the order did not refer to Hitachi Cable, we are working to prevent recurrences and restore confidence in the industry by strengthening our compliance systems, and by improving education programs and ensuring participation by all executives and employees.

Notes: 1 This is education provided via computers and networks.

2 VOC stands for volatile organic compounds.



Volunteer Activities at the Kasumigaura Marathon and International Blind Marathon

Each year, Hitachi Cable employees participate as volunteers in the Kasumigaura Marathon and International Blind Marathon, held in Tsuchiura City, Ibaraki Prefecture. Employees volunteer as guide helpers who assist blind marathon and wheelchair marathon participants, and members of Hitachi Cable's Marathon Team serve as escort runners for visually impaired runners.

These efforts have met with great appreciation. In April 2010, the Tsuchiura Works, which organizes the Company's volunteer activities at the event, was awarded a commendation from the Kasumigaura Marathon Planning Committee in recognition of its contributions since the blind marathon began in 1995.

Closing message to shareholders and investors

Q.8

To conclude, what final message would you like to leave with shareholders and investors?

A.8

We are determined to meet the expectations of shareholders and investors by further improving our corporate value through sustained progress toward the goals of our medium-term management plan, Plan "BRIDGE."

As I have already outlined, we have implemented a variety of measures to restore our status as a highly profitable enterprise and reshape Hitachi Cable Group into a truly global entity. However, there will be no change in the fundamental commitment of the Hitachi Cable Group. As always, we remain determined to contribute to society by continuing to improve the speed, accuracy and efficiency of energy and information. In keeping with our corporate vision, as expressed in the words "empowering energy and communications," we will continue our efforts to meet the expectations of all stakeholders, including shareholders and investors, by improving our corporate value through the implementation of our medium-term management plan.

In setting the dividend for the year ended March 31, 2010, we considered a comprehensive range of factors, including our financial results and future business strategies. On this basis, we set the final dividend at ¥2.5 per share, which brings the total annual dividend, including the ¥2.5 interim dividend, to ¥5 per share.

We look forward to the continuing support and guidance of shareholders and investors.



July 2010

Mitsuo Imai

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Representative Executive Officer, President and Chief Executive Officer