Corporate Governance (As of March 31, 2011)

Aiming for Fair, Transparent Management to Underpin the Group's Sustainable Growth

Basic Approach

Hitachi Cable considers its efforts to grow its business sustainably in keeping with laws, regulations, business ethics and CSR principles to be the foundation of corporate governance. By taking into account current and planned laws and regulations, the Hitachi Group's management policies, and other important factors, Hitachi Cable is committed to consistently enhancing corporate governance to achieve fair, transparent corporate management.

Corporate Governance Structure

Management Supervision and Business Execution

Hitachi Cable has adopted the committee system, resulting in a separation of the executive and supervisory functions of management, in order to expedite management decision making and enhance management transparency.

Hitachi Cable's Board of Directors consists of eight directors, including three outside directors. With responsibility for decision making regarding basic management policies and other important matters and supervision functions, the Board of Directors holds regular meetings, in principle, once a month while convening extraordinary meetings as necessary. As part of the Board of Directors' supervisory functions, three independent committees—each being made up of a majority of outside directors—have been established: the Nominating Committee, the Audit Committee and the Compensation Committee. The Company's Executive Committee consists of 15 executive officers, including those concurrently appointed as directors. With responsibility for decision making and execution of actual operations, the Executive Committee meets, in principle, twice a month. At its meetings, the Executive Committee examines important matters,

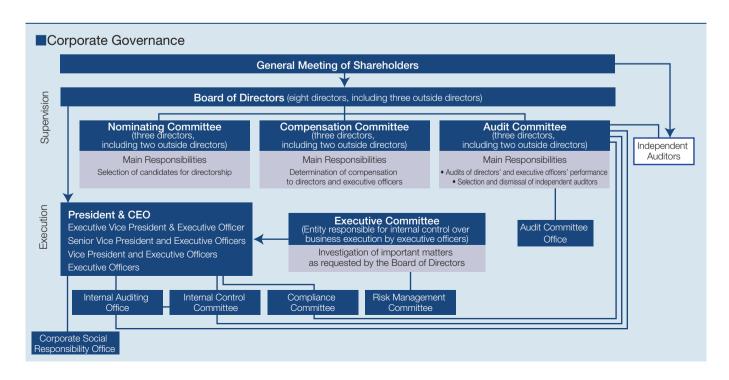
assigned by the Board of Directors, from many angles in order to arrive at fully informed decisions. At these meetings, information is also exchanged concerning the status of operations under each executive officer.

Audit and Internal Control Systems

The Board of Directors formulates the basic policy for the Company's internal control. The policy forms the basis of various internal control systems, the administration that are overseen by the Audit Committee.

The Internal Auditing Office, responsible for internal audits throughout the Group, implements regular audits concerning the legality and appropriateness of operations while taking measures to strengthen internal control. In addition, the Compliance Committee, which has the Compliance Office as secretariat, leads Groupwide programs in such areas as education, audits and guidance from the perspective of compliance with laws, regulations and corporate ethics. The Audit Committee receives reports on results of internal audits and other related activities while requiring directors and executive officers to submit reports on the performance of their duties at appropriate intervals. These processes underpin the Company's function for management supervision.

To secure internal control over its financial reporting, Hitachi Cable has established the Internal Control Committee. This committee makes decisions on policies, plans, processes and procedures concerning internal control over the Company's financial reporting. In addition, the committee discusses and approves the results of validity assessments on related internal control systems. Through these mechanisms, we are striving to ensure the adequacy and reliability of our financial reporting.



Hitachi Cable's independent auditor is Ernst & Young ShinNihon LLC. The independent auditor submits audit reports at Audit Committee meetings while exchanging opinions with Audit Committee members and the General Manager of the Internal Auditing Office in order to foster cooperation in auditing.

Protection of Minority Shareholders' Interest

As of March 31, 2011, Hitachi, Ltd., the parent company of Hitachi Cable, and other Hitachi Group companies held 53.1% of all share-holder voting rights in Hitachi Cable. In conducting its business, Hitachi Cable maintains independence from parent company Hitachi. In other words, the Company's operations do not heavily rely on transactions with the parent company. Meanwhile, before making decisions regarding a transaction or strategy that may cause a conflict of interest between Hitachi and minority shareholders, Hitachi Cable's Board of Directors deliberates on and examines such transaction or strategy from multiple perspectives.

Compliance Promotion

The Hitachi Cable Group is bolstering initiatives to ensure thorough compliance with laws, regulations and corporate ethics. The Compliance Committee and its secretariat Compliance Office are cooperating with each other to promote these initiatives.

In January 2011, Hitachi Cable established the Hitachi Cable Group Code of Conduct in accordance with such international codes as the United Nations Global Compact. Hitachi Cable and all Group companies have already adopted the Code of Conduct. To ensure that all executives and employees of the Group accurately understand the Code of Conduct, we are disseminating related information and providing educational programs to Group members.

The Group also maintains self-regulatory mechanisms, including a compliance notification system. If employees or parties outside of the Hitachi Cable Group, including employees of suppliers and customers, become aware of illegal or improper actions relating to the Group's business activities, they can report those matters directly to the Compliance Office, or to a legal counsel retained as an outside contact point.

Risk Management

Hitachi Cable has established the Risk Management Committee, chaired by the president and CEO of Hitachi Cable, under the Executive Committee. The Risk Management Committee is working to identify and assess risk factors. At the same time, this committee is taking steps to prevent the Company's exposure to risks and to minimize the impact of risks should they materialize. In particular, the committee has created a business continuity plan (BCP) in preparation for large earthquakes and other disasters, acts of terrorism, influenza and other pandemics so that any interruption to the business will not have a substantial impact on society. In case of such events, the Company implements measures in line with the BCP.

In response to the Great East Japan Earthquake on March 11, 2011, Hitachi Cable immediately set up an emergency task force in line with the BCP, and this task force rapidly responded with an array of measures. To provide information and instructions, the task force made contact with employees and their families who were affected by the disaster. The task force sent emergency aid and support staff to the affected areas. Moreover, the task force initiated activities to restore damaged manufacturing facilities, supply chains and logistics networks.

■Board of Directors and Executive Officers

(As of June 23, 2011)

Board of Directors

Chairman of the Board

Norio Sato

Board Directors

Makoto Ebata (Senior Vice President and Executive

(Senior Vice President and Executive Officer, Hitachi, Ltd.)

Masahiro Shimojo (Attorney-at-Law, NISHIMURA & ASAHI)

Nobuo Mochida (Representative Executive Officer, Executive Vice President and Executive Officer, Hitachi, Ltd./Chairman of the Board, Hitachi Metals, Ltd./Board Director,

Shinichi Susukida Hideaki Takahashi Masaaki Tomiyama Nobuo Yanase

Hitachi Chemical Co., Ltd.)

Executive Officers

Representative Executive Officer,

President and Chief Executive Officer Hideaki Takahashi

Tilacan Tanariasi

Representative Executive Officer, Executive Vice President and Executive Officer Shinichi Susukida

Senior Vice President and Executive Officers Masaaki Tomiyama

Kouichiro Nishikawa

Vice President and Executive Officers

Manabu Kagawa Tetsuro Mikami

Executive Officers

Iwao Ikemoto
Fumikazu Ito
Fumio Kanaya
Ryota Goto
Yasuhiko Sakamoto
Kenichi Sawabe
Yu Takada
Masaaki Tsuji

Mitsuaki Nishiyama