

CORPORATE GOVERNANCE

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, and is responsible for decision making regarding basic management policies and other important matters as well as supervision functions. The chairman of the Board of Directors does not concurrently serve as an executive officer. As part of the Board of Directors' supervisory functions, three independent committees—each being made up of a majority of outside direc-

tors—have been established: the Nominating Committee, the Audit Committee and the Compensation Committee.

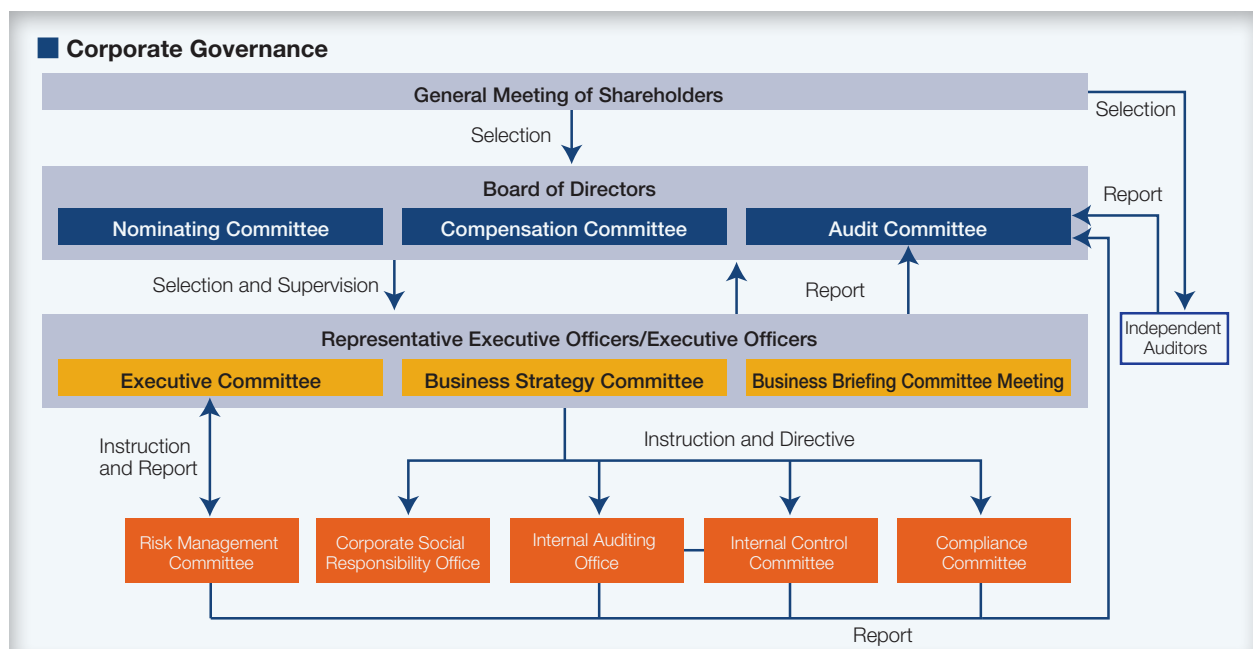
The Company has established an Executive Committee, a Business Strategy Committee and a Business Briefing Committee to enhance executive officer decision making and business execution. The Company's Executive Committee consists of 12 executive officers, including those concurrently appointed as directors, and is responsible for decision making and execution of actual operations. The Executive Committee and Business Strategy Committee function as advisory bodies to support decision making by executive officers. The Executive Committee also provides advice on decisions on business operations delegated by the Board of Directors (excluding those operational areas overseen by the Business Strategy Committee) while sharing information on such matters as Companywide policies and the status of operations under each executive officer. The Business Strategy Committee functions as an advisory body supporting each business unit in making decisions regarding management strategies, business plans and other important matters. In addition, the Business Briefing Committee is a consultative body that compiles business performance reports,

identifies issues and both implements and manages measures to address these issues

Executive Compensation

Director and executive officer compensation is determined on an individual basis by the Compensation Committee in accordance with policies established by this committee. Director compensation is comprised of a monthly salary and year-end benefits. Executive officers who serve concurrently as directors do not receive remuneration as directors. Executive officer compensation is comprised of a monthly salary and performance-based remuneration. Performance-based remuneration is paid to executive officers in the form of a bonus, which is determined based on the achievement of targets including the Company's medium-term management plan, budget and other indicators. The amount of such bonuses depends on each executive officer's position as well as the ratio of the Company's consolidated results, the performance of the division for which the executive officer is responsible and personal achievement.

The annual amount of compensation paid during the fiscal year ended March 31, 2012 was as follows: ¥127 million for directors (excluding outside directors), ¥24 million for outside directors and ¥487 million for executive officers.



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 of which is audited 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 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.

The Audit Committee receives reports on results of internal audits and other related activities while requiring directors and executive officers to sub-

mit 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, 2012, Hitachi, Ltd., the parent company of Hitachi Cable, and other Hitachi Group companies held 52.8% of all shareholder 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.

Risk Management

Hitachi Cable has established the Risk Management Committee (which is chaired by the president and CEO of Hitachi Cable and functions under the Executive Committee) in order to determine risk management policies and share risk management-related information, including risk response and prevention measures. This committee works to identify and assess risk factors while taking steps to prevent the Company's exposure to risks and to minimize the impact of risks should they materialize.

Hitachi cable has created a business continuity plan (BCP) in preparation for large earthquakes and other disasters, 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.

Board of Directors and Executive Officers

(As of June 27, 2012)

Board of Directors

Chairman of the Board

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

Board Directors

Makoto Ebata
(Senior Vice President and Executive Officer, Hitachi, Ltd.)
Masahiro Shimojo
(Attorney-at-Law, NISHIMURA & ASAHI/ Outside Auditor of ITOCHU Corporation)
Manabu Kagawa
Shinichi Susukida
Hideaki Takahashi
Mitsuaki Nishiyama

Executive Officers

Representative Executive Officer, President and Chief Executive Officer
Hideaki Takahashi

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

Senior Vice President and Executive Officer
Masaaki Tomiyama

Vice President and Executive Officer
Tetsuo Mikami

Executive Officers

Iwao Ikemoto
Fumio Kanaya
Hiroshi Kikuchihara
Ryota Goto
Yasuhiko Sakamoto
Kenichi Sawabe
Masaaki Tsuji
Mitsuaki Nishiyama