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### **Hitachi Cable establishes new automotive brake hose company in United States**

Hitachi Cable, Ltd. has announced the establishment of a new company, Hitachi Cable Florida, Inc., built on the automotive brake hose business acquired from automotive hose manufacturer Coupled Products, LLC (headquartered in the U.S. state of Michigan; hereinafter “Coupled Products”).

As a result, the Hitachi Cable Group’s automotive brake hose sales are projected to expand from approximately 10 billion yen (actual FY 2007 sales) to 18 billion yen (FY 2009 forecast). In addition, the Group expects to secure the top position in the world market, with its market share in North America rising from 22% to more than 40% and its global market share from 14% to more than 20%.\*

\* Market-share figures referred to in this news release represent Hitachi Cable estimates.

#### 1. Reasons for and objectives of this acquisition

Under its Plan “BEGIN” midterm management plan for the 2007–2009 fiscal years, the Hitachi Cable Group has identified the automotive sector as one of the target areas in which it will concentrate investment of management resources. In the area of brake hoses in particular, the Group is proceeding aggressively with the construction of a global supply system, for example by starting up new plants and production lines in Thailand and China in 2007.

Until now, the Group’s auto-parts business in the North American market has been centered on supplying Japanese automakers. As such, expansion of trading with the “Big Three” U.S. automakers has become a focus for the Group.

The predecessor of Coupled Products was the automotive hose sector of major U.S. auto-parts maker Dana Corporation. In addition to strong business relations with Ford and Chrysler, this business has a high level of technological capabilities in areas related to brake-hose assembly, such as resin molding.

With the acquisition of this business, the Hitachi Cable Group expects to expand its transaction volume in the North American brake-hose market, which has been an area of focus, in one fell swoop, making it the world's largest automotive brake-hose manufacturer. In addition, by incorporating the new company into the Group's worldwide supply chain, it aims to achieve further growth in this business through synergy effects such as strengthening its technological development abilities, improving the efficiency of its material procurement and production activities, and improving customer service.

## 2. Details of acquisition

- (1) Details of acquired business :Coupled Products' Florida plant, part of the facilities of its Mexico plant, and its brake-hose development section and brake-hose business rights
- (2) Date of transfer :February 29, 2008

## 3. Summary of Hitachi Cable Florida, Inc. (as of March 1, 2008)

- (1) Name :Hitachi Cable Florida, Inc.
- (2) Primary lines of business :Manufacture and sale of automotive brake hoses
- (3) Established :February 27, 2008
- (4) Operations began :March 1, 2008
- (5) Headquarters :Pensacola, Florida, U.S.A.
- (6) Representative :Takao Otsuka, President
- (7) Capital :14 million US dollars
- (8) Total assets :16 million US dollars
- (9) Sales (FY 2008 forecast) :55 million US dollars (approx. 6 billion yen)
- (10) Fiscal year ends :December 31
- (11) Number of employees :Approx. 300
- (12) Major shareholder and holdings :A wholly owned subsidiary of Hitachi Cable America Inc. (which in turn is a wholly owned subsidiary of Hitachi Cable Ltd.)

## 4. Summary of Coupled Products (as of December 31, 2007)

- (1) Name :Coupled Products, LLC
- (2) Primary lines of business :Manufacture and sale of automotive brake hoses, power-steering hoses, and air-conditioning hoses
- (3) Established :May 24, 2007
- (4) Headquarters :Michigan, U.S.A.
- (5) Relation to Hitachi Cable :No capital or personal relations, or trading or other relations other than this transaction