

April 27, 2009

Company Name: Hitachi Cable, Ltd.  
President: Mitsuo Imai  
Listings: First Section, Tokyo Stock Exchange, Inc.  
First Section, Osaka Securities Exchange Co., Ltd.  
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### **Consolidated subsidiary made wholly owned subsidiary through simple stock swap**

Hitachi Cable, Ltd. and its consolidated subsidiary Tohoku Rubber Co., Ltd. (hereinafter referred to as Tohoku Rubber) have reached an agreement to make Tohoku Rubber a wholly owned subsidiary of Hitachi Cable through a stock swap. Today, this agreement was approved by Hitachi Cable's President & Chief Executive Officer and by Tohoku Rubber's Board of Directors, and the stock-swap agreement was concluded as outlined below.

Formal plans call for the stock swap to take effect October 1, 2009, following approval of the stock-swap agreement at the regular general meeting of shareholders of Tohoku Rubber scheduled for June 29, 2009.

Since this stock swap will take the form of a simple stock swap converting a consolidated subsidiary to a wholly owned subsidiary, some subjects and content of disclosure will be omitted.

#### 1. Purpose of making a wholly owned subsidiary through a stock swap

Hitachi Cable and Tohoku Rubber have determined that it is important to endeavor to achieve further improvements in the efficiency and speed of management through making the latter a wholly owned subsidiary of the former and implementing business strategies based on stronger cooperation between the two companies, in order to achieve further growth and respond appropriately to changes in the conditions of the industrial rubber-products business in which both companies operate.

#### 2. Essentials of this stock swap

##### (1) Schedule of stock swap

Board of Directors meeting to approve stock swap agreement (Tohoku Rubber): April 27, 2009

Note 1: As an organization Hitachi Cable has approved the stock-swap agreement through approval by the President & Chief Executive Officer (April 27, 2009), authorized by the Board of Directors to make decisions concerning simple stock swaps.

Conclusion of stock-swap agreement: April 27, 2009

General meeting of shareholders to approve stock-swap agreement (Tohoku Rubber): June 29, 2009 (planned)

Effective date of stock-swap agreement (Tohoku Rubber): October 1, 2009 (planned)

Note 2: Hitachi Cable plans to implement the stock swap without obtaining the approval of its general meeting of shareholders, under procedures for a simple stock swap pursuant to the stipulations of Article 796, Paragraph 3 of the Company Law of Japan.

(2) Allocation of shares under this stock swap

Company	Hitachi Cable (Wholly owning parent company)	Tohoku Rubber (Wholly owned subsidiary)
Stock swap ratio for allocation of shares under this stock swap	1	0.45

Note 3: Share allocation ratio, number of shares to be exchanged under this stock swap

Hitachi Cable will exchange 0.45 shares of Hitachi Cable common stock for each share of Tohoku Rubber common stock owned by shareholders in Tohoku Rubber (not including Hitachi Cable) listed or recorded on the final list of shareholders in Tohoku Rubber as of the day immediately preceding the effective date of this stock swap. No new shares will be issued in connection with this stock swap. Instead of issuing new shares, Hitachi Cable will exchange 915,917 shares of treasury stock it holds.

(3) Grounds for calculation of this stock swap ratio

- (i) To ensure the fairness and appropriateness of the rate of allocation of shares in this stock swap, Hitachi Cable has appointed the Bank of Tokyo-Mitsubishi UFJ, Ltd. (hereinafter referred to as Tokyo-Mitsubishi UFJ) as a third-party institution to calculate the stock swap ratio, and Tohoku Rubber has appointed Plutus Consulting Co., Ltd. (hereinafter referred to as Plutus) to do the same.
- (ii) In light of Hitachi Cable's status as a listed firm, Tokyo-Mitsubishi UFJ estimated the value of Hitachi Cable stock using the discounted-cash-flow (DCF) method and the average market price. In light of Tohoku Rubber's status as an unlisted firm, Tokyo-Mitsubishi UFJ estimated the value of Tohoku Rubber stock using the DCF method and comparison with similar firms.
- (iii) In addition to estimating the value of Tohoku Rubber and Hitachi Cable stock chiefly through the DCF method, which assesses the earning potential of a company, as reference values, Plutus also estimated the value of Tohoku Rubber stock by comparison with similar firms, in light of its status as an unlisted firm, and estimated the value of Hitachi Cable stock using the average market price and comparison with similar firms, in light of Hitachi Cable's status as a listed firm.

(iv) As a result of repeated detailed consultation and negotiation by Hitachi Cable with Tohoku Rubber, referring to the results of estimation of the stock swap ratio by Tokyo-Mitsubishi UFJ, both companies agreed to the ratio shown above.

(v) Neither Tokyo-Mitsubishi UFJ nor Plutus has any interest in Hitachi Cable or Tohoku Rubber.

(4) Handling of stock acquisition rights or bonds with stock acquisition rights of the wholly owned subsidiary company following this stock swap  
Not applicable

### 3. Overview of the parties to this stock swap

	(Wholly owning parent company)	(Wholly owned subsidiary)
(1) Company name	Hitachi Cable, Ltd.	Tohoku Rubber Co., Ltd.
(2) Lines of business	Manufacture and sale of wires and cables, information and telecommunications networking products, copper products, semiconductor materials, rubber products, and other products	Manufacture and sale of rubber products
(3) Date established	April 1956	November 1943
(4) Headquarters address	14-1 Sotokanda 4-chome, Chiyoda-ku, Tokyo, Japan	1-12 Minato 1-chome, Miyagino-ku, Sendai, Miyagi Prefecture, Japan
(5) Name and position of representative	Mitsuo Imai, President & Chief Executive Officer	Masao Yamaguchi, President
(6) Capital	25,948 million yen (consolidated)	276 million yen (non-consolidated)
(7) Number of shares issued and outstanding	374,018,174	5,520,000
(8) Net assets	195,864 million yen (consolidated)	782 million yen (non-consolidated)
(9) Total assets	392,699 million yen (consolidated)	3,426 million yen (non-consolidated)
(10) Fiscal year-end	March 31	March 31
(11) Major shareholders and equity holdings	Hitachi, Ltd.: 52.61% The Master Trust Bank of Japan, Ltd. (trust account): 3.41% Japan Trustee Services Bank, Ltd. (trust account): 2.89% Tam Two: 2.14%	Hitachi Cable, Ltd.: 63.1% The 77 Bank, Ltd.: 5.0%

Note 4: Data shown under (6) - (9) and (11) above is current as of September 30, 2008.

4. Status after this stock swap (Wholly owning parent company created as a result of this stock swap)

(1) Company name, lines of business, headquarters address, name and position of representative, end of fiscal year

Unchanged from the details shown under "3. Overview of the parties to this stock swap" above.

(2) Capital

No increase in Hitachi Cable capital will result from this stock swap.

(3) Future prospects

Since Tohoku Rubber is a consolidated subsidiary of Hitachi Cable, the effects of this stock swap on Hitachi Cable performance will be minor.