

October 28, 2011

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## **Adoption of early retirement and outplacement program**

Based on discussions with its labor union, Hitachi Cable, Ltd. has reached agreement on an early retirement and outplacement program announced in “A review of the Plan ‘BRIDGE’ medium-term management plan for fiscal years 2011\*<sup>1</sup> through 2013\*<sup>2</sup>,” released September 9, 2011, as outlined below.

### **1. Reasons for adoption of early retirement and outplacement program**

In response to dramatic worsening in the business environment in fiscal year 2009 (ended March 2009) and declining business performance, the Hitachi Cable Group launched various business structural reforms and performance improvement measures. Nevertheless, it has continued to operate at a loss since fiscal 2009. Hitachi Cable has now revised its medium-term management plan, formulating a Renewed Plan “BRIDGE” medium-term management plan.

Under the new medium-term management plan, in addition to proceeding with the selection and concentration of businesses and measures to reorganize its business structure, Hitachi Cable will rationalize its workforce through an early retirement and outplacement program to adapt to the reduced scale of its domestic businesses.

### **2. Overview of the early retirement and outplacement program**

- (1) Number of candidates sought : Approximately 650 persons
- (2) Eligible persons : Employees of Hitachi Cable and consolidated subsidiaries in Japan, aged 35 and above
- (3) Application period : November 1 – December 31, 2011
- (4) Date of retirement : December 20, 2011 – January 20, 2012
- (5) Compensation : Special retirement benefits will be paid in addition to ordinary retirement benefits. An external outplacement support firm will provide outplacement support for employees aged 35 through 63 who wish to use such services.

### 3. Future prospects

Extraordinary losses arising from this early retirement and outplacement program are projected to be approximately 7 billion yen on a consolidated basis. Forecasts of full-year business performance for the fiscal year ending March 2012, taking the early retirement and outplacement program into account, were announced today in a news release entitled “Notice of booking of extraordinary losses, difference between business performance forecasts and actual performance of consolidated cumulative second quarter, and notice of revisions to forecasts of full-year business performance”

We will continue to carefully review the effects of these measures on business performance in the fiscal year ending March 2013 and later as we proceed with these measures.

\*1 Fiscal year 2011: The year ended March 31, 2011

\*2 Fiscal year 2013 : The year ending March 31, 2013

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