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## **Notice of Booking of Extraordinary Losses, and Revisions to Forecasts of Full-Year Business Performance**

The Board of Directors of Hitachi Cable, Ltd. (hereinafter, "Hitachi Cable") has resolved today in its meeting that it posted extraordinary losses in the third quarter of the consolidated fiscal year ending March 2012, as outlined below. Hitachi Cable also announces revisions to the business performance forecasts for the fiscal year ending March 2012, which were released on October 28, 2011 in the "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," as follows.

### **1. Reasons for and details of booking of extraordinary losses**

The Hitachi Cable Group has focused on the reinforcement of management base and business structure reforms in line with the Renewed Plan "BRIDGE," the Medium-term Management Plan. In the wake of the implementation of those measures, restructuring costs and impairment loss has been posted as extraordinary losses for the third quarter of the current consolidated fiscal year. The respective amounts and a summary of the contents are as follows:

(1) Restructuring costs: 5,728 million yen (consolidated)

Expenses relating to the early retirement package that were incurred as a result of implementation of early retirement and outplacement service programs have been stated.

(2) Impairment loss: 2,829 million yen (consolidated)

Following withdrawal from the domestic copper tube business, impairment loss in the relevant manufacturing facilities have been recorded. Also, the in-house IT system construction project has been reviewed and impairment loss in related assets have been posted.

## 2. Revisions to forecasts of full-year business performance of the consolidated fiscal year ending March 2012

(1) Revisions to forecasts of full-year business performance of the fiscal year ending March 2012

(April 1, 2011 – March 31, 2012)\*1,\*2

|   | Net Sales | Operating income (loss) | Ordinary income (loss) | Net income (loss) | Net income (loss) per share |
|---|-----------|-------------------------|------------------------|-------------------|-----------------------------|
| Previously announced forecasts (A)<br>(Announced October 28, 2011)            | 440,000   | 5,000                   | 4,000                  | (22,000)          | (60.33)                     |
| Revised forecast (B)  | 422,000   | 1,500                   | 500                    | (25,000)          | (68.59)                     |
| Difference:(B) - (A)  | (18,000)  | (3,500)                 | (3,500)                | (3,000)           |                             |
| Percentage change (%)   | (4.1)     | (70.0)                  | (87.5)                 | —                 |                             |
| Reference: Performance in previous fiscal year<br>(Year ended March, 31 2011) | 419,279   | 788                     | (1,765)                | (12,993)          | (35.65)                     |

\*1: Figures for sales, operating income (loss), ordinary income (loss), and net income (loss) above are given in units of millions of yen. Figures for net income (loss) per share above are given in units of yen.

\*2: The fiscal year ending March 2012 is a transitional period with respect to fiscal year revisions at overseas consolidated subsidiaries. Thus, forecasts of consolidated business performance for this fiscal year incorporate 15-month forecasts (January 1, 2011 to March 31, 2012) of business performance for 26 subsidiaries whose fiscal years end in December and 14-month forecasts (February 1, 2011 to March 31, 2012) of business performance for one subsidiary whose fiscal year ends in January.

\*3: Figures in parentheses under “Difference” and “Percentage change” indicate a decrease from the previous forecast.

(2) Reasons for the revisions

Business performance of the Group for the cumulative third quarter of the current fiscal year was almost in line with Previously announced forecasts.

However, due to sluggish markets for semiconductors and electronics that were more serious and prolonged than projected, the management environment surrounding Hitachi Cable has witnessed a continued decline in sales of related products. Sales in social infrastructure-related products are also anticipated to fall below previous forecasts, reflecting temporary stagnant overseas demand as well as a delayed rise in demand for restoration assistance in Japan.

Under these circumstances, the Group has determined to revise downward the full-year business forecasts for net sales and profits of the fiscal year ending March 2012, which were released on October 28, 2011.

The Hitachi Cable Group stands firm in making the utmost efforts to recover its business performance by selection and concentration of businesses based on the Medium-term Management Plan, cutting fixed costs in business restructuring, and implementing enhancement of product competitiveness, in addition to further cost-cutting measures.

Note: The figures for the above forecasts are based on information available at the time this document was prepared. Actual business performance may vary due to various unforeseen factors.