

October 25, 2011

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President: Hideaki Takahashi
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 share exchange

Hitachi Cable, Ltd. has concluded an agreement on a share exchange to make consolidated subsidiary Hitachi Cable Trading Ltd. (“Hitachi Cable Trading,” hereafter) a wholly owned subsidiary, as outlined below. This share exchange is to take effect November 28, 2011, following approval in an extraordinary meeting of the Hitachi Cable Trading board of directors scheduled for October 28, 2011 and an extraordinary general meeting of shareholders of Hitachi Cable Trading scheduled for November 14, 2011.

Since this share exchange will take the form of a simple share exchange converting a consolidated subsidiary into a wholly owned subsidiary, the following outline omits certain subjects and contents of the transaction.

1. Purpose of making Hitachi Cable Trading a wholly owned subsidiary through share exchange

The Hitachi Cable Group is advancing business structural reforms based on the Renewed Plan “BRIDGE” medium-term management plan. As part of these efforts, it is undertaking a process of selection and concentration of businesses in Japan based on market conditions and restructuring its sales structure to suit business conditions. Making Hitachi Cable Trading a wholly owned subsidiary will strengthen coordination with the subsidiary to allow these business structural reforms to advance faster and more efficiently.

2. Essentials of this share exchange

(1) Schedule of this share exchange

Board of Directors meeting to approve conclusion of share exchange agreement (Hitachi Cable Trading):	October 28, 2011
Conclusion of share exchange agreement:	October 28, 2011
General meeting of shareholders to approve share exchange agreement (Hitachi Cable Trading):	November 14, 2011
Scheduled date of share exchange (effective date):	November 28, 2011

Note 1: As an organization Hitachi Cable has approved the conclusion of the stock-swap agreement through the approval by its President and Chief Executive Officer (October 25, 2011), authorized by the Board of Directors to make decisions concerning simple share exchanges.

Note 2: Hitachi Cable plans to implement the share exchange without the approval of its general meeting of shareholders, based on the procedures for a simple share exchange specified under Article 796, Paragraph 3, of the Companies Act of Japan.

(2) Share exchange method

This share exchange will result in Hitachi Cable becoming the wholly owning parent stock company in share exchange and in Hitachi Cable Trading becoming the wholly owned subsidiary company in share exchange.

(3) Details of allotment of shares under this share exchange

Company	Hitachi Cable, Ltd. (Wholly owning parent stock company in share exchange)	Hitachi Cable Trading Ltd. (Wholly owned subsidiary company in share exchange)
Share exchange ratio for allotment of shares under this share exchange	1	489

Note 3: Share allotment ratio

489 shares of Hitachi Cable common stock will be delivered for each share of Hitachi Cable Trading common stock. However, no shares will be allotted under this share exchange for the 11,140 shares of Hitachi Cable Trading common stock held by Hitachi Cable.

Note 4: Number of shares to be delivered under this share exchange

While 1,251,840 shares of common stock will be delivered through this share exchange, it will do so using treasury shares it holds. It will not issue any new shares.

(4) Handling of stock option or bonds with stock options in connection with this share exchange

Not applicable. Hitachi Cable Trading issued no stock option or bonds with stock options.

3. Grounds for calculations of details of allotment in this share exchange

- (i) To ensure the fairness and appropriateness of the rate of allotment of shares in this share exchange, Hitachi Cable has appointed Plutus Consulting Co., Ltd. ("Plutus," hereafter) as an independent agency to calculate the share exchange ratio.
- (ii) Plutus calculated the value of Hitachi Cable and Hitachi Cable Trading stock primarily using the discounted-cash-flow (DCF) method.
- (iii) Following repeated deliberate consultations and negotiations between Hitachi Cable and Hitachi Cable Trading, based on the share exchange ratio calculated by Plutus, both

companies have agreed to the ratio indicated above.

(iv) Plutus holds no interest in Hitachi Cable or Hitachi Cable Trading.

4. Overview of the companies party to this share exchange

	Wholly owning parent stock company in share exchange	Wholly owned subsidiary company in share exchange
(1) Company name	Hitachi Cable, Ltd.	Hitachi Cable Trading Ltd.
(2) Headquarters address	4-14-1 Sotokanda, Chiyoda-ku, Tokyo, Japan	2-6-8 Bingomachi, Chuo-ku, Osaka, Japan
(3) Name and position of representative	Hideaki Takahashi, President	Toshihiro Ouchi, President
(4) Main lines of business	Manufacture and sale of wires and cables, information and telecommunications networking products, copper products, semiconductor materials, rubber products, and other products	Sale of wires and cables, copper products, information network equipment and devices, and chemically fabricated products
(5) Capital	25,948 million yen	286 million yen
(6) Date established	April 1956	April 2003
(7) Number of shares issued and outstanding	374,018,174 shares	13,700 shares
(8) Fiscal year-end	March 31	March 31
(9) Major shareholders and equity holdings (As of March 31, 2011)	Hitachi, Ltd.: 52.75% The Master Trust Bank of Japan, Ltd. (trust account): 3.38% Tam Two: 2.40% Japan Trustee Services Bank, Ltd. (trust account): 2.40%	Hitachi Cable, Ltd.: 81.3% Matsumoto Dengyo Co., Ltd.: 18.7%
(10) Financial position as of March 31, 2011 and operating results for the previous fiscal year (ended March 31, 2011)		
Fiscal year-end	Hitachi Cable (consolidated)	Hitachi Cable Trading (non-consolidated)
	March 31, 2011	March 31, 2011
Net assets	106,093	1,476
Total assets	270,750	7,182
Net assets per share	285.12	107,732.10
Net sales	419,279	23,985
Operating income	788	61
Ordinary income (loss)	(1,765)	166
Net income (loss)	(12,993)	70
Net income (loss) per share	(35.65)	5,115.07
Number of employees	16,064	119

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

5. Status following this share exchange

The company names, headquarters addresses, names and positions of representatives, main lines of business, capital, and fiscal year-ends of the wholly owning parent stock company in share exchange and the wholly owned subsidiary company in share exchange will remain unchanged from those specified under “4. Overview of the companies party to this share exchange” above.

In addition, plans call for Hitachi Cable Trading to merge with Hitachi Densen Shoji, Ltd., a wholly owned subsidiary of Hitachi Cable, effective January 1, 2012.

6. Future prospects

Since Hitachi Cable Trading is a consolidated subsidiary of Hitachi Cable, the effects of this share exchange on Hitachi Cable’s consolidated business performance in the fiscal year ending March 2012 will be negligible.

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.

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