

March 6 2012

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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. (hereinafter, “the Company”) has concluded an agreement on a share exchange to make consolidated subsidiary Hitachi Wire & Rod Ltd. (hereinafter, “Hitachi Wire & Rod”) a wholly owned subsidiary, as outlined below. This share exchange is to take effect March 27, 2012, following approval in an extraordinary meeting of the Hitachi Wire & Rod board of directors scheduled for March 6, 2012 and an extraordinary general meeting of shareholders of Hitachi Wire & Rod scheduled for March 7, 2012.

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 Wire & Rod a wholly owned subsidiary through share exchange

Hitachi Wire & Rod, along with possessing copper casting plant, and manufacturing and distributing copper and copper alloy wire rods, has supplied the Group with conductor materials for wires and cables. In making them a wholly owned subsidiary, we are aiming to increase the sense of unity with Hitachi Wire & Rod, which plays a key role in one of our key operations, the manufacture of wires and cables, and to strengthen our operations in that field.

### 2. Essentials of this share exchange

#### (1) Schedule of this share exchange

Board of Directors meeting to approve conclusion of share exchange agreement (Hitachi Wire & Rod):	March 6, 2012 ( planned )
Conclusion of share exchange agreement:	March 6, 2012 ( planned )
General meeting of shareholders to approve share exchange agreement (Hitachi Wire & Rod):	March 7, 2012 ( planned )
Scheduled date of share exchange (effective date):	March 27, 2012 ( planned )

Note 1: As an organization the company has approved the conclusion of the stock-swap agreement through the approval by its President and Chief Executive Officer (March 6, 2012), 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 the company becoming the wholly owning parent stock company in share exchange and in Hitachi Wire & Rod 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 Wire & Rod Ltd. (Wholly owned subsidiary company in share exchange)
Share exchange ratio for allotment of shares under this share exchange	1	5.7

Note 3: Share allotment ratio

5.7 shares of the company common stock will be delivered for each share of Hitachi Wire & Rod common stock. However, no shares will be allotted under this share exchange for the 784,000 shares of Hitachi Wire & Rod common stock held by the company.

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

While 1,117,200 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 Wire & Rod 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. (hereinafter, "Plutus") as an independent agency to calculate the share exchange ratio.
- (ii) Plutus calculated the value of Hitachi Cable and Hitachi Wire & Rod stock primarily using the discounted-cash-flow (DCF) method.
- (iii) Following repeated deliberate consultations and negotiations between Hitachi Cable and Hitachi Wire & Rod, 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 Wire & Rod.

#### 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 Wire & Rod Ltd.
(2) Headquarters address	4-14-1 Sotokanda, Chiyoda-ku, Tokyo, Japan	4-10-2 Kawajiri-cho Hitachi, Ibaraki, Japan
(3) Name and position of representative	Hideaki Takahashi, President	Satoru Murai, President
(4) Main lines of business	Manufacture and sale of wires, cables, information networking, copper products, semiconductor material, rubber products, etc.	Manufacture and sale of wire rod made of copper and copper alloys
(5) Capital	25,948 million yen	490 million yen
(6) Date established	April 1956	November 1969
(7) Number of shares Issued and outstanding	374,018,174 shares	980,000 shares
(8) Fiscal year-end	March 31	March 31
(9) Number of employees (As of December 31, 2011)	15,493(Consolidated)	86(Non-Consolidated)
(10) Major shareholders and equity holdings (As of September 30, 2011)	Hitachi, Ltd.:52.75% The Master Trust Bank of Japan, Ltd. (trust account): 3.40% Japan Trustee Services Bank, Ltd. (trust account): 2.47%	Hitachi Cable, Ltd.:80.00% PAN PACIFIC COPPER CO., LTD.:20.00%
(11) Financial position as of March 31, 2011 and operating results for the previous fiscal year (ended March 31, 2011)		
	Hitachi Cable (consolidated)	Hitachi Wire & Rod (non-consolidated)
Net assets	106,093	1,018
Total assets	270,750	1,341
Net assets per share	285.12	1,038.85
Net sales	419,279	2,984
Operating income	788	76
Ordinary income (loss)	(1,765)	55
Net income (loss)	(12,993)	(92)
Net income (loss) per share	(35.65)	(93.63)

Note3: 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, addresses, name and position of representative, main lines of business, capital stock, and account closing dates of the Company and Hitachi Wire & Rod will not be changed due to the share exchange.

**6. Future prospects**

The effects of this share exchange on Hitachi Cable's consolidated business performance in the fiscal year ending March 2012 will be negligible.

This document is an English translation of a document prepared in Japanese. In the event of any discrepancies between the content of the Japanese and English documents, the content of the Japanese document shall take precedence.