

January 9, 2013

Company Name: Hitachi Cable, Ltd.
President: Hideaki Takahashi
Listings: First Section, Tokyo Stock Exchange, Inc.
First Section, Osaka Securities Exchange Co., Ltd.
Code Number: 5812
Contact: Shoichi Kogure,
General Manager, Administration Dept.
Human Resources & Administration Div.
Business Support Group
TEL: +81-3-6381-1050

Reorganization of the industrial rubber operation

**(Transfer of business from a consolidated subsidiary by means of a company split
(simplified absorption-type company split/summary form absorption-type company split))**

Hitachi Cable, Ltd. (hereinafter, the “Company”) hereby announces its decision to assume the industrial rubber products development and design business of its wholly owned consolidated subsidiary, Tohoku Rubber Co., Ltd. (hereinafter, “Tohoku Rubber”) by means of a company split (simplified absorption-type company split/summary form absorption-type company split, hereinafter, the “company split”) as part of our reorganization of the industrial rubber operation that was stated in the announcement entitled “Reorganization of the industrial rubber operation” dated May 7, 2012.

Disclosures are partially omitted since the company split will take the form of a simplified absorption-type company split/summary form absorption-type company split, to which the Company and its wholly owned consolidated subsidiary are parties.

1. Objectives of the company split

The Hitachi Cable Group is promoting reorganization of its industrial rubber operation with the aim of improving the profitability of its domestic businesses and developing a system that can respond to growth in overseas demand mainly in emerging countries. As part of this reorganization, the company split is aimed at reinforcing product development capabilities and raising managerial efficiency by aggregating the development and design business to the Company and the manufacturing business to its subsidiary.

2. Outline of the company split

(1) Schedule of the company split

| | |
|---|--|
| Resolution of the Board of Directors concerning approval of the split | January 9, 2013 (Tohoku Rubber) |
| Conclusion of agreement | January 9, 2013 (Hitachi Cable, Tohoku Rubber) |
| Effective date | March 1, 2013 (Tentative) |

(Note 1) The company split will be performed without obtaining approval for an absorption-type company split agreement at the shareholders' general meeting since it falls under a summary form absorption-type company split set forth in Paragraph 1 of Article 784 of the Companies Act on the part of Tohoku Rubber, which is the splitting company, and a simplified absorption-type company split set forth in Paragraph 3 of Article 796 of the Companies Act on the part of the Company, which is the successor company.

(Note 2) With regard to approval of the company split agreement, Hitachi Cable made a governing body decision through the approval of the President and Chief Executive Officer (January 9, 2013), who was delegated by the board of directors.

(2) Method of the company split

An absorption-type split in which Tohoku Rubber will be the splitting company and the Company will be the successor company.

(3) Allotment of shares

Being the Company's wholly owned consolidated subsidiary, Tohoku Rubber will not be allotted any of the Company's shares or other form of consideration by the Company.

(4) Action to be taken at the company split with regard to stock acquisition rights and convertible bonds

Not applicable.

(5) Amount of increase or decrease in capital stock as a result of the company split

There will be no increase or decrease in capital stock of the Company or Tohoku Rubber as a result of the company split.

(6) Rights and obligations to be assumed by the successor company

The Company will assume the assets and other rights and obligations incidental to the industrial rubber products development and design of Tohoku Rubber as of the effective date.

The employees of Tohoku Rubber engaging in development and design in the industrial rubber products business and the labor contract between Tohoku Rubber shall not be succeeded to the Company, to which the relevant employees shall be temporarily dispatched to while remaining in the employ of Tohoku Rubber.

(7) Expectation on performance capabilities regarding obligations

The Company considers the outlook for the performance of obligations that the Company shall bear to be of no cause for concern in the company split.

3. Outline of the parties involved in the company split

| | Splitting company | Successor company |
|--|---|---|
| (1) Company name | Tohoku Rubber Co., Ltd | Hitachi Cable, Ltd. |
| (2) Headquarters location | 1-1-12 Minato, Miyagino-ku, Sendai, Miyagi, Japan | 4-14-1 Sotokanda, Chiyoda-ku, Tokyo, Japan |
| (3) Representative | Masaya Onishi, President | Hideaki Takahashi, President |
| (4) Lines of business | Manufacturing and sales of industrial rubber products such as escalator handrails, rubber sheets, and industrial rubber hoses | Manufacturing and sales of wire and cables, automotive components, IT devices, copper products, electronics materials, and others |
| (5) Capital stock | 276 million yen | 25,948 million yen |
| (6) Established | November 1943 | April 1956 |
| (7) Number of shares issued | 5,520,000 shares | 374,018,174 shares |
| (8) Fiscal year ends | March 31 | March 31 |
| (9) Main Shareholders and Shareholding Ratio (as of September 30, 2012) | Hitachi Cable, Ltd. 100% | Hitachi, Ltd. 51.41% |
| (10) Number of employees (as of September 30, 2012) | 124(non-consolidated) | 13,331(consolidated) |
| (11) Financial position as of March 31, 2012 and operating results for the previous fiscal year (ended March 31, 2012) | | |
| | Splitting company (non-consolidated basis) | Successor company (consolidated basis) |
| Net assets | (730) | 83,034 |
| Total assets | 2,620 | 245,882 |
| Net assets per share | (132.24) | 221.37 |
| Net sales | 4,061 | 432,540 |
| Operating income | 114 | 1,966 |
| Ordinary income | 151 | 927 |
| Net income (loss) | (555) | (22,758) |
| Net income (loss) per share | (100.57) | (62.35) |

Note: Figures for net assets, total assets, net sales, operating income, ordinary income, 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.

4. Outline of the business to be transferred

(1) Details of the business to be transferred

Development and design of industrial rubber products

(2) Business performance of the operating unit to be transferred (Actual results for the fiscal year ended March 31, 2012)

The unit to be transferred recorded no net sales.

(3) Items and amounts of assets to be transferred (as of March 31, 2012)

Assets to be transferred include intellectual property rights and knowhow. However, the assets have no book values.

5. Expected status following the company split

The company names, headquarters location, representatives, capital stock and fiscal year ends of the Company and Tohoku Rubber will not be changed as a consequence of the company split with the exception of the rights and obligations stated in 2. (6) above, which shall be assumed by the Company.

6. Future outlook

The company split will have no impact on the consolidated operating results of the Company in the fiscal year ending March 2013 since it is a company split to which the Company and its wholly owned consolidated subsidiary are parties. The Company will strive for further improvement of the Group's business performance through the effects of the structural reforms.

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.