

February 27, 2012

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

Notice of Dissolution of a Consolidated Subsidiary

Hitachi Cable, Ltd. hereby announces that it has decided to dissolve its consolidated subsidiary Advanced Cable Systems Corp. (Headquarters location: Koto-ku, Tokyo; President: Nobuhisa Nozoe; hereinafter, “Advanced Cable Systems”).

1. Reasons for Dissolution

The Hitachi Cable Group has reinforced its management foundations and promoted business structure reforms in accordance with the Medium-term Management Plan, Renewed Plan “BRIDGE.” In an effort to restructure its business portfolio in line with the plan, the Group has decided to categorize its optical fiber and other telecommunication cable business as a domain to be reviewed and scaled down, and has examined the future course of the business.

Advanced Cable Systems is engaged in the manufacture and sale of optical fiber cables and optical hardware and equipment for the domestic market. The business climate for the optical fiber cable business has deteriorated as a result of weak demand and falling prices in the domestic market and the prospects for improvement in the near future look bleak. On the other hand, demand for optical hardware and equipment is expected to grow in the data center, medical and various other markets.

Against this backdrop, the Group will cease production of the optical fiber cables that have been manufactured and marketed by Advanced Cable Systems, because it believes that it is unlikely to improve in profitability in the future. Instead, the Group expects the subsidiary’s optical hardware and equipment to serve as a core business area in the Group’s optical products business. By developing products with distinctive features and consolidating its production facilities, the Group aims to strengthen the overall operation of its optical products business.

Advanced Cable Systems will gradually scale down its production capacity from March 31, 2013, discontinue production by the end of May of the same year, and will then be dissolved.

2. Overview of the subsidiary to be dissolved

- (1) Company Name: Advanced Cable Systems Corp.
- (2) Headquarters location: 2-4-32 Aomi, Koto-ku, Tokyo, Japan
- (3) Name and Title of Representative: Nobuhisa Nozoe, President
- (4) Line of Business: Development, design, manufacture and sale of optical fiber cables, optical hardware and equipment
- (5) Capital: 1,666 million yen
- (6) Established: March 2002
- (7) Main Shareholders and Shareholding Ratio: Hitachi Cable, Ltd. 100%
- (8) Net Sales (the fiscal year ended March 2012): 8,671 million yen
- (9) Number of employees (as of December 31, 2012): 94

3. Future outlook

Termination of production and dissolution of Advanced Cable Systems will generate extraordinary losses of roughly 1.6 billion yen for the year ending March 31, 2013. These extraordinary losses, however, will be within the projected range of the forecast for the full-year, consolidated business performance for the year ending March 31, 2013, announced in the “Notice of Extraordinary Losses and Revisions to the Full-year Business Performance Forecast” and “Financial Report for Third Quarter of the Year Ending March 31, 2013 [Japanese accounting standard] (Consolidated)” dated February 1, 2013.

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