

March 14, 2013

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Listings: First Section, Tokyo Stock Exchange, Inc.
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The Transfer of Package Materials Business and the Posting of Extraordinary Losses

Hitachi Cable, Ltd. (hereinafter: “Hitachi Cable” or “the Company”) hereby announces its decision made on March 14, 2013 to transfer the package materials business to Shindo Electronics Co., Ltd. (hereinafter: “Shindo”) effective June 30, 2013, and its conclusion of a business transfer agreement with Shindo.

1. Purpose of the business transfer

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,” and is restructuring its business portfolio in line with the plan.

The Group decided to categorize its package materials business as a domain to be reviewed and scaled down against the backdrop of harsh operating condition for the business due to decreased demand and price decline, and has examined the future course of the business. As a result, the Group concluded the business transfer agreement after further considering that, although a significant improvement in profitability cannot be expected by continuing the business within Hitachi Cable, transferring the business to Shindo, a manufacturer that specializes in TAB*, would enable the resources of both companies to be utilized, generate technological synergies, achieve cost structure reforms and enable the development of the business by taking advantage of distinctive technologies.

*Tape Automated Bonding, a type of package material.

2. Outline of the business transfer

(1) Description of the package materials business

Development, manufacturing and sales of various TAB tapes and package implementation

(2) Business performance of the Package Materials Business

	Package Materials (a)	Consolidated performance of the FY ended March 2012 (b)	Ratio (a/b)
Net sales	7,549 million yen	432,540 million yen	1.7%

(3) Accounts and amount of assets and liabilities to be transferred (as of December 31, 2012)

Asset		Liability	
Account	Book value	Account	Book value
Inventory	336 million yen	—	—
Fixed assets	199 million yen	—	—
Total	535 million yen	Total	—

3. Outline of the receiver of the business transfer

(1)	Company Name	Shindo Electronics Co., Ltd.	
(2)	Headquarters location	1-10-5 Yokoami, Sumida-ku, Tokyo	
(3)	Name of and title of representative	Noriyuki Tanaka, President	
(4)	Line of business	Manufacturing, sales, repair, processing, etc. of electronic applied equipment	
(5)	Date of establishment	October 12, 1971	
(6)	Major shareholder and shareholding ratio	Shindo Holdings Co., Ltd.: 100%	
(7)	Relationship with the listed company and the company in question	Capital relationship	There is no capital relationship between the Company and the company in question. Nor is there a capital relationship between the parties concerned or affiliates of the Company and the parties concerned or affiliates of the company in question.
		Personnel relationship	There is no personnel relationship between the Company and the company in question. Nor is there a personnel relationship between the parties concerned or affiliates of the Company and the parties concerned or affiliates of the company in question.
		Transactional relationship	There is no transactional relationship between the Company and the company in question. Nor is there a transactional relationship between the parties concerned or affiliates of the Company and the parties concerned or affiliates of the company in question.
		Situation regarding related parties	The company in question does not fall under the category of related parties of the Company. Also, the parties concerned or affiliates of the company in question do not fall under the category of related parties of the Company.

4. Schedule

(1) Business transfer agreement concluded:	March 14, 2013
(2) Business transfer due date:	June 30, 2013

(Note 1) Since this business transfer falls under “simplified business transfer” stipulated in brackets in Article 467, paragraph 1, item 2 of the Companies Act, the transfer will be made without gaining approval for the business transfer agreement at the shareholders’ meeting.

(Note 2) With regard to the approval of the business transfer agreement, the Company has made a governing body decision through the approval (March 14, 2013) of the President and Chief Executive Officer delegated by the board of directors.

5. Future outlook

Following the business transfer, Hitachi Cable decided to propose to the labor union the introduction of an early retirement and career change support system for the package materials division, and today commenced discussions with the labor union. Hitachi Cable will post approximately 1.5 billion yen as an extraordinary loss in the fiscal year ending March 31, 2013 due to these measures. This extraordinary loss falls within the forecast of extraordinary loss for the full-year consolidated 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 the “Financial Report for Third Quarter of the Year Ending March 31, 2013 [Japanese accounting standards] (Consolidated)” dated February 1, 2013.

Net sales for the year ending March 31, 2014 are expected to decrease slightly due to the business transfer while profits are expected to improve.

<Proposal made to the labor union>

- (1) Eligible division: Package Materials
- (2) Number of candidates sought: Approximately 160 persons
- (3) Application period: March 29, 2013–May 31, 2013 (planned)
- (4) Date of retirement: May 20, 2013–June 30, 2013 (planned)

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.