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Revised Forecast of Consolidated Business Results for Fiscal Year 2005

The projected consolidated business-performance figures for the fiscal year ending March 2005 (April 1, 2004 – March 31, 2005) given in Hitachi Cable's announcement of interim business performance made on October 28, 2004 have been revised as follows. In addition, Hitachi Cable has announced its anticipated amounts of extraordinary income and loss for the second half of the year, as described below.

Projected dividends for the end of the fiscal year remain unchanged from the projections given in the announcement of interim business performance made on October 28, 2004, at 3.50 yen per share (annual dividend: 7 yen per share).

1. Revised Forecast of Consolidated Business Results for Fiscal Year 2005 (April 1, 2004 – March 31, 2005)

(1) Consolidated

	Unit	Net Sales	Ordinary income	Net income (loss)
Previous forecast (A) (As of October 28, 2004)	million yen	370,000	14,000	6,000
Revised forecast (B)	million yen	385,000	11,000	4,500
(B) – (A)	million yen	15,000	-3,000	-1,500
(B) / (A) × 100	%	4.1%	-21.4%	-25.0%
(Reference) Results for fiscal 2004	million yen	340,470	5,373	-2,248

(2) Non-Consolidated

	Unit	Net Sales	Ordinary income	Net income (loss)
Previous forecast (A) (As of October 28, 2004)	million yen	250,000	7,000	3,000
Revised forecast (B)	million yen	254,000	6,000	4,000
(B) – (A)	million yen	4,000	-1,000	1,000
(B) / (A) × 100	%	1.6%	-14.3%	33.3%
(Reference) Results for fiscal 2004	million yen	237,757	1,435	-2,943

2. Reasons for revising forecast business results

Due to factors such as an increase in the value of products such as wires and cables, and copper products as a result of an increase in copper prices, as well as the boom in the digital home-electronics field through the first half of the fiscal year, Hitachi Cable Group sales in the fiscal year ending March 2005 are likely to achieve the initially projected levels.

However, since the third quarter, factors such as declining demand in the semiconductor and digital home-electronics fields, the increasing value of the yen, and increases in costs of raw materials such as copper and chemical products beyond levels that could be absorbed by raising product prices, have made it appear unavoidable that both consolidated and non-consolidated ordinary income figures will not meet projections.

Additionally, in order to further strengthen its management structure as part of its efforts to achieve a recovery in business performance, the Group is continuing its structural business reforms, its efforts to achieve an appropriate human-resources structure within the Group, and other activities. As a result, the extraordinary-loss and extraordinary-income figures shown under "3" below are projections.

For these reasons, the business-performance projections for this fiscal year have been revised.

3. Breakdown of extraordinary income and loss in Fiscal 2005

The major items of extraordinary income and loss projected to arise in this fiscal year, along with their amounts, are specified below.

(1) Consolidated

① Extraordinary-income

(Million yen)

	1 st half of the year (Apr. 1, 2004– Sep. 30, 2004)	3 rd Quarter (Oct. 1, 2004– Dec. 31, 2004)	4 th Quarter (Jan. 1, 2005– Mar. 31, 2005)	Total (Apr. 1, 2004– Mar. 31, 2005)
Income on sale of land	571	277	852	1,700
Income on sale of investment securities	3	—	797	800
Reversal of employee severance obligation for prior service	553	—	—	553
Other	298	5	144	447
Total	1,425	282	1,793	3,500

② Extraordinary-loss

(Million yen)

	1 st half of the year (Apr. 1, 2004- Sep. 30, 2004)	3 rd Quarter (Oct. 1, 2004- Dec. 31, 2004)	4 th Quarter (Jan. 1, 2005- Mar. 31, 2005)	Total (Apr. 1, 2004- Mar. 31, 2005)
Restructuring costs (Special allowances for early retirement) (Other asset write-offs)	-1,722 (-820) (-902)	-425 (-328) (-97)	-1,853 (-852) (-1,001)	-4,000 (-2,000) (-2,000)
Impairment losses	-1,139	—	—	-1,139
Other	-174	-176	-1,011	-1,361
Total	-3,035	-601	-2,864	-6,500

(2) Non-Consolidated

① Extraordinary-income

(Million yen)

	1 st half of the year (Apr. 1, 2004- Sep. 30, 2004)	3 rd Quarter (Oct. 1, 2004- Dec. 31, 2004)	4 th Quarter (Jan. 1, 2005- Mar. 31, 2005)	Total (Apr. 1, 2004- Mar. 31, 2005)
Income on sale of land	547	277	852	1,676
Income on sale of investment securities	3	—	797	800
Reversal of employee severance obligation for prior service	—	—	—	—
Other	14	—	10	24
Total	564	277	1,659	2,500

② Extraordinary-loss

(Million yen)

	1 st half of the year (Apr. 1, 2004- Sep. 30, 2004)	3 rd Quarter (Oct. 1, 2004- Dec. 31, 2004)	4 th Quarter (Jan. 1, 2005- Mar. 31, 2005)	Total (Apr. 1, 2004- Mar. 31, 2005)
Restructuring costs (Special allowances for early retirement) (Other asset write-offs)	-788 (—) (-788)	-3 (—) (-3)	-609 (—) (-609)	-1,400 (—) (-1,400)
Impairment losses	-622	—	—	-622
Revaluation loss on investment securities	-210	—	—	-210
Other	-58	-1	-209	-268
Total	-1,678	-4	-818	-2,500

(Note)

The performance forecasts and targets in this material are based on assumptions that were judged to be valid at the time this material was created. Actual performance may be very different from these forecasts and targets. Reasons for any differences include:

- Economic situations in major markets (especially in Japan, the United States, and Asia)

- Rapid changes in technology, development of new products and technologies, timely introduction of new products, and ability of the Company and Group companies to achieve low cost production
- Fluctuations in product markets, market conditions and material prices.
- Fluctuations in exchange rates
- Financing environment
- Ability of the Company and Group companies to deal with fluctuations in supply and demand of products, market conditions, and exchange rates
- Protection of Company patents and access to patents of other companies
- Cooperation with other companies in production development
- Fluctuations in Japanese stock prices