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Revised Forecast of Performance and Dividend for First Half of 2003

Hitachi Cable announced today, a revision of its forecast consolidated and non-consolidated business results and cash dividends for the interim period from April 1, 2002, to September 30, 2002, which were announced April 25, 2002. In addition, the Company made an announcement regarding an extraordinary profit and loss forecast for the same interim period. Details of these revisions follow.

1. Consolidated financial forecast (April 1, 2002 to September 30, 2002)

	Unit	Net sales	Ordinary income	Net income
Previous forecast (A)	million yen	172,000	-1,500	-200
Revised forecast (B)	million yen	160,000	-2,600	-1,800
(B) - (A)	million yen	-12,000	-1,100	-1,600
(B)/(A) × 100	%	-7	-	-
(Reference) Results for fiscal 2002	million yen	353,050	-3,444	-1,488
Results for first half of fiscal 2002	million yen	181,754	1,748	828

2. Non-consolidated financial forecast (April 1, 2002 to September 30, 2002)

	Unit	Net sales	Ordinary income	Net income
Previous forecast (A)	million yen	126,000	-1,000	0
Revised forecast (B)	million yen	121,000	-2,000	-400
(B) - (A)	million yen	-5,000	-1,000	-400
(B)/(A) × 100	%	-4	-	-
(Reference) Results for fiscal 2002	million yen	269,850	-2,738	-263
Results for first half of fiscal 2002	million yen	144,018	1,150	895

3. Reasons for Performance Forecast Revisions

In addition to decreased demand from the North American telecommunications industry, domestic capital investment has continued to be restrained over the long term. This has resulted in lower net sales than originally expected for both Hitachi Cable and the Hitachi Cable Group.

The Hitachi Cable Group has implemented a number of policies to increase profitability, including the Procurement Renewal Project (PRP) and other efforts to decrease expenses and fixed costs. However, due to falling net sales and a currency exchange loss as a result of the strong yen, consolidated and non-consolidated ordinary income for the interim period from April 1, 2002, to September 30, 2002, are expected to be significantly lower than originally forecast.

As a result of ordinary income for the term falling below initial estimates and the projected extraordinary profit and loss shown in 4 below, net loss for the interim period from April 1, 2002, to September 30, 2002, are expected to 1.8 billion yen on a consolidated basis and 0.4 billion yen on a non-consolidated basis.

Regarding the business results forecast for the fiscal year started April 1, 2002 and ending March 31, 2003, estimation is difficult at this time due to uncertain demand trends, and an announcement regarding revision of original estimates is expected along with the announcement of midterm business results.

4. Breakdown of extraordinary loss for the period from April 1, 2002, to September 30, 2002

Current estimates of items and amounts of extraordinary income and losses are as follows:

(1) Consolidated

- | | |
|---|------------------|
| A. Income from sale of investment securities | 4.8 billion yen |
| B. Income from sale of land | 0.7 billion yen |
| C. Loss on write-down of investment securities | -2.6 billion yen |
| (Main items include loss on write-down of shares of KDDI Submarine Cable Systems Inc. -2.3 billion yen) | |
| D. Loss on sale of investment securities | -1.4 billion yen |
| (Loss on sale of shares of equity method company Kyoritsu Hiparts Co., Ltd.) | |
| E. One-time expense for implementation of early retirement and transfer assistance system (special retirement premium cost) | -1.6 billion yen |

(2) Non-consolidated

- | | |
|---|------------------|
| A. Income from sale of investment securities | 4.8 billion yen |
| B. Loss on write-down of investment securities | -2.8 billion yen |
| (Main items include loss on write-down of shares of KDDI Submarine Cable Systems Inc. -2.3 billion yen) | |
| C. One-time expense for implementation of early retirement and transfer assistance system (special retirement premium cost) | -1.0 billion yen |

5. Revisions to First Half of Fiscal 2003 Dividend Forecast

Revision of forecast cash dividends for the period from April 1, 2002, to September 30, 2002

In line with the above revisions to the forecast business results, the forecast cash dividends announced on April 25, 2002, have been revised as follows. Regarding end-of-term cash dividends, estimation is difficult at this time due to difficulties in the estimation of the business results for the fiscal year started April 1, 2002 and ending March 31, 2003. End-of-term dividends will be reevaluated upon announcement of midterm business results.

(1) Revisions to Dividend Forecast

	Interim dividend	Year-end dividend	Annual dividend
Precious Forecast (March 25, 2002)	3.75 yen per share	3.75 yen per share	7.50 yen per share
Revised Forecast	2.50 yen per share	Undecided	Undecided

(2) Results for fiscal 2002

	Interim dividend	Year-end dividend	Annual dividend
Dividend per share	5.00 yen per share	2.50 yen per share	7.50 yen per share

(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 conditions in key markets (in particular, Japan, Asia, the United States)
- Rapid technological changes (in particular in electronics business)
- The ability of the Company and its subsidiary companies to develop new products and new technologies, enter markets in a timely manner, and develop low-cost production capabilities
- Changes in markets and/or market conditions (in particular, in electronics business)
- Changes in exchange rates
- Changes in the fund raising environment
- The ability of the Company and its subsidiary companies to react to changes in product supply and demand, product market conditions, and changes in exchange rates
- Protection of the Company's patents and securing the use of other companies' patents
- Partnerships with other companies for product development
- Changes in the Japanese stock market

**Supplementary Material for revisions to Performance and Dividend Forecast for
First Half of Fiscal 2003**

1. First Half of Fiscal 2003 Forecast Net Sales and Operating Income by Segment
(Unit=billion yen)

	As of Apr. 25, 2002		Revised Forecast	
	Net Sales (A)	Operating Income (B)	Net Sales (C) (C / A)	Operating income (D) (D / B)
Wires and cables	70.0	0	65.0 (93%)	-0.4 (- %)
Information Systems and Electronic Components	51.0	-1.4	48.0 (94%)	-2.0 (- %)
Copper Products	25.0	0.5	22.8 (91%)	0.7 (140%)
Electric Equipment, Construction and Others	37.5	0.3	35.0 (93%)	0.3 (100%)
Eliminated	(11.5)	(0)	(10.8) (94%)	(0) (- %)
Total	172.0	-0.6	160.0 (93%)	-1.4 (- %)

2. Streamlining management

As a means to return to profitability as soon as possible, Hitachi Cable is taking such measures as those shown below to streamline the Company.

(1) Optimal leveraging of human resources

By expanding the Company's early retirement and transfer assistance system, Hitachi Cable is working to speed up the streamlining of its human resources. The Company is currently conducting discussions with union representatives regarding plans to increase retirement bonuses for employees except managers.

(2) Cost-cutting

A. PRP (Procurement Renewal Project)

B. Operating and manufacturing expense reduction

C. Increasing productivity

(Increase yielding, reduce loss rate, improve energy consumption rate)