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Revised Forecast of Business Results for First Half and Full Fiscal Year 2004

Hitachi Cable, Ltd. today announced a revised forecast of its consolidated and non – consolidated business results for the first half of the year ending September 2003 (April 1, 2003 to September 30, 2003) and full fiscal year ending March 2004 (April 1, 2003, to March 31, 2004). This revision is based on the previous forecast issued on April 25, 2003 along with the release of financial statements for fiscal year 2003. This announcement also includes information about expected extraordinary income and losses for both the first half and full fiscal year 2004.

Note that there is no change to the expected cash dividend of 2.50 yen per share each for the first half and second half of fiscal year 2004 (5 yen per share for the full fiscal year), as announced on April 25, 2003.

1. Revised Forecast of Performance for First Half of Fiscal Year 2004

(1) Consolidated financial forecast (April 1, 2003 to September 30, 2003)

	Unit	Net Sales	Ordinary income (loss)	Net income (loss)
Previous forecast (A)	million yen	160,000	1,000	500
Revised forecast (B)	million yen	160,000	1,000	-5,100
(B) – (A)	million yen	0	0	-5,600
(B) / (A) × 100	%	0	0	–
(Reference) Results for 1st half of fiscal 2003	million yen	157,653	-2,629	-2,100

(2) Non-consolidated financial forecast (April 1, 2003 to September 30, 2003)

	Unit	Net Sales	Ordinary income (loss)	Net income (loss)
Previous forecast (A)	million yen	115,000	0	0
Revised forecast (B)	million yen	115,000	0	-5,000
(B) – (A)	million yen	0	0	-5,000
(B) / (A) × 100	%	0	0	–
(Reference) Results for 1st half of fiscal 2003	million yen	120,426	-2,767	-454

2. Revised Forecast of Performance for Fiscal 2004

(1) Consolidated financial forecast (April 1, 2003 to March 31, 2004)

	Unit	Net Sales	Ordinary income (loss)	Net income (loss)
Previous forecast (A)	million yen	325,000	4,000	2,500
Revised forecast (B)	million yen	325,000	4,000	-2,900
(B) - (A)	million yen	0	0	-5,400
(B) / (A) × 100	%	0	0	-
(Reference) Results for fiscal 2003	million yen	325,100	-3,677	-7,090

(2) Non-consolidated financial forecast (April 1, 2003 to March 31, 2004)

	Unit	Net Sales	Ordinary income (loss)	Net income (loss)
Previous forecast (A)	million yen	235,000	2,000	1,200
Revised forecast (B)	million yen	230,000	2,000	-2,900
(B) - (A)	million yen	-5,000	0	-4,100
(B) / (A) × 100	%	-2	0	-
(Reference) Results for fiscal 2003	million yen	242,908	-3,019	-3,334

3. Reasons for revising forecast business results

Net sales and ordinary income of the Hitachi Cable Group for the first half and full fiscal year 2004 are likely to reach the originally expected levels due to the group's overall steady performance thus far.

However, the group has decided to continue last year's efforts to implement various measures, including a proper distribution of manpower, disposal of equipment, and reduction in inventory, to improve its business performance and management further. Moreover, the group plans to sell investment securities and underutilized land to improve property management efficiency. The field of semiconductor packaging materials is undergoing drastic change as the group prepares to withdraw from some unprofitable business and dispose of equipment. Due to these measures, extraordinary income and losses (described in 4 below) will result, and therefore interim net income (loss) and current net income (loss) are likely to fall short of initial estimates both on a consolidated and an unconsolidated basis.

4. Breakdown of extraordinary income and loss for first half and full fiscal year 2004

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

(1) Consolidated

	First half of fiscal 2004	Fiscal 2004
①Gain on sale of investment securities	0.2 billion yen	2.2 billion yen
②Gain on sale of land	1.6 billion yen	1.6 billion yen
③Business restructuring expenses	-11.3 billion yen	-12.1 billion yen
(Additional expenses for early retirement)	(-1.5 billion yen)	(-1.5 billion yen)
(Loss on disposal of fixed assets)	(-6.4 billion yen)	(-6.9 billion yen)
(Loss on disposal of inventories and others)	(-3.4 billion yen)	(-3.7 billion yen)

(2) Non-consolidated

	First half of fiscal 2004	Fiscal 2004
①Gain on sale of investment securities	0.2 billion yen	2.2 billion yen
②Gain on sale of land	0.7 billion yen	0.7 billion yen
③Business restructuring expenses	-9.9 billion yen	-10.1 billion yen
(Additional expenses for early retirement)	(-1.5 billion yen)	(-1.5 billion yen)
(Loss on disposal of fixed assets)	(-5.8 billion yen)	(-6.0 billion yen)
(Loss on disposal of inventories and others)	(-2.6 billion yen)	(-2.6 billion yen)

(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 group 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 group 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