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Notice of difference between business performance forecast and actual performance of the consolidated cumulative second quarter, revisions to the forecast of full-year business performance, and notice of dividend forecast

Hitachi Cable announces the difference between the business performance forecast* and the actual performance of the cumulative second quarter of the consolidated fiscal year ending March 31, 2013 (Apr. 1, 2012–Sep.30, 2012). In addition, the forecast* of the full-year's (April 1, 2012–March 31, 2013) business performance has been revised as follows.

Hitachi Cable also announces that its dividend forecast for the fiscal year ending March 2013 is as shown below.

*The business performance forecast published on July 27, 2012 in the “Notice of Revisions to Forecast of Business Performance.”

1. Difference between business performance forecast and actual performance of the consolidated cumulative second quarter, revisions to the forecast of full-year business performance

(1) Difference between business performance forecast and actual performance of the consolidated cumulative second quarter of the consolidated fiscal year ending March 2013*¹

(Apr. 1, 2012–Sep.30, 2012)

	Net Sales	Operating Income	Ordinary Income	Net Income (loss)	Net Income (loss) per share
Previously announced forecasts (A) (Announced July 27, 2012)	180,000	1,500	2,000	500	1.36
Actual results (B)	179,655	1,907	2,275	748	2.04
Difference (B) – (A)	(345)	407	275	248	
Percentage change (%)	(0.2)	27.1	13.8	49.6	
(Reference) Performance in previous fiscal year (Year ended March, 31 2012)	210,434	1,356	296	(9,056)	(24.85)

Note1 :Figures for net sales, operating income (loss), ordinary income (loss), and net income (loss) above are given in units of millions of yen. Figures for net income (loss) per share above are given in units of yen.

(2)Forecasts of full-year business performance of the consolidated fiscal year ending March 2013^{*2}
(Apr. 1, 2012 – Mar. 31, 2013)

	Net Sales	Operating Income (loss)	Ordinary Income (loss)	Net Income (loss)	Net Income (loss) per share
Previously announced forecasts (A) (Announced July 27, 2012)	360,000	7,000	7,500	1,500	4.09
Revised forecasts (B)	360,000	4,000	4,000	(9,000)	(24.54)
Difference (B) – (A)	0	(3,000)	(3,500)	(10,500)	
Percentage change (%)	0	(42.9)	(46.7)	—	
(Reference)					
Performance in previous fiscal year (Year ended March, 31 2012)	432,540	1,966	927	(22,758)	(62.35)

Note 2: Figures for net sales, operating income (loss), ordinary income (loss), and net income (loss) above are given in units of millions of yen. Figures for net income (loss) per share above are given in units of yen.

2. Notice of projected end-of-year dividends

	Annual Dividend (Yen)		
	End of second quarter	End of year	Annual
Previously announced forecasts	(To be decided)	(To be decided)	(To be decided)
Revised forecast		(To be decided)	(To be decided)
Performance in this fiscal year	0.00 yen		
Performance in previous fiscal year Year ended March,31 2012	0.00 yen	0.00 yen	0.00 yen

3. Reasons for the revisions

The Hitachi Cable Group's net sales, operating income, and ordinary income for the cumulative second quarter of the consolidated fiscal year ending March 2013 (Apr. 1, 2012–Sep.30, 2012) were roughly in line with previously forecast levels. Quarterly net income surpassed the previous forecast by 0.2 billion yen.

The business environment surrounding the Hitachi Cable Group is becoming increasingly harsh due to factors such as further sluggishness in electronics and semiconductor markets since the summer and demand stagnation from domestic private capital expenditures. Given this situation, the Hitachi Cable Group has decided to revise downward its full year business performance forecast for the consolidated fiscal year ending March 31, 2013, which was published on July 27, 2012.

Net sales are projected to be in line with the previous forecast as demand for products for the electronics and semiconductor markets decrease, and demand for construction wire and cables and construction work of wireless systems increase. Profits are projected to fall below the previous forecast mainly in the Industrial Infrastructure Products and Metal Materials Component Products businesses due to decreased demand for wire and cables for industrial use following the stagnation in demand from private capital expenditure and the downturn in electronics and semiconductor markets. In addition extraordinary losses are expected to increase due to implementation of structural reform that includes fixed cost reductions in response to the deteriorating business environment. As a result, operating income, ordinary income, and net income are projected to fall below the previous forecast.

The Hitachi Cable Group is committed to accelerating its business structural reform in line with the Medium-term Management Plan in order to improve profitability at the earliest possible time. As part of the

process, the Group will introduce the aforementioned fixed cost reduction measures and will strive to accelerate overseas expansion by reinforcing partnerships with local companies in China in the Group's core wire and cable business. Furthermore, the Group has officially agreed to integrate copper products and lead frames businesses with Sumitomo Metal Mining Co., Ltd., entering into a business integration contract today. Through this business integration, the Hitachi Cable Group will seek to strengthen lead frames and copper products businesses by bringing together resources from both companies and operating them in a synergistic manner. Please refer to the "Sumitomo Metal Mining and Hitachi Cable Sign Agreement Integrating Their Businesses in Lead Frames and Copper Products," which has been published today, for details of this transaction.

Following the reorganization, effective October 1, 2012, to reinforce the wire and cable business, the Group intends to integrate its molding and wire drawing division to improve efficiency and to share technologies and selling strategies of wire and cables, mainly in high-speed transmission technology, by integrating the electronic products division and the optical communication products division.

Starting the third quarter of the consolidated fiscal year and in line with this reorganization, the Hitachi Cable Group will make changes in the internal control segments of its businesses and consolidated subsidiaries belonging to each reporting segment as shown below.

- i) Of Electronic Products belonging to the Electronic & Automotive Products segment, the wire drawing business will be integrated with the magnet wire products business, and will be renamed as the Electric Materials.
- ii) Of Electronic Products belonging to the Electronic & Automotive Products segment, the wires and cables business other than the wire drawing business will be transferred to the Industrial Infrastructure Products segment and integrated with the Optical Communication Products, and will be renamed as the Electronic & Communication Products.

In addition, the forecast for the interim dividend paid at the end of the second quarter, not determined until now, now calls for no payment of dividends, based on comprehensive consideration of various issues including the business environment in which the Hitachi Cable Group operates, the current business performance, and the Group's future business strategies. The end-of-year dividend forecast remains undetermined at this point and will be finalized following the study of various issues, including progress on management measures.

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.