

## Financial Highlights

Consolidated results for the years ended March 31

For the years ended March 31	Millions of yen					Thousands of U.S. dollars
	2004	2005	2006	2007	2008	2008
<b>For the year:</b>						
Net sales	¥ 340,470	¥ 386,909	¥ 425,092	¥ 544,244	¥ 565,994	\$ 5,659,940
Operating income	5,782	10,031	10,967	22,983	23,117	231,170
Net income (loss)	(2,248)	4,991	4,940	8,662	10,708	107,080
Free cash flow <sup>1</sup>	25,674	23,730	6,774	6,513	9,817	98,170
Capital expenditures	13,691	17,669	19,691	21,455	27,823	278,230
Depreciation	20,325	20,384	19,221	19,008	20,503	205,030
R&D expenses	9,930	9,592	10,832	10,000	10,526	105,260
<b>At year-end:</b>						
Total assets	333,786	324,502	338,837	361,892	370,127	3,701,270
Net assets	176,912	176,296	181,542	193,600	200,842	2,008,420
Interest-bearing debt	67,847	46,506	43,604	43,051	37,949	379,490
Yen						
<b>Per share:</b>						
Net income (loss) — basic	(6.25)	13.46	13.44	23.84	29.46	0.29
Cash dividends	5.00	7.00	7.00	8.50	8.50	0.09
%						
<b>Ratios:</b>						
Equity ratio	53.0	54.3	53.6	52.6	53.3	—
Return on equity	(1.3)	2.8	2.8	4.7	5.5	—
Return on assets <sup>2</sup>	1.7	3.1	3.2	6.4	6.2	—
Debt-to-equity ratio	38.4	26.4	24.0	22.6	19.2	—
Number of employees	13,590	15,045	15,199	15,100	15,917	—

Note: U.S. dollar amounts have been translated, for convenience only, at the exchange rate of ¥100=US\$1.

Note 1(a) of notes to consolidated financial statements.

<sup>1</sup> Free cash flow is the sum of operating and investing cash flows.

<sup>2</sup> Return on assets is calculated using operating income.

### Safe Harbor Statement

The performance forecasts and targets in this annual report are based on assumptions that were judged to be valid at the time it 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 and the United States)
- Rapid technological changes (particularly in electronics business)
- The ability of the Company and other members of the Group to develop new products and new technologies, enter markets in a timely manner, and develop low-cost production capabilities
- Changes in product and material markets and/or market conditions for products and materials
- Changes in exchange rates
- Changes in the fundraising environment
- The ability of the Company and other members of the Group to react to changes in product supply and demand, product market conditions, and changes in currency 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

With an amendment to the tax system implemented in 2008 by the Japanese Diet, the durable life of depreciable assets is likely to change. However, since details of the bill have not yet been finalized, current forecasts of consolidated and non-consolidated business performance do not reflect the effects of these amendments to the tax system. Forecasts of business performance reflecting the effects of these amendments will be released as soon as the relevant figures have been finalized.

Notes: 1. Fiscal 2008: April 1, 2007 to March 31, 2008

2. Hitachi Cable's fiscal year runs from April 1 to March 31 of the following calendar year.

