

(Summary)

Consolidated Financial Report for 1st half of fiscal 2005 ended March 31, 2005

October 28, 2004

Name of Listed Company: **Hitachi Cable, Ltd.**

Stock Exchange where listed (Section): Tokyo Stock Exchange, Inc. (First Section)

Osaka Securities Exchange Co., Ltd. (First Section)

Code Number: 5812

Head Office: Tokyo

(URL <http://www.hitachi-cable.co.jp>)

Representative: Norio Sato, President

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Date of the Board of Directors Meeting at which the Account Settlement Plan was approved: October 28, 2004

Name of Parent Company: Hitachi, Ltd. (Code Number: 6501)

Ratio of Shares that Hitachi, Ltd. holds: 52.7%

US GAAP: No.

1. Performance over 1st half of the fiscal year under review (Apr.1, 2004-Sep.30, 2004)

(1) Operating results

	Net Sales (million yen)	Operating Income (million yen)	Ordinary Income (million yen)
September/04	188,671 (14.7%)	4,833 (329.6%)	5,218 (475.3%)
September/03	164,512 (4.4%)	1,125 (—)	907 (—)
March/04	340,470	5,782	5,373

	Interim Net Income (loss) (million yen)	Interim Net Income (loss) Per Share (yen)	Diluted Interim Net Income (loss) Per Share (yen)
September/04	2,337 (—)	6.36	6.36
September/03	-5,722 (—)	-15.57	—
March/04	-2,248	-6.25	—

(Notes)

① Investment income based on equity method

September/04	352 million yen
September/03	-27 million yen
March/04	-27 million yen

② Average number of shares outstanding (Consolidated)

	Common	Preferred
September/04	367,473,988	—
September/03	367,475,837	—
March/04	366,176,321	—

③ Changing in accounting policy: Yes

Change in business segments under "A. Results by Operating Segment" in the section on segment information.
Application of accounting standards in connection with impairment of fixed assets and guidelines thereof.

④ Figures are rounded off to the nearest 1 million yen.

⑤ Figures in parentheses represent % change from 1st half of the last fiscal year.

(2) Financial standing

	Total Asset (million yen)	Shareholders' Equity (million yen)	Shareholders' Equity Ratio (%)	Shareholders' Equity Per Share (yen)
September/04	326,088	177,359	54.4	482.66
September/03	343,014	174,582	50.9	479.95
March/04	333,786	176,912	53.0	481.30

(Note) Number of shares outstanding at the end of period (consolidated)

	Common	Preferred
September/04	367,460,435	—
September/03	363,748,044	—
March/04	367,482,900	—

(3) Statement of cash flow

	Cash Flow From Operating Activities (million yen)	Cash Flow From Investing Activities (million yen)	Cash Flow From Financing Activities (million yen)	Cash, Time Deposit and Marketable Securities at the End of Term (million yen)
September/04	3,639	2,241	-8,124	6,064
September/03	10,322	-1,180	-9,431	6,766
March/04	26,731	-1,057	-25,372	7,763

(4) Scope of consolidation and application of the equity method

Number of consolidated subsidiaries: 57

Number of non-consolidated subsidiaries, applied the equity method: —

Number of affiliated companies, applied the equity method: 11

(5) Change in scope of consolidation and application of the equity method

Consolidation New companies: 19

Companies removed: 1

Equity method New companies: 2

Companies removed: —

2. Business results forecast for fiscal year 2005 (Apr. 1, 2004–Mar. 31, 2005)

	Net Sales (million yen)	Ordinary Income (million yen)	Net Income (million yen)
March/05	370,000	14,000	6,000

(Reference) Forecast net income per share (Whole year): 16.33 yen

* Safe harbor statement

The figures contained herein, excepting actual performance figures, are based on assumptions by management that were judged to be valid at the time these materials were created. Actual performance may be very different from these forecasts and targets.

1. Status of the Corporate Group (as of September 30, 2004)

(1) Contents of Business Lines:

The Hitachi Cable Group is engaged in the manufacture and sale of various products, beginning with wires and cables and including semiconductor packaging materials, compound semiconductors, systems related to information transmission, copper products, and rubber products as well as construction work related to the installation of power and telecommunication cables and related operations.

With regard to the categories of business lines conducted by the group, changes in the strategic direction of Hitachi Cable management and multiple restructurings of business lines within the group have led the actual circumstances of business to differ from the management administration categories used previously. For this reason, business line categories have been revised to reflect accurately both actual circumstances and future business strategies. As a result, beginning with the first half of this consolidated fiscal year the previous four business line categories of Wires and Cables, Information Systems and Electronic Components, Copper Products, and Electric Equipment, Construction, and Others have been changed to the four business line categories of Wires and Cables, Information and Telecommunications Networking, Sophisticated Materials, and Other Businesses.

Major movements in affiliated companies during the first half of this consolidated fiscal year are shown below.

There have been no major changes in the lines of business conducted by the group.

Sophisticated Materials business:

New: PHCP, INC.

Note: After all shares of Dowa Hightech Philippines, Inc., a consolidated subsidiary of Dowa Mining Co., Ltd. that manufactures lead frames, were transferred to Hitachi Cable's consolidated subsidiaries Hitachi Cable Precision Co., Ltd. and Hitachi Cable (Singapore) Pte. Ltd. on April 30, 2004, Dowa Hightech Philippines, Inc. was made a consolidated subsidiary of Hitachi Cable beginning May 1, 2004. During the first half of this consolidated fiscal year, the name of Dowa Hightech Philippines, Inc. was changed to PHCP, INC.

On page 3 is a general diagram of the group's business lines, including the matters noted above.

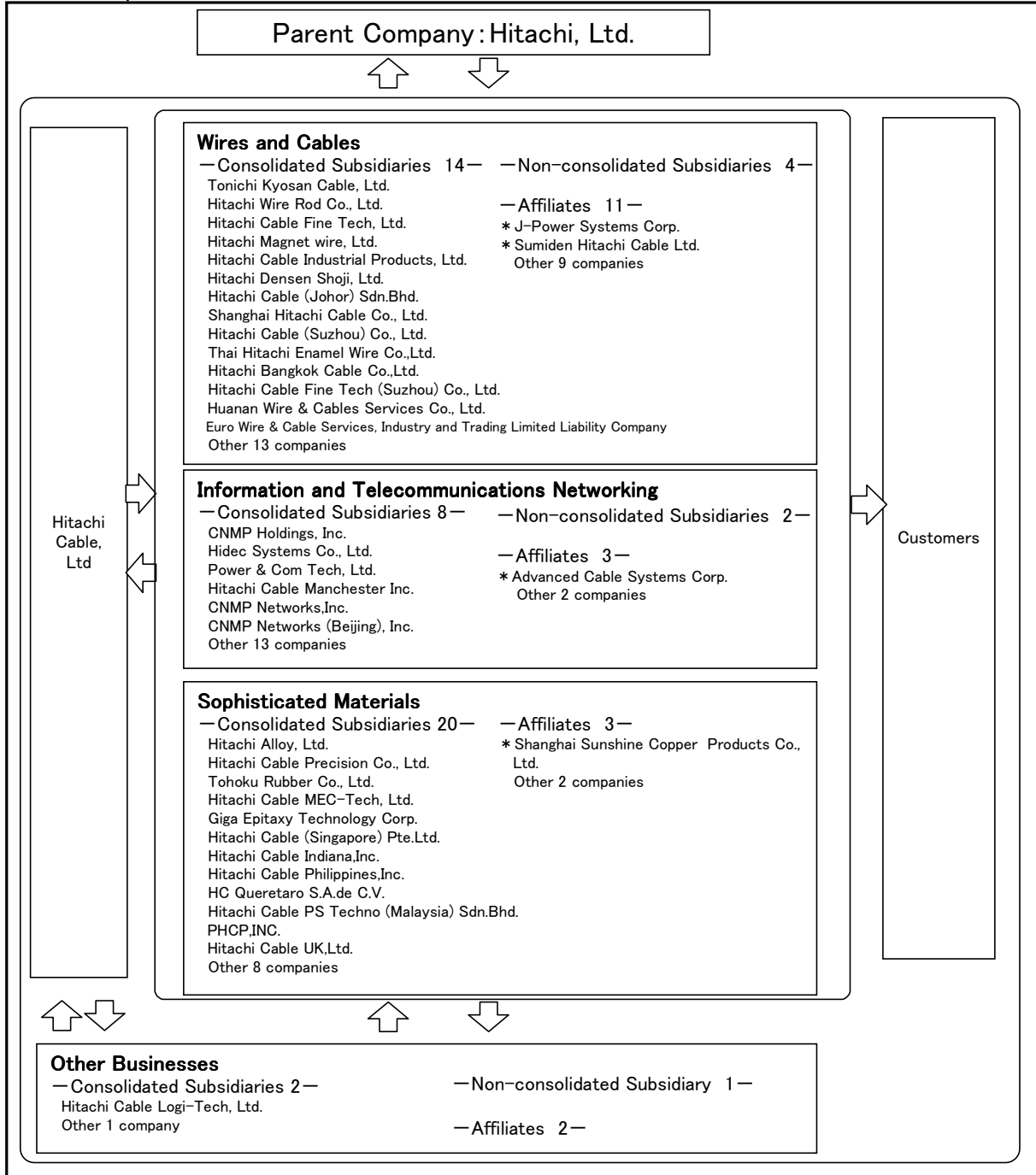
(2) Status of Affiliated Companies

The following company became a new affiliate of Hitachi Cable during the first half of this consolidated fiscal year:

Name	Location	Capital	Principal Lines of Business	Percentage of Voting Rights Held by the Company	Details of Relationship
PHCP, INC.	Philippines	(Thousands of Philippine pesos) 100,000	Manufacture and sale of lead frames	(100.0%) 100.0%	Sells products, etc., to and purchases products, etc., from subsidiaries of Hitachi Cable Directors: five shared, four seconded

(Note): The figure in parentheses under "percentage of voting rights held by Hitachi Cable" indicates the percentage of voting rights held indirectly.

Business Map



(Note 1) : Flow of Products and Services * : Company Applied the Equity Method

(Note 2) Since the importance of each has increased, the following three companies were made consolidated subsidiaries of Hitachi Cable during the first half of this consolidated fiscal year: Giga Epitaxy Technology Corp., HC Queretaro S.A. de C.V., and Hitachi Cable UK, Ltd.

(Note 3) Part of the business of Hitachi Cable's subsidiary ConEx Cable, Inc. was transferred to ConEx Acquisition, LLC on February 27, 2004. Since the importance of ConEx Cable decreased as a result of this transfer, it has been removed from the list of consolidated subsidiaries beginning the first half of this consolidated fiscal year.

2. Management Policies

(1) Fundamental Management Policies and Mid- to Long-term Management Strategies

Hitachi Cable has formulated a mid-term management plan, the Survival Project, that began with the previous consolidated fiscal year. It is currently pushing forward with efforts to achieve the goals of this plan.

The fundamental policies of the Project are to achieve a cost structure that enables the Company to remain highly competitive in its markets while focusing on increasing profitability and to expand its business lines by fulfilling the communication technology needs of the global marketplace.

As a quantitative target, Hitachi Cable Group considers FIV*¹, the Hitachi Group's own measure of value added, to be the most important management indicator for the Company. The goal is to achieve positive FIV in FY 2006.

Under this fundamental policy, the Group is shifting to focus on becoming a group that is highly competitive in the fields of information and telecommunications networking, which are vital to the development of social and information infrastructures, and the sophisticated materials and wires and cables that form the foundation for these infrastructures. For this purpose, the Company is responding in a flexible and speedy manner to changes in the marketplace, through efforts including concentration of its resources in businesses that offer possibilities for high growth and overseas expansion as well as thorough business restructuring through alliances, mergers and acquisitions, and other efforts.

Future business strategies in each field of business are described below.

First, in the wires and cables field, which is the foundation of the group's businesses, Hitachi Cable aims to become one of the industry's leading companies by going forward with optimization of its production and sales structures.

In the field of information and telecommunications networking, the Group will proceed with business expansion through the coordinated use of technologies related to wide area Ethernet*², VoIP (Voice over Internet Protocol), optical transmission, wireless transmission, and related areas.

In the sophisticated materials field, in addition to establishing efficient production structures for

products such as compound semiconductors, semiconductor packaging materials, copper strips, and auto parts, new products will be introduced to the marketplace in a timely manner and the strengthening and enhancement of each business will proceed.

In order to support these types of business strategies for each business field, each aspect of Hitachi Cable's management activities will follow the policies below:

In its research and development (R&D) activities, Hitachi Cable will promote new-product development that is directly linked to its business strategies, will speed up the creation of businesses based on newly developed products, and will promote R&D that supports continued business growth. In the area of production technology, Hitachi Cable will strengthen and enhance its manufacturing abilities through development of advanced production technologies and the construction of highly efficient production systems. At the same time, in the sales area, the Company will strengthen its sales network, including its marketing abilities and logistics, will accurately and promptly ascertain market trends, and will make further improvements in sales efficiency. In the area of human resources, the Company will nurture human resources that are suited to globalization of its businesses and will proceed with reforms to its evaluation and compensation systems and reductions in overall labor costs. In the area of finances, the Company will put all of its energy into efforts such as reducing total assets and realizing a flexible cost structure that will enable it to succeed in global competition.

Furthermore, as a company that has adopted the committee system, Hitachi Cable will separate clearly the execution and supervision functions of management in order to swiftly implement appropriate and decisive measures with regard to the issues above. In addition, the Company will fulfill its social responsibilities (CSR^{*3}) in areas such as environmental protection, based on laws and appropriate business ethics, putting its efforts into business activities that will earn the trust of society.

*1 FIV (Future Inspiration Value) = Business profit after taxes - invested equity × capital cost rate (5%)

*2 Ethernet is a registered trademark of Fuji Xerox Co., Ltd.

*3 "CSR" is an abbreviation of "Corporate Social Responsibility."

(2) Basic Policy on Dividends

Hitachi Cable distributes appropriate dividends after overall assessment of matters such as business performance, enhancements to the management structure, and future business strategies. In other words, with regard to dividends, the Company returns profits to shareholders after consideration of business performance, following a basic policy of providing stable dividends. It also utilizes remaining funds effectively, for investing business resources into businesses that promise future growth, for making investments to enliven existing businesses, and for other purposes, while continuing to maintain and strengthen the soundness of its financial constitution.

Furthermore, Hitachi Cable considers the acquisition of treasury stock to be an effective means of distributing profits to shareholders and implements relevant measures while taking into consideration matters such as trends in share prices and the Company's financial circumstances.

(3) Basic Concepts of Corporate Governance and Status of Their Implementation

Hitachi Cable considers realization of faster, more accurate responses and a fair and easy-to-understand management system to be vital topics in regard to the management issues it faces. To achieve this goal, the Company shifted to a committee system in June of last year, in order to separate the execution and supervision functions of management, to further speed up management decision-making, and to place the oversight function at a higher managerial level.

The Board of Directors is in charge of decision-making on matters such as basic management policies and supervisory functions, and it has largely transferred decision-making and execution authority for operations to executive officers. As one part of the performance of the supervision function by the Board of Directors, three committees have been established within the Board of Directors, with outside directors making up a majority in each committee: the Nominating Committee, the Audit Committee, and the Compensation Committee. There are eight members of the Board of Directors, including three outside directors. In addition, the Chairman of the Board, who chairs the Board of Directors, does not also serve as an executive officer. Two outside directors are parent company directors and one is a lawyer with no advisory agreement. Hitachi Cable conducts regular sales transactions with its parent company, but all of these are standard transactions.

As a means of internal control on the execution of operations by the executive officers, an executive officer committee has been established, composed of all executive officers. This is intended to ensure

the sharing of information concerning the status of operations under the responsibility of each executive officer when executive officers make decisions concerning important matters as assigned by the Board of Directors, as well as ensuring such matters are considered from a number of viewpoints.

In addition, the Internal Auditing Office and other sections implement internal audits for each section of Hitachi Cable and for its Group companies concerning the legality and appropriateness of operations, and as necessary the Compliance Group conducts training, audits, and guidance for each section of Hitachi Cable and for its group companies to ensure that company activities conform to laws, regulations, and business ethics.

Through these measures, Hitachi Cable devotes unceasing efforts to further increasing the mobility and transparency of management.

(4) Basic Policy on Relationships with the Parent Company

As a member of the Hitachi group of companies, which has a shared management vision and a shared brand, Hitachi Cable plans to continue to maintain and strengthen its cooperative relationships with Hitachi, Ltd.

3. Business Performance and Financial Status

(1) Business Performance

① Business Performance during the First Half of This Consolidated Fiscal Year

Driven by expanding internal demand in two major economies – the United States and China – the world's economy showed signs of activity during the first half of this consolidated fiscal year. The Japanese domestic economy as well was supported by gentle growth in factors such as private-sector capital investment, exports, and personal consumption, leading to a steady recovery.

In this economic environment, Hitachi Cable endeavored to secure orders by promptly responding to customers' needs as well as attempting measures such as the selection and concentration of businesses, reduction of equity invested, and cost reductions, based on the fundamental policies of its mid-term management plan, the Survival Project.

As a result, business performance in the first half of this consolidated fiscal year was as follows:

Due to factors such as an increase in the value of sales of products such as wires, cables, and copper products due to increases in copper prices, as well as the booming digital home electronics field and the recovery of private sector capital investment, sales were 188.671 billion yen, an increase of 15% from the first half of the previous consolidated fiscal year. In terms of income, ordinary income was 5.218 billion yen. Although there were some factors pressuring income, such as rapid increases in the prices of raw materials like copper and chemical products, in addition to factors such as increased sales figures, reductions in various costs, and improved productivity, further factors included 794 million yen in non-operating revenues from writing off the consolidated adjustment account resulting from factors such as consolidated subsidiary Tonichi Kyosan Cable, Ltd. being made a wholly owned subsidiary on March 1, 2004 and PHCP, INC. being made a subsidiary. In addition, other amounts recorded include 1.425 billion yen in extraordinary income, 1.722 billion yen in business restructuring costs, as well as 1.139 billion yen in impairment losses recorded as extraordinary losses due to early adoption of the impairment loss accounting system, leading to first half net income of 2.337 billion yen.

The following is a report on the overview of business performance for each segment by business type. Sales figures for each segment include internal sales between segments, and transfers.

Due to factors such as the fact that mid- to long-term directions have become clearer as we reach

the midpoint of the Survival Project mid-term management plan begun in the previous consolidated fiscal year, segment categories have been revised beginning the first half of this consolidated fiscal year to make them reflect more accurately actual circumstances and future business strategies.

Wires and Cables

Although capital investment by power companies remained in a decreasing trend, since the first half of this consolidated fiscal year saw deliveries and construction for a major project as well as the effects of rising copper prices, sales figures for power cables exceeded those of the previous first half of the consolidated fiscal year. Sales of electronic wires and wiring devices also exceeded those of the previous first half of the consolidated fiscal year, due to strong growth in sales for uses such as in semiconductor manufacturing equipment, medical devices, and digital home electronics. Sales of magnet wires also grew for use in automotive electronics, and this, combined with the effects of rising copper prices, led to figures exceeding those of the previous first half of the consolidated fiscal year.

As a result, sales in this segment totaled 88.801 billion yen, an increase of 18% over the figure for the previous first half of the consolidated fiscal year.

Information and Telecommunications Networking

In the area of information network solutions, although sales of optical components were sluggish, sales of information network devices such as Ethernet switches grew, centered around domestic telecommunications carriers. This led to performance that exceeded that of the previous first half of the consolidated fiscal year.

Although sales of landline fiber optic cables were sluggish due to decreases in capital investment by domestic telecommunications carriers, performance for telecommunications cables overall grew slightly from that of the previous first half of the consolidated fiscal year due to the start of shipping of major orders of fiber optic submarine cables.

On the other hand, in the area of high-frequency wireless systems, although sales for terrestrial digital broadcasting were strong, construction for installations of mobile phone base stations decreased, leading to a decrease in overall performance from the previous first half of the consolidated fiscal year.

As a result, sales in this segment were 38.709 billion yen, reflecting a decrease of 1% from the previous first half of the consolidated fiscal year.

Sophisticated Materials

With regard to TAB products, in addition to the fact that sales of Chip-On-Film (COF) products for high-precision LCD monitors increased as planned, the market for μ BGA*² products for use in high-speed DDR II*¹ memory grew rapidly, leading to sales that greatly exceeded those of the previous first half of the consolidated fiscal year. In addition, demand for lead frames for purposes such as use in digital home electronics also grew vigorously.

Sales of compound semiconductors for use in laser diodes for DVD devices remained steady, exceeding the performance of the previous first half of the consolidated fiscal year.

With regard to copper tubes, although there were no major changes in production volumes, the value of sales was pushed up by rising copper prices, leading to figures that exceeded the levels of the previous first half of the consolidated fiscal year. In addition to the fact that sales of copper strips for semiconductor use were strong, centered on dual gauge copper strips for use in transistor lead frames, sales of copper products for electrical use exceeded the figure from the previous first half of the consolidated fiscal year due to the recovery in private sector capital investment.

With regard to auto parts, sales of electrical parts such as pressure sensors and hose parts grew, leading to sales that exceeded those of the previous first half of the consolidated fiscal year.

As a result of these factors, sales in this segment were 70.142 billion yen, reflecting an increase of 24% over the figure from the previous first half of the consolidated fiscal year.

*1 DDR (Double Data Rate): memory capable of high-speed data transmission

*2 μ BGA® is a registered trademark of Tessera Inc. of the United States. BGA is an abbreviation for "Ball Grid Array."

Other Businesses

This segment is composed of logistics, real estate management and leasing, and other businesses. Sales in this segment were 8.143 billion yen, roughly the same as those of the previous first half of the consolidated fiscal year.

② Matters That Require Company Attention, and Projected Results for the Full Fiscal Year

Although growth in the Chinese economy is expected to continue, for the time being the world's economy is projected to face a short-term adjustment period due to a number of factors causing uncertainty, such as rising oil prices and concerns about the high value of the yen. At the same time, with regard to the domestic economy, although increases in capital investment appear likely to continue, a slight slowing down is anticipated, centered on demand for digital products.

In this economic environment, the Hitachi Cable Group aims to realize the Survival Project's target ordinary income figure for the fiscal year ended March 2005 of 14 billion yen, through efforts in areas such as the creation of new businesses, reviewing and enhancing head office functions, and restructuring the information technology infrastructure, as well as endeavoring to expand orders received and to ensure profits by focusing on growing fields.

Market trends for the second half of this consolidated fiscal year and projections for (full-year) business performance in this consolidated fiscal year are discussed below.

Wires and Cables

With regard to power cables, since the business of sale of high-voltage power cables was transferred to equity-method affiliate J-Power Systems Corp. as of October 1, 2004, sales are projected to decline from the figure for the previous consolidated fiscal year. Although inventory adjustments are anticipated for electronic wires and wiring devices for uses such as in semiconductor manufacturing equipment, in addition to the results of enhancements made to production and sales structures in China, where growth is remarkable, domestically as well sales of high value-added products for uses such as in digital home electronics and medical devices are expected to be strong, leading to projections of performance exceeding that of the previous consolidated fiscal year.

With regard to magnet wires, in addition to the fact that growth is anticipated in sales for use in electronic auto parts, rising copper prices are also pushing up sales prices, leading to projections of performance exceeding that of the previous consolidated fiscal year.

To summarize, projected sales in this segment are 172.9 billion yen, for growth of approximately 10% over the previous consolidated fiscal year.

Information and Telecommunications Networking

In the area of high-frequency wireless systems, although sales for terrestrial digital broadcasting are steady, sales for the construction of mobile phone base stations are expected to show a bearish tendency, leading to projections of performance decreasing from that of the previous consolidated fiscal year. With regard to telecommunications cables, although it is anticipated that domestic demand for fiber optic cables will remain sluggish, performance is expected to exceed that of the previous consolidated fiscal year due to shipping of major orders of fiber optic submarine cable being concentrated in the third quarter. In the area of information network solutions, construction of wide area Ethernet networks by domestic telecommunications carriers is expected to continue, and sales of VoIP-related products such as wireless IP telephones are expected to grow in private- and public-sector markets. For these reasons, performance is expected to exceed that of the previous consolidated fiscal year.

To summarize, projected sales in this segment are 83.8 billion yen, for growth of approximately 5% over the previous consolidated fiscal year.

Sophisticated Materials

In addition to the Company responding strongly to demand for TAB products for LCD use by strengthening COF manufacturing capabilities due to progress in the shift to driver IC package-type COF products, DDR II demand for use in memory products is also healthy and μ BGA sales are expected to be steady. For these reasons, performance is projected to greatly exceed that of the previous consolidated fiscal year. With regard to lead frames, although the effects of semiconductor inventory adjustments are projected to be a factor in the second half of the fiscal year, performance over the entire fiscal year is expected to exceed that of the previous consolidated fiscal year. Sales of compound semiconductors are expected to grow in response to growing demand for use in laser diodes for DVD devices and for use in light-emitting diodes (LEDs). With regard to copper strips, although a movement toward inventory adjustment has arisen for some products used in semiconductors, strong sales of dual gauge copper strips for use in transistor lead frames are expected to lead to performance exceeding that of the previous consolidated fiscal year. In the area of auto parts, growth is anticipated in demand for automotive brake hoses, centered on the domestic market, and sales are also expected to grow for electronic parts such as sensors.

To summarize, projected sales in this segment are 136.1 billion yen, for growth of approximately 17%

over the previous consolidated fiscal year.

Other Businesses

Sales in this segment are anticipated to be 15.9 billion yen, a decrease of approximately 5% from the previous consolidated fiscal year.

The above is an overview of sales projections for segments by business type. In light of factors including continued efforts on cost-reduction measures and trends in raw-material prices such as copper, in addition to growth in key business lines and improvements in the profitability of unprofitable businesses, the following business performance is anticipated for the full fiscal year: sales of 370 billion yen, ordinary income of 14 billion yen, and net income of 6 billion yen.

(2) Financial Status

① Status in the First Half of This Consolidated Fiscal Year

The balance of cash and cash equivalents at the end of the first half of this consolidated fiscal year was 6.064 billion yen, reflecting a decrease of 1.699 billion yen from the end of the previous consolidated fiscal year. The status of each type of cash flow and related factors are shown below.

Cash flow from operating activities was 3.639 billion yen. This figure resulted from factors including net income before taxes and other adjustments of 3.608 billion yen in addition to an increase of 4.923 billion yen in inventory assets, a decrease of 4.246 billion yen in purchase obligations, and 9.557 billion yen in depreciation.

Cash flow from investment activities was 2.241 billion yen. This figure resulted from factors including expenditures of 8.066 billion yen on acquisition of tangible fixed assets, income of 9.706 billion yen from collection of loans, and income of 766 million yen from sale of tangible fixed assets.

Cash flow from financing activities was 8.124 billion yen. This figure resulted from factors including repayment of 6.522 billion yen in short-term debts, payment of 918 million yen in dividends, and repayment of 583 million yen in long-term debts.

② Full Fiscal Year Projections

With regard to **cash flow from operating activities**, net income before taxes and other adjustments of 9 billion yen is anticipated.

With regard to **cash flow from investment activities**, the amounts of investment in plants and equipment and acquisition of investment securities are projected to decrease from the previous consolidated fiscal year.

With regard to **cash flow from financing activities**, at the regular general meeting of shareholders held June 29, 2004, a proposal was approved to amend the articles of incorporation to enable the Company to purchase shares of its own common stock based on a decision of the Board of Directors, as a means of both returning profit to shareholders and enabling execution of dynamic equity policies. In the future, the Company plans to acquire treasury stock in a flexible manner, taking into consideration trends in share prices as well as the Company's financial situation. In addition, the Company is

planning to increase its 68th interim dividend payment by one yen per share. The Company plans to further reduce its interest-bearing debt.

As a result, the balance of cash and cash equivalents at the end of this consolidated fiscal year is anticipated to decrease by approximately 2 billion yen from the end of the previous consolidated fiscal year.

③ Cash-Flow Indicator Trends

	Sep. 2000	Sep. 2001	Sep. 2002	Sep. 2003	Sep. 2004	Mar. 2004
Shareholders' Equity Ratio (%)	48.8	48.0	51.8	50.9	54.4	53.0
MTM Shareholder Equity Ratio (%)	105.8	37.6	32.5	44.0	46.9	57.0
Years to Pay off Debt (years)	4.6	22.3	4.4	8.0	16.7	2.5
Interest Coverage Ratio	17.3	4.4	21.0	13.9	6.2	19.6

Notes:

Shareholder equity ratio = Shareholder equity / Total assets

MTM shareholder equity ratio = MTM Value of shares / Total assets

Years to pay off debt = Interest-bearing debt / Operating cash flow

Interest coverage ratio = Operating cash flow / Interest payment

Supplementary explanation:

1. Each indicator was calculated using consolidated financial figures.
2. MTM value of total shares is calculated by the following formula:
end-of-term closing price of shares × end-of-term total number of shares outstanding.
3. The cash flow from operating activities specified on the consolidated cash-flow statement was used as the operating cash flow.
4. Interest-bearing debt refers to all debts on the consolidated balance sheet for which interest is paid. The amount of interest paid on the consolidated cash-flow statement was used as the interest payment.

4. Consolidated Interim Balance Sheet

(million yen)

	1st half of Fiscal 2004 Sep. 30, 2003	1st half of Fiscal 2005 Sep. 30, 2004	End of Fiscal 2004 Mar. 31, 2004		1st half of Fiscal 2004 Sep. 30, 2003	1st half of Fiscal 2005 Sep. 30, 2004	End of Fiscal 2004 Mar. 31, 2004
[Assets]				[Liability]			
Current Assets	148,565	155,023	155,559	Current Liabilities	106,029	101,152	99,711
Cash and Deposit in Bank Notes Receivable and Accounts Receivable	7,592	6,087	8,200	Notes Payable and Accounts Payable	36,530	42,665	43,560
	77,202	84,187	82,215	Short-term Debt	21,813	26,396	19,368
Inventory	41,665	44,249	38,201	Commercial Paper	16,000	-	14,000
Deferred Income Taxes	8,424	11,061	7,181	Amortized Company Bonds	10,000	10,000	-
Other Current Assets Allowance for Doubtful Accounts	14,557	10,457	20,801	Others	21,686	22,091	22,783
	-875	-1,018	-1,039	Fixed Liabilities	56,246	45,128	55,854
Fixed Assets	194,449	171,065	178,227	Company Bonds	15,000	5,000	15,000
Tangible Fixed Assets	132,108	126,274	126,387	Long-term Debt	19,801	19,354	19,479
Buildings and Structure Machinery and Vehicles, etc.	49,729	48,396	48,002	Accrued Pension and Severance Cost for Employees	19,304	16,846	17,179
	63,010	61,594	60,141	Reserve for Directors' Retirement Allowance	734	807	875
Land	11,235	10,246	10,997	Deferred Income Taxes	431	596	292
Construction in Progress	8,134	6,038	7,247	Consolidated adjustment accounts	-	1,620	2,158
				Others	976	905	871
Intangible Fixed Assets	3,617	4,763	4,035	Total Liabilities	162,275	146,280	155,565
Utility Rights, etc.	3,617	4,763	4,035	[Minority Investment]			
				Minority Investment	6,157	2,449	1,309
Investment, etc.	58,724	40,028	47,805	[Shareholder' Equity]			
Investment	47,459	31,996	36,150	Paid-in Capital	25,948	25,948	25,948
Deferred Income Tax Allowance for Doubtful Debt	14,335	10,772	14,567	Capital Surplus	30,098	30,420	30,420
	-3,070	-2,740	-2,912	Earned Surplus	121,879	125,371	124,374
				The Balance of Other Accountable Securities	2,338	2,037	2,268
				Adjustment Account of Exchange Rate	-1,716	-3,867	-3,560
				Treasury Stock	-3,965	-2,550	-2,538
				Total Shareholders' Equity	174,582	177,359	176,912
Total Assets	343,014	326,088	333,786	Total Liabilities, Minority Investment and Shareholders' Equity	343,014	326,088	333,786

5. Consolidated Interim Statement of Profit and Loss

	1st half of Fiscal 2004 (A) (Apr. 1, 2003– Sep. 30, 2003)	1st half of Fiscal 2005 (B) (Apr. 1, 2004– Sep. 30, 2004)	End of Fiscal 2004 (Apr. 1, 2003 Mar. 31, 2004)	B/A (%)
Net Sales	164,512	188,671	340,470	115
Cost of Sales	140,975	160,829	290,534	114
Sales, General and Administrative Expenses	22,412	23,009	44,154	103
Operating Income	1,125	4,833	5,782	430
Non-Operating Revenue	1,848	2,156	4,340	117
(Interest and Dividends Received)	(246)	(210)	(466)	
(Miscellaneous Revenues)	(1,602)	(1,594)	(3,874)	
(Investment Income by Equity Method)	(—)	(352)	(—)	
Non-Operating Expenses	2,066	1,771	4,749	86
(Interest Expenses)	(727)	(566)	(1,276)	
(Miscellaneous Losses)	(1,312)	(1,205)	(3,446)	
(Investment Losses by Equity Method)	(27)	(—)	(27)	
Ordinary Income	907	5,218	5,373	575
Extraordinary Income	2,017	1,425	6,597	71
(Gain on Sales of Land)	1,619	(571)	(2,194)	
(Gain on Sales of Negotiable Securities)	(390)	(3)	(1,366)	
(Reversal of Employees' Severance Obligations for Prior Service)	(—)	(553)	(2,758)	
(Others)	(8)	(298)	(279)	
Extraordinary Loss	11,702	3,035	15,101	26
(Cost for Restructuring)	(10,214)	(1,722)	(12,807)	
(Impairment Loss)	(—)	(1,139)	(—)	
(Others)	(1,488)	(174)	(2,294)	
Income (Loss) Before Income Tax	– 8,778	3,608	– 3,131	—
Corporation, Inhabitant Taxes	288	829	1,245	
Deferred	– 3,371	335	– 2,441	
Minority Shareholders' Income	27	107	313	
Interim Net Income (Loss)	– 5,722	2,337	– 2,248	—

6. Statement of Consolidated Interim Surplus

	1st half of fiscal 2004 (Apr. 1, 2003– Sep. 30, 2003)	1st half of fiscal 2005 (Apr. 1, 2004– Sep. 30, 2004)	End of fiscal 2004 (Apr. 1, 2003– Mar. 31, 2004)
[Capital Surplus]			
Capital Surplus Brought Forward	30,098	30,420	30,098
Increase of Capital Surplus	—	—	322
(Earnings from Disposal Treasury Stock)	(—)	(—)	(253)
(Increase by Merge)	(—)	(—)	(69)
Capital Surplus Carried Forward	30,098	30,420	30,420
[Earned Surplus]			
Earned Surplus Brought Forward	128,695	124,374	128,695
Increase of Earned Surplus	—	2,337	—
(Net Income of Term under Review)	(—)	(2,337)	(—)
Decrease of Earned Surplus	6,816	1,340	4,321
(Net Loss of Term under Review)	(5,722)	(—)	(2,248)
(Cash Dividends)	(920)	(918)	(1,830)
(Directors' Bonuses)	(40)	(44)	(40)
(Decrease by the Change of Consolidated Scope)	(134)	(378)	(203)
Earned Surplus Carried Forward	121,879	125,371	124,374

7. Consolidated Interim Statement of Cash Flows

(million yen)

	1st half of fiscal 2004 (Apr. 1, 2003– Sep. 30, 2003)	1st half of fiscal 2005 (Apr. 1, 2004– Sep. 30, 2004)	End of fiscal 2004 (Apr. 1, 2003 Mar. 31, 2004)
[Cash Flows from Operating Activities]			
Income (Loss) before Income Tax	-8,778	3,608	-3,131
Depreciation	9,829	9,557	20,325
Increase/Decrease of Allowance for Doubtful Debt (Decrease:-)	245	-175	540
Gain on Sales of Negotiable Securities (Increase:-)	-383	50	-1,241
Interest Received and Dividends Received	-246	-210	-153
Interest Expenses	727	566	1,276
Exchange Profit/Loss (Profit:-)	248	-182	612
Increase/Decrease of Trade Receivable (Increase:-)	6,217	1,021	1,204
Increase/Decrease of Inventories (Increase:-)	-756	-4,923	2,708
Increase/Decrease of Trade Payable (Decrease:-)	788	-4,246	7,818
Increase/Decrease of Amount in Arrears (Decrease:-)	139	-974	1,289
Others	3,060	817	-2,619
Sub total	11,090	4,909	28,628
Earning on Interest and Dividends	246	210	153
Interest Paid	-744	-589	-1,363
Corporation Tax and Other Tax Paid	-270	-891	-687
Net Cash Provided by Operating Activities	10,322	3,639	26,731
[Cash Flows from Investing Activities]			
Expenditures for Acquisition of Securities	-733	-35	-1,889
Proceeds from Sales of Securities	2,639	23	5,860
Expenditures for Acquisition of Tangible Fixed Assets	-6,203	-8,066	-12,634
Proceeds from Sales of Tangible Fixed Assets	2,579	766	3,646
Expenditures for Loans	—	-416	-8,767
Proceeds from Collections on Loans	—	9,706	1,579
Proceeds from Cancellation of Business Annuity Insurance	—	—	10,224
Proceeds from Acquisition of Subsidiary's Securities According to Changing in Scope of Consolidation	728	—	728
Others	-190	263	196
Net Cash Used in Investing Activities	-1,180	2,241	-1,057
[Cash Flows from Financing Activities]			
Increase/Decrease in Short-term Borrowing (Decrease:-)	-6,108	-6,522	-10,489
Expenditures for Repayment of Long-term Debt	-595	-583	-1,019
Expenditures of Corporate Bond	—	—	-10,000
Expenditures for Purchase of Treasury Stock	-1,699	-13	-1,907
Dividends Paid by Parent Company	-920	-918	-1,830
Dividends Paid to Minority Shareholders	-109	-88	-127
Net Cash Provided by Financing Activities	-9,431	-8,124	-25,372
Effect of Exchange Rate Change on Cash and Cash Equivalents	2	-26	408
Net Increase/Decrease in Cash and Cash Equivalent (Decrease:-)	-287	-2,270	710
Cash and Cash Equivalent at Beginning of Term	7,016	7,763	7,016
Net Increase in Cash and Cash Equivalents by Newly Consolidated Subsidiaries	37	571	37
Cash and Cash Equivalents at the End of Term	6,766	6,064	7,763

(Note) Listed cash and deposits to consolidated balance sheet at end of term and relation of listed cash and cash equivalents to consolidated statement of cash flows

	(Sep. 30, 2003)	(Sep. 30, 2004)	(Mar. 31, 2004)
Cash and Deposits	7,592	6,087	8,200
Fixed Deposits (over 3 Months)	-826	-23	-437
Total	6,766	6,064	7,763

8. Notes

(1) Matters Related to the Consolidated Balance Sheet

① Accumulated Depreciation of Tangible Fixed Assets		
[Sep. 30, 2003]	268,263	million yen
[Sep. 30, 2004]	267,608	million yen
[Mar. 31, 2004]	259,904	million yen
② Guarantees of Loans (including contingent guarantees)		
[Sep. 30, 2003]	1,631	million yen
[Sep. 30, 2004]	3,405	million yen
[Mar. 31, 2004]	1,552	million yen
③ Letter of Awareness		
[Sep. 30, 2003]	3,715	million yen
[Sep. 30, 2004]	1,400	million yen
[Mar. 31, 2004]	3,451	million yen
④ Notes Receivable Endorsed		
[Sep. 30, 2003]	6,149	million yen
[Sep. 30, 2004]	3,138	million yen
[Mar. 31, 2004]	3,809	million yen
⑤ Promissory Notes Transferred due to Securitization of Assets		
[Sep. 30, 2003]	11,246	million yen
[Sep. 30, 2004]	12,066	million yen
[Mar. 31, 2004]	11,029	million yen
⑥ Trade Receivable Transferred due to Securitization of Assets		
[Sep. 30, 2003]	8,880	million yen
[Sep. 30, 2004]	13,293	million yen
[Mar. 31, 2004]	13,633	million yen

(2) Matters Related to the Consolidated Income Statement of Profit and Loss

Notes concerning impairment of fixed assets:

In the first half of this consolidated fiscal year, the Company recorded losses on impairment of the following asset groups.

Location	Purpose	Type	Amount of Loss on Impairment	Reason for Recognition of Loss on Impairment	Amount Recoverable	Method of Calculating Amount Recoverable
Misawa, Aomori Pref., and elsewhere	Dormant assets	Land, buildings, and structures	Land: 850 million yen Buildings, etc.: 7 million yen <hr/> 857 million yen	Because market value had fallen considerably below book value	Net sale price	Assessed value of fixed assets for taxation purposes, etc
Fujishiro, Kitasoma-gun, Ibaraki Pref., and elsewhere	Assets planned for disposal	Machinery/equipment, structures, etc.	Machinery/equipment: 242 million yen Structures, etc.: 40 million yen <hr/> 282 million yen	Because assets were planned for disposal	Value in use	Amount estimated using value in place of zero

(3) Lease Transaction

① Finance lease transactions other than those in which the leased assets are regarded as being transferred to the lessee.

	Sep. 30, 2003	Sep. 30, 2004	Mar. 31, 2004
A. Lease Rental Expense	427 million yen	354 million yen	817 million yen
B. Outstanding Future Lease Payments as of the End of the Period	1,605 million yen	1,294 million yen	1,501 million yen

② Operating lease transaction

	Sep. 30, 2003	Sep. 30, 2004	Mar. 31, 2004
Outstanding Future Lease Payments	17 million yen	0 million yen	5 million yen

(4) Securities

① 1st Half of fiscal 2004 (As of Sep.30, 2003)

A. Other Securities estimated on Market Price (fixed assets)

(million yen)

		Acquisition cost (A)	Balance sheet value (B)	B-A
(1) Stock		5,606	9,548	3,942
(2) Bond	Government Bond, Local Government Bond	-	-	-
	Company Bond	-	-	-
	Others	2,000	2,000	-
(3) Others		-	-	-
Total		7,606	11,548	3,942

B. Outlines and Balance Sheet Value of Securities that don't estimate on Market Price

(million yen)

Other Securities	Unlisted Stock(excluding over-the-counter stock)	14,423
	Unlisted Company Bond	-

② 1st Half of Fiscal 2005 (As of Sep.30, 2004)

A. Other Securities Estimated on Market Price (fixed assets)

(million yen)

		Acquisition Cost (A)	Balance Sheet Value (B)	B-A
(1) Stock		5,125	8,603	3,478
(2) Bond	Government Bond, Local Government Bond	-	-	-
	Company Bond	-	-	-
	Others	2,000	2,000	-
(3) Others		-	-	-
Total		7,125	10,603	3,478

B. Outlines and Balance Sheet Value of Securities that don't estimate on Market Price

(million yen)

Other Securities	Unlisted Stock(excluding over-the-counter stock)	12,746
	Unlisted Company Bond	-

③ Fiscal 2004 (As of Mar.31, 2004)

A. Other Securities estimated on Market Price (fixed assets)

(million yen)

		Acquisition Cost (A)	Balance Sheet Value (B)	B-A
(1) Stock		5,080	8,965	3,885
(2) Bond	Government Bond, Local Government Bond	-	-	-
	Company Bond	-	-	-
	Others	2,000	2,000	-
(3) Others		-	-	-
Total		7,080	10,965	3,885

B. Outlines and Balance Sheet Value of Securities that don't estimate on Market Price

(million yen)

Other Securities	Unlisted Stock(excluding over-the-counter stock)	14,392
	Unlisted Company Bond	-

(5) Preset Price, Market Price and Valuation Profit/Loss of Derivative Contract (million yen)

	Type of Transaction	1st Half of Fiscal 2004 (As of Sep.30, 2003)			1st Half of Fiscal 2005 (As of Sep.30, 2004)			Fiscal 2004 (As of Mar.31, 2004)		
		Preset Price	Market Price	Valuation Profit/Loss	Preset Price	Market Price	Valuation Profit/Loss	Preset Price	Market Price	Valuation Profit/Loss
Currency	Forward Exchange Contract									
	Sell	1,531	1,420	111	12,701	12,822	-121	7,533	7,509	24
	Buy	10	10	-0	4	4	0	8	8	-0
Interest	Swap Transaction	17,900	-37	-37	16,000	-127	-127	16,900	-102	-102
Total		-	-	74	-	-	-248	-	-	-78

(Note) The derivative transaction applying hedge accounts is excluded.

(6) Segment Information

① Results by Operating Division

Beginning the first half of this consolidated fiscal year, segment categories have been revised to reflect accurately business strategies and circumstances.

For the previous consolidated fiscal year, segments have been retroactively converted to the new segments.

1st Half of Fiscal 2004 (Apr. 1, 2003-Sep. 30, 2003) (million yen)

	Wires and Cables	Information and Telecommunications Networking	Sophisticated Materials	Other Business	Total	Eliminated or Company-wide	Consolidated
Net Sales							
(1) Sales to Customers	71,978	36,553	53,484	2,497	164,512	-	164,512
(2) In-house Sales or Transfer between Operating Divisions	3,149	2,641	3,033	5,653	14,476	(14,476)	-
Total	75,127	39,194	56,517	8,150	178,988	(14,476)	164,512
Operating Expense	73,904	39,197	56,682	8,021	177,804	(14,417)	163,387
Operating Income (loss)	1,223	-3	-165	129	1,184	(59)	1,125

1st Half of Fiscal 2005 (Apr. 1, 2004-Sep. 30, 2004) (million yen)

	Wires and Cables	Information and Telecommunications Networking	Sophisticated Materials	Other Business	Total	Eliminated or Company-wide	Consolidated
Net Sales							
(1) Sales to Customers	85,038	35,685	66,212	1,736	188,671	-	188,671
(2) In-house Sales or Transfer between Operating Divisions	3,763	3,024	3,930	6,407	17,124	(17,124)	-
Total	88,801	38,709	70,142	8,143	205,795	(17,124)	188,671
Operating Expense	87,262	38,244	67,467	7,942	200,915	(17,077)	183,838
Operating Income	1,539	465	2,675	201	4,880	(47)	4,833

Fiscal 2004 (Apr. 1, 2003-Mar. 31, 2004) (million yen)

	Wires and Cables	Information and Telecommunications Networking	Sophisticated Materials	Other Business	Total	Eliminated or Company-wide	Consolidated
Net Sales							
(1) Sales to Customers	151,060	74,971	109,187	5,252	340,470	-	340,470
(2) In-house Sales or Transfer between Operating Divisions	6,228	4,884	7,246	11,434	29,792	(29,792)	-
Total	157,288	79,855	116,433	16,686	370,262	(29,792)	340,470
Operating Expense	153,203	79,159	115,735	16,409	364,506	(29,818)	334,688
Operating Income	4,085	696	698	277	5,756	26	5,782

(Note 1) As a rule, business operation is divided according to similarities of manufacturing processes, usage and selling methods.

Change in method of categorizing lines of business

Beginning with the first half of this consolidated fiscal year, the previous four business line categories of Wires and Cables, Information Systems and Electronic Components, Copper Products, and Electrical Equipment, Construction, and Others have been changed to the four business line categories of Wires and Cables, Information and Telecommunications Networking, Sophisticated Materials, and Other Businesses.

This change results from a reconsideration of the content of business lines and is intended to revise business line categories to make them reflect more accurately future business strategies and actual circumstances, in light of the fact that mid- to long-term directions have become clearer as we reach the midpoint of the mid-term management plan begun in FY 2004, the Survival Project, and due to the fact that efforts such as the restructuring of business lines by companies within the group have led the actual circumstances of business to differ from the management administration categories used previously.

Segment information from the previous consolidated fiscal year, using the previous business line categories, is shown below.

1st Half of Fiscal 2004 (Apr. 1, 2003–Sep. 30, 2003) (million yen)

	Wires and Cables	Information Systems and Electronic Components	Copper Products	Electric Equipment, Construction and Others	Total	Eliminated or Company-wide	Consolidated
Net Sales							
(1) Sales to Customers	65,052	49,539	22,934	26,987	164,512	–	164,512
(2) In-house Sales or Transfer between Operating Divisions	–	–	855	7,557	8,412	(8,412)	–
Total	65,052	49,539	23,789	34,544	172,924	(8,412)	164,512
Operating Expense	64,185	50,456	22,863	34,308	171,812	(8,425)	163,387
Operating Income (loss)	867	–917	926	236	1,112	13	1,125

Fiscal 2004 (Apr. 1, 2003–Mar. 31, 2004) (million yen)

	Wires and Cables	Information Systems and Electronic Components	Copper Products	Electric Equipment, Construction and Others	Total	Eliminated or Company-wide	Consolidated
Net Sales							
(1) Sales to Customers	137,458	98,847	48,150	56,015	340,470	–	340,470
(2) In-house Sales or Transfer between Operating Divisions	–	–	1,986	14,639	16,625	(16,625)	–
Total	137,458	98,847	50,136	70,654	357,095	(16,625)	340,470
Operating Expense	134,949	99,264	48,032	69,094	351,339	(16,651)	334,688
Operating Income (loss)	2,509	–417	2,104	1,560	5,756	26	5,782

(Note 2) Major products in each segment

Segment	Major products
Wires and Cables	Industrial cables, magnet wires, electronic wires, wiring devices, cables for power use (power cables, aluminum wires, constructions), etc.
Information and Telecommunications Networking	Information network solutions (information network equipment, etc., optical components), high-frequency wireless systems, telecommunications cables (fiber optic submarine cables, fiber optic cables, metal telecommunications cables, etc.)
Sophisticated Materials	Compound semiconductors, auto parts, semiconductor packaging materials (TAB, lead frames), copper products (copper tubes, copper strips, copper products for electrical use), etc.
Other Businesses	Logistics, real estate management and leasing, etc.

(Note 3) Because operating expenses are allocated in their entirety to individual business segments, there are no unallocatable operating expenses in the “elimination or company-wide” item.

② Sales Results by Location

1st Half of Fiscal 2004 (Apr.1, 2003–Sep.30, 2003)

(million yen)

	Japan	Others	Total	Eliminated or Company-wide	Consoli- dated
Net Sales					
(1) Sales to Customers	137,383	27,129	164,512	–	164,512
(2) In-house Sales or Transfer between Operating Divisions	11,118	1,742	12,860	(12,860)	–
Total	148,501	28,871	177,372	(12,860)	164,512
Operating Expense	147,852	28,387	176,239	(13,852)	163,387
Operating Income	649	484	1,133	(8)	1,125

1st half of fiscal 2005 (Apr.1, 2004–Sep.30, 2004)

(million yen)

	Japan	Others	Total	Eliminated or Company-wide	Consoli- dated
Net Sales					
(1) Sales to Customers	155,462	33,209	188,671	–	188,671
(2) In-house Sales or Transfer between Operating Divisions	11,613	2,123	13,736	(13,736)	–
Total	167,075	35,332	202,407	(13,736)	188,671
Operating Expense	162,828	34,677	197,505	(13,667)	183,838
Operating Income	4,247	655	4,902	(69)	4,833

Fiscal 2004 (Apr.1, 2003–Mar.31, 2004)

(million yen)

	Japan	Others	Total	Eliminated or Company-wide	Consoli- dated
Net Sales					
(1) Sales to Customers	289,647	50,823	340,470	–	340,470
(2) In-house Sales or Transfer between Operating Divisions	23,098	3,201	26,299	(26,299)	–
Total	312,745	54,024	366,769	(26,299)	340,470
Operating Expense	308,379	52,594	360,973	(26,285)	334,688
Operating Income	4,366	1,430	5,796	(14)	5,782

(Note 1) It is omitted to mention business results by country or region in 1st half of fiscal 2004, 1st half of fiscal 2005, fiscal 2004, because the every ratio of sales of country or region in total net sales are less than 10%.

(Note 2) Others・・・U.S.A., Thailand, China, etc.

(Note 3) Because operating expenses are allocated in their entirety to individual business segments, there are no unallocatable operating expenses in the “elimination or company-wide” item.

③ Overseas

1st Half of Fiscal 2004 (Apr.1, 2003–Sep.30, 2003) (million yen)

	Asia	North America	Others	Total
I . Overseas	25,124 million yen	7,860 million yen	4,517 million yen	37,501 million yen
II . Consolidated Sales				164,512 million yen
III . Ratio of Overseas Sales in Consolidated Sales	15.3 %	4.8 %	2.7 %	22.8 %

1st Half of Fiscal 2005 (Apr.1, 2004–Sep.30, 2004) (million yen)

	Asia	North America	Others	Total
I . Overseas	31,527 million yen	12,078 million yen	3,654 million yen	47,259 million yen
II . Consolidated Sales				188,671 million yen
III . Ratio of Overseas Sales in Consolidated Sales	16.7 %	6.4 %	1.9 %	25.0 %

Fiscal 2004 (Apr.1, 2003–Mar.31, 2004) (million yen)

	Asia	North America	Others	Total
I . Overseas	48,240 million yen	15,590 million yen	6,572 million yen	70,402 million yen
II . Consolidated Sales				340,470 million yen
III . Ratio of Overseas Sales in Consolidated Sales	14.2 %	4.6 %	1.9 %	20.7 %

(Note 1) As a rule, countries or regions are divided according to geographical proximity to each other.

(Note 2) Main Countries or Regions

(1) Asia・・・China, South Korea, Taiwan, Thailand, Singapore

(2) North America・・・U.S.A., Canada

(3) Other countries・・・Italy, U.K., etc.

(Note 3) Overseas sales represent sales made by the Company and its consolidated subsidiaries in countries or regions other than Japan.

(7) Going-concern Assumption

Not applicable

(Reference)

Transition of Performance by Each Quarter

Fiscal 2005 (consolidated)

	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
	Apr. 2004-Jun. 2004	Jul. 2004-Sep. 2004	Oct. 2004-Dec. 2004	Jan. 2005-Mar. 2005	Apr. 2004-Sep. 2004
	million yen	million yen	million yen	million yen	million yen
Net Sales	90,911	97,760	—	—	188,671
Gross Income	12,754	15,088	—	—	27,842
Operating Income	1,526	3,307	—	—	4,833
Ordinary Income	2,027	3,191	—	—	5,218
Income before Income Tax	2,285	1,323	—	—	3,608
Net Income	1,356	981	—	—	2,337
	yen	yen	yen	yen	yen
Net Income per Share	3.69	2.67	—	—	6.36
Diluted Net Income per Share	3.68	2.67	—	—	6.36
	million yen	million yen	million yen	million yen	million yen
Total Asset	324,438	326,088	—	—	326,088
Shareholders' Equity	176,357	177,359	—	—	177,359
	yen	yen	yen	yen	yen
Shareholders' Equity per Share	479.92	482.66	—	—	482.66
	million yen	million yen	million yen	million yen	million yen
Net Cash Provided by Operating Activities	3,051	588	—	—	3,639
Net Cash Used in Investing Activities	6,629	—4,388	—	—	2,241
Net Cash Provided by Financing Activities	—10,437	2,313	—	—	—8,124
Cash and Cash Equivalents at the End of Term	7,501	6,064	—	—	6,064

Fiscal 2004 (consolidated)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
	Apr. 2003-Jun. 2003	Jul. 2003-Sep. 2003	Oct. 2003-Dec. 2003	Jan. 2004-Mar. 2004	Apr. 2003- Mar. 2004
	Million Yen	Million Yen	Million Yen	Million Yen	Million Yen
Net Sales	79,210	85,302	81,682	94,276	340,470
Gross Income	11,201	12,336	12,626	13,773	49,936
Operating Income (Loss)	—143	1,268	1,972	2,685	5,782
Ordinary Income	116	791	1,145	3,321	5,373
Income (Loss) before Income Tax	—5	—8,773	1,113	4,534	—3,131
Net Income (Loss)	—225	—5,497	521	2,953	—2,248
	Yen	Yen	Yen	Yen	Yen
Net Income (Loss) per Share	—0.61	—14.98	1.43	8.06	—6.25
Diluted Net Income per Share	—	—	1.43	8.04	—
	Million Yen	Million Yen	Million Yen	Million Yen	Million Yen
Total Asset	350,405	343,014	334,770	333,786	333,786
Shareholders' Equity	181,376	174,582	172,817	176,912	176,912
	Yen	Yen	Yen	Yen	Yen
Shareholders' Equity per Share	493.17	479.95	476.12	481.30	481.30

	Million Yen	Million Yen	Million Yen	Million Yen	Million Yen
Net Cash Provided by Operating Activities	4,910	5,412	1,604	14,805	26,731
Net Cash Used in Investing Activities	-1,271	91	9,152	-9,029	-1,057
Net Cash Provided by Financing Activities	-1,937	-7,494	-9,100	-6,841	-25,372
Cash and Cash Equivalents at the End of Term	8,712	6,766	8,691	7,763	7,763