(Summary)

Consolidated Financial Report for 1st half of fiscal 2004 ended March 31, 2004

October 27, 2003

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

Contact: Shinichiro Suzumura
General Manager, Administration, Dept., Human Resources & Administration Group
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Date of the Board of Directors Meeting at which the Account Settlement Plan was approved: October 27,2003

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

Ratio of Shares that Hitachi, Ltd. holds: 53.9%

US GAAP: No.

1. Performance over 1st half of the year under review (Apr.1, 2003-Sep.30, 2003)

(1) Operating results

	Net sales (million yen)		Operating income (loss) (million yen)		Ordinary income (loss) (million yen)	
September/03	164,512	(4.4%)	1,125	(—)	907	(—)
September/02	157,653	(-13.3%)	-2,385	(—)	-2,629	(—)
March/03	325,100		-1,959		-3,677	

	Interim net income (loss) (million yen)		Interim net income (loss) per share (yen)	Dilute interim net income (loss) per share (yen)
September/02	-5,722	(—)	-15.57	—
September/01	-2,100	(—)	-5.65	—
March/02	-7,090		-19.25	—

(Notes)

① Investment income based on equity method

September/03	-27 million yen
September/02	-25 million yen
March/03	-121 million yen

② Average number of shares outstanding (Consolidated)

	Common	Preferred
September/03	367,475,837	—
September/02	371,980,946	—
March/03	371,286,584	—

③ We haven’t made change in accounting policy.

④ Figures are rounded down 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/03	343,014	174,582	50.9	479.95
September/02	368,988	190,972	51.8	513.43
March/03	352,761	182,005	51.6	494.72

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

	Common	Preferred
September/03	363,748,044	—
September/02	371,954,741	—
March/03	367,777,977	—

(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)	Shareholders' equity per share (yen)
September/03	10,322	-1,180	-9,431	6,766
September/02	20,393	2,344	-23,505	11,291
March/03	23,919	-979	-27,910	7,016

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

Number of consolidated subsidiaries: 39
Number of non-consolidated subsidiaries, applied the equity method: —
Number of affiliated companies, applied the equity method: 9

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

Consolidation New companies: 4
Companies removed: 2
Equity method New companies: 2
Companies removed: 1

2. Business results forecast for fiscal year 2004 (Apr.1, 2003-Mar.31, 2004)

	Net Sales (million yen)	Ordinary income (million yen)	Net income (loss) (million yen)
March/04	325,000	4,000	-2,900

(Reference) Forecast net income (loss) per share (March/04) : -7.97 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.

Please note that all persons who view the content of the announcement of this matter prior to 12 hours from the time of its announcement (3:00 am on October 28, 2003), will be regarded as interested parties or recipients of primary information under insider trading regulations as provided for in Article 166 of the Securities and Exchange Law and Article 30 of the Implementation Ordinances of that Law and should therefore exercise appropriate caution.

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1. State of Consolidation (as of September 30, 2003)

(1) Contents of Business Lines

The Hitachi Cable Group is engaged in the manufacture and sale of wires and cables, semiconductor packaging materials, compound semiconductors, information-transmission system products, copper products, and rubber products. It is also engaged in the installation of power and telecommunication cables and other related operations.
The changes to major affiliates during this interim consolidated fiscal period are listed below. There are no significant changes in the business operations of the Hitachi Cable Group.
[Sales and service companies]
(New subsidiary) Fujinaga Electric Co., Ltd.
(Newly spun-off subsidiary) HMC Co., Ltd.
(Subsidiaries ceasing to exist after the merger) Kansai Hi-Elec, Ltd., Kansai Hi-Metal, Ltd.

Notes:
1. Fujinaga Electric Co., Ltd., an authorized distributor of Hitachi Cable, Ltd., became a consolidated subsidiary of Hitachi Cable during this interim consolidated fiscal period, when Hitachi Cable fully undertook Fujinaga Electric's third-party allocation of new stocks.
2. HMC Co., Ltd. was established by Hitachi Cable's affiliate and equity-accounted company, Matsumoto Dengyo Co., Ltd., when it was spun off on April 1, 2003. HMC took over the sales operation of wires and copper products from Matsumoto Dengyo. On July 1, 2003, HMC bought out Kansai Hi-Elec and Kansai Hi-Metal, consolidated subsidiaries of Hitachi Cable. HMC became an equity-accounted company of Hitachi Cable in this interim consolidated fiscal period. Thus, Matsumoto Dengyo is now excluded from Hitachi Cable's equity-method accounting.

A business diagram of the Hitachi Cable Group including the above information is on page 4.

(2) Status of Affiliated Companies

Listed below are new affiliated companies of Hitachi Cable that joined the group in this interim consolidated fiscal period.

Name	Location	Capital	Principal lines of business	Percentage of voting rights held by the Company	Relationship
Fujinaga Electric Co., Ltd.	Chiyoda-ku, Tokyo	50 million yen	Sales of wires and cables	70.0%	Sells Hitachi Cable's products, Directors: Two shared, one on loan, two transferred
HMC Co., Ltd.	Kita-ku, Osaka	256 million yen	Sales of wires and cables	50.0%	Sells Hitachi Cable's products, Directors: Three shared, one on loan, two transferred

(All "voting rights held by the Company" are voting rights of direct ownership rather than indirect ownership.)

Notes for Business Map (P.4):
1. Three non-consolidated subsidiaries of Hitachi Cable, specifically CNMP Networks (Beijing), Inc., CNMP Networks, Inc., and Huanan Wire & Cable Services Co., Ltd., became consolidated subsidiaries in this interim consolidated fiscal period due to their increased importance.
2. Hitachi Shin Din Cable, Ltd., an affiliate of Hitachi Cable, became an equity-method affiliate in this interim consolidated fiscal period due to its increased importance.
3. Hitachi Cable Distribution, Ltd., a consolidated subsidiary of Hitachi Cable, was taken over by Hitachi Cable on October 1, 2003.

Business Map

Parent Company：Hitachi, Ltd.

Manufacturing Companies

Wires and Cables

—Consolidated Subsidiaries 14—

Tonichi Kyosan Cable, Ltd.◎
Hitachi Wire Rod Co., Ltd.
Hitachi Cable Fine Tech, Ltd.
Hitachi Magnet wire, Ltd.
Hitachi Cable (Johor) Sdn. Bhd.
Shanghai Hitachi Cable Co., Ltd.
Hitachi Cable (Singapore) Pte. Ltd.
Thai Hitachi Enamel Wire Co., Ltd.
Hitachi Cable Manchester Inc.
Hitachi Bangkok Cable Co., Ltd.
Hitachi Cable (Suzhou) Co., Ltd.
Hitachi Cable Philippines, Inc.
Hitachi Cable Fine Tech (Suzhou) Co., Ltd.
ConEx Cable, Inc.

—Non-consolidated Subsidiaries 3—

Tonichi Densen Kako Co., Ltd.
Other 2 Companies

—Affiliates 5—

*J-Power Systems Corp.
*Advanced Cable Systems Corp.
*Nippon Seisen Cable, Ltd.
Other 2 companies

Information Systems and Electronic Components

—Consolidated Subsidiaries 6—

Power & Com Tech, Ltd.
Hitachi Cable Precision Co., Ltd.
CNMP Holdings, Inc.
Hitachi Cable PS Techno (Malaysia) Sdn. Bhd.
CNMP Networks (Beijing), Inc.
CNMP Networks, Inc.

—Non-consolidated Subsidiaries 3—

Kawanishi Kogyo Co., Ltd.
Other 2 Companies

Copper Products

—Consolidated Subsidiaries 2—

Hitachi Alloy, Ltd.
Hitachi Copper Products, Ltd.

—Affiliates 3—

*Shanghai Sunshine Copper Products Co., Ltd.
Okuda Metal Co., Ltd.
Other 1 Company

Electric Equipment, Construction and Others

—Consolidated Subsidiaries 7—

Hitachi Cable Logi-Tech, Ltd.
Tohoku Rubber Co., Ltd.
Hitachi Cable MEC-Tech, Ltd.
Hidec Systems Co., Ltd.
Hitachi Cable Industrial Products, Ltd.
Hitachi Cable Indiana, Inc.
Huanan Wire & Cables Services Co., Ltd.

—Non-consolidated Subsidiaries 10—

Hitachi Cable UK, Ltd.
Other 9 Companies

—Affiliates 5—

*Hitachi Shin Din Cable, Ltd.
*Thai Wire and Cable Services Co., Ltd.
*Oxford Wire and Cable Services, Inc.
Other 2 Companies

Hitachi Cable, Ltd.

Sales and Services Companies

—Consolidated Subsidiaries 10—

Hitachi Densen Shoji, Ltd.
Hitachi Cable Distribution, Ltd.
Fujinaga Electric Co., Ltd.
Toritsu Syokai, Ltd.
Hokkai Hitachi Densen Kihan, Ltd.
Tatara Denki Kogyo Co., Ltd.
Nisshin Sangyo, Ltd.
Hitachi Cable America Inc.
Hitachi Cable Asia Ltd.
Hitachi Cable Europe Ltd.

—Non-consolidated Subsidiaries 4—

Tonichi Shoji, Ltd.
Tohoku Rubber Hanbai, Ltd.
Other 2 Companies

—Affiliates 3—

*Sumiden Hitachi Cable Ltd.
*HMC Co., Ltd.
Nanritsu Co., Ltd.

Customers

(Note)
⇨ Flow of Products and Services

*Company Applied the Equity Method

◎Open Company on Over-the-counter Market

2. Management Policies

(1) Basic management policies of and medium-range and long-term challenges facing Hitachi Cable

The Hitachi Cable Group was forced to post losses for two years in a row, in fiscal 2002 and 2003, due to a dramatic downturn in the business environment, particularly in the information technology field. The Company has drawn up a medium-range management plan called the "Survival Project," which was launched in this consolidated fiscal year to increase shareholder value through a reexamined perception of business and management activities.

The basic policies of the Project are to make the Company more profit-oriented, build a highly competitive, cost-conscious business structure, and faithfully implement the business strategy (to be described later) in order to expand business by "contributing to global market needs with its 'Communication and Transmission Technology.'" Numerical goals are based on FIV (Note 1), an added-value indicator created by the Hitachi Group. The Hitachi Cable Group places the highest priority on this management indicator, and aims to achieve a positive FIV by fiscal year 2006.

Under such basic policies, the Hitachi Cable Group will integrate "Information and Telecommunications Networks" that are indispensable to the development of social and informational infrastructure, with "Sophisticated Materials" and "Wires and Cables" that serve as a foundation of the networks, in order to make these operational fields more competitive. The Company therefore will adapt to market changes flexibly and promptly with its efforts to focus its management resources on business areas with great potential for growth, and restructure business operations through increased overseas operations, alliances, and mergers and acquisitions. At the same time, the Company will withdraw from operations that are unlikely to achieve positive FIV figures. The decision will be made by March 2004, and withdrawal will be completed by March 2005.

Specifically, each operational area will make the following efforts:

Information and Telecommunications Networks Area

This area will seek to expand its operations through immediate correspondence to the ever-changing market environment with comprehensive use of wide-area Ethernet (Note 2), optical transmission, wireless transmission, and related construction and maintenance techniques. It aims to increase the market share of its information network solution products and services in the telecommunications carrier network segment by introducing "All Optical Networks," which can realize innovative next-generation networks, and also by expanding sales of the Company's own sophisticated Ethernet switches and other products.

Sophisticated Materials Area

This area will seek to establish highly efficient production systems for compound semiconductors, semiconductor packaging materials, copper strips, and automotive parts. It will also enhance each operation by introducing new products to the market in a timely fashion. As a GaAs epi-house, the Company aims in particular to achieve the largest market share in the world in the compound semiconductor segment, making full use of its strength as an integrated manufacturer of boards and epitaxial wafers. It will strengthen its production capacity for 4-element epitaxial wafers to meet increasing demand for epitaxial wafers for laser diodes for DVD use and LEDs. As for copper strips, the Company will focus its management resources on the growth areas of electronics and automobile products to make the operation a pillar of profitability. Specifically, the Company will strengthen the cost-competitiveness of dual-gauge copper strips, which currently hold the number one market share in the world. It will also improve the delivery system and develop dual-gauge copper strips with small-step for use with LEDs to increase market share and profits. The production capacity for rolled copper foil will also be strengthened.

Wires and Cables Area
This area is the Hitachi Cable Group’s operational foundation. The Company plans to reorganize production bases at home and abroad in order to improve its production and marketing efficiency. The effort is expected to solidify the Company’s position in the market and expand its revenue base. Particularly in the segment for electronic wires and wiring parts, the Company will strengthen its production and marketing bases in fast-growing China and enhance cooperation within the Group to establish global operations.

Management activities to support the above efforts are planned as specified below.

Sales: Marketing power and sales networks, including distribution networks, will be strengthened to keep up with market trends and improve marketing efficiency.
Research and development: The Company will review its organizational structure, promote the development of new products that are directly linked to the Company’s business strategy, and speed the commercialization of new products. R&D efforts that can sustain the growth of the Company’s business are also encouraged.
Manufacturing technology: The Company plans to establish highly efficient production systems, using JIT (Just in Time) and SCM (Supply Chain Management) methods, to rebuild mass-production systems and develop leading manufacturing technology. These efforts are antecedent to reduce lead time and production costs.
Personnel system: The Company aims to nurture highly motivated, goal-oriented employees and revise the evaluation and pay system in order to reduce payroll costs.
Financial affairs: The Company intends to reduce total assets and realize a flexible cost structure that makes the Company competitive in the global market.

Hitachi Cable will make every effort to achieve the above goals in order to live up to the expectations of customers at home and abroad.

Note 1: FIV (Future Inspiration Value) = After-tax Business Income - Invested Capital × Capital Cost Rate (5%)
Note 2: “Ethernet” is a registered trademark of Fuji Xerox Co., Ltd.

(2) Basic Policy on Dividends
Hitachi Cable’s basic policy in dividing profits is to share profits steadily and continuously with shareholders, with due consideration given to business results, management enhancement plans, and future business strategies.

(3) Concepts and Policies on Lowering Investment Units
Although Hitachi Cable realizes that lowering investment units is an effective means of revitalizing the stock market, doing so would entail considerable expense. Since improving business results is currently the Company’s highest management priority, the Company will keep the issue on the agenda for future discussion and continue to monitor stock market trends, business results, and stock prices, with the possibility of lowering investment units in mind.

(4) Basic Concepts and Implementation Status of Corporate Governance Measures
① Basic Concepts of Corporate Governance Measures
Hitachi Cable adopted the Committee System in June 2003 to establish a fair and easy-to-understand management system and deal more promptly and effectively with the business challenges the Hitachi Cable Group must overcome to successfully compete globally, in a business environment for the Company that remained severe. The Company aims to separate auditing functions from its operational activities by restructuring governance systems to improve the mobility and transparency of management and quickly reverse business performance, in order to allow the company to regain sustainable growth.

② Implementation Status of Corporate Governance Measures

Hitachi Cable adopted the Committee System during this interim consolidated fiscal period. The Board of Directors devotes itself to determining basic policies and overseeing operations; to streamline the management structure, it delegates most of its functions of making management decisions and administering operations to executive officers. In addition, the Board of Directors has established three committees that consist of a majority of outside directors as designated by law, specifically the Nominating Committee, the Audit Committee, and the Compensation Committee. The Audit Committee meets once per month, and the Nominating Committee and Compensation Committee meet when necessary. These committees thus share the supervising functions of the Board of Directors.

The Company has eight board directors, including three outside directors. Two of the outside directors are board directors of the parent company, and one is an attorney who is not a contracted adviser of the Company. The parent company and Hitachi Cable mutually sell and buy products and borrow funds, but these transactions are conventional ones. Hitachi Cable consults as needed with other attorneys in the law office of the aforementioned attorney, but not the aforementioned attorney himself. Therefore, no outside director has a direct personal interest in the Company.

At the same time, executive officers are internally controlled by the Executive Committee, which is made up entirely of executive officers. The purpose of this committee is multidimensional evaluation of important issues with which the executive officers are entrusted by the Board of Directors. It also offers opportunities to the executive officers to exchange information on the implementation status of their responsibilities.

Moreover, internal auditing of Hitachi Cable and the Hitachi Cable Group is conducted by the Internal Auditing Office. The Compliance Group educates, audits, and provides guidance to the Group companies on corporate activities that comply with the relevant laws and regulations, and on corporate ethics.

Hitachi Cable will continue to make every effort to improve the mobility and transparency of the Hitachi Cable Group's management by implementing the above measures.

(5) Basic Policy on Relationships with the Parent Company

The Hitachi Cable Group, as a member of the Hitachi Group, shares a management vision and brand names with other Hitachi Group companies, and intends to maintain and reinforce its partnership with Hitachi, Ltd.

3. Business Results and financial Status

(1) Business Results

Japan's economy during this interim consolidated fiscal period showed some recovery in exports and capital expenditures. However, the recovery was not sufficient to stop the deflationary trend and, with the slowdown in consumer spending, the economy remained in a severe situation.

The Hitachi Cable Group, in such a severe business environment, launched a mid-term management plan called the "Survival Project" and, based on the basic policy of the project, strategically selected and focused management resources on profitable operations and worked to enact drastic cost-cutting measures, while making every effort to increase orders.

Consequently, the Company posted sales of 164,512 million yen, up 4% from the previous interim consolidated fiscal period, with record-high sales of copper strips for semiconductors and continued brisk sales of information-network-related products in Japan. Ordinary income totaled

907 million yen as a result of the Company's cost-reduction efforts, including cutting payroll costs (through the introduction of early retirement, outplacement programs, and lowering of wages), reducing depreciation costs (through the disposal of excess equipment), and reducing procurement costs. The net loss for this period was 5,722 million yen, as the Company posted an extraordinary loss of 10,214 million yen for restructuring expenses to increase future profits.

Below is a summary of the business results for each operational segment.

Wires and Cables

Sales in this segment were below the figure for the previous interim period, as demand from the construction industry remained stagnant and power companies continued to reduce their capital spending.
Among telecommunications cables, land-based fiber-optic cables performed better than in the previous interim period, as domestic demand for FTTH (Fiber To The Home) and related products was strong. However, submarine fiber-optic cables contributed little to the sales figure.
Demand for electronic wires remained weak, as the domestic market contracted and exports stagnated due to the sharp drop in prices in the Chinese market, where demand is increasing.
Magnet wires did not sell well, with domestic demand from the heavy electric machinery industry dropping as power companies reduced capital spending. Sales to Japanese manufacturers overseas also remained weak. Business results for this segment were lower than in the previous interim period.
The consolidation of Fujinaga Electric Co., Ltd., a wires and cables sales company, in this consolidated fiscal year brought about a net sales increase of 2,142 million yen from the previous interim consolidated fiscal period.
As a result, sales in this segment totaled 65,052 million yen, an increase of 8% from the previous interim period.

Information Systems and Electronic Components

Sales of leadframes remained at the level of the previous interim consolidated fiscal period, but sales of TAB tapes, particularly as exports, dropped sharply. Overall, sales in the semiconductor packaging field fell short of the total for the previous interim period. Compound semiconductors for DVD lasers sold well, but sales of compound semiconductors for cellular phones stagnated, keeping overall sales in the compound semiconductor field at the level of the previous interim period.
Sales of information transmission system products were slightly higher than in the previous interim period, although the construction of wide-area Ethernet networks by domestic telecommunications carriers seemed to slow. Supporting the increase in sales were full-scale demand for 10-gigabit Ethernet equipment, as well as increased demand for video conferencing systems. Sales of telecommunication-related construction and equipment such as antennas were up as well, with capital spending on third-generation mobile phone systems, which started to surge in the second half of last fiscal year, remaining strong. Fiber-optic transceivers did not sell as quickly as in the previous interim period, while there was no sign of recovery in capital investment by U.S. telecommunications carriers.
Consequently, sales in this segment totaled 49,539 million yen, up 10% from the previous interim consolidated fiscal period.

Copper Products

Sales of copper strips exceeded the level of the previous interim period, with the continued boom in sales of dual-gauge copper strips for transistor leadframes and the increased sales of rolled copper foil. Sales of copper products for electric applications remained at the level of the previous interim period, while brass products, particularly for the automobile industry, posted high sales figures. Meanwhile, sales of copper tubes did not reach the level of the

previous interim period, as customers continued to shift production overseas and the unusually cold weather this summer adversely affected demand for copper tubes.
Consequently, sales in this segment totaled 23,789 million yen, down 2% from the total for the previous interim consolidated fiscal period.

Electrical Equipment, Construction and Others

Sales of rubber products for automobiles, the Company's focus products, remained at the level of the previous interim period, while sales of computer and other information device parts remained weak. Overall, the rubber products field fell below the level of the previous interim period. Sales of power transmission line construction works decreased from the previous interim period due to reduced demand.
Consequently, sales in this segment totaled 34,544 million yen, down 9% from the previous interim consolidated fiscal period.

(2) Forecast of Business Results for the Full Fiscal Year

While employment remains weak, Japan's economy seems to be in a recovery phase, with corporate profits improving as exports and capital spending accelerate. However, it is too early to be optimistic. Uncertainty still looms over the corporate sector, as it is unclear how the development of long-term interest rates and strengthening of the yen will affect corporate profits.
In such a severe business environment, the Hitachi Cable Group is making every effort to post 4 billion yen in ordinary income this consolidated fiscal year, as targeted by the Survival Project. Specifically, the Hitachi Cable Group is working on the following:

Strategic Selection of Operation and Focused Management

The Hitachi Cable Group focuses its management resources on growth areas, while restructuring unprofitable businesses. During this interim period, the Group decided to withdraw from TCP (Note 4) operation and sell the IC tag division. Withdrawal from other unprofitable operations, in which invested capital is unlikely to be recovered, will be determined by the end of this consolidated fiscal year.

Cost Reduction and Downsizing

The Hitachi Cable Group will improve its business performance by restructuring its operations, disposing of excess production facilities, reducing inventory assets through Revolution of our business process, cutting payroll costs, reducing procurement costs, and streamlining business activities.

The market trends for the latter half of this consolidated fiscal year and the forecast of business results for the full fiscal year are described below.

Wires and Cables

This segment is likely to remain weak, with capital spending by power companies decreasing and most orders from the construction industry being smaller. Telecommunications cables are likely to reach last year's record, as demand for domestic fiber-optic cables remains stable. Sales of electric wires are likely to be slightly lower than last year due to intensified price-cutting competition, although the Company will strengthen its production and marketing efforts in fast-growing markets such as China and domestically focus on high-value-added products for digital electric appliances, medical equipment, and semiconductor manufacturing facilities. Sales of magnet wires are likely to fall below last year's record, although the Company continues its efforts to expand sales of electrical components for automobiles. The Company's overseas operations will focus on magnet wires for air conditioners, but this alone will not compensate for the shortfall in domestic sales of magnet wires for heavy electrical machinery and electrical appliances.

Sales this fiscal year in this segment are expected to total 128 billion yen, up 3% from the previous year, due to the consolidation of Fujinaga Electric Co., Ltd. this fiscal year.

Information Systems and Electronic Components

Sales of fiber-optic transceivers are likely to be below last year's figure due to price markdowns, although capital spending by some North American telecommunications carriers shows some signs of recovery. Demand for telecommunications-related construction works and devices such as antennas for third-generation mobile phone systems seems to be slowing, but sales are expected to be higher than in last fiscal year with the launch of infrastructure building for digitalized terrestrial broadcasting. Network-related products are likely to sell better than last year due to the increase in sales of switches and transmission devices for 10-gigabit Ethernet networks, which are coming into widespread use.

Competition between TAB tapes for memory devices and rigid boards is intensifying, and the market is likely to remain in a severe condition. The Company will withdraw from TCPs for LCDs, but will try to spur demand for COFs (Chip On Film), which may be used for high-precision applications at a new production base in Kofu, Yamanashi Prefecture, Japan. Production of leadframes will be streamlined by transferring all related operations to the Company's consolidated subsidiary, Hitachi Cable Precision Co., Ltd., starting October 1, 2003. Overall, sales in the semiconductor packaging materials field are likely to remain at last year's level.

Sales of compound semiconductors are expected to exceed last year's record with the launch of the newly-strengthened production facility in the second half of this fiscal year. The Company had been making efforts to expand in order to keep up with the increased demand for lasers for DVD devices.

Consequently, sales in this segment are expected to total 100 billion yen, up 3% from last fiscal year.

Copper products

Copper strips, particularly dual-gauge copper strips and rolled copper foil for FPCs (Flexible Printed Circuits), are expected to sell better than last year.

Domestic demand for copper tubes, however, is likely to weaken, with the unusually cool summer and customers' increasing production shift overseas. Meanwhile, the copper-tube market in China, which is expected to grow further, will be developed by an equity-method affiliate of the Company, Shanghai Sunshine Copper Products Co., Ltd.

Copper products for electric applications are expected to remain basically unchanged, although the capital spending of some private firms seems to be improving. Demand for brass products for automobile parts should remain stable.

Consequently, sales in this segment are likely to total 48 billion yen, down 1% from last fiscal year.

Electric equipment, construction, and others

Sales of rubber products are likely to remain at the level of last fiscal year, as an increase in demand for automobile hoses is expected but prices are falling sharply. Demand for construction works for power transmission lines seems to be remaining weak, as capital spending by power companies is decreasing.

Consequently, sales in this segment are likely to total 69 billion yen, down 7% from last fiscal year.

In addition to the above sales forecast for each segment, the Company has estimated business results for the full fiscal year: sales are expected to total 325 billion yen, ordinary income 4 billion yen, and net loss 2.9 billion yen. These figures are based on expectations that the results of the early retirement and outplacement programs launched in this interim period should be visible in the second half of this fiscal year. Reductions in depreciation costs following the disposal of excess equipment and withdrawal from TCP operations and other ongoing cost-cutting and downsizing measures were also taken into account in determining the above figures.

Note 4:
TCP: Tape Carrier Package is a semiconductor packaging material that includes IC drivers for LCDs.

(3) Financial Status

① Financial Status in This Interim Consolidated Fiscal Period

Cash and cash equivalents totaled 6,766 million yen at the end of the period, 250 million yen less than at the end of last fiscal year. The cash-flow status and its determinant are explained below.

The cash flow from operating activities totaled 10,322 million yen, with net losses before income taxes totaling 8,778 million yen, depreciation totaling 9,829 million yen, and trade receivable decreasing by 6,217 million yen.

The cash flow used for investment activities totaled 1,180 million yen, with expenditure acquisition of tangible fixed assets totaling 6,203 million yen, proceeds from sale of investment securities totaling 2,639 million yen, and proceeds from sale of tangible fixed assets totaling 2,579 million yen.

The cash flow used for financing activities was 9,431 million yen, with decrease in short-term borrowing totaling 6,108 million yen, repayment of long-term debt totaling 595 million yen, and payment for purchases of treasury stock totaling 1,699 million yen.

② Outlook for the full fiscal year

To improve **the cash flow from operating activities**, efforts to reduce trade receivable and inventory will be continued.

The cash flow used in investment activities is likely to decrease, as expenditures for acquisition of tangible fixed assets and acquisition of securities are expected to be less than in last fiscal year.

The cash flow from financing activities will be determined so that the Company can implement flexible capital policies in response to changes in the business environment. At the Regular Shareholders' Meeting held on June 27, 2003, the purchase of own shares of up to 5 million common shares totaling 2 billion yen was approved. The Company bought back 3,958,000 shares totaling 1,699 million yen by the end of this interim fiscal period, and plans to buy more shares in a flexible manner, taking into account the Company's business investment plans and other factors. The redemption of debenture (10 billion yen) and reduction of interest-bearing debts will be continued.

Consequently, the final balances of cash and cash equivalents at the end of this consolidated fiscal year are expected to decrease by 2 billion yen compared to last fiscal year.

③ Cash-flow indicator trends

	Sep. 2000	Sep. 2001	Sep. 2002	Sep. 2003	Mar. 2003
Shareholders' Equity Ratio (%)	48.8	48.0	51.8	50.9	51.6
MTM Shareholder Equity Ratio (%)	105.8	37.6	32.5	44.0	25.2
Years to Pay off Debt (years)	4.6	22.3	4.4	8.0	3.7
Interest Coverage Ratio	17.3	4.4	21.0	13.9	13.5

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 2003 Sep.30, 2002	1st half of fiscal 2004 Sep.30, 2003	End of fiscal 2003 Mar.31, 2003
〔Assets〕			
Current assets	152,081	148,565	147,353
Cash and deposit in bank	11,764	7,592	7,649
Notes receivable and accounts receivable	80,223	77,202	80,930
Inventory	42,472	41,665	40,392
Deferred income taxes	5,824	8,424	3,859
Other current assets	12,814	14,557	14,941
Allowance for doubtful accounts	-1,016	-875	-418
Fixed assets	216,907	194,449	205,408
Tangible fixed assets	153,225	132,108	143,120
Buildings and structure	52,452	49,729	51,490
Machinery and vehicles, etc.	75,358	63,010	68,972
Land	11,433	11,235	11,313
Construction in progress	13,982	8,134	11,345
Intangible fixed assets	2,885	3,617	3,139
Utility rights, etc.	2,885	3,617	3,139
Investment, etc.	60,797	58,724	59,149
Investment	54,404	47,459	46,287
Deferred income tax	9,908	14,335	16,109
Allowance for doubtful debt	-3,515	-3,070	-3,247
Total assets	368,988	343,014	352,761

	1st half of fiscal 2003 Sep.30, 2002	1st half of fiscal 2004 Sep.30, 2003	End of fiscal 2003 Mar.31, 2003
〔Liability〕			
Current liabilities	110,376	106,029	107,401
Notes payable and accounts payable	29,889	36,530	32,528
Short-term debt	58,102	21,813	26,832
Commercial paper	－	16,000	16,000
Amortized company bonds	－	10,000	10,000
Others	22,385	21,686	22,041
Fixed liabilities	61,669	56,246	57,391
Company bonds	20,000	15,000	15,000
Long-term debt	12,094	19,801	20,164
Accrued pension and severance cost for employees	26,980	19,304	19,571
Reserve for directors' retirement allowance	1,408	734	1,531
Deferred income taxes	373	431	298
Others	814	976	827
Total liabilities	172,045	162,275	164,792
〔Minority investment〕			
Minority investment	5,971	6,157	5,964
〔Shareholder' equity〕			
Paid-in capital	25,948	25,948	25,948
Capital surplus	30,098	30,098	30,098
Earned surplus	134,622	121,879	128,695
The balance of other accountable securities	3,402	2,338	1,350
Adjustment account of exchange rate	-2,020	-1,716	-1,824
Treasury stock	-1,078	-3,965	-2,262
Total shareholders' equity	190,972	174,582	182,005
Total liabilities, minority investment and shareholders' equity	368,988	343,014	352,761

5. Consolidated Interim Statement of Profit and Loss

(million yen)

	1st half of fiscal 2003 (A) (Apr.1, 2002- Sep.30, 2002)	1st half of fiscal 2004 (B) (Apr.1, 2003- Sep.30, 2003)	End of fiscal 2003 (Apr.1, 2002 Mar.31, 2003)	B/A(%)
Net sales	157,653	164,512	325,100	104
Cost of sales	136,811	140,975	281,117	103
Sales, general and administrative expenses	23,227	22,412	45,942	96
Operating income (loss)	－2,385	1,125	－1,959	—
Non-operating revenue	3,099	1,848	5,372	60
(Interest and dividends received)	(859)	(246)	(1,616)	
(Miscellaneous revenues)	(2,240)	(1,602)	(3,756)	
Non-operating expenses	3,343	2,066	7,090	62
(Interest expenses)	(949)	(727)	(1,733)	
(Miscellaneous losses)	(2,369)	(1,312)	(5,236)	
(Investment losses by equity method)	(25)	(27)	(121)	
Ordinary income	－2,629	907	－3,677	—
Extraordinary income	6,198	2,017	13,852	33
(Gain on sales of land)	(－)	(1,619)	(2,750)	
(Gain on sales of negotiable securities)	(5,452)	(390)	(8,813)	
(Reversal of employees' severance obligations for prior service)	(－)	(－)	(2,145)	
(Others)	(746)	(8)	(144)	
Extraordinary income	5,797	11,702	19,474	202
(Cost for restructuring)	(1,557)	(10,214)	(14,402)	
(Valuation loss of negotiable securities)	(2,795)	(73)	(3,389)	
(Loss on sales of negotiable securities)	(1,424)	(－)	(1,424)	
(Others)	(21)	(1,415)	(259)	
Income (loss) before income tax	－2,228	－8,778	－9,299	—
Corporation, inhabitant taxes	337	288	1,107	
Deferred	－546	－3,371	－3,434	
Minority shareholders' income	81	27	118	
Interim net income (loss)	－2,100	－5,722	－7,090	—

6．Statement of Consolidated Interim Surplus

(million yen)

	1st half of fiscal 2003 (Apr.1, 2002- Sep.30, 2002)	1st half of fiscal 2004 (Apr.1, 2003- Sep.30, 2003)	End of fiscal 2003 (Apr.1, 2002- Mar.31, 2003)
[Capital surplus]			
Capital surplus brought forward	30,028	30,098	30,028
Increase of capital surplus	70	－	70
(Increase by merge)	(70)	－	(70)
Capital surplus carried forward	30,098	30,098	30,098
[Earned surplus]			
Earned surplus brought forward	137,893	128,695	137,893
Decrease of earned surplus	3,271	6,816	9,198
(Net loss of term under review)	(2,100)	(5,722)	(7,090)
(Cash dividends)	(929)	(920)	(1,859)
(Directors' bonuses)	(93)	(40)	(100)
(Decrease by the change of consolidated scope	(149)	(134)	(149)
Earned surplus carried forward	134,622	121,879	128,695

7. Consolidated Interim Statement of Cash Flows

(million yen)

	1st half of fiscal 2003 (Apr.1, 2002- Sep.30, 2002)	1st half of fiscal 2004 (Apr.1, 2003- Sep.30, 2003)	End of fiscal 2003 (Apr.1, 2002 Mar.31, 2003)
[Cash flows from operating activities]			
Income (loss) before income tax	-2,228	-8,778	-9,299
Depreciation	11,738	9,829	22,035
Increase/decrease of allowance for doubtful debt (decrease:-)	-142	245	-1,008
Gain on sales of negotiable securities	-5,461	-383	-8,747
Interest received and dividends received	-859	-246	-1,616
Interest expenses	949	727	1,733
Exchange profit/loss (profit:-)	148	248	247
Increase/decrease of trade receivable (increase:-)	12,780	6,217	12,073
Increase/decrease of inventories (increase:-)	5,668	-756	7,748
Increase/decrease of trade payable (decrease:-)	-4,605	788	-1,966
Increase/decrease of amount in arrears (decrease:-)	-3,009	139	-2,606
Others	6,177	3,060	6,907
Sub total	21,156	11,090	25,501
Earning on interest and dividends	859	246	1,616
Interest paid	-971	-744	-1,777
Corporation tax and other tax paid	-651	-270	-1,421
Net cash provided by operating activities	20,393	10,322	23,919
[Cash flows from investing activities]			
Expenditures for acquisition of securities	-1,170	-733	-3,705
Proceeds from sales of securities	9,454	2,639	12,946
Expenditures for acquisition of tangible fixed assets	-8,127	-6,203	-15,717
Proceeds from sales of tangible fixed assets	2,043	2,579	5,513
Proceeds from acquisition of subsidiary's securities according to changing in scope of consolidation	—	728	—
Others	144	-190	-16
Net cash used in investing activities	2,344	-1,180	-979
[Cash flows from financing activities]			
Increase/decrease in short-term borrowing (decrease:-)	-13,859	-6,108	-21,085
Proceeds form long-term debt	—	—	8,300
Expenditures for repayment of long-term debt	-849	-595	-9,057
Proceeds from issue of corporate bond	—	—	5,000
Payment of corporate bond	-7,783	—	-7,783
Payment for purchase of treasury stock	-17	-1,699	-1,197
Dividends paid by parent company	-929	-920	-1,859
Dividends paid to minority shareholders	-68	-109	-229
Net cash provided by financing activities	-23,505	-9,431	-27,910
Effect of exchange rate change on cash and cash equivalents	184	2	111
Net increase/decrease in cash and cash equivalent (decrease:-)	-584	-287	-4,859
Cash and cash equivalent at beginning of term	11,866	7,016	11,866
Net increase in cash and cash equivalents by newly consolidated subsidiaries	9	37	9
Cash and cash equivalents at the end of term	11,291	6,766	7,016

(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, 2002)	(Sep.30, 2003)	(Mar.31, 2003)
Cash and deposits	11,764	7,592	7,649
Fixed deposits (over 3 months)	-473	-826	-633
Total	11,291	6,766	7,016

８．Notes

(1) Notes Required by Consolidated Financial Statements Regulations of Japan （Excluding Consolidated Financial Statements Regulations of Japan from Art.14 to 17-2)

①. Accumulated Depreciation of Tangible Fixed Assets

〔Sep. 30, 2002〕 286,826 million yen
〔Sep. 30, 2003〕 268,263 million yen
〔Mar. 31, 2003〕 286,001 million yen

②. Guarantees of Loans (including contingent guarantees)

〔Sep. 30, 2002〕 1,270 million yen
〔Sep. 30, 2003〕 1,631 million yen
〔Mar. 31, 2003〕 1,702 million yen

③. Letter of Awareness

〔Sep. 30, 2003〕 3,715 million yen
〔Mar. 31, 2003〕 5,541 million yen

④. Notes Receivable Endorsed

〔Sep. 30, 2002〕 5,320 million yen
〔Sep. 30, 2003〕 6,149 million yen
〔Mar. 31, 2003〕 5,242 million yen

⑤. Promissory Notes Transferred due to Securitization of Assets

〔Sep. 30, 2002〕 10,731 million yen
〔Sep. 30, 2003〕 11,246 million yen
〔Mar. 31, 2003〕 11,375 million yen

⑥. Trade Receivable Transferred due to Securitization of Assets

〔Sep. 30, 2002〕 — million yen
〔Sep. 30, 2003〕 8,880 million yen
〔Mar. 31, 2003〕 4,400 million yen

(2) Notes Required by Consolidated Financial Statement Regulation of Japan excluding (1)

①. Segment Information

A. Results by Operating Division

1st Half of Fiscal 2003 (Apr. 1, 2002-Sep. 30, 2002) (million yen)

	Wires and Cables	Information Systems and Electronic Components	Copper Products	Electric Equipment, Construction and Others	Total	Eliminated or Company-wide	Consoli-dated
I.							
Net Sales							
(1) Sales to Customers	60,134	45,209	22,990	29,320	157,653	-	157,653
(2) In-house Sales or Transfer between Operating Divisions	-	-	1,202	8,551	9,753	(9,753)	-
Total	60,134	45,209	24,192	37,871	167,406	(9,753)	157,653
Operating Expense	60,392	47,589	23,837	38,008	169,826	(9,788)	160,038
Operating Income (loss)	-258	-2,380	355	-137	-2,420	35	-2,385

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	Consoli-dated
I.							
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 2003 (Apr. 1, 2002-Mar. 31, 2003) (million yen)

	Wires and Cables	Information Systems and Electronic Components	Copper Products	Electric Equipment, Construction and Others	Total	Eliminated or Company-wide	Consoli-dated
I.							
Net Sales							
(1) Sales to Customers	124,561	97,383	46,189	56,967	325,100	—	325,100
(2) In-house Sales or Transfer between Operating Divisions	—	—	2,303	17,506	19,809	(19,806)	—
Total	124,561	97,383	48,492	74,473	344,909	(19,809)	325,100
Operating Expense	124,417	101,006	47,464	73,988	346,875	(19,816)	327,059
Operating Income (loss)	144	-3,623	1,028	485	-1,966	7	-1,959

(Note) 1. As a rule, business operation is divided into ①. Wires and cables, ②. Information systems and electronic components, ③. Copper products and ④. Electric equipment, construction and others according to similarities of manufacturing processes, usage and selling methods.

Operating Divisions	Main Products
Wires and Cables	Wires and Cables
Information Systems and Electronic Components	Semiconductor Packaging Materials, Compound Semiconductors, Optical Components, Systems Related to Information Transmission
Copper Products	Copper Products
Electric Equipment, Construction and Others	Accessories for Wires and Cables, Construction, Rubber Products, Others

2. 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.

B. Sales Results by Location

1st Half of Fiscal 2003 (Apr.1, 2002-Sep.30, 2002) (million yen)

	Japan	Others	Total	Eliminated or Company-wide	Consoli-dated
I. Net Sales					
(1) Sales to Customers	133,177	24,476	157,653	-	157,653
(2) In-house Sales or Transfer between Operating Divisions	10,488	3,324	13,812	(13,812)	-
Total	143,665	27,800	171,465	(13,812)	157,653
Operating Expense	147,010	26,889	173,899	(13,861)	160,038
Operating Income (loss)	-3,345	911	-2,434	49	-2,385

1st half of fiscal 2004 (Apr.1, 2003-Sep.30, 2003) (million yen)

	Japan	Others	Total	Eliminated or Company-wide	Consoli-dated
I. 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 (loss)	649	484	1,133	(8)	1,125

Fiscal 2003 (Apr.1, 2002-Mar.31, 2003) (million yen)

	Japan	Others	Total	Eliminated or Company-wide	Consoli-dated
I. Net Sales					
(1) Sales to Customers	275,005	50,095	325,100	—	325,100
(2) In-house Sales or Transfer between Operating Divisions	19,455	5,812	25,267	(25,267)	—
Total	294,460	55,907	350,367	(25,267)	325,100
Operating Expense	297,928	54,447	352,375	(25,316)	327,059
Operating Income (loss)	-3,468	1,460	-2,008	49	-1,959

(Note)

1. It is omitted to mention business results by country or region in 1st half of fiscal 2003, 1st half of fiscal 2004, fiscal 2003, because the every ratio of sales of country or region in total net sales are less than 10%.

2. Others・・・U.S.A., Thailand, China, etc.

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.

C. Overseas

1st Half of Fiscal 2003 (Apr. 1, 2002-Sep. 30, 2002) (million yen)

	Asia	North America	Others	Total
Ⅰ. Overseas	23,607 million yen	10,123 million yen	4,830 million yen	38,560 million yen
Ⅱ. Consolidated Sales				157,653 million yen
Ⅲ. Ratio of Overseas Sales in Consolidated Sales	15.0 %	6.4 %	3.1 %	24.5 %

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 %

Fiscal 2003 (Apr. 1, 2002-Mar. 31, 2003) (million yen)

	Asia	North America	Others	Total
Ⅰ. Overseas	49,615 million yen	18,332 million yen	8,275 million yen	76,222 million yen
Ⅱ. Consolidated Sales				325,100 million yen
Ⅲ. Ratio of Overseas Sales in Consolidated Sales	15.3 %	5.6 %	2.5 %	23.4 %

(Note) 1. As a rule, countries or regions are divided according to geographical proximity to each other.
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.
3. Overseas sales represent sales made by the Company and its consolidated subsidiaries in countries or regions other than Japan.

②. Lease Transaction

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

	Sep. 30, 2002	Sep. 30, 2003	Mar. 31, 2003
A. Lease Rental Expense	454 million yen	427 million yen	872 million yen
B. Outstanding Future Lease Payments as of the End of the Period	1,922 million yen	1,605 million yen	1,733 million yen

[Operating lease transaction]

	Sep. 30, 2002	Sep. 30, 2003	Mar. 31, 2003
Outstanding Future Lease Payments	54 million yen	17 million yen	33 million yen

③.Securities

〔1st Half of fiscal 2003 (Apr.1, 2002-Sep.30, 2002)〕

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

(million yen)

		Acquisition cost (A)	Balance sheet value (B)	B-A
(1) Stock		7,731	13,584	5,853
(2) Bond	Government Bond, Local Government Bond	−	−	−
	Company Bond	−	−	−
	Others	2,000	2,000	−
(3) Others		−	−	−
Total		9,731	15,584	5,853

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)	14,632
	Unlisted Company Bond	−

〔1st Half of Fiscal 2004 (Apr.1, 2003-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	−

〔Fiscal 2003 (Apr.1, 2002-Mar.31, 2003)〕

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

(million yen)

		Acquisition Cost (A)	Balance Sheet Value (B)	B-A
(1) Stock		5,550	7,774	2,224
(2) Bond	Government Bond, Local Government Bond	−	−	−
	Company Bond	−	−	−
	Others	2,000	2,000	−
(3) Others		−	−	−
Total		7,550	9,774	2,224

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)	14,464
	Unlisted Company Bond	−

④. Preset Price, Market Price and Valuation Profit/Loss of Derivative Contract

(million yen)

	Type of Transaction	1st Half of Fiscal 2003 (As of Sep.30, 2002)			1st Half of Fiscal 2004 (As of Sep.30, 2003)			Fiscal 2003 (As of Mar.31, 2003)		
		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	2,187	2,206	-19	1,531	1,420	111	2,078	2,082	-4
	Buy	1,542	1,599	56	10	10	-0	-	-	-
Interest	Swap Transaction	17,900	-108	-108	17,900	-37	-37	17,900	-161	-161
Total		21,629	3,697	-71	19,441	1,393	74	19,978	1,921	-165

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

⑤. Going-concern Assumption:
Not applicable

(Reference)

Transition of Performance by Each Quarter

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-Sep. 2003
	million yen	million yen	million yen	million yen	million yen
Net Sales	79,210	85,302	—	—	164,512
Gross Income	11,201	12,336	—	—	23,537
Operating Income (loss)	−143	1,268	—	—	1,125
Ordinary Income (loss)	116	791	—	—	907
Income (loss) before Income Tax	−5	−8,773	—	—	−8,778
Net Income (loss)	−225	−5,497	—	—	−5,722
	yen	yen	yen	yen	yen
Net Income (loss) per Share	−0.61	−14.98	—	—	−15.57
Diluted Net Income per Share	—	—	—	—	—
	million yen	million yen	million yen	million yen	million yen
Total Asset	350,405	343,014	—	—	343,014
Shareholders' Equity	181,376	174,582	—	—	174,582
	yen	yen	yen	yen	yen
Shareholders' Equity per Share	493.17	479.95	—	—	479,95
	million yen	million yen	million yen	million yen	million yen
Net Cash Provided by Operating Activities	4,910	5,412	—	—	10,322
Net Cash used in Investing Activities	−1,271	91	—	—	−1,180
Net Cash Provided by Financing Activities	−1,937	−7,494	—	—	−9,431
Cash and Cash Equivalents at the end of Term	8,712	6,766	—	—	6,766

Fiscal 2003 (consolidated)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
	Apr. 2002-Jun. 2002	Jul. 2002-Sep. 2002	Oct. 2002-Dec. 2002	Jan. 2003-Mar. 2003	Apr. 2002-Mar. 2003
	million yen	million yen	million yen	million yen	million yen
Net Sales	76,890	80,763	79,878	87,569	325,100
Gross Income	10,774	10,068	11,382	11,759	43,983
Operating Income (loss)	−1,104	−1,281	−372	798	−1,959
Ordinary Income (loss)	−1,970	−659	−1,134	86	−3,677
Income (loss) before Income Tax	−1,146	−1,082	−2,096	−4,975	−9,299
Net Income (loss)	−764	−1,336	−1,700	−3,290	−7,090
	yen	yen	yen	yen	yen
Net Income (loss) per Share	−2.05	−3.59	−4.59	−8.94	−19.25
Diluted Net Income per Share	—	—	—	—	—
	million yen	million yen	million yen	million yen	million yen
Total Asset	405,575	368,988	372,373	352,761	352,761
Shareholders' Equity	197,751	190,972	186,673	182,005	182,005
	yen	yen	yen	yen	yen
Shareholders' Equity per Share	531.64	513.45	507.49	494.72	494.72
	million yen	million yen	million yen	million yen	million yen
Net Cash Provided by Operating Activities	253	20,140	−11,079	14,605	23,919
Net Cash used in Investing Activities	−2,429	4,773	−2,742	−581	−979
Net Cash Provided by Financing Activities	2,806	−26,311	10,704	−15,109	−27,910
Cash and Cash Equivalents at the end of Term	12,401	11,291	8,013	7,016	7,016