

(Summary)

Consolidated Financial Report for fiscal 2005 ended March 31, 2005

April 27, 2005

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 Location: Tokyo

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

President and Representative Director: Norio Sato

Contact: Masaaki Ishikawa

General Manager, Administration Dept., Human Resources & Administration Group

Tel: +81-3-5252-3261

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

Ratio of Shares that Hitachi, Ltd. holds: 53.3%

US GAAP: No.

1. Performance over the year under review (Apr. 1, 2004-Mar. 31, 2005)

(1) Operating results

	Net Sales (Million Yen)	Operating Income (Million Yen)	Ordinary Income (Million Yen)	Net Income (Million Yen)
Mar./05	386,909(13.6%)	10,031(73.5%)	10,740(99.9%)	4,991(-%)
Mar./04	340,470(4.7%)	5,782(-%)	5,373(-%)	-2,248(-%)

	Net Income (Loss) per Share (Yen)	Diluted Net Income per Share (Yen)	Ratio of Net Income to Shareholders' Equity (%)	Ratio of Ordinary Income to Total Assets (%)	Ratio of Ordinary Income to Net Sales (%)
Mar./05	13.46	13.46	2.8	3.3	2.8
Mar./04	-6.25	—	-1.3	1.6	1.6

Note:

1. Investment Income Based on Equity Method: Mar./05 777 million yen Mar./04 -27 million yen

2. Average Number of Shares Outstanding

	Common	Preferred
Mar./05	366,793,543	—
Mar./04	366,176,321	—

3. Changing in accounting policy: Yes

① Change in business segments

② Application of accounting standards in connection with impairment of fixed assets and guidelines thereof.

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

5. Figures in parentheses represent % change from the previous year.

(2) Financial Standing

	Total Assets (Million Yen)	Shareholders' Equity (Million Yen)	Shareholders' Equity Ratio (%)	Shareholders' Equity Per Share (Yen)
Mar./05	324,502	176,296	54.3	485.25
Mar./04	333,786	176,912	53.0	481.30

Note: Number of shares outstanding at the end of period

	Common
Mar./05	363,200,489
Mar./04	367,482,900

(3) Statement of Cash Flows

	Cash Flows from Operating Activities (Million Yen)	Cash Flows from Investment Activities (Million Yen)	Cash Flows from Financing Activities (Million Yen)	Cash, Time Deposit and Marketable Securities at the End of Year (Million Yen)
Mar./05	34,253	-10,523	-25,743	6,212
Mar./04	26,731	-1,057	-25,372	7,763

(4) Scope of Consolidation and Application of the Equity Method

Number of Consolidated Subsidiaries: 58

Number of Non-consolidated Subsidiaries Applying of the Equity Method: –

Number of Affiliated Companies: 11

(5) Change in Scope of Consolidation and Application of The Equity Method

Consolidation

New Companies: 20

Companies Removed: 1

Equity Method

New Companies: 2

Companies Removed: –

2. Business Results Forecast for Fiscal Year 2006 (Apr.1, 2005-Mar.31, 2006)

	Net Sales (Million Yen)	Ordinary Income (Million Yen)	Net Income (Million Yen)
Sep./05	188,000	6,000	2,200
Mar./06	390,000	17,500	7,600

(Reference) Forecast Net Income per Share (Whole Year) 20.93 yen

Safe Harbor Statement

The figures contained herein, except 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 Corporate Group (as of March 31, 2005)

(1) Contents of Business Lines:

The Hitachi Cable Group, which consists of the company submitting these consolidated financial statements (Hitachi Cable), one parent company, 58 consolidated subsidiaries, four non-consolidated subsidiaries, and 21 affiliate companies, is engaged in the manufacture and sale of various products, first and foremost wires and cables but also including information network solutions (information network devices and optical components), semiconductor packaging materials and compound semiconductors, copper products, and auto parts as well as construction work related to the installation of power and telecommunication cables and related activities. The primary business lines of the companies making up the Group, and the importance of each, are described below.

Wires and Cables

Primary products in this sector are wires and cables. In Japan, Hitachi Cable, Tonichi Kyosan Cable, Ltd., Hitachi Magnet Wire, Ltd., and ten other companies handle the manufacture and sale of these products, and Hitachi Densen Shoji, Ltd., Sumiden Hitachi Cable Ltd., and six other companies handle the sale of these products. Overseas, Shanghai Hitachi Cable Co., Ltd., Hitachi Cable (Johor) Sdn. Bhd., and ten other companies handle the manufacture and sale of these products, and Hitachi Cable Asia Ltd. and five other companies handle the sale of these products.

Information and Telecommunications Networking

Primary products in this sector include information network devices and telecommunications cables. In Japan, Hitachi Cable, Advanced Cable Systems Corp., and four other companies handle the manufacture and sale of these products. Overseas, Hitachi Cable Manchester Inc. and five other companies handle the manufacture and sale of these products, and Hitachi Cable America Inc. handles the sale of these products. Telecommunications-related construction is conducted by Hitachi Cable, Power & Com Tech, Ltd., and three other companies.

Sophisticated Materials

Primary products in this sector include semiconductor packaging materials and compound semiconductors, copper products, and auto parts. Semiconductor packaging materials and compound semiconductors are handled by Hitachi Cable, Hitachi Cable Precision Co., Ltd., and two other companies. Overseas, Hitachi Cable (Singapore) Pte. Ltd., Hitachi Cable PS Techno (Malaysia) Sdn. Bhd., and three other companies handle the manufacture and sale of these products.

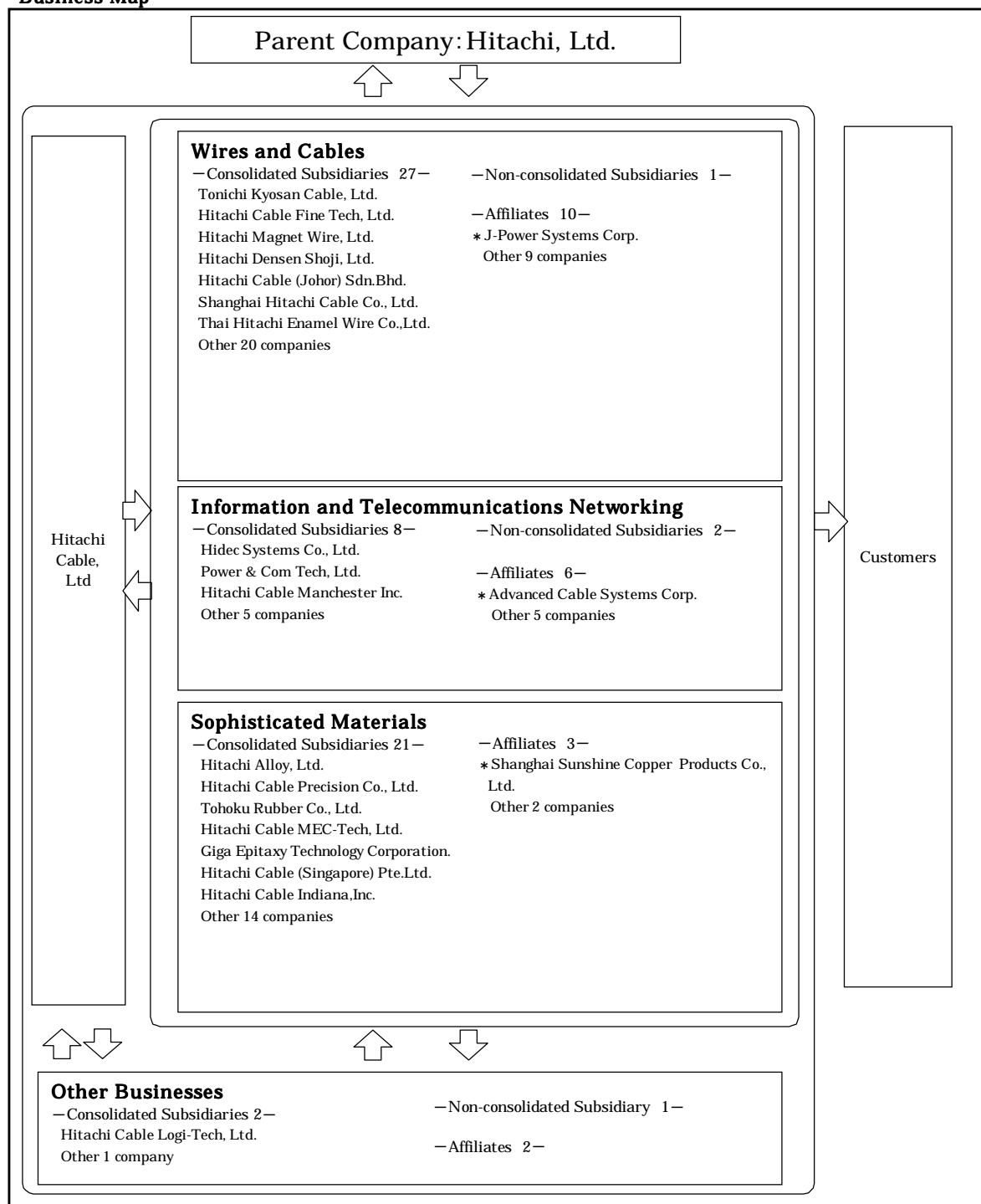
In Japan, Hitachi Cable, Hitachi Alloy, Ltd., Hitachi Copper Products, Ltd., and one other company handle the manufacture and sale of copper products, and Nissin Sangyo Co., Ltd. handles the sale of these products. Overseas, Shanghai Sunshine Copper Products Co., Ltd. and Outokumpu Hitachi Copper Tube (Thailand) Ltd. handle the manufacture and sale of these products.

In Japan, Hitachi Cable, Tohoku Rubber Co., Ltd., Hitachi Cable MEC-Tech, Ltd., and one other company handle manufacture and sale of auto parts, and Tohoku Rubber Co., Ltd. handles the sale of these products. Overseas, Hitachi Cable Indiana, Inc. and four other companies handle the manufacture and sale of auto parts.

Other Businesses

This segment includes logistics and other businesses. Hitachi Cable Logi-Tech, Ltd. and four other companies handle these businesses. Hitachi Cable's parent company is Hitachi, Ltd. Hitachi Cable and some of its subsidiaries and affiliates conduct transactions with Hitachi, Ltd., including transactions dealing in products. The following illustration summarizes the above business relationships.

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 beginning with this consolidated fiscal year: Giga Epitaxy Technology Corp., HC Queretaro S.A. de C.V., and Hitachi Cable UK, Ltd.

(Note 3) On February 27, 2004, some of the businesses of Hitachi Cable's consolidated subsidiary ConEx Cable, Inc. were transferred to ConEx Acquisition, LLC. Since this transfer resulted in a decrease in the importance of ConEx Cable, Inc., it has been removed from the ranks of consolidated subsidiaries beginning with this consolidated fiscal year. In addition, on December 22, 2004 it was decided that ConEx Cable, Inc. would be dissolved.

(Note 4) Effective April 1, 2005, Nissin Sangyo, Ltd., a consolidated subsidiary of Hitachi Cable, was merged into another consolidated subsidiary of Hitachi Cable, Hitachi Densen Shoji, Ltd.

(Note 5) Effective April 1, 2005, Kawanishi Kogyo Co., Ltd. and Miyako Precision Co., Ltd., both consolidated subsidiaries of Hitachi Cable, were merged into another consolidated subsidiary of Hitachi Cable, Hitachi Cable Precision Co., Ltd.

(Note 6) Effective April 1, 2005, Takasuzu Engineering, Ltd., a consolidated subsidiary of Hitachi Cable, was merged into another consolidated subsidiary of Hitachi Cable, Hitachi Cable MEC-Tech, Ltd.

(Note 7) On January 12, 2005, Suzhou Hitachi Cable Precision Co., Ltd. was established in China to handle the manufacture and sale of lead frames. Beginning with this consolidated fiscal year, Suzhou Hitachi Cable Precision Co., Ltd. is a consolidated subsidiary of Hitachi Cable.

(2) Status of Affiliated Companies

Name	Location	Capital (Millions of Yen)	Principal Lines of Business	Percentage of Voting Rights, etc. Held by the Company	Relationship
Parent Company: Hitachi, Ltd. (Note 1)	-	-	-	-	-
Consolidated Subsidiaries:					
Tonichi Kyosan Cable, Ltd. (Note 2)	Ishioka, Ibaraki Prefecture	3,569	Manufacture and sale of wires and cables	100.0	Hitachi Cable sells products to and purchases products from this company; loans funds to Hitachi Cable Directors: 2 shared, 2 seconded, 5 transferred
Hitachi Alloy, Ltd.	Chiyoda-ku, Tokyo	490	Manufacture and sale of brass products	100.0	Hitachi Cable sells products to and purchases products from this company; borrows funds from Hitachi Cable Directors: 2 shared, 4 transferred
Power & Com Tech, Ltd.	Arakawa-ku, Tokyo	400	Engineering and contracting for electric and tele- communications construction	100.0	Requested to conduct cable installation construction for Hitachi Cable; land and building leasing relationship Directors: 3 shared, 6 transferred
Hitachi Cable Precision Co., Ltd.	Yonezawa, Yamagata Prefecture	400	Manufacture and sales of Leadframes	100.0	Hitachi Cable sells products to and purchases products from this company; borrows funds from Hitachi Cable; land and building leasing relationship Directors: 4 shared, 1 seconded, 3 transferred
Hitachi Cable Fine Tech, Ltd.	Hitachi, Ibaraki Prefecture	360	Manufacture and sale of wires and processed wiring goods	100.0	Hitachi Cable purchases this company's products; land and building leasing relationship Directors: 3 shared, 4 transferred
Hitachi Densen Shoji, Ltd. (Note 8)	Chiyoda-ku, Tokyo	350	Sale of wires and cables	(2.9) 100.0	Sells Hitachi Cable products; land and building leasing relationship; loans funds to Hitachi Cable Directors: 3 shared, 6 transferred
Hitachi Cable Logi-Tech, Ltd.	Hitachi, Ibaraki Prefecture	320	Manufacture and sale of spools for wires and cables, and logistics- related business	100.0	Hitachi Cable purchases this company's products; this company conducts logistics-related operations for Hitachi Cable products; land and building leasing relationship Directors: 3 shared, 4 transferred

Name	Location	Capital (Millions of Yen)	Principal Lines of Business	Percentage of Voting Rights, etc. Held by the Company	Relationship
Hitachi Magnet Wire, Ltd.	Hitachi, Ibaraki Prefecture	300	Manufacture and sale of wires	100.0	Hitachi Cable sells products to and purchases products from this company; borrows funds from Hitachi Cable; land and building leasing relationship Directors: 4 shared, 2 seconded
Tohoku Rubber Co., Ltd.	Miyagino-ku, Sendai, Miyagi Prefecture	276	Manufacture and sale of rubber products	(6.2) 61.7	Hitachi Cable sells products to and purchases products from this company; loans funds to Hitachi Cable Directors: 2 shared, 2 transferred
Hitachi Cable MEC-Tech, Ltd.	Hitachi, Ibaraki Prefecture	220	Manufacture and sale of rubber products and plastic insulation products	100.0	Hitachi Cable purchases this company's products; land and building leasing relationship Directors: 3 shared, 4 transferred
Hidec Systems Co., Ltd.	Hitachi, Ibaraki Prefecture	120	Development and sale of various software products	100.0	Hitachi Cable purchases various software products from this company; land and building leasing relationship Directors: 3 shared, 1 seconded, 5 transferred
Giga Epitaxy Technology Corporation (Note 2)	China (Taiwan area)	(Thousands of Taiwan dollars) 1,200,000	Manufacture and sale of semiconductor materials	64.0	Hitachi Cable sells products to and purchases products from this company Directors: 3 shared, 1 seconded
Hitachi Cable (Johor) Sdn. Bhd.	Malaysia	(Thousands of Malaysian ringgits) 122,056	Manufacture and sale of wires and processed wiring goods	(6.4) 100.0	Hitachi Cable sells products to and purchases products from this company; borrows funds from Hitachi Cable Directors: 1 shared, 2 seconded
Shanghai Hitachi Cable Co., Ltd.	China	(Thousands of US dollars) 22,500	Manufacture and sale of wires and processed wiring goods	100.0	Hitachi Cable sells products to and purchases products from this company Directors: 3 shared, 3 seconded
Hitachi Cable (Singapore) Pte. Ltd.	Singapore	(Thousands of Singapore dollars) 16,000	Manufacture and sale of wires and processed wiring goods	(10.0) 93.0	Hitachi Cable sells products to and purchases products from this company Directors: 1 shared, 1 transferred
Hitachi Cable Indiana, Inc.	U.S.	(Thousands of US dollars) 9,000	Manufacture and sale of rubber products	100.0	Hitachi Cable sells products to and purchases products from this company; borrows funds from Hitachi Cable Directors: 3 shared, 1 seconded
Thai Hitachi Enamel Wire Co., Ltd.	Thailand	(Thousands of Thai bahts) 240,000	Manufacture and sale of wires	(22.4) 71.7	Hitachi Cable sells products to and purchases products from this company Directors: 1 shared, 2 seconded
Hitachi Cable Manchester Inc.	U.S.	(Thousands of US dollars) 6,000	Manufacture and sale of wires and cables	100.0	Hitachi Cable sells products to and purchases products from this company; borrows funds from Hitachi Cable Directors: 3 shared, 1 transferred
40 other companies					

Name	Location	Capital (Millions of Yen)	Principal Lines of Business	Percentage of Voting Rights, etc. Held by the Company	Relationship
Equity-method affiliates: J-Power Systems Corp. (Note 1)	—	—	—	—	—
Advanced Cable Systems Corp.	Hitachi, Ibaraki Prefecture	1,666	Design and sale of fiber-optic cables	50.0	Hitachi Cable purchases this company's products; land and building leasing relationship Directors: Three shared, two seconded
Shanghai Sunshine Copper Products co., Ltd.	China	(Thousands of US dollars) 50,000	Manufacture and sale of copper tubes	50.0	Hitachi Cable supplies some raw materials to this company Directors: 1 shared, 1 seconded
8 other companies					

(Notes 1) Details concerning the parent company, Hitachi, Ltd., and the equity-method affiliates J-Power Systems Corp. and Sumiden Hitachi Cable, Ltd. are covered in "(9) The Treat with the company concerned," in "9. Notes" and have been omitted from this table.

(Notes 2) Of the above-listed companies, Tonichi Kyosan Cable, Ltd. and Hitachi Cable (Johor) Sdn. Bhd. are classified as special subsidiaries.

(Notes 3) Of the above-listed companies, the following company provides reports on securities: Tohoku Rubber Co., Ltd.

(Notes 4) Figures in parentheses under "percentage of voting rights held" indicate numbers of voting rights held indirectly.

(Notes 5) No affiliated companies have excessive debt obligations that would have major effects on the consolidated financial statements.

(Notes 6) Since sales (not including internal sales between consolidated companies) of all of the consolidated subsidiaries are less than 10% of consolidated sales figures, important profit and loss information and other information have been omitted from the table above.

(Notes 7) During this fiscal year, Hitachi Cable (Johor) Sdn. Bhd. raised an additional 52 million Malaysian ringgit in capital.

(Notes 8) Effective April 1, 2005, Nissin Sangyo Co., Ltd., a consolidated subsidiary of Hitachi Cable, was merged into another consolidated subsidiary of Hitachi Cable, Hitachi Densen Shoji, Ltd. As a result of this merger, the company's amount of capital became 380 million yen and Hitachi Cable's ratio of voting rights held in the company became 100% (percentage of voting rights held indirectly: 2.6%).

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 2004 fiscal year. It is currently pushing forward with efforts to achieve the goals of this plan.

The fundamental aims of the Survival Project involve achieving a cost structure that enables Hitachi Cable to demonstrate high levels of competitive ability while focusing on increasing profitability and expanding its business lines by contributing to fulfilling the needs of the global marketplace through communications technology. As a quantitative target, Hitachi Cable considers FIV*1, the Hitachi Group's own measure of value added, to be the most important management indicator for the Hitachi Cable Group. The goal is to achieve positive FIV in FY 2006.

Under this fundamental policy, the Group is shifting to focus on becoming 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 of this infrastructure. For this purpose, Hitachi Cable 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, overseas expansion, and thorough business restructuring achieved through alliances, mergers and acquisitions, restructuring of the numbers of Group companies, 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 advancing with optimization of its production and sales structures. In the field of information and telecommunications networking, the Group will proceed with business

expansion through 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 each business will undergo a process for strengthening and enhancement. 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 is working to promote new-product development that is directly linked to its business strategies, to speed up the creation of businesses based on newly developed products, and to promote R&D that supports continued business growth. In the area of production technology, Hitachi Cable is working to strengthen and enhance its manufacturing base through development of advanced production technologies and construction of highly efficient production systems. As a result of its efforts in this area, in March of this year it won, jointly with Elpida Memory, Inc., the Manufacturing Parts Award, Parts Prize, awarded by Nikkan Kogyo Shimbun, Ltd., for its μ BGA*3 package products with DDR2 SDRAM*4 memory.

In the sales field, the Company is working to further increase sales efficiency by strengthening its sales network, including enhancing its marketing efforts in order to ascertain market trends swiftly and accurately and strengthening its logistics efforts. In the field of human resources, it is working to nurture human resources suited to the globalization of its businesses and to proceed with reforms to its evaluation and compensation systems and reductions in overall labor costs. In the field of finances, the Company is putting 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 has separated clearly the execution and supervision functions of management in order to implement appropriate and decisive measures with regard to the issues above. In addition, the Company is working to fulfill its social responsibilities (CSRs*5) 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 \times capital cost rate (5%)

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

*3 DDR2 SDRAM refers to an SDRAM memory standard capable of high-speed double data rate (DDR) data transmission. SDRAM is a type of memory in wide use, centered on personal computers, that has been improved to make possible operation in close linkage with CPU operation.

4* μ BGA® is a registered trademark of Tessera, Inc. of the United States. BGA is an abbreviation for "ball grid array."

*5 CSR is an abbreviation for "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, with the basic policy of providing stable dividends. It also utilizes remaining funds effectively, for investing of business resources into businesses that promise future growth, for investments to revitalize 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 shares 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) Concepts and Policies on Lowering Investment Units

Although Hitachi Cable realizes that reducing the minimum stock investment unit is an effective means of enlivening the stock market, doing so would require considerable expense. Since Hitachi Cable currently places the highest management priority on improving business performance, for now the Company intends to continue to consider reducing the minimum stock investment unit, while focusing on trends in the stock market, business performance, and share price, among other matters.

(4) Basic Concepts Concerning Corporate Governance and Status of Their Implementation

Hitachi Cable considers the foundation of corporate governance to be continuous efforts to advance its business in keeping with laws, business ethics, and CSR principles. It considers conformity with such to be one of the most vital responsibilities of management. To promote compliance, the company shifted to the committee system in June 2003, resulting in a separation of the executive and supervisory functions of management, in order to further speed up management decision-making and to take management transparency to a higher level.

Following this shift to the committee system, the Board of Directors is now in charge of decision-making on

matters such as basic management policies and performance of supervisory functions, and it has broadly transferred decision-making and executive authority for operations to executive officers. As one part of the performance of supervisory functions by the Board of Directors, three independent 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. In principle, the Audit Committee meets monthly and the Nominating Committee and the Compensation Committee meet as needed. 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. In addition, as necessary Hitachi Cable obtains advice related to the execution of its business activities from other lawyers belonging to the same law office as the lawyer currently serving as an outside director.

As a means of internal control on the execution of operations by the executive officers, an Executive 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 the consideration of such matters from a variety of angles.

In addition, the Internal Auditing Office (with five specialized staff members and 16 staff members serving concurrent positions) 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 (with one specialized staff member and three staff members serving concurrent positions) 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. In addition to monitoring and verifying the status of these internal audits, the Audit Committee works together with the internal audit functions to monitor company management by having the directors and executive officers issue reports on the status of the execution of business operations as necessary.

With regard to the auditing of accounts, ChuoAoyama PricewaterhouseCoopers has been named the account auditing firm. The composition of the team of personnel providing support for these audit activities is determined based on the account auditing firm's selection criteria. Specifically, this team consists of nine certified public accountants, six assistant accountants, and one other member. The account auditor reports to the Audit Committee on its audit and increases cooperation on auditing by exchanging opinions with the Audit Committee and the General Manager of the Internal Auditing Office, who also attends the relevant meetings. The names and other information concerning the certified public accountants who conduct these operations are shown in the following table:

Name of auditing CPA	Name of CPA's firm	Number of years of continuous auditing experience
Kazuo Hattori	ChuoAoyama PricewaterhouseCoopers	— *
Takashi Kinoshita	ChuoAoyama PricewaterhouseCoopers	9

* Number of years of continuous auditing experience not listed if less than seven years.

With regard to the various risks faced in management, a Risk Management Committee has been established under the Executive Committee, with the President & Chief Executive Officer serving as its chair. This committee is intended for the purpose of sharing information related to risk management, such as responses to risks and measures for preventing their recurrence. As such, it endeavors to pinpoint risks and to assess, prevent, and minimize them. Furthermore, beginning October 1, 2003 Hitachi Cable has adopted a compliance notification system that can be used by company employees as well as related outside parties such as suppliers, for the purpose of supplementing its own efforts to remove risks.

In addition, in order to further increase its focus on CSR, on April 1, 2005 the company established Corporate Social Responsibility Promotion Committee and Corporate Social Responsibility Office, intended to coordinate social activities, such as those in the areas of environmental protection and social contributions, which had previously been conducted individually, and to promote such activities on a companywide basis.

Through these efforts, Hitachi Cable is pushing ahead with its plan to take the maneuverability and transparency of its management to higher levels.

(5) Parent Company

① Name of Parent Company and Other Information

Parent company	Percentage of voting rights held by parent company (%)	Stock exchanges where shares issued by the parent company are traded
Hitachi, Ltd.	53.3 (0.4)	<ul style="list-style-type: none">· First Section, Tokyo Stock Exchange· First Section, Osaka Securities Exchange· First Section, Nagoya Stock Exchange· Fukuoka Stock Exchange· Sapporo Securities Exchange· Luxembourg Stock Exchange (Luxembourg)· Frankfurt Stock Exchange (Germany)· Euronext Amsterdam (Netherlands)· Euronext Paris (France)· New York Stock Exchange (U.S.)

Note: The figure in parentheses under “percentage of voting rights held by parent company” indicates the percentage of voting rights held indirectly.

② Position of Listed Company in the Group of Companies Including the Parent Company, and Relationship with Other Listed Companies and the Parent Company

Hitachi Cable is a member of the Hitachi Group, with Hitachi, Ltd. as the parent company. As such, it shares the management vision and brand of this group. The parent company owns 53.3% of total shareholders' voting rights in Hitachi Cable, and two of Hitachi Cable's outside directors also serve as directors of the parent company. With the exception of matters to be discussed at general shareholders' meetings, the parent company contributes in only a limited manner to the business management of Hitachi Cable, respecting the latter's independence in management decision-making and execution.

③ Transactions with the Parent Company and Other Group Companies

Please see the notes to “Transactions with Affiliates” under the consolidated financial statements.

3. Business Performance and Financial Status

(1) Business Performance

Supported by economic expansion in the United States and China, the world's economy grew during this consolidated fiscal year. Although the Japanese economy grew during the first half of the fiscal year, supported by growth in exports and a gentle recovery in factors such as private-sector capital investment and personal consumption, in the second half of the fiscal year exports slowed due to a worldwide adjustment of supply and demand in fields related to digital technology and the high value of the yen, and raw material costs rose. These and other factors led to strong indications that the economy had entered an adjustment phase.

In this kind of economic environment, Hitachi Cable endeavored to attain orders by promptly responding to customers' needs as well as attempting measures such as 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 this consolidated fiscal year was as follows:

Due to factors such as strong demand in digital technology fields and an increase in the value of sales of products such as wires, cables, and rolled-copper products due to increasing copper prices in the first half of the fiscal year, sales were 386.909 billion yen, for an increase of 14% from the previous consolidated fiscal year. In terms of income, ordinary income was 10.74 billion yen, double the figure from the previous consolidated fiscal year. Although there were some factors pressuring income, such as rapid increases in prices of raw materials such as copper and chemical products, this figure resulted from increased sales and the results of factors such as various cost reductions and improvements in productivity. In addition, 4.195 billion yen was booked as extraordinary income, with 4.86 billion yen in restructuring expenses and 1.147 billion yen in impairment losses recorded as extraordinary losses in connection with the early adoption of accounting for the impairment of assets. These factors led to a net income of 4.991 billion yen for this consolidated fiscal year.

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

Due to factors such as the fact that mid- to long-term directions have become clearer as Hitachi Cable reaches the midpoint of the Survival Project begun in FY 2004, segment categories have been revised beginning this consolidated fiscal year to make them reflect more accurately the actual circumstances of business as well as future business strategies.

Wires and Cables

In the power cables business, although the high-voltage power cables business was transferred to equity-method affiliate J-Power Systems Corp. effective October 1, 2004, factors such as booming sales for construction purposes and rising copper prices led to performance exceeding that of the previous consolidated fiscal year. Sales of electronic wires and wiring devices also exceeded those of the previous consolidated fiscal year, due to strong sales for uses such as in semiconductor manufacturing equipment 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 consolidated fiscal year.

As a result, sales in this segment totaled 180.569 billion yen, for an increase of 15% over the figure for the previous consolidated fiscal year.

Information and Telecommunications Networking

In the area of high-frequency and wireless systems, although sales for terrestrial digital broadcasting were strong, construction for installation of mobile phone base stations decreased, leading to overall performance that decreased from that of the previous consolidated fiscal year.

In addition, although sales of landline fiber optic cables were sluggish due to decreases in capital investment for domestic telecommunications carriers and public-sector investment, shipping of major orders for optical submarine cables grew, leading performance for telecommunications cables overall to surpass that of the previous consolidated fiscal year.

In the area of information network solutions, sales of information network devices such as Ethernet switches grew massively, centered on domestic telecommunications carriers. This led to performance that exceeded that of the previous consolidated fiscal year.

As a result, sales in this segment were 84.648 billion yen, an increase of 6% from the previous consolidated fiscal year.

Sophisticated Materials

With regard to TAB products, in addition to the fact that sales of chip-on-film (COF) products for large LCD panels increased as anticipated, a market was established for μ BGA products for high-speed DDR2 SDRAM memory used in servers and other devices, leading to sales that greatly exceeded those of the previous consolidated fiscal year. Although sales of compound semiconductors for use in the laser diodes for DVD devices were strong in the first half of the fiscal year, inventory adjustments by major customers in the second half led to annual sales figures being largely the same as those for the previous consolidated fiscal year.

Although sales of lead frames for purposes such as use in digital home electronics stalled in the second half of the year due to inventory adjustments, vigorous demand in the first half of the year led to performance exceeding that of the previous consolidated fiscal year.

With regard to copper tubes, although the relocation of air-conditioner manufacturers overseas progressed, sales of air-conditioners increased as a result of the fierce heat of last year's summer. This factor and rising copper prices led to performance figures that exceeded the levels of the previous consolidated fiscal year. Although sales of copper strips fell in the second half of the year, especially those for semiconductor use, due to inventory adjustments in the digital home electronics industry, strong demand in the first half and rising copper prices led to performance exceeding that of the previous consolidated fiscal year. Sales of copper products for electrical use exceeded the figure from the previous consolidated fiscal year, due to the effects of strong private-sector capital investment and rising copper prices.

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

As a result of these factors, sales in this segment were 140.846 billion yen, reflecting an increase of 21% over the figure from the previous consolidated fiscal year.

Other Businesses

This segment is composed of logistics, real estate management and leasing, and other businesses. Sales in this segment were 16.357 billion yen, 2% lower than those of the previous consolidated fiscal year.

(2) Matters That Require Company Attention and Projected Results for the Next Consolidated Fiscal Year

For the time being, although there are many factors leading to uncertainty in the worldwide economy, such as a slowing down of economic growth in the United States, concerns about investment restrictions in China, and rising crude-oil prices, the economy worldwide is expected to continue a gentle expanding trend. In Japan, although it is difficult to forecast the future due to the presence of many factors leading to uncertainty such as rising raw-material costs and adjustments to capital investment due to demand and supply adjustments for digital and other products, factors such as the completion of inventory adjustments for digital products lead to expectations of a gentle recovery in the second half of the fiscal year.

In this kind of economic environment, the Hitachi Cable group aims to achieve its target of positive FIV in the fiscal year ended March 2006, through efforts to concentrate business resources in fields with high growth potential, to expand sales, and to ensure profitability, as well as taking on topics such as the creation of new businesses and construction of highly efficient production systems.

Market trends for the next consolidated fiscal year and projections concerning business performance 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 and few major projects are anticipated for the construction industry, sales are projected to decline from the figure for this consolidated fiscal year.

Although inventory adjustments are expected to continue in the first half of the year for electronic wires and wiring devices for uses such as in semiconductor manufacturing equipment and digital home electronics, factors such as the appearance of results of enhancements made to production and sales structures in China lead to projections of performance being roughly equal to that of this consolidated fiscal year. With regard to magnet wires, growth is anticipated in sales for use in electronic auto parts, due to factors such as the spread of hybrid automobile technology. For this reason, sales are expected to grow from this consolidated fiscal year.

To summarize, projected sales in this segment are 172 billion yen, approximately 5% less than the figure for this consolidated fiscal year.

Information and Telecommunications Networking

With regard to telecommunications cables, it is anticipated that domestic demand for landline fiber-optic cables will remain sluggish, leading to performance less than that of this consolidated fiscal year.

In the area of high-frequency wireless systems, although demand for terrestrial digital broadcasting purposes is expected to have run its course, capital investment by telecommunications carriers for construction of mobile phone base stations is expected to increase, leading to projections of performance exceeding that of this consolidated fiscal year. In the area of information network solutions, construction of wide-area Ethernet networks by domestic telecommunications carriers is expected to continue at a high level, and private- and public-sector markets are expected to be established for products such as VoIP-related products like wireless IP telephones and Ethernet switches providing authentication and quarantine solutions. For these reasons, information network solutions sales are expected to exceed those of this consolidated fiscal year.

To summarize, projected sales in this segment are 93.5 billion yen, for growth of approximately 10% over this consolidated fiscal year.

Sophisticated Materials

Hitachi Cable is positioning itself to meet demand for TAB products for LCD use by strengthening its manufacturing capabilities in accordance with the advancement of the industry's shift to driver IC package-type COF products, and demand for μ BGA products for use in DDR2 SDRAM memory remains vigorous. For these reasons, performance is projected to exceed greatly that of this consolidated fiscal year. Sales of compound semiconductors are expected to maintain levels similar to those of this consolidated fiscal year due to an anticipated second-half recovery in sales for use in laser diodes for DVD devices and in light-emitting diodes (LEDs). With regard to copper strips, although inventory adjustments in the semiconductor industry are expected to continue in the first half of the fiscal year, a recovery is expected in the second half, leading to projected sales exceeding those of this 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 electrical parts such as sensors.

To summarize, projected sales in this segment are 142.5 billion yen, roughly the same as those of this consolidated fiscal year.

Other Businesses

Sales in this segment are anticipated to be 17 billion yen, for an increase of approximately 4% from this consolidated fiscal year.

The above is an overview of sales projections for segments by business type. In light of factors including the effects of continued cost-reduction efforts and trends in raw-material prices such as copper, in addition to growth in key business lines and improvements in the profitability of currently unprofitable businesses, the following business performance is anticipated for the next fiscal year: sales of 390 billion yen, ordinary income of 17.5 billion yen, and net income of 7.6 billion yen.

(3) Financial Circumstances

① Status in This Consolidated Fiscal Year

The balance of cash and cash equivalents in this consolidated fiscal year was 6.212 billion yen, reflecting a decrease of 1.551 billion yen from 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 34.253 billion yen. This figure resulted from factors including net income before taxes and other adjustments of 8.054 billion yen in addition to 20.384 billion yen in depreciation, an increase of 7.18 billion yen in accounts payable, a decrease of 3.784 billion yen in accounts receivable, and an increase of 2.076 billion yen in inventory assets.

Cash flow from investment activities was 10.523 billion yen. This figure resulted from factors including expenditures of 17.669 billion yen on acquisition of tangible fixed assets, income of 4.376 billion yen from sale of investment securities, and income of 3.05 billion yen from sale of tangible fixed assets.

Cash flow from financing activities was 25.743 billion yen. This figure resulted from factors including repayment of 20.492 billion yen in short-term debts, repayment of 1.024 billion yen in long-term debts, payment of 2.204 billion yen in dividends, and expenditure of 1.925 billion yen on acquisition of treasury shares.

② Projections for the Next Fiscal Year

With regard to **cash flow from operating activities**, net income before taxes and other adjustments is expected to total 13 billion yen.

With regard to **cash flow from investment activities**, the amounts of capital investment and acquisition of investment securities are projected to decrease from this consolidated fiscal year.

With regard to **cash flow from financing activities**, Hitachi Cable plans to acquire treasury shares in a flexible manner, while taking into consideration factors such as trends in share prices and the company's financial circumstances, as one means of returning profit to shareholders and enabling the execution of dynamic capital policies. In addition, the company plans to redeem 10 billion yen in corporate bonds and to continue reducing its interest-bearing debt.

As a result, the balance of cash and cash equivalents at the end of the next consolidated fiscal year is anticipated to decrease by approximately 1 billion yen from the end of this consolidated fiscal year.

③ Trends in Financial Status

	Fiscal Year 2001	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005
Shareholder Equity Ratio (%)	46.8	48.7	51.6	53.0	54.3
MTM Shareholder Equity Ratio (%)	64.9	49.0	25.2	57.0	49.2
Years to Pay off Debt (%)	4.0	4.1	3.7	2.5	1.4
Interest Coverage Ratio (%)	10.9	11.5	13.5	19.6	28.8

Notes:

Shareholder equity ratio: total shareholder equity/total assets and shareholder equity

MTM shareholder equity ratio: MTM value of total shares/total assets

Years to pay off debt: Interest-bearing debt /cash flow from operations

Interest coverage ratio: cash flow from operations/interest paid

Explanation:

1. Each indicator is calculated using consolidated financial figures.
2. MTM value of total shares is calculated by the following formula:
end-of-term closing price of shares \times end-of-term total number of shares outstanding.
3. Cash flow from business activities on the consolidated cash flow statement is used for cash flow from operations.
4. Interest-bearing debt refers to all debt on the consolidated balance sheet on which interest is paid. Interest paid refers to the amount of interest paid shown on the consolidated cash flow statement.

4. Consolidated Balance Sheet

(million yen)

	End of Fiscal 2004 (Mar.31 2004) (A)	End of Fiscal 2005 (Mar.31 2005) (B)	B-A		End of Fiscal 2004 (Mar.31 2004) (A)	End of Fiscal 2005 (Mar.31 2005) (B)	B-A
[Assets]				[Liability]			
Current Assets	155,559	155,880	321	Current Liabilities	99,711	100,424	713
Cash and Deposit in Bank Notes Receivable and Accounts Receivable	8,200 82,215	6,230 81,555	-1,970 -660	Notes Payable and Accounts Payable	43,560	54,091	10,531
Inventory	38,201	41,473	3,272	Short-term Debt	19,368	12,618	-6,750
Deferred Income Taxes	7,181	7,703	522	Commercial Paper	14,000	-	-14,000
Other Current Assets Allowance for Doubtful Accounts	20,801 -1,039	20,609 -1,690	-192 -651	Amortized Company Bonds	-	10,000	10,000
				Others	22,783	23,715	932
Fixed Assets	178,227	168,622	-9,605	Fixed Liabilities	55,854	45,257	-10,597
Tangible Fixed Assets	126,387	122,243	-4,144	Company Bonds	15,000	5,000	-10,000
Buildings and Structure Machinery and Vehicles, etc.	48,002 60,141	46,973 57,908	-1,029 -2,233	Long-term Debt	19,479	18,888	-591
Land	10,997	9,863	-1,134	Accrued Pension and Severance Cost for Employees	17,179	18,176	997
Construction in Progress	7,247	7,499	252	Reserve for Directors' Retirement Allowance	875	936	61
Intangible Fixed Assets	4,035	5,991	1,956	Deferred Income Taxes	292	639	347
Utility Rights, etc.	4,035	5,991	1,956	Consolidated adjustment accounts	2,158	1,080	-1,078
Investment, etc.	47,805	40,388	-7,417	Others	871	538	-333
Investment	36,150	29,319	-6,831	Total Liabilities	155,565	145,681	-9,884
Deferred Income Tax Allowance for Doubtful Debt	14,567 -2,912	13,760 -2,691	-807 221	[Minority Investment]			
				Minority Investment	1,309	2,525	1,216
				[Shareholder' Equity]			
				Paid-in Capital	25,948	25,948	-
				Capital Surplus	30,420	30,420	0
				Earned Surplus	124,374	126,847	2,473
				The Balance of Other Accountable Securities	2,268	1,850	-418
				Adjustment Account of Exchange Rate	-3,560	-4,307	-747
				Treasury Stock	-2,538	-4,462	-1,924
				Total Shareholders' Equity	176,912	176,296	-616
Total Assets	333,786	324,502	-9,284	Total Liabilities, Minority Investment and Shareholders' Equity	333,786	324,502	-9,284

5. Consolidated Statement of Profit and Loss

(million yen)

	Fiscal 2004(A) (Apr.1, 2003- Mar.31, 2004)	Fiscal 2005(B) (Apr.1, 2004- Mar.31, 2005)	B/A(%)
Net Sales	340,470	386,909	114
Cost of Sales	290,534	330,370	114
Sale, General and Administrative Expense	44,154	46,508	105
Operating Income	5,782	10,031	173
Non-operating Income	4,340	4,012	92
(Interest and Dividend Received)	(466)	(420)	
(Miscellaneous Revenues)	(3,874)	(2,815)	
(Investment Income by Equity Method)	(-)	(777)	
Non-operating Expenses	4,749	3,303	70
(Interest Expenses)	(1,276)	(1,159)	
(Miscellaneous Losses)	(3,446)	(2,144)	
(Investment Losses by Equity Method)	(27)	(-)	
Ordinary Income	5,373	10,740	200
Extraordinary Income	6,597	4,195	64
(Gain on Sales of Land)	(2,194)	(1,861)	
(Gain on Sales of Negotiable Securities)	(1,366)	(1,344)	
(Reversal of Employees' Severance Obligation for Prior Service)	(2,758)	(553)	
(Others)	(279)	(437)	
Extraordinary Loss	15,101	6,881	46
(Cost for Restructuring)	(12,807)	(4,860)	
(Impairment Loss)	(-)	(1,147)	
(Others)	(2,294)	(874)	
Income (Loss) before Income Tax	- 3,131	8,054	—
Corporation, Inhabitant Taxes	1,245	1,911	
Deferred	- 2,441	865	
Minority Shareholders' Income	313	287	
Net Income (Loss)	- 2,248	4,991	—

6. Statement of Consolidated Surplus

(million yen)

	Fiscal 2004 (Apr.1, 2003- Mar.31, 2004)	Fiscal 2005 (Apr.1, 2004- Mar.31, 2005)
[Capital Surplus]		
Capital Surplus Brought Forward	30,098	30,420
Increase of Capital Surplus	322	0
(Margin from Treasury Stock)	(253)	(0)
(Increase by Merge)	(69)	(-)
Capital Surplus Carried Forward	30,420	30,420
[Earned Surplus]		
Earned Surplus Brought Forward	128,695	124,374
Increase of Earned Surplus	-	5,099
(Net Income)	(-)	(4,991)
(Increase by Merge)	(-)	(108)
Decrease of Earned Surplus	4,321	2,626
(Net Loss of Term Under Review)	(2,248)	(-)
(Cash Dividends)	(1,830)	(2,204)
(Directors' Bonuses)	(40)	(44)
(Decrease by the Change of Consolidated Scope)	(203)	(378)
Earned Surplus Carried Forward	124,374	126,847

7. Consolidated Statement of Cash Flows

(million yen)

	Fiscal 2004 (Apr.1, 2003- Mar.31, 2004)	Fiscal 2005 (Apr.1, 2004- Mar.31, 2005)
[Cash Flows from Operating Activities]		
Income (Loss) before Income Tax	-3,131	8,054
Depreciation	20,325	20,384
Increase/Decrease of Allowance for Doubtful Debt (Decrease:-)	540	528
Gain on Sales of Negotiable Securities	-1,241	-1,254
Interest Received and Dividends Received	-153	-420
Interest Expenses	1,276	1,159
Exchange Profit/Loss (Profit:-)	612	-110
Increase/Decrease of Trade Receivable (Increase:-)	1,204	3,784
Increase/Decrease of Inventories (Increase:-)	2,708	-2,076
Increase/Decrease of Trade Payable (Increase:-)	7,818	7,180
Increase/Decrease of Amount in Arrears (Decrease:-)	1,289	488
Others	-2,619	-910
Sub Total	28,628	36,807
Earning on Interest and Dividends	153	420
Interest Paid	-1,363	-1,188
Corporation Tax and Other Tax Paid	-687	-1,786
Net Cash Provided by Operating Activities	26,731	34,253
[Cash Flows from Investing Activities]		
Expenditures for Acquisition of Securities	-1,889	-711
Proceeds from Sales of Securities	5,860	4,376
Expenditures for Acquisition of Tangible Fixed Assets	-12,634	-17,669
Proceeds from Sales of Tangible Fixed Assets	3,646	3,005
Expenditures for loans	-8,767	-839
Proceeds from Collection of Loans	1,579	1,047
Proceeds from Surrender Value of Business Annuity Insurance	10,224	—
Proceeds from Acquisition of Subsidiary's Securities Accounting to Changing in Scope of Consolidation	728	—
Others	196	268
Net Cash Used in Investing Activities	-1,057	-10,523
[Cash Flows from Financing Activities]		
Increase/Decrease in Short-term Borrowing (Decrease:-)	-10,489	-20,492
Expenditures for Repayment of Long-term Debt	-1,019	-1,024
Payment of Company Bond	-10,000	—
Payment for Purchase of Treasury Stock	-1,907	-1,925
Dividends Paid by Parent Company	-1,830	-2,204
Dividends Paid to Minority Shareholders	-127	-98
Net Cash Provided by Financing Activities	-25,372	-25,743
Effect of Exchange Rate Change on Cash and Cash Equivalents	408	-109
Net Increase/Decrease in Cash and Cash Equivalent (Decrease:-)	710	-2,122
Cash and Cash Equivalent at Beginning of Term	7,016	7,763
Net Increase in Cash and Cash Equivalents by Newly Consolidated Subsidiaries	37	571
Cash and Cash Equivalent at the End of Term	7,763	6,212

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

	(Mar.31, 2004)	(Mar.31, 2005)
Cash and Deposits	8,200	6,230
Fixed Deposits (over 3 Months)	-437	-18
Total	7,763	6,212

8. Notes

(1) Matters Related to the Consolidated Balance Sheet

① Accumulated Depreciation of Tangible Fixed Assets		
[Mar. 31, 2004]	259,904	million yen
[Mar. 31, 2005]	270,284	million yen
② Guarantees of Loans (including contingent guarantees)		
[Mar. 31, 2004]	1,552	million yen
[Mar. 31, 2005]	3,704	million yen
③ Letter of Awareness		
[Mar. 31, 2004]	4,007	million yen
[Mar. 31, 2005]	858	million yen
④ Notes Receivable Endorsed		
[Mar. 31, 2004]	3,809	million yen
[Mar. 31, 2005]	1,282	million yen
⑤ Promissory Notes Transferred due to Securitization of Assets		
[Mar. 31, 2004]	11,029	million yen
[Mar. 31, 2005]	13,165	million yen
⑥ Trade Receivable Transferred due to Securitization of Assets		
[Mar. 31, 2004]	13,633	million yen
[Mar. 31, 2005]	17,606	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: 858 million yen Buildings, etc.: <u>7 million yen</u> 865 million yen	Because market value had fallen considerably below book value	Net sale price	Assessed value of fixed assets for taxation purposes, etc
Fujishiro, Kitasomugun, Ibaraki Pref., and elsewhere	Assets planned for disposal	Machinery/equipment, structures, etc.	Machinery/equipment: 242 million yen Structures, etc.: <u>40 million yen</u> 282 million yen	Because assets were planned for disposal	Value in use	Amount estimated using value in place of zero

(3) Lease Transaction

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

	Mar. 31, 2004	Mar. 31, 2005
Lease Rental Expense	817 million yen	674 million yen
Outstanding Future Lease Payments as of the End of the Period	1,501 million yen	1,116 million yen

[Operating Lease Transaction]

	Mar. 31, 2004	Mar. 31, 2005
Outstanding Future Lease Payments	5 million yen	—

(4) Securities

Fiscal 2004 (As of Mar.31, 2004)

① Other Securities Estimated on Market Price

(million yen)

	Acquisition Cost (A)	Balance Sheet Value (B)	B-A
Market Price over Balance Sheet Value			
(1) Stock	4,586	8,506	3,920
(2) Bond			
①Government Bond / Local Government Bond	-	-	-
②Company Bond	-	-	-
③Others	-	-	-
(3) Others	-	-	-
Sub Total	4,586	8,506	3,920
Market Price under Balance Sheet Value			
(1) Stock	494	459	- 35
(2) Bond			
①Government Bond / Local Government Bond	-	-	-
②Company Bond	-	-	-
③Others	2,000	2,000	-
(3) Others	-	-	-
Sub Total	2,494	2,459	- 35
Total	7,080	10,965	3,885

② Other Securities That Were Sold during Fiscal 2004

(million yen)

Amount of Sale	Gain on Sale	Loss on Sale
2,380	1,241	0

③ Outlines and Balance Sheet Value of Securities That Don't Estimate on Market Price

(million yen)

	Balance Sheet Value
Other Securities	
Unlisted Stock (Excluding Over-the-counter Stock)	14,392
Unlisted Company Bond	-

④ A Plan for Redemption of Other Securities That Have the Due Date.

(million yen)

	Within 1 Year	Over 1 Year and within 5 Years	Over 5 years and within 10 Years	Over 10 Years
(1) Bond				
①Government Bond / Local Government Bond	-	-	-	-
②Company Bond	-	-	-	-
③Others	-	-	2,000	-
(2) Others	-	-	-	-
Total	-	-	2,000	-

Fiscal 2005 (As of Mar.31, 2005)

① Other Securities Estimated on Market Price

(million yen)

	Acquisition Cost (A)	Balance Sheet Value (B)	B-A
Market Price over Balance Sheet Value			
(1) Stock	3,665	6,863	3,198
(2) Bond			
①Government Bond / Local Government Bond	-	-	-
②Company Bond	-	-	-
③Others	-	-	-
(3) Others	-	-	-
Sub Total	3,665	6,863	3,198
Market Price under Balance Sheet Value			
(1) Stock	320	269	-51
(2) Bond			
①Government Bond / Local Government Bond	35	35	-
②Company Bond	-	-	-
③Others	-	-	-
(3) Others	-	-	-
Sub Total	355	304	-51
Total	4,020	7,167	3,147

② Other Securities That Were Sold during Fiscal 2004

(million yen)

Amount of Sale	Gain on Sale	Loss on Sale
4,376	1,328	-74

③ Outlines and Balance Sheet Value of Securities That Don't Estimate on Market Price

(million yen)

	Balance Sheet Value
Other Securities	
Unlisted Stock (Excluding Over-the-counter Stock)	13,272
Unlisted Company Bond	-

④ A Plan for Redemption of Other Securities That Have the Due Date.

(million yen)

	Within 1 Year	Over 1 Year and within 5 Years	Over 5 years and within 10 Years	Over 10 Years
(1) Bond				
①Government Bond / Local Government Bond	-	35	-	-
②Company Bond	-	-	-	-
③Others	-	-	-	-
(2) Others	-	-	-	-
Total	-	35	-	-

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

(Million Yen)

	Type of Transaction	Fiscal 2004 (As of Mar.31, 2004)			Fiscal 2005 (As of Mar.31, 2005)		
		Preset Price	Preset Price	Preset Price	Preset Price	Market Price	Valuation Profit/Loss
Currency	Forward Exchange Contracts						
	Sell	7,533	7,509	24	10,939	11,265	-326
	Buy	8	8	-0	-	-	-
Interest	Swap Transaction	16,900	-102	-102	10,000	26	26
	Total	-	-	-78	-	-	-300

(Note) There is no derivative transaction applying hedge accounts.

(6) Retirement Benefits

① Overview of the Retirement Benefit System Used

Although Hitachi Cable and its domestic consolidated subsidiaries previously had used a defined benefits system, with payment of one-time retirement benefits and a qualified employee retirement pension plan, effective March 2004 for Hitachi Cable and September 2004 for some of its domestic consolidated subsidiaries, this qualified employee retirement pension plan was abolished in connection with a shift to a cash-balance plan defined-benefit pension plan (a pension plan tied to market interest rates), pursuant to the Law Concerning Defined-Benefit Corporate Pension Plans.

② Retirement Benefit Obligations

(million yen)

	Fiscal 2004 (As of Mar.31, 2004)	Fiscal 2005 (As of Mar.31, 2005)
a. Retirement Benefit Obligations	-92,463	-88,315
b. Pension Assets	48,667	51,061
c. Pension Assets over (under) Benefit Obligations	-43,796	-37,254
d. Unrecognized Net Actuarial Loss	26,617	19,078
e. Liabilities Recognized in the Balance Sheet	-17,179	-18,176

(Note) Certain subsidiaries adopted the simplified method for the calculation of retirement benefit obligations.

③ Retirement Benefit Expenses

(million yen)

	Fiscal 2004 (Apr.1, 2003 – Mar.31, 2004)	Fiscal 2005 (Apr.1, 2004 – Mar.31, 2005)
a. Service Costs (Notes)	3,130	3,029
b. Interest Costs	2,321	2,273
c. Expected Return on Plan Assets	-977	-1,192
d. Amortization of Transition Obligations	-2,758	-553
e. Amortization of Unrecognized Actuarial Loss	3,770	3,301
f. Net Periodic Benefit Expenses	5,486	6,858

(Note)

- Contributions to the qualified retirement pension plan were deducted.
- The subsidiaries' retirement benefit expenses calculated by the simplified method were included in service costs.

④ Actuarial Calculation Basis for Retirement Benefit Obligations

	Fiscal 2004 (Apr.1, 2003—Mar.31, 2004)	Fiscal 2005 (Apr.1, 2004—Mar.31, 2005)
a. Periodic Allocation Method of Projected Benefit Obligation	Straight-line basis over total service periods based on the unit credit method	
b. Discount Rate	2.5%	2.5%
c. Expected Return on Plan Assets	Principally 2.5%	Principally 2.5%
d. Periods for Amortization of Prior Service Cost	A year Charged to income as a one-time expense for the fiscal year in which prior service cost arises.	A year Charged to income as a one-time expense for the fiscal year in which prior service cost arises.
e. Periods for Amortization of Unrecognized Actuarial Loss (gain)	10 years Retirement benefit liabilities that occur during each consolidated fiscal year are amortized as an expense by the straight-line method beginning from the following fiscal year over a specified number of years that is the same or less than the average number of years remaining to mandatory retirement age for all relevant employees.	10 years Retirement benefit liabilities that occur during each consolidated fiscal year are amortized as an expense by the straight-line method beginning from the following fiscal year over a specified number of years that is the same or less than the average number of years remaining to mandatory retirement age for all relevant employees.

(7) Tax Effect Accounting

Breakdown of deferred tax assets and liabilities by major factors (million yen)

	Fiscal 2004 (As of March 31, 2004)	Fiscal 2005 (As of March 31, 2005)
<Deferred tax assets>		
Loss Carried Forward	12,257	9,947
Reserve for Retirement Allowance	5,455	6,624
Accrued Employees Bonuses	2,353	2,489
Restructuring Cost	1,333	704
Unrealized Profit on Inventories	118	103
Others	3,298	4,404
Sub Total	24,814	24,271
Valuation Allowance	−926	−939
Total Deferred Tax Assets	23,888	23,332
<Deferred Tax Liabilities>		
Difference in Valuation of Other Securities	−1,571	−1,277
Fixed asset reduction reserve	−407	−383
Reserve for special depreciation	−212	−251
Others	−242	−597
Total Deferred Tax Liabilities	−2,432	−2,508
Net Deferred Tax Assets	21,456	20,824

(8) Segment Information

① Sales Results for Each Segment by Business Type

Beginning with 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.

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

(Million Yen)

	Wires and Cables	Information and Telecommunications Networking	Sophisticated Materials	Other Businesses	Total	Eliminated or Companywide	Consolidated
I. Net sales and Operating Income							
(1) Sales to Customers	151,060	74,971	109,187	5,252	340,470	—	340,470
(2) In-house Sales or Transfer between Operating Segments	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
II. Assets, Depreciation and capital Expenditure							
Assets	122,342	77,475	116,762	4,559	321,138	12,648	333,786
Depreciation	5,803	4,258	10,004	260	20,325	—	20,325
Capital Expenditure	3,867	1,449	8,346	29	13,691	—	13,691

The Term under Review (Apr.1, 2004-Mar.31, 2005)

(Million Yen)

	Wires and Cables	Information and Telecommunications Networking	Sophisticated Materials	Other Businesses	Total	Eliminated or Companywide	Consolidated
I. Net sales and Operating Income							
(1) Sales to Customers	172,918	77,836	132,502	3,653	386,909	—	386,909
(2) In-house Sales or Transfer between Operating Segments	7,651	6,812	8,344	12,704	35,511	(35,511)	—
Total	180,569	84,648	140,846	16,357	422,420	(35,511)	386,909
Operating Expense	176,797	82,091	137,562	15,889	412,339	(35,461)	376,878
Operating Income	3,772	2,557	3,284	468	10,081	(50)	10,031
II. Assets, Depreciation and capital Expenditure							
Assets	121,892	75,760	116,170	4,038	317,860	6,642	324,502
Depreciation	6,156	3,727	10,214	287	20,384	—	20,384
Impairment Loss	505	202	440	—	1,147	—	1,147
Capital Expenditure	5,278	2,853	9,405	133	17,669	—	17,669

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

(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.

(Note 4) Reasons for change in method of categorizing lines of business

Beginning with 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. 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 factors such as the fact that restructuring of business lines by companies within the group pursuant to the mid-term management plan begun in FY 2004, the Survival Project, has led the actual circumstances of business gradually to differ from the management administration categories used previously.

(Note 5) Company-wide assets in the “elimination or company-wide” item of the assets are revised.

(Note 6) Segment information from the previous consolidated fiscal year, using the previous business line categories, is shown below.

The Term under Review (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
I. Net sales and Operating Income							
(1) Sales to Customers	137,458	98,847	48,150	56,015	340,470	—	340,470
(2) In-house Sales or Transfer between Operating Segments	—	—	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
II. Assets, Depreciation and capital Expenditure							
Assets	114,010	106,562	44,856	47,717	313,145	20,641	333,786
Depreciation	7,123	7,733	2,993	2,476	20,325	—	20,325
Capital Expenditure	3,766	6,331	1,641	1,953	13,691	—	13,691

② Sales Results by Location

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

(Million Yen)

	Japan	Others	Total	Eliminated or Company-wide	Consoli- dated
I . Net sales and Operating Income					
(1) Sales to Customers	289,647	50,823	340,470	—	340,470
(2) In-house Sales or Transfer between Operating Segments	23,098	3,201	26,299	(26,299)	—
Total	312,745	54,024	366,769	(26,299)	340,470
Operating Expense	305,379	52,594	360,973	(26,285)	334,688
Operating Income	4,366	1,430	5,796	(14)	5,782
II . Assets	289,951	41,705	331,656	2,130	333,786

The Term under Review (Apr.1, 2004-Mar.31, 2005)

(Million Yen)

	Japan	Others	Total	Eliminated or Company-wide	Consoli- dated
I . Net sales and Operating Income					
(1) Sales to Customers	317,714	69,195	386,909	—	386,909
(2) In-house Sales or Transfer between Operating Segments	54,715	8,327	63,042	(63,042)	—
Total	372,429	77,522	449,951	(63,042)	386,909
Operating Expense	363,982	75,938	439,920	(63,042)	376,878
Operating Income	8,447	1,584	10,031	0	10,031
II . Assets	295,380	50,173	345,553	(21,051)	324,502

(Note1) It is omitted to mention business results by country or region in the term under review, because every ratio of sales of country or region in total net sales are less than 10%.

(Note2) Others . . . U.S.A., Thailand, China, etc.

(Note3) 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.

(Note4) With the revision of segment categories, company-wide assets in the "elimination or company-wide" item of the assets are revised.

Assets of "Sales Results by Location" from the previous consolidated fiscal year, using the previous business line categories, is shown below.

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

(Million Yen)

	Japan	Others	Total	Eliminated or Company-wide	Consoli- dated
II . Assets	289,951	41,705	331,656	2,130	333,786

③ Overseas

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

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

The Term under Review (Apr.1, 2004-Mar.31, 2005)

	Asia	North America	Others	Total
Overseas	62,620 million yen	23,991 million yen	7,987 million yen	94,598 million yen
Consolidated Sales				386,909 million yen
Ratio of Overseas Sales in Consolidated Sales	% 16.2	% 6.2	% 2.0	% 24.4

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

2. Main Countries and regions

(1) Asia . . . China, Taiwan, South Korea, 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.

(9) The Treat with the Company Concerned (Apr.1, 2004-Mar.31, 2005)

① Parent Company etc.

Company name	Address	Paid-in Capital (Million Yen)	Business	Ratio of Voting Rights, etc.	Relationship		Detail of Trading	The Amount of Business (Million Yen)	Account Item	The Amount Carried forward (Million Yen)
					Board Members	Business				
Hitachi, Ltd.	Chiyoda-ku, Tokyo	282,033	Manufacture and sale of electrical appliances	(0.4%) 53.3%	2 persons are holding two offices concurrently.	Trading each other and Hitachi Cable has loans from Hitachi	Sale of our products	5,630	Account Receivable	1,724
									Advance	2
							Purchase of materials	3,280	Other Liabilities	1,195
							Advance money		2,958	Accounts Due
								2,093	Arrearages and Others	1
Debt	179,263	Short-term Debt	-							
Loan	9,420	Short-term Loan	8,984							

Notes: The treat condition and the policy of treat condition

1. Before we decide our products prices, we present our recommended prices with taking market prices and costs into consideration and negotiate.
2. Before we decide materials prices, Hitachi, Ltd. presents prices and negotiate referring to usual prices.
3. Figures in parentheses are the ratio of voting rights, etc. of other subsidiary of Parent companies: Hitachi Building Systems Co., Ltd. and other 17 companies.
4. Debt were made using Hitachi Ltd. and other funding systems to provide liquid funds that the Company may procure or repay in line with its requirements. The interest rate on borrowings is set by marketing interest rates with an appropriate commission.

② Subsidiaries, etc.

Attributes	Name of Company	Location	Capital (million yen)	Principal Lines of Business	Ratio of Voting rights, etc	Relationship		Content of Transactions	Transaction Amounts (million yen)	Account	End-of-term Balance (million yen)
						Shared Directors, etc.	Business Relationship				
Equity-method Affiliate	J-Power Systems Corp.	Minato-ku, Tokyo	4,000	Development, design, manufacturing, construction, and overseas sales of products related to wires and cables	50.0%	Shared: 2 directors Transferred: 4 directors	Hitachi Cable purchases products from this company.	Sales of Hitachi Cable products	815	Accounts receivable	272
								Purchase of materials, etc.	14,939	Accounts payable	2,715
								Advances	22,524	Other accounts receivable	3,375
	Sumiden Hitachi Cable Ltd.	Taito-ku, Tokyo	400	Development, manufacturing, outsourced manufacturing, and sales of products related to wires and cables.	(10.0%) 50.0%	Shared: 2 director Transferred: 3 directors	Hitachi Cable sells products to and purchases products from this company. In addition, Hitachi Cable loans funds to this company.	Sales of Hitachi Cable products	10,614	Accounts receivable	4,399
								Purchase of materials, etc.	3,566	Accounts payable	376
								Advances	923	Other accounts receivable	119
								Funds loaned	1,150	Short-Term loans receivable	—

Notes: Transaction conditions, policies for determining transaction conditions, etc.

1. Prices for the sale of Hitachi Cable products are determined based on price negotiations, with Hitachi Cable indicating its desired prices in consideration of market prices and total cost.
2. Prices for the purchase of materials, etc. are determined based on price negotiations, with Hitachi Cable indicating its desired prices in consideration of the prices ordinarily paid.
3. Figures in parentheses under "Percentage of voting rights, etc. held by the company" indicate the ratio of indirect ownership of voting rights, etc. held by the company.

(10) Going-concern Assumption:

Not applicable

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-Mar. 2005
	million yen	million yen	million yen	million yen	million yen
Net Sales	90,911	97,760	99,036	99,202	386,909
Gross Income	12,754	15,088	13,814	14,883	56,539
Operating Income	1,526	3,307	2,115	3,083	10,031
Ordinary Income	2,027	3,191	2,311	3,211	10,740
Income before Income Tax	2,285	1,323	1,992	2,454	8,054
Net Income	1,356	981	1,155	1,499	4,991
	yen	yen	yen	yen	yen
Net Income per Share	3.69	2.67	3.14	3.94	13.46
Diluted Net Income per Share	3.68	2.67	3.14	3.94	13.46
	million yen	million yen	million yen	million yen	million yen
Total Asset	324,438	326,088	337,989	324,502	324,502
Shareholders' Equity	176,357	177,359	176,365	176,296	176,296
	yen	yen	yen	yen	yen
Shareholders' Equity per Share	479.92	482.66	485.56	485.25	485.25
	million yen	million yen	million yen	million yen	million yen
Net Cash Provided by Operating Activities	3,051	588	2,749	27,865	34,253
Net Cash Used in Investing Activities	6,629	-4,388	-3,245	-9,519	-10,523
Net Cash Provided by Financing Activities	-10,437	2,313	5,179	-22,798	-25,743
Cash and Cash Equivalents at the End of Term	7,501	6,064	10,639	6,212	6,212

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