(Translation)

Consolidated Financial Report for fiscal 2001 ended March 31, 2001

April 26, 2001

Name of Listed Company: Hitachi Cable, Ltd.
Stock Exchange where listed (section): Tokyo Stock Exchange (First Section)
Osaka Securities Exchange (First Section)
Code Number: 5812
Head Office Location: Tokyo
Contact: Shinichiro Suzumura
General Manager, Administration Dept.
Tel: +81-3-5252-3261
Date of the Board of Directors Meeting at
which the Account Settlement Plan was approved: April 26, 2001
Name of Parent Company: Hitachi, Ltd. (Code Number: 6501)
Ratio of Share that Hitachi, Ltd. holds: 52.3%
US GAAP: No.

1. Performance over the year under review (Apr.1, 2000 - Mar.31, 2001)

(1) Operating results

	Net sales (¥ million)	Operating income (¥ million)	Ordinary income (¥ million)	Net income (¥ million)
Mar./01	410,394(14.3%)	27,177 (75.0%)	25,604 (156.9%)	8,443 (38.9%)
Mar./00	359,119(-6.1%)	15,532 (47.9%)	9,968 (32.2%)	6,077 (203.7%)

	Net income per share (¥)	Diluted net income per share (¥)	Ratio of net income to shareholders' equity (%)	Ratio of ordinary income to total assets (%)	Ratio of ordinary income to net sales (%)
Mar./01	22.61	22.44	4.2	5.9	6.2
Mar./00	16.15	16.09	3.2	2.5	2.8

Note:

① Investment income based on equity method: ¥246 million (Previous year: ¥-335 million)

② Average number of shares outstanding

	Common	Preferred
Mar./01	373,411,987	—
Mar./00	376,194,629	—

③ We haven't made change in accounting policy.

④ Figures are rounded down to the nearest ¥1 million.

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

(2) Financial standing

	Total assets (¥ million)	Shareholders' equity (¥ million)	Shareholders' equity ratio (%)	Shareholders' equity per share (¥)
Mar./01	451,577	211,118	46.8	565.32
Mar./00	411,551	195,537	47.5	523.64

(3) Statement of cash flows

	Cash flows from operating activities (¥ million)	Cash flows from investing activities (¥ million)	Cash flows from financing activities (¥ million)	Cash ,time deposit and marketable securities at end of year (¥ million)
Mar./01	27,254	− 45,638	1,044	17,186
Mar./00	34,600	− 22,696	− 11,065	34,733

Note: Number of shares outstanding at the end of period (Trading unit: 1,000 shares)

	Common
Mar./01	373, 447, 170
Mar./00	373, 418, 094

(4) Scope of consolidation and application of the equity method.
Number of consolidated subsidiaries: 36
Number of affiliated companies: 6

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

Consolidation	New companies: 1
	Companies removed: 5
Equity method	New companies: −
	Companies removed: 1

2. Business results forecast for fiscal year 2002 (Apr.1, 2001 − Mar. 31, 2002)

	Net sales (¥ million)	Ordinary income (¥ million)	Net income (¥ million)
Sep./01	200,000	10,500	5,000
Mar./02	430,000	24,500	13,000

(Reference) Forecast net income per share (whole year): ¥34.81

1. State of Consolidation (as of Mar.31, 2001)

Parent Company：Hitachi, Ltd.

Hitachi Cable, Ltd.

Manufacturing Companies

Wires and cables

－Consolidated Subsidiaries 11－
- Tonichi Kyosan Cable, Ltd.◎
- Hitachi Cable Fine Tech, Ltd.
- Hanashima Electric Wire Co., Ltd.◎
- Shanghai Hitachi Cable Co., Ltd.
- Hitachi Cable (Johor) Sdn. Bhd.
- Hitachi Cable (Singapore) Pte. Ltd.
- Thai Hitachi Enamel Wire Co., Ltd.
- Hitachi Cable Manchester Inc.
- Hitachi Bangkok Cable Co., Ltd.
- ConEx Cable, Inc.
- Hitachi Cable Philippines, Inc.

－Non-consolidated Subsidiaries 3－
- Tonichi Densen Kako Co., Ltd.
- Other 2 Companies

－Affiliates 5－
- ∗Kyoritsu Hiparts Co., Ltd.
- ∗Hitachi Wire Rod, Co., Ltd.
- ∗Nippon Seisen Cable, Ltd.
- Other 2 companies

Information Systems and Electronic Components

－Consolidated Subsidiaries 3－
- Kitsuda Co., Ltd.
- Power & Com Tech, Ltd.
- Kitsuda (Malaysia) Sdn. Bhd.

－Non-consolidated Subsidiaries 4－
- Hitachi Cable Precision Co.,Ltd.
- Kawanishi Kogyo Co., Ltd.
- Other 2 Companies

Copper products

－Consolidated Subsidiaries 2－
- Hitachi Alloy, Ltd.
- Hitachi Copper Products, Ltd.

－Affiliates 3－
- Okuda Metal Co., Ltd.
- Other 2 Companies

Electric Equipment, Construction and Others

－Consolidated Subsidiaries 6－
- Hitachi Cable Logistics and Technology, Ltd.
- Tohoku Rubber Co., Ltd.
- Hitachi Cable MEC-Tech, Ltd.
- Hidec Systems Co., Ltd.
- Hitachi Cable Industrial Products, Ltd.
- Hitachi Cable Indiana, Inc.

－Non-consolidated Subsidiaries 11－
- Hitachi Cable UK, Ltd.
- Other 10 Companies

－Affiliates 4－
- ∗Thai Wire and Cable Services Co., Ltd.
- ∗Oxford Wire and Cable Services, Inc.
- Other 2 Companies

Sales and Services Companies

－Consolidated Subsidiaries 14－
- Hitachi Densen Shoji, Ltd.
- Hitachi Cable Distribution, Ltd.
- Hitachi Cable International, Ltd.
- Ibanichi Densen Shoji, Ltd.
- Chunichi Densho, Ltd.
- Hokkai Hitachi Densen Kihan, Ltd.
- Toritsu Syokai, Ltd.
- Nisshin Sangyo, Ltd.
- Kansai Hi-Elec., Ltd.
- Kansai Hi-Metal, Ltd.
- Tatara Denki Kogyo Co., Ltd.
- Nissen Densen Shoji, Ltd.
- Yoshimi Kogyo, Ltd.
- Hitachi Cable America Inc.

－Non-consolidated Subsidiaries 4－
- Tonichi Shoji, Ltd.
- Other 3 Companies

－Affiliates 2－
- ∗Matsumoto Dengyo Co., Ltd.
- Other 1 Company

Customer

(Note)
⇨ Flow of Products

∗Company Applied the Equity Method

◎Open Company on Over-the-counter Market

(Notes)

１. Our consolidated subsidiaries Tonichi Cable, Ltd. merged Kyosan Cable, Ltd. and changed its name on April 1, 2000: Tonichi-Kyosan Cable, Ltd.
２. Our consolidated subsidiaries Hitachi Cable Power Systems, Ltd. merged Hitachi Cable Network Systems, Ltd. and changed its name on October 1, 2000: Power and Com Tech, Ltd.
３. Our consolidated subsidiaries Hitachi Fine Wire, Ltd. merged Hitachi Cable Assemblies, Ltd. and changed its name on July 1, 2000: Hitachi Cable Fine Tech, Ltd.
４. Our consolidated subsidiaries Hitachi Cable Wood Products and Housing, Ltd. merged Hitachi Cable Transportation, Ltd. and changed its name on July 1, 2000: Hitachi Cable Logistics and Technology, Ltd.
５. Our consolidated subsidiaries Hitachi Cable Fine Material, Ltd. merged Hitachi Cable Poly-Tech, Ltd. and changed its name on July 1, 2000: Hitachi Cable MEC-Tech, Ltd.
６. Our consolidated subsidiaries Hitachi Cable Engineering, Ltd. changed its name on July 1, 2000: Hidec Systems Co., Ltd.
７. Kitsuda(Malaysia) Sdn. Bhd. changed its name on April 1, 2001: Hitachi Cable PS Techno(Malaysia) Sdn. Bhd.
８. Our Toritu Ｓyokai ,Ｌtd. merged Yoshimi Kogyo, Ltd. on April 1, 2001.

2. Management Policies

(1) Basic Management Policy
Hitachi Cable Group has instituted a basic management plan designed to raise management quality in order to sustain growth. We feel that a plan that pays careful attention to our customers' needs and our product quality is indispensable for building a management structure that can deliver the goods and services our customers want. This plan will allow us to continue to grow in the increasingly competitive global environment.

(2) Basic Dividends Policy
Hitachi Cable Group's policy is to continue distributing stable dividends to our shareholders while considering the strengthening of our management quality and future business developments.

(3) Important Issues For Our Mid-term Management Strategy
The main issue facing Hitachi Cable Group is to increase global competitiveness in tight domestic and overseas markets.

Hitachi Cable Group created a mid-term management plan two years ago to deal with this issue. This plan shifts management resources to growing "E-business" areas (our information and electronics products) while streamlining our "T-business" (all products not covered by "E-business") operations. We have also put into practice various measures designed achieve our desired results quickly.

In addition, we continue to search for ways to create the best possible manufacturing and distribution systems. Leveraging cutting-edge information technology, we are restructuring such management systems as work process, organization, and evaluation. We are making every effort to be a company that is highly regarded by customers in terms of prices, services, and any other aspects. Hitachi Cable Group as a whole must continue to innovate in order to respond to the changing market.

(4) Policies Concerning Our Relationship with Our Parent Company
Our parent company, Hitachi Ltd., holds 52.5% of our common shares (including 1.1% in secondary holdings) as of March 31, 2001. Hitachi Cable will sustain and strengthen its cooperative relationship with its parent company, with a focus on research and development.

3. Financial Performance

(1) Fiscal Year Outline
Japan's economy continued to show signs of a modest recovery during 2000. Although individual consumption slumped because employment and income conditions were severe, there was an upturn in private capital investment led by IT-related industries. However, as we entered the new year, Japan has been feeling the effects of a stronger-than-expected slowdown in the U.S. economy, and there is increasing sentiment that Japan's economy may once again be facing recession.

Given this environment, Hitachi Cable Group has maintained flexibility in order to respond to changing market trends. As a result, sales in such areas as compound semiconductors, optical transceivers, and base stations for mobile phones experienced growth, and our net sales of ¥410.394 billion is an increase of 14% over the last fiscal year. We posted an ordinary profit of approximately ¥25.6 billion, more than 2.5 times that posted for the last fiscal year. This figure of ¥25.6 billion represents our highest ordinary profit ever. Although we posted an extraordinary loss of ¥12.87 billion due to the amortization of discrepancies, at the time of changes in accounting standards as per the introduction of retirement benefit, net income for this fiscal year was ¥8.443 billion, an increase of 39% over the previous fiscal year.

The following is an outline of the performance of each of our business divisions.

Wires and Cables Division
Demand for power cables at power companies continues to be weak. However, although the construction industry is still sluggish, its power cable demand has bottomed out, meaning that we were able to achieve slightly better results than those of the previous fiscal year. In addition, because of growth in IT devices during the first half of the fiscal year, our electronic wires performance also topped that of the previous fiscal year. Our communication cables business also experienced solid growth due to strong demand for fiber-optic cables. Submarine fiber-optic cables, the foundation of transcontinental high-volume data transmission, is also experiencing growth due to rapidly increasing needs for high-volume transmission.

On the other hand, our magnet wires performance was down from last fiscal year. Long a growth product, Litz wires for computer displays felt the effects of an inventory reduction due to declining demand, and fell sharply during the latter half of this fiscal year.

Overall sales for this segment amounted to ¥171.51 billion, up 11% over the previous fiscal year.

Information Systems and Electronic Components Division
Sales of semiconductor packaging materials were solid during the first half of the fiscal year due to the strong demand for semiconductors. However, the rapid decline in semiconductor demand in the latter half meant that sales could not maintain previous fiscal year levels. On the other hand, sales of compound semiconductors continued to be brisk. This is due to increased demand for compound semiconductors for such communication devices as mobile phones, as well as for lasers for CDs and DVDs.

Sales of optical components were up sharply on marked growth during the first half of the fiscal year by guided wave optical multi/demultiplexers for WDM transmission systems. Optical transceivers also showed strong growth. In addition, communications infrastructure construction and antenna devices were up sharply over the previous fiscal year because of the rapid growth in demand for such facilities as those for next-generation mobile phone systems. Sales of high-speed network devices for communications carriers increased as well.

Overall sales for this segment amounted to ¥116.88 billion, up 32% over the previous fiscal year.

Copper Products Division
Sales of copper strips were solid due to strong demand from the semiconductor and submarine fiber-optic cable sectors. On the other hand, although demand for copper tubes for air conditioners grew as a result of last summer’s fierce heat, the shift towards overseas manufacturing meant that performance was the same as that of the previous fiscal year. However, there was a rapid improvement in sales of copper products for electric use due to active capital investment by IT-related industries.

Overall sales for this segment were ¥58.66 billion, up 15% over the previous fiscal year.

Electric Equipment, Construction, and Others
The continued reduction in large-scale onstruction meant that overall power transmission line construction performance was down from the previous fiscal year.

As for rubber products, although demand for automotive hoses was up on the increase in domestic automotive production and strong export market, a fall in product prices kept overall growth minimal. Demand for information device components was sluggish due to the shifting of computer printer production overseas, driving performance below that of the previous fiscal year.

Overall sales for this segment were ¥89.48 billion, a 1% decrease from the previous fiscal year.

(2) Forecast for Next Fiscal Year

We feel that a sluggish U.S. economy will put the brakes on our exports, and that private capital investment will fall excluding investment in IT for company rationalization. In addition, forecasts that a recovery is unlikely because of uncertainty about the future direction of personal consumption are strengthening the fear of a recession. Because of this environment, we expect that inventory reductions will bring about a temporary slowdown even in the "E-business" markets for which we forecast strong growth. We are unable to foresee a more optimistic scenario.

Given these conditions, Hitachi Cable Group will focus on dealing with the following issues to improve our business performance.

First of all, Hitachi Cable Group is continuing the largest capital investment since its inception designed to make such "E-business" products as optical components, compound semiconductors, and communication systems devices the main source of profits. These are areas for which we forecast strong growth, and in which we presently have a leading market share. We feel that this capital investment will allow us to strengthen our position in an improving market by increasing our competitive edge through rapid expansion of our manufacturing capabilities.

Secondly, we are continuing to rationalize and streamline our "T-business." Last year, we started discussing a comprehensive tie-up with Sumitomo Electric Industries, Ltd., in the field of high-voltage power cables, and we are pleased to announce that we finalized a joint operations contract on March 26, 2001. In October of this year, our two companies will transfer all high-voltage power cable research and development, manufacturing, construction, and export operations to a jointly-owned (50/50) corporation. Our business restructuring does not stop there. The transfer of low-voltage CV cable production to our consolidated subsidiary Tonichi Kyosan Cable, Ltd., is entering the final stages to improve our profitability. In addition to these measures, throughout streamlining of our employees and facilities, Hitachi Group will be more vigorous and profitable.

Our forecast performance for the next fiscal year is as follows. We forecast that net sales will be ¥43billion, ordinary profit will be ¥24.5billion, and net income will be ¥13billion.

４．Consolidated Balance Sheet

(¥ million)

	End of fiscal 2000 (Mar.31, 2000)(A)	End of fiscal 2001 (Mar.31, 2001)(B)	B-A
〔 Assets〕			
Current assets	219,572	210,790	-8,782
Cash and deposit in banks	25,282	18,900	-6,382
Notes receivable and accounts receivable	108,001	122,750	14,749
Negotiable securities	24,990	-	-24,990
Inventories	52,283	59,195	6,912
Deferred income taxes	2,239	4,422	2,183
Other current assets	7,516	6,838	-678
Allowance for doubtful accounts	-739	-1,315	-576
Fixed assets	187,397	240,787	53,390
Tangible fixed assets	142,660	163,692	21,032
Buildings and structure	49,326	51,131	1,805
Machinery and vehicles, etc.	74,327	84,226	9,899
Land	12,823	13,120	297
Construction in progress	6,184	15,215	9,031
Intangible fixed assets	1,710	2,003	293
Utility rights, etc.	1,710	2,003	293
Deferred income taxes	9,054	3,427	-5,627
Investment, etc.	34,627	75,200	40,573
Allowance for bad debt	-654	-3,535	-2,881
Adjustment account of exchange rate	4,582	-	-4,582
Total Assets	411,551	451,577	40,026

	End of fiscal 2000 (Mar.31, 2000)(A)	End of fiscal 2001 (Mar.31, 2001)(B)	B-A
〔 Liabilities〕			
Currennt liabilities	114,058	138,740	24,682
Notes payable and trade notes payable	34,431	38,979	4,548
Short-term debt	51,239	49,904	-1,335
Amortized bond	-	10,000	10,000
Ohters	28,388	39,857	11,469
Fixed liabilities	94,253	95,565	1,312
Bonds	37,798	27,783	-10,015
Long-term debt	13,610	21,487	7,877
Accrued severance indeminities	33,751	-	-33,751
Accrued pension and severance cost for emplyees	-	34,206	34,206
Reserve for directors' retirement allowance	-	1,634	1,634
Defferred income taxes	75	1,810	1,735
Ohters	9,019	8,645	-374
Total liabilities	208,311	234,305	25,994
〔Minority investment〕			
Minority investment	7,703	6,154	-1,549
〔Shareholders' equity〕			
Paid-in capital	25,940	25,948	7
Capital surplus	29,765	29,772	7
Consolidated surplus	139,846	143,413	3,567
The balance of other accountable securties	-	14,045	14,045
Adjustment account of exchange rate	-	-2,058	-2,058
Treasury stocks	-15	-2	13
Total shareholders' equity	195,537	211,118	15,581
Total Liabilities, Minority Investment and Shareholders' Equity	411,551	451,577	40,026

５. Consolidated Statement of Profit and Loss

(¥ million)

	Fiscal 2000(A) (Apr.1, 1999-Mar.31, 2000)	Fiscal 2001(B) (Apr.1, 2000-Mar.31, 2001)	B/A (%)
Net sales	359,119	410,394	114
Cost of sales	288,296	325,185	113
Sales, general and administrative expenses	55,291	58,032	105
Operating income	15,532	27,177	175
Non-operating income	3,516	4,341	123
(Interest and Dividends received)	(1,039)	(1,318)	127
(Miscellaneous income)	(2,477)	(3,023)	122
Non-operating expenses	9,080	5,914	65
(Interest and discount charge paid)	(2,143)	(2,551)	119
(Miscellaneous loss)	(6,937)	(3,363)	48
Ordinary income	9,968	25,604	257
Extraordinary income	3,535	1,246	35
(Gain on sales negotialbe securities)	(3,535)	(1,070)	30
(Gain on securities contributing to employees retiremet benefit trust)	(－)	(176)	―
Extraordinary loss	3,498	12,807	366
(The amortization of unrecognized net obligation at transition)	(－)	(7,697)	―
(The amortization for prior service costs)	(2,327)	(－)	―
(Loss on reorganization of business)	(524)	(3,557)	679
(Devaluation of investments securities)	(－)	(670)	―
(Credit reserve for bad debt)	(647)	(883)	136
Income before income tax	10,005	14,043	140
Corporation, inhabitant taxes	4,359	11,046	253
Deferred	－202	－5,048	2,499
Minority shareholders' loss, etc.	229	398	174
Net income	6,077	8,443	139

６. Statement of Consolidated Surplus

(¥ million)

	Fiscal 2000(A) (Apr.1, 1999 - Mar.31, 2000)	Fiscal 2001(B) (Apr.1, 2000 Mar.31, 2001)	B-A
Consolidated surplus brought forward	130,465	139,846	9,381
Adjustment for tax effect of previous year	10,818	-	- 10,818
Decrease of consolidated surplus	7,514	4,876	- 2,638
Cash dividends	3,764	3,734	- 30
Directors' bonuses	336	312	- 24
Decrease by the change of consolidated scope	1,017	830	- 187
Retirement of treasury stocks	2,397	-	- 2,397
Net income of the term under review	6,077	8,443	2,366
Consolidated surplus carried forward	139,846	143,413	3,567

7. Consolidated Statement of Cash Flows

(¥ million)

	Fiscal 2000 (Apr.1, 1999- Mar.31, 2000)	Fiscal 2001 (Apr.1 2000- Mar.31, 2001)
[Cash flows from operating activities]		
Income before income tax	10,005	14,043
Depreciation	22,991	24,157
Increase of allowance for bad debt	420	3,457
Profit on sales negotiable securities	- 3,535	- 1,070
Interest earned and dividends received	- 1,039	- 1,318
Interest paid	2,143	2,551
Exchange loss	2,668	94
Increase in receivables	6,206	- 14,582
Increase in inventories	- 4,526	- 6,637
Increase in payables	2,497	4,321
Increase or dicrease of amount in arrears	- 683	5,640
Others	946	3,881
Sub total	38,093	34,537
Earning on interest and dividends	1,039	1,316
Interest paid	- 2,108	- 2,507
Corporation tax and other tax paid	- 2,424	- 6,092
Net cash provided by operating activities	34,600	27,254
[Cash flows from investing activities]		
Expenditures for acquisition of securities	- 132	—
Proceeds from sales of securities	3,988	—
Expenditures for acquisition	- 3,818	- 3,155
Proceeds from sales of acquisition	52	1,674
Expendigures for acquisition of tangible fixed assets	- 23,212	- 43,966
Proceeds from sales of tangible fixed assets	887	1,093
Others	- 461	- 1,284
Net cash used in investing activities	- 22,696	- 45,638
[Cash flows from financing activities]		
Decrease in short-term borrowing	- 3,576	- 3,375
proceeds from Long-term debt	612	10,270
Payments on Long-term debt	- 1,835	- 2,003
Dividends paid by parent company	- 3,764	- 3,734
Dividends paid to minority shareholders	- 105	- 114
Payment by retirement of treasury stocks	- 2,397	—
Net cash provided by financing activities	- 11,065	1,044
Effect of exchage rate change on cash and cash equivalents	- 2,399	- 392
Net decrease in cash and cash equivalents	- 1,560	- 17,732
Cash and cash equivalents at beginning of year	33,830	34,733
Net increase in cash and equivalents by newly consolidated subsidiaries	2,463	185
Cash and cash equivalents at end of year	34,733	17,186

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

	Mar.31, 2000	Mar.31, 2001
Cash and deposits	25,282	18,900
Fixed deposits (over 3 months)	- 4,248	- 1,714
Highly liquid investments, generally within original maturities of 3 months or less	13,699	-
Total	34,733	17,186

9. Notes

(1) Notes required by Consolidated Financial Statements Regulations of Japan (Excluding Consolidated Financial Statements Regulations of Japan Art.15-2～8)

①Accumulated depreciation of tangible fixed assets

〔Mar.31, 2001〕 ¥301,353 million

〔Mar.31, 2000〕 ¥289,398 million

②Guarantees of loans (including contingent guarantees of loans)

〔Mar.31, 2001〕 ¥1,137 million

〔Mar.31, 2000〕 ¥5,269 million

③Number of treasury stocks

〔Mar.31, 2001〕 1,645

〔Mar.31, 2000〕 17,754

(2) Notes required by Consolidated Financial Statements Regulations of Japan excluding (1)

①Segment information

A. Results by operating division

Previous Year (Apri.1, 1999-Mar.31, 2000) (¥ million)

	Wires and cables	Information systems and electronic components	Copper products	Electric equipment, construction and others	Total	Eliminated	Consolidated
I							
Net sales							
(1) Sales to customer	154,436	88,605	48,716	67,362	359,119	―	359,119
(2) In-house sales or transfer between operating divisions	―	―	2,294	22,889	25,183	(25,183)	―
Total	154,436	88,605	51,010	90,251	384,302	(25,183)	359,119
Operating expense	147,290	85,445	49,605	86,394	368,734	(25,147)	343,587
Operating income	7,146	3,160	1,405	3,857	15,568	(36)	15,532
II							
Assets	167,562	90,952	48,147	69,045	375,706	35,845	411,551
Depreciation	9,506	7,967	3,141	2,377	22,991	―	22,991
Capital expenditure	7,399	9,027	1,911	5,021	23,358	―	23,358

The term under review (Apr.1, 2000-Mar.31, 2001) (¥ million)

	Wires and cables	Information systems and electronic components	Copper products	Electric equipment, construction and others	Total	Eliminated	Consolidated
I							
Net sales							
(1) Sales to customer	171,574	116,808	56,132	65,880	410,394	―	410,394
(2) In-house sales or transfer between operating divisions	―	―	2,534	23,597	26,131	(26,131)	―
Total	171,574	116,808	58,666	89,477	436,525	(26,131)	410,394
Operating expense	162,006	106,901	54,656	85,789	409,352	(26,135)	383,217
Operating income	9,568	9,907	4,010	3,688	27,173	(4)	27,177
II							
Assets	170,445	117,092	44,953	68,876	401,366	50,211	451,577
Depreciation	9,781	8,923	2,941	2,512	24,157	―	24,157
Capital expenditure	12,491	23,337	2,210	5,928	43,966	―	43,966

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

Operating divisions	Main products
Wires and cables	Electric wires and cables
Information systems and electronic components	Semiconductor packaging materials, compound semiconductors, systems related to information transmission
Copper products	Copper products
Electric equipment, construction, others	Accessories for wires and cables, construction, rubber products, others

B. Sales results by location

It is omitted to mention sales results by location in fiscal 2000 (Apr.1, 1999-Mar.31, 2000), because the ratio of Japan in total net sales and assets of all segmentations are more than 90%.

The term under review (Apr.1, 2000-Mar.31, 2001) (¥ million)

	Japan	Others	Total	Elminated	Consolidated
Ⅰ.					
Net sales					
(1) Sales to customers	354,861	55,533	410,394	―	410,394
(2) In-house sales or transfer between operating divisions	24,477	12,568	37,045	(37,045)	―
Total	379,338	68,101	447,439	(37,045)	410,394
Operating expense	356,032	64,176	420,208	(36,991)	383,217
Operating income	23,306	3,925	27,231	(54)	27,177
Ⅱ. Assets	367,306	44,888	412,194	39,383	451,577

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

C. Overseas

Fiscal 2000 (Apr.1 1999- Mar.31, 2000)

	Asia	North America	Others	Total
Overseas	¥62,180 million	¥28,369 million	¥9,819 million	¥100,368 million
Consolidated sales				¥359,119 million
Ratio of overseas sales in cosolidated sales	% 17.3	% 7.9	% 2.7	% 27.9

Fiscal 2001 (Apr.1 2000-Mar.31, 2001)

	Asia	North America	Others	Total
Overseas	¥69,220 million	¥52,189 million	¥14,404 million	¥135,813 million
Consolidated sales				¥410,394 million
Ratio of overseas sales in cosolidated sales	% 16.9	% 12.7	% 3.5	% 33.1

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

2.Main countries or regions

(1)Asia……South Korea, Taiwan, Thailand, Singapore

(2)North America……U.S.A., Canada

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

②Lease transaction

	Mar.31, 2000	Mar.31, 2001
Lease rental expense	¥1,128 million	¥1,120 million
Minimum lease payments	¥2,299 million	¥2,219 million

③The treat with the company concerned (Apr.1, 2000-Mar.31, 2001)

<Parent Company>

Company name	Address	Paid-in Capital (¥ million)	business	Ratio of the right to vote	relationship	
					Board members	business
Hitachi, Ltd.	Chiyoda-ku Tokyo	281,754	manufacture and sale of electrical appliances	(1.1%) 52.5%	2 person are holding two offices concurrently.	Trading each other

Detail of Trading	The amount of business (¥ million)	Account item	The amount of carried forward (¥ million)
Sale of our products	25,193	Account receivable	6,932
		Advanced received	104
Purchase of materials	3,317	Other liabilities	306
Advance money	6,654	accounts due	661
	2,797	arrearages others	91

(Notes) The trade condition and the policy of trade 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 material prices, Hitachi, Ltd. presents prices and negotiate referring to usual prices.
3. ( ) :Figures in parentheses are ratio of the right to vote etc. of other subsidiary of Parent company: Hitachi Building Systems Co., Ltd. and other 22 companies.

④Tax Effect Accounting

Breakdown of deferred tax assets and liabilities by major factors (as of March 31, 2001) (¥million)

< Deferred Tax Assets>	
Reserve for retirement benefits	¥9,268 million
Accrued Employees Bonuses	¥1,805 million
Unrealized Profits on Inventories	¥627 million
Others	¥5,597 million
Subtotal	¥17,298 million
Valuation Allowance	¥-376 million
Total Deferred Tax Assets	¥16,921 million
< Deferred Tax Liabilities >	
Difference in Valuation of Other Securities	¥-10,193 million
Others	-689 million
Total Deferred Tax Liabilities	¥-10,882 million
Net Deferred Tax Assets	¥6,039 million

⑤Securities Fiscal 2001 (As of Mar.31, 2001)

A. Other securities estimated on market price

(¥million)

	Acquisition cost (A)	Balance sheet value (B)	B-A
Market price over balance sheet value			
(1) Stock	11,343	35,678	24,335
(2) Bond			
①Government bond・ Local government bond	−	−	−
②Company bond	−	−	−
③Others	−	−	−
(3) Others	98	99	1
Sub total	11,441	35,777	24,336
Market price under balance sheet value			
(1) Stock	694	630	-64
(2) Bond			
①Government bond・ Local government bond	−	−	−
②Company bond	−	−	−
③Others	2,000	2,000	−
(3) Others	−	−	−
Sub total	2,694	2,630	-64
Total	14,135	38,407	24,272

B. Other securities that was sold during fiscal 2001

(¥ million)

An amount of sale	Gain on sale	Loss on sale	
3,689	1,070	6	Not including an amount of MMF

C. Outlines and balance sheet value of securities that don't estimated on market price

(¥ million)

	Balance sheet value	
Other securities		
Unlisted stock (excluding over-the-counter stock)	12,768	
Unlisted company bond	30	

D. An plan for redemption of other securities that have the due date.

(¥ million)

	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	30	−	−	−
③Others	−	−	−	2,000
(2) Others	98	−	−	−
Total	128	−	−	2,000

⑥Preset price, market price and valuation profit/loss of derivative contract

Fiscal 2000 (As of Mar.31, 2000)

(Currency Related) (¥ million)

Transactions Other than Market Transactions	Preset Price	of Which: over a Year	Market Price	Valuation Profit/Loss
Forward Exchange Contracts				
Sell				
US$	267	—	258	9
Purchase				
US$	345	—	343	-1
DM	93	—	88	-5
STG	85	—	87	1
Total	791	—	777	5

(Interest Related) (¥ million)

Transactions Other than Market Transactions	Preset Price	of Which: over a Year	Market Price	Valuation Profit/Loss
Interest Rate Swap Transaction				
Fixed Interest Receivable and Variable Interest Payable	15,950	15,950	430	430
Variable Interest Receivable and Fixed Interest Payable	10,950	10,950	-60	-60
Total	26,900	26,900	369	369

Fiscal 2001 (As of Mar.31, 2001) (¥ million)

	Type of Transaction	Preset Price	Market Price	Valuation Profit/Loss
Currency	Forward Exchange Contract			
	Sell	7,449	7,874	-425
	Buy	210	243	33
Interest	Swap Transaction	37,900	222	222
Total				-170

⑦Retirement Benefits

A. Retirement benefit plan

The Company and its domestic consolidated subsidiaries have adopted a qualified retirement pension plan and unfunded benefit plan on a lump-sum payment basis, as its defined benefits system.

B. Retirement benefit obligations for fiscal 2001 (As of Mar. 31, 2001)

a. Retirement benefit obligations	¥-87,442 million
b. Pension assets	¥ 45,888 million
c. Pension assets over (under) benefit obligations	¥-41,554 million
d. Unrecognized net actuarial loss	¥7,348 million
e. Liabilities recognized in the balance sheet	¥-34,206 million

(Note)

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

C. Retirement benefit expenses for fiscal 2001 (Apr.1, 2000-Mar.31, 2001)

a. Service costs (Notes 1, 3)	¥2,715 million
b. Interest costs	¥2,989 million
c. Expected return on plan assets	¥-1,778 million
d. Amortization of transition obligations (Note 2)	¥7,697 million
e. Net periodic benefit expenses	¥11,623 million

(Notes)

1. Contributions to the qualified retirement pension plan were deducted.
2. In the first half of the current consolidated fiscal year, which was the first year in which the new standard for retirement benefit accounting was required, certain consolidated subsidiaries set up a trust for retirement benefits and contributed to the trust marketable securities at fair value equivalent to retirement benefit obligations as of the beginning of the year. As a result, these contributions of ¥32 million was recognized as a one-time expense and included in this account.
3. The subsidiaries' retirement benefit expenses calculated by the simplified method were included in service costs.

D. Actuarial calculation basis for retirement benefit obligations

a. Periodic allocation method of projected benefit obligation:
Straight-line basis over total service periods based on the unit credit method

b. Discount rate: 3.5 %

c. Expected return on plan assets: Principally 3.5 %

d. Periods for amortization of unrecognized actuarial loss (gain): 10 years
Unrecognized actuarial loss is amortized starting the year after such actuarial loss is determined on a straight-line basis over a certain period within the average remaining service period.

e. Periods for amortization of transition obligation:
Charged to income as a one-time expense for the current year