(Summary)

Consolidated Financial Report for 1st half of fiscal 2007 ended March 31, 2007

October 30, 2006

Name of Listed Company: Hitachi Cable, Ltd.
Stock Exchange where listed (Section): Tokyo Stock Exchange, Inc. (First Section)
Osaka Securities Exchange Co., Ltd. (First Section)
Code Number: 5812
Head Office: Tokyo
(URL http://www.hitachi-cable.co.jp/)
Representative: Norio Sato, President
Contact: Masaaki Tomiyama
Deputy Group-Executive, Human Resources & Administration Group
Tel: +81-3-6381-1050
Date of the Board of Directors Meeting at which the Account Settlement Plan was approved: October 30, 2006
Name of Parent Company: Hitachi, Ltd. (Code Number: 6501)
Ratio of Shares that Hitachi, Ltd. holds: 53.3%
US GAAP: No

1. Performance over 1st half of the fiscal year under review (Apr.1, 2006-Sep.30, 2006)

(1) Operating results

	Net Sales (million yen)		Operating Income (million yen)		Ordinary Income (million yen)	
September/06	251,759	(31.8%)	9,900	(249.8%)	9,663	(182.0%)
September/05	190,994	(1.2%)	2,830	(-41.4%)	3,427	(-34.3%)
March/06	425,092	(9.9%)	10,967	(9.3%)	12,042	(12.1%)

	Interim Net Income (million yen)		Interim Net Income Per Share (yen)	Diluted Interim Net Income Per Share (yen)
September/06	4,483	(318.2%)	12.34	12.34
September/05	1,072	(-54.1%)	2.95	2.95
March/06	4,940	(-1.0%)	13.44	13.44

(Notes)

① Investment income based on equity method
September/06 512 million yen
September/05 548 million yen
March/06 805 million yen

② Average number of shares outstanding (Consolidated)
September/06 363,248,198
September/05 363,202,517
March/06 363,210,874

③ Changing in accounting policy: Yes
④ Figures are rounded off to the nearest 1 million yen.
⑤ Figures in parentheses represent % change from same term of the previous year.

(2) Financial standing

	Total Asset (million yen)	Net Assets (million yen)	Equity Ratio (%)	Net Assets Per Share (yen)
September/06	367,068	187,274	50.2	507.31
September/05	327,129	177,650	54.3	489.04
March/06	338,837	181,542	53.6	499.64

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

September/06	363,318,695
September/05	363,262,476
March/06	363,232,743

(3) Statement of cash flow

	Cash Flow From Operating Activities (million yen)	Cash Flow From Investing Activities (million yen)	Cash Flow From Financing Activities (million yen)	Cash, Time Deposit and Marketable Securities at the End of Term (million yen)
September/06	9,152	-8,279	1,460	8,975
September/05	2,114	-2,035	-672	5,850
March/06	14,817	-8,043	-6,992	5,731

(4) Scope of consolidation and application of the equity method
Number of consolidated subsidiaries: 42
Number of non-consolidated subsidiaries, applied the equity method: –
Number of affiliated companies, applied the equity method: 15

(5) Change in scope of consolidation and application of the equity method
Consolidation New companies: 2
Companies removed: 4
Equity method New companies: 5
Companies removed: 2

2. Business results forecast for fiscal year 2007 (Apr.1, 2006-Mar.31, 2007)

	Net Sales (million yen)	Ordinary Income (million yen)	Net Income (million yen)
March/07	510,000	17,500	8,700

(Reference) Forecast net income per share (Whole year): 23.95 yen

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

1.Status of Corporate group

(1) Lines of business

The Hitachi Cable Group, which consists of the company submitting these interim consolidated financial statements ("Hitachi Cable"), one parent company, 42 consolidated subsidiaries, one non-consolidated subsidiary, and 21 affiliates, is engaged in the manufacture and sale of various products, primarily that of wires and cables. Other areas of business include information network solutions (i.e., 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 cables, telecommunication cables, and other facilities, and related activities.

Changes to major affiliate companies taking place during this interim consolidated fiscal period are described below.

There have been no major changes in the content of the Hitachi Cable group's lines of business.

Wires and Cables:
The following company was made a consolidated subsidiary through merger:
Hitachi Cable Trading Ltd.

Note: Effective July 1, 2006, Hitachi Cable's consolidated subsidiary Tatara Denki Kogyo Co., Ltd. merged with equity-method affiliate HMC Co., Ltd. to form Hitachi Cable Trading Ltd. In addition, beginning with this interim consolidated fiscal period, Hitachi Cable made Hitachi Cable Trading Ltd. a consolidated subsidiary.

An overview of the Hitachi Cable Group's business organization reflecting the above changes is given on page 4.

(2) Status of affiliate companies

Beginning with this consolidated fiscal period, the following company was made a new affiliate of Hitachi Cable.

(As of September 30, 2006)

Name	Location	Capital (millions of yen)	Primary lines of business	Percentage of voting rights held (%)	Relationship
Hitachi Cable Trading Ltd. (consolidated subsidiary)	Osaka	286	Sale of wires and cables, copper products, rubber products, and other molded chemical products	80	This company, which also loans money to and is in a land leasing relationship with Hitachi Cable, sells Hitachi Cable's products. Directors: three shared, one seconded, five transferred

Business Map

Parent Company：Hitachi, Ltd.

Hitachi Cable, Ltd

Wires and Cables

－Consolidated Subsidiaries 24－

Tonichi Kyosan Cable, Ltd.
Hitachi Densen Shoji, Ltd.
Hitachi Cable Fine Tech, Ltd.
Hitachi Magnet Wire, Ltd.
Hitachi Cable Trading Ltd.
Hitachi Cable (Johor) Sdn.Bhd.
Shanghai Hitachi Cable Co., Ltd.
Hitachi Cable (Suzhou) Co., Ltd.
Thai Hitachi Enamel Wire Co., Ltd.
Other 15 companies

－Affiliates 9－

＊J-Power Systems Corp.
Other 8 companies

Information and Telecommunications Networking

－Consolidated Subsidiaries 3－

Hidec Systems Co., Ltd.
Hitachi Cable America, Inc.
Hitachi Cable Manchester Inc.

－Non-consolidated Subsidiaries 1－

－Affiliates 6－

＊Advanced Cable Systems Corp.
＊CNMP Holdings, Inc.
Other 4 companies

Sophisticated Materials

－Consolidated Subsidiaries 14－

Hitachi Alloy, Ltd.
Hitachi Cable Precision Co., Ltd.
Hitachi Cable MEC-Tech, Ltd.
Tohoku Rubber Co., Ltd.
Giga Epitaxy Technology Corporation.
Hitachi Cable Indiana, Inc.
Hitachi Cable Asia Pacific Pte. Ltd.
Other 7 companies

－Affiliates 4－

＊Shanghai Sunshine Copper Products Co., Ltd.
Other 3 companies

Customers

Other Businesses

－Consolidated Subsidiaries 1－

Hitachi Cable Logi-Tech, Ltd.

－Affiliates 2－

*1 In the business organization chart, arrows indicate flows of products and services, while asterisks (*) indicate companies to which the equity method is applied.

*2 Effective April 1, 2006, Hitachi Cable transferred its electronic-device wire business to Hitachi Cable Fine Tech, Ltd.

*3 Effective April 1, 2006, the businesses of development, design, manufacture, and sale of fiber-optic cables and optical-cable devices for the Japanese market conducted by Hitachi Cable and Corning Cable Systems LLC of the United States were transferred to Advanced Cable Systems Corp.

*4 Effective April 1, 2006, Tohoku Rubber Co., Ltd. absorbed its subsidiaries Tohoku Rubber Sales Co., Ltd. and Tohoku Rubber Molding Co., Ltd.

*5 Effective April 1, 2006, the sales operations of the Singapore branch of Hitachi Cable's consolidated subsidiary Hitachi Cable Asia Ltd. were transferred to Hitachi Cable (Singapore) Pte. Ltd. Effective on the same date, Hitachi Cable (Singapore) Pte. Ltd. acquired all shares of stock in its subsidiary, HCAS Thai Trading Co., Ltd. Furthermore, effective on the same date Hitachi Cable (Singapore) Pte. Ltd. changed its name to Hitachi Cable Asia Pacific Pte. Ltd.

2. Management policies

(1) Fundamental Company management policies; mid- to long-term management strategies

The Hitachi Cable Group seeks to promote management activities based on compliance with laws and appropriate ethics, focusing on both the customers and the greater society. On this foundation, the Hitachi Cable Group seeks to achieve sustainable growth in corporate value and to serve a vital group of companies worthy of the confidence placed in it by society.

In the 2007 fiscal year, Hitachi Cable celebrates the 50th anniversary of its spin-off from Hitachi, Ltd. Considering this its second founding year, the Company has formulated a new midterm management plan — Plan BEGIN*1 — under which it will seek to shift to a new growth phase as it achieves growth and expansion in its business operations while proceeding with structural reforms tailored to the market environment.

Under Plan BEGIN, the Hitachi Cable Group will achieve firm proft growth on core products in the Sophisticated Materials, Information and Telecommunications Networking , and Wires and Cables segments, segments vital to the growth of its social and information infrastructures. It will also expand its business operations through aggressive investment of management resources in key target fields, based on a strong awareness of the need to create products capable of taking top global market shares. The Group targets an ordinary income figure of 20 billion yen for the 2009 fiscal year.

Target fields include electronics, wireless/broadcasting/information networking, and automotive sectors. In these three fields, the Group will seek to increase sales and market share by consistently introducing new products with high profit potential.

Key products in the electronics field include tape automated bonding (TAB) products, micro coaxial cables, high-strength copper alloy strips, and gallium nitride boards, all of which are related to the fields of digital home electronics and semiconductors, which promise sustained growth into the future. In the wireless/broadcasting/information networking field, key products include next-generation Ethernet switches*2 and wireless IP telephones. For these key products, efforts will target expanded sales and swift introduction of new products. Goals in the automotive field will include expanding sales of power harnesses for hybrid electric vehicles (HEVs), electronic parts and sensors, magnet wires, and rolled copper foil, targets to be achieved by strengthening the functions of the Automotive Business Promotion Center.

In support of these business strategies, in addition to proceeding to strengthen its research and development structure, the Group will make comprehensive efforts to reduce waste and strengthen production technologies through progress in manufacturing. It will also seek to develop human resources and restructure manufacturing capabilities through progress in human-resource development.

The Group will make progress in manufacturing by establishing a Hitachi Cable Just-in-Time (JIT) production system based on the Toyota production system, building on the broad range of production innovation activities already implemented. In this way, it seeks to reduce costs and ensure stable quality levels through overall value-chain optimization, based on production and means such as shorter lead times and reduced in-process and other inventory.

Through this manufacturing progress, it will also target progress in human-resource development: in addition to progress in restructuring workplace capabilities by ensuring safety, improving quality and yields, and transferring skills, the Group will seek to develop a market-savvy workforce capable of independent thought and action.

The Group will also seek to improve management support structure and to strengthen governance of Group member companies. In the 2006 fiscal year, it sought to achieve results such as thorough implementation of management policies, shared business strategies, and reduced cost of managing subsidiaries by optimizing the number of Group member companies. As a result, the number of subsidiaries has been reduced from 58 as of the end of March 2005 to 42 by the end of September 2006. In the future, in addition to firmly achieving the results of these efforts, the Group will seek to improve its marketing capabilities and to promote activities to develop new major global accounts in overseas markets – in particular, by improving and strengthening regional management centers for the markets of Europe and the Americas, China, and Southeast Asia. It will also seek to improve management, to develop national staff in each market, and to improve the revenue-generating capabilities of overseas Group member companies.

Through a broad range of activities that include providing new products and services, by building a system of internal controls based on the COSO framework*3, and by promoting environmental protection and workforce diversity, the Group plans to develop in harmony with society, responding to the expectations of its customers, shareholders, and other stakeholders. In addition, it will realize fair and easy-to-understand management by responding swiftly and appropriately to the broad range of management issues it currently faces, by firmly establishing its committee system.

*1 Midterm business plan covering the period from the 2007 through 2009 fiscal years.
BEGIN is an acronym for "Breaking through with our Energy and Going for INnovation."
*2 Ethernet is a registered trademark of Xerox Corporation.
*3 An internal-controls framework released by the Treadway Commission in the United States.
COSO is the abbreviation for the Committee of Sponsoring Organizations of the Treadway Commission.

(2) Basic Company policy on dividends

Hitachi Cable distributes suitable dividends after overall assessment of matters such as business performance, enhancements of the management structure, and future business strategies. In other words, through dividends, the Company seeks to return profits to shareholders after considering business performance, consistent line with its basic policy of providing stable dividends. It also makes effective use of the remaining funds to apply business resources to businesses with high potential for future growth and to revitalize existing businesses among other goals, while continuing to maintain and strengthen the soundness of its financial foundations. The Company employs a basic policy of paying cash dividends twice each year, on the basis dates of the final day of the first half of the fiscal year (the last day of September) and the final day of the fiscal year (the last day of March).

Hitachi Cable sees the acquisition of treasury shares to be another effective way to distribute profits to shareholders, implementing relevant measures while considering matters such as trends in share prices and the Company's financial circumstances.

(3) Concepts, policies, etc. regarding reducing the minimum investment unit

While Hitachi Cable realizes that reducing stock investment units is an effective way to invigorate the market for its shares, doing so would require considerable expense. Since Hitachi Cable currently places the highest management priority on growth and expansion of its businesses, for the time being, the Company will continue to examine various issued associated with reducing stock investment units, while focusing on trends in the stock market and accounting for business performance and share prices, among other factors.

3. Business Performance and Financial Status

(1) Business Performance

Despite the effects of rising prices of commodities such as petroleum worldwide, the world's economy boomed during this interim consolidated fiscal period, supported by economic expansion in the United States and in the East Asia region, particularly in China. The Japanese economy grew steadily during this fiscal period, supported by booming personal consumption and by growth in private-sector capital investment resulting from improved business earnings and other factors.

Given these economic conditions, the Hitachi Cable Group sought to improve business performance by investing business resources in fields that promise growth, as well as by proceeding with structural reforms including the selection and concentration of businesses and cost reductions.

Described below is the business performance for this interim consolidated fiscal period resulting from these efforts.

Due to factors such as the rising price of products such as wires, cables, and copper products due to increasing copper prices and strong demand in the wires and cables sector, sales grew to 251,759 million yen, 32% higher than in the previous interim consolidated fiscal period. In terms of income, due to factors such as gains on end-of-term revaluation of inventory assets with the rapid rise of copper prices from the end of the previous consolidated fiscal year though the end of this interim consolidated fiscal period, as well as progress in passing higher copper costs to sale prices and reductions in losses already sustained, in addition to high demand for wires and cables, operating income increased 250% from the previous interim consolidated fiscal period to 9.9 billion yen. Ordinary income increased 182% from the previous interim consolidated fiscal period to 9,663 million yen. The Company also recorded extraordinary losses of 1,168 million yen in restructuring expenses and 510 million yen in impairment losses. These and other factors led to a net income of 4,483 million yen for this interim consolidated fiscal period, an increase of 318% over the previous interim consolidated fiscal period.

An overview of business performance for each segment by business type follows. Sales figures for each segment include internal sales and transfers between segments.

Wires and cables

In this segment, factors such as rising sale prices resulting from rising cost of copper, a primary raw material, led to higher sales figures from the previous interim consolidated fiscal period.

Sales of industrial and power cables boomed primarily in markets such as those for construction and private-sector capital investment. Sales of electronic wires and wiring devices were also strong in industrial markets, including those for semiconductor manufacturing equipment applications and in the field of digital home electronics. Sales of magnet wires boomed as well in markets for electronic automotive components and heavy electrical devices.

As a result, sales in this segment totaled 129,816 million yen, an increase of 42% over the figure for the previous interim consolidated fiscal period. Operating income in this segment totaled 4,911 million yen, an increase of 364% over the figure for the previous interim consolidated fiscal period.

Information and telecommunications networking

In the information networking solutions area, while shipments to public- and private-sector markets were sluggish,

shipments to telecommunications carriers tended to concentrate in this interim consolidated fiscal period, leading to figures above those of the previous interim consolidated fiscal period. In the area of high-frequency wireless systems, factors such as a boom in construction projects for installation of mobile phone base stations led to performance exceeding the previous interim consolidated fiscal period. For telecommunications cables, the transfer of the fiber-optic cable sales business to equity-method affiliate Advanced Cable Systems Corp. effective April 1, 2006 and other factors led to performance figures below those for the previous interim consolidated fiscal period. In the area of submarine optical cables, the lack of any large-scale projects led to lower figures for this segment than in the pervious interim consolidated fiscal period.
As a result, sales in this segment were 34,227 million yen, a decline of 2% from the previous interim consolidated fiscal period. Operating income in this segment totaled 1,347 million yen, an increase of 437% from the previous interim consolidated fiscal period.

Sophisticated Materials

Sales of compound semiconductors recovered, particulaly of those used in high-frequency devices used in products such as mobile phones, leading to performance exceeding the previous interim consolidated fiscal period. For TAB tape, in addition to booming sales of chip-on-film (COF) products for large LCD panels, sales of μBGA* products for high-speed DDR2 SDRAM memory also grew, leading to sales exceeding those of the previous interim consolidated fiscal period.
For copper products, the effects of increased sale prices due to rising copper prices led to higher sales figures. Sales of copper strips in particular showed a marked increase, due to a recovery in demand for semiconductor applications. As a result, sale of copper products as a whole exceeded those of the previous interim consolidated fiscal period.
In the area of auto parts, in addition to factors such as strong sales of sensors, sales in the key product line of hose parts boomed, leading to performance figures exceeding those of the previous interim consolidated fiscal period.
As a result of the above factors, sales in this segment totaled 96,379 million yen, an increase of 32% over the figure from the previous interim consolidated fiscal period. Operating income in this segment was 3,377 million yen, for an increase of 154% over the previous interim consolidated fiscal period.

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

Other Businesses

This segment is composed of logistics and other businesses. Sales in this segment were 8,724 million yen, 5% above those of the previous interim consolidated fiscal period. Operating income in this segment was 274 million yen, 37% higher than in the previous interim consolidated fiscal period.

(2) Matters that require Company attention and projected results for the full consolidated fiscal year

Despite projections of continued gentle economic growth centered on the United States and China, several factors have led to uncertainty concerning immediate prospects for the worldwide economy, including concerns about slowed economic growth in the United States due to rising interest rates and the rising cost of raw materials in global markets such as nonferrous metals and petroleum. Although gentle growth is also expected for the Japanese economy due to strong capital investment in the private sector and strong robust consumption, many factors create uncertainty here as well, including the effects of the government shift away from its zero-interest-rate policy and geopolitical tensions. The future remains difficult to predict.
Given these economic conditions, under Plan BEGIN, its new midterm management plan, the Hitachi Cable Group seeks to achieve an ordinary-income figure of 20 billion yen in the 2009 fiscal year. To achieve this goal, it plans to expand its businesses by resolutely increasing profits in its core businesses while proceeding with structural reforms tailored to the market environment, as well as by aggressively investing management resources in key target business fields. Projections concerning market trends in the second half of this consolidated fiscal year and business performance for this full consolidated fiscal year are discussed below.

Wires and cables

In this segment, the cost of copper is projected to remain high throughout this consolidated fiscal year, leading to higher product prices. Performance in this segment is projected to exceed that of the previous consolidated fiscal year overall.
Sales of industrial and power cables are projected to remain strong in markets such as those for private-sector capital investment. Sales of electronic wires and wiring devices are projected to remain strong in markets such as those involving applications in industrial devices and in the field of digital home electronics. Sales of magnet wires are also projected to remain strong for heavy electrical devices. Sales of electronic automotive components are projected to grow.
In summary, projected sales in this segment are 263.3 billion yen, approximately 29% higher than the figure for the previous consolidated fiscal year.

Information and telecommunications networking

In the area of information network solutions, in addition to an anticipated plateau in demand from telecommunications carriers in advance of the scheduled switch to a next-generation network, public- and private-sector demand is projected to be sluggish. These factors are expected to result in lower performance than in the previous consolidated fiscal year.
In the area of high-frequency wireless systems, while capital investments by mobile-phone carriers are projected to grow, due to the results of the adoption of a system whereby users can keep their current phone numbers when switching carriers and by the entry of new carriers, among other factors, this fiscal year is an in-between period for demand for use in terrestrial digital broadcasting. These factors are expected to lead to performance below that of the previous consolidated fiscal year.
For telecommunications cables, the transfer of the landline fiber-optic cable sales business to Advanced Cable Systems Corp. will likely reduce performance figures below those for the previous consolidated fiscal year.
In summary, projected sales in this segment are 69.5 billion yen, for a decline of approximately 13% from the previous consolidated fiscal year.

Sophisticated Materials

Sales of compound semiconductors are projected to increase from the previous consolidated fiscal year due to continued strong demand for use in high-frequency devices and projected growth in sales for LED use.
In the market for TAB products, COF demand for use in large LCD panels is projected to grow. Demand for μBGA products, particularly for use in DDR2 SDRAM memory, is projected to continue to boom. These factors are expected to result in performance exceeding that for the previous consolidated fiscal year.
Sales of copper strips are projected to exceed those of the previous consolidated fiscal year, due to a recovering demand in digital fields.
In the area of auto parts, sales of various sensors are projected to remain strong, while sales of hose parts are projected to continue to boom. Such factors are expected to sales above those of the previous consolidated fiscal year.
In summary, projected sales in this segment are 196.3 billion yen, approximately 22% higher than in the previous consolidated fiscal year.

Other Businesses

Sales in this segment are projected to be 16.9 billion yen, approximately 2% lower than those of the previous consolidated fiscal year.

The preceding information provides an overview of segment sales projections by business area. The following levels of business performance are projected for the full fiscal year: sales of 510 billion yen, ordinary income of 17.5 billion yen, and net income of 8.7 billion yen.

(3) Financial conditions

① Financial conditions in this interim consolidated fiscal period

The balance of cash and cash equivalents at the end of this interim consolidated fiscal period was 8,975 million yen, an increase of 3,244 million yen from the end of the previous consolidated fiscal year. The condition of each type of cash flow and related factors are described below.

Cash flow from operating activities was 9,152 million yen, due to factors including 7,921 million yen in net income before taxes and other adjustments and depreciation of 9,005 million yen. Factors contributing to increased cash flow included an increase of 10,945 million yen in accounts payable; factors contributing to decreased cash flow included an increase of 12,490 million yen in inventory assets and an increase of 7,554 million yen in accounts receivable.
The cash flow used in investment activities was 8,279 million yen. This figure resulted from factors including expenditures of 10,578 million yen on acquisition of tangible fixed assets, income of 1,125 million yen from repaid loans, and income of 1,017 million yen from the sale of negotiable securities.
Cash flow from finance activities was 1,460 million yen. This figure resulted from factors including an increase of 2,872 million yen in short-term debts, as well as the following expenditures: 1,272 million yen on payment of dividends and 108 million yen on repayment of long-term debts.

② Projections for the full consolidated fiscal year

Net income before taxes and other adjustments, components of cash flow from operating activities, is projected to total 15.5 billion yen.
For components of cash flow from investment activities, the amount of capital investment is projected to increase over the previous consolidated fiscal year, while the amount spent on acquisition of negotiable securities is projected to decline from the previous consolidated fiscal year.

With regard to cash flow from finance activities, the Company plans to continue reducing its interest-bearing debts through efficient use of funds within the Group.
Due to the above factors, the balance of cash and cash equivalents at the end of this consolidated fiscal year is projected to decline by approximately 500 million yen from the end of the previous consolidated fiscal year.

③Trends in Financial Status

	Sep. 2002	Sep. 2003	Sep. 2004	Sep. 2005	Sep. 2006	Mar. 2006
Shareholder Equity Ratio (%)	51.8	50.9	54.4	54.3	50.2	53.6
MTM Shareholder Equity Ratio (%)	32.5	44.0	46.9	51.2	52.8	71.6
Years to Pay off Debt (%)	4.4	8.0	16.7	22.5	5.1	2.9
Interest Coverage Ratio (%)	21.0	13.9	6.2	4.1	12.2	11.5

Notes:
Shareholder equity ratio: total shareholder equity/total assets
MTM shareholder equity ratio: value (marked to market) 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. Consolidated financial figures are used to calculate each of the above indicators.
2. The MTM value of total shares is calculated by multiplying the end-of-term closing price per share by the end-of-term total number of shares issued and outstanding.
3. Cash flow from operations refers to the figure for cash flow from business activities shown on the consolidated cash flow statement.
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 as shown on the consolidated cash flow statement.

4. Consolidated Interim Balance Sheet

(Rounded to the nearest million yen)

Accounts	1st half of Fiscal 2006 (Sep.30, 2005)	1st half of Fiscal 2007 (Sep.30, 2006)	End of Fiscal 2006 (Mar.31, 2006)
(Assets)			
Current assets	156,929	204,743	170,444
Cash and deposits in banks	5,851	8,997	5,749
Notes receivable and accounts receivable	79,751	113,015	98,289
Inventories	50,941	59,682	46,985
Deferred income tax	9,557	9,029	4,747
Other current assets	12,187	14,485	15,141
Allowance for doubtful accounts	-1,358	-465	-467
Fixed assets	170,200	162,325	168,393
Tangible fixed assets	121,341	117,299	117,600
Buildings and structures	45,213	44,621	44,991
Machinery and equipment, vehicles, etc.	59,657	55,001	56,006
Land	9,620	9,514	9,514
Construction in progress	6,851	8,163	7,089
Intangible fixed assets	6,806	7,305	7,140
Software, etc.	6,806	7,305	7,140
Investments and other assets	42,053	37,721	43,653
Negotiable securities	26,105	17,738	24,123
Long-term loans	3,244	3,178	3,467
Prepaid pension expenses	—	2,904	—
Deferred income tax	11,835	9,156	15,240
Other	3,505	7,680	3,593
Allowance for doubtful accounts	-2,636	-2,935	-2,770
Total assets	327,129	367,068	338,837

(Rounded to the nearest million yen)

Accounts	1st half of Fiscal 2006 (Sep.30, 2005)	1st half of Fiscal 2007 (Sep.30, 2006)	End of Fiscal 2006 (Mar.31, 2006)
(Liabilities)			
Current liabilities	102,115	137,986	116,053
Notes payable and accounts payable	54,157	85,823	67,328
Short-term debt	24,202	23,294	20,196
Deferred tax liabilities	—	111	—
Other current liabilities	23,756	28,758	28,529
Fixed liabilities	44,616	41,808	38,604
Company bonds	5,000	5,000	5,000
Long-term debt	18,408	18,300	18,408
Deferred tax liabilities	633	379	491
Accrued pension and severance costs for employees	18,878	16,921	13,614
Reserve for directors' retirement allowances	711	818	825
Consolidated adjustment accounts	540	—	—
Other fixed liabilities	446	390	266
Total liabilities	146,731	179,794	154,657
Minority investment	2,748	—	2,638
(Shareholders' equity)			
Paid-in capital	25,948	—	25,948
Capital surplus	30,665	—	31,516
Earned surplus	126,330	—	128,075
Revaluation gains/losses on available-for-sale securities	2,355	—	1,769
Exchange-rate adjustment account	-3,210	—	-1,319
Treasury stock	-4,438	—	-4,447
Total shareholders' equity	177,650	—	181,542
Total liabilities, minority investment, and shareholders' equity	327,129	—	338,837
(Net assets)			
(Shareholders' equity)	—	183,804	—
Paid-in capital	—	25,948	—
Capital surplus	—	31,516	—
Earned surplus	—	130,761	—
Treasury stock	—	-4,421	—
Revaluation/translation gains/losses	—	513	—
Revaluation gains/losses on available-for-sale securities	—	1,673	—
Deferred hedging gains/losses	—	325	—
Exchange-rate adjustment account	—	-1,485	—
Minority investment	—	2,957	—
Total net assets	—	187,274	—
Total liabilities and net assets	—	367,068	—

5. Consolidated Interim Statement of Profit and Loss

(Rounded to the nearest million yen)

Accounts	1st half of Fiscal 2006 (Apr.1, 2005- Sep.30, 2005)	1st half of Fiscal 2007 (Apr.1, 2006- Sep.30, 2006)	End of Fiscal 2006 (Apr.1, 2005 Mar.31, 2006)
Net sales	190,994	251,759	425,092
Cost of sales	164,301	216,884	364,744
Total return on sales	26,693	34,875	60,348
Sales and general administrative expenses	23,863	24,975	49,381
Operating income	2,830	9,900	10,967
Non-operating income	2,130	1,980	4,329
(Interest and dividends received)	227	177	501
(Miscellaneous revenues)	1,355	1,291	3,023
(Investment income by equity method)	548	512	805
Non-operating expenses	1,533	2,217	3,254
(Interest expense)	560	748	1,280
(Miscellaneous losses)	973	1,469	1,974
Ordinary income	3,427	9,663	12,042
Extraordinary income	471	455	5,953
(Gains on sale of fixed assets)	396	83	1,933
(Gains on sale of negotiable securities)	—	315	—
(Gains on securities contributed to employee retirement benefits)	—	—	3,519
(Other extraordinary income)	75	57	501
Extraordinary losses	1,786	2,197	9,606
(Restructuring costs)	1,530	1,168	3,948
(Impairment losses)	—	510	3,852
(PCB waste-disposal expenses)	—	—	989
(Other extraordinary losses)	256	519	817
Net income before taxes and other adjustments	2,112	7,921	8,389
Corporate, residence, and enterprise taxes	1,095	1,496	1,999
Corporate tax adjustments	-234	1,766	1,302
Gains to minority investors	-179	-176	-148
Net income	1,072	4,483	4,940

6. Statement of Consolidated Interim Surplus

(Rounded to the nearest million yen)

Accounts	1st half of fiscal 2006 (Apr.1, 2005-Sep.30, 2005)	End of fiscal 2006 (Apr.1, 2005-Mar.31, 2006)
[Capital surplus]		
Capital surplus brought forward	30,420	30,420
Capital surplus increase	245	1,096
(Increase from merger)	245	1,096
Capital surplus carried forward	30,665	31,516
[Earned surplus]		
Earned surplus brought forward	126,847	126,847
Earned-surplus increase	1,072	4,940
Net income	1,072	4,940
Decrease in earned surplus	1,589	3,712
(Cash dividends)	1,271	2,542
(Directors' bonuses)	69	69
(Decrease from change in scope of consolidation)	245	1,096
(Margin from treasury stock)	4	5
Earned surplus carried forward	126,330	128,075

7. Interim consolidated statement of changes in shareholders' equity, revaluation/translation gains/losses, and minority investment

1st half of fiscal 2007 (Apr.1, 2006-Sep.30, 2006)

(Rounded to the nearest million yen)

	Shareholders' equity					Revaluation/ translation gains/losses	Minority investment	Total net assets
	Paid-in capital	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity			
Balance brought forward	25,948	31,516	128,075	-4,447	181,092	450	2,638	184,180
Changes during this interim consolidated fiscal period								
Distribution of earned surplus			-1,272		-1,272			-1,272
Bonuses paid to directors			-53		-53			-53
Net income			4,483		4,483			4,483
Acquisition of treasury stock				-16	-16			-16
Sale of treasury stock			-6	47	41			41
Changes in scope of consolidation			-466	-5	-471			-471
(Net) changes during this interim consolidated fiscal period in accounts other than Shareholders' equity					—	63	319	382
Total changes during this interim consolidated fiscal period	—	—	2,686	26	2,712	63	319	3,094
Balance carried forward	25,948	31,516	130,761	-4,421	183,804	513	2,957	187,274

7. Consolidated Interim Statement of Cash Flows

(Rounded to the nearest million yen)

Accounts	1st half of fiscal 2006 (Apr.1, 2005- Sep.30, 2005)	1st half of fiscal 2007 (Apr.1, 2006- Sep.30, 2006)	End of fiscal 2006 (Apr.1, 2005 Mar.31, 2006)
Cash flow from operating activities			
Net income before taxes and other adjustments	2,112	7,921	8,389
Depreciation	9,203	9,005	19,221
Impairment losses	—	510	3,852
Increase/decrease in allowances for doubtful accounts (Decrease :-)	379	120	-319
Interest received and dividends received	-227	-177	-501
Interest expense	560	748	1,280
Exchange profit/loss (Profit :-)	-179	-24	-462
Gains on sale of negotiable securities	-13	-315	—
Gains on securities contributed to employee retirement benefits	—	—	-3,519
Increase /decrease of trade receivables (Increase :-)	1,804	-7,554	-16,795
Increase /decrease of inventories (Increase :-)	-9,468	-12,490	-5,692
Increase/decrease of trade payables (Increase :-)	66	10,945	13,258
Increase/decrease of amount in arrears (Decrease :-)	-9	163	3,563
Increase /decrease of other accounts receivable (Increase :-)	—	-267	-3,897
Other	-114	2,725	-211
Subtotal	4,114	11,310	18,167
Earnings on interest and dividends	227	249	501
Interest paid	-516	-748	-1,285
Corporate tax and other taxes paid	-1,711	-1,659	-2,566
Cash flow from operating activities	2,114	9,152	14,817
Cash flow from investing activities			
Expenditures to acquire negotiable securities	-2,642	-109	-2,756
Proceeds from sale of negotiable securities	70	1,017	347
Expenditures to acquire tangible fixed assets	-9,708	-10,578	-19,691
Proceeds from sale of tangible fixed assets	1,834	317	3,921
Expenditures for loans	-90	-47	-101
Proceeds from collection of loans	8,484	1,125	9,984
Other	17	-4	253
Cash flow from investing activities	-2,035	-8,279	-8,043
Cash flow from finance activities			
Increase/decrease of short-term borrowing (Decrease :-)	11,117	2,872	6,098
Expenditures for repayment of long-term debt	-494	-108	-509
Expenditures for redemption of company bonds	-10,000	—	-10,000
Expenditures to acquire treasury stock	-16	-16	-36
Dividends paid by parent company	-1,271	-1,272	-2,542
Dividends paid to minority shareholders	-43	-57	-48
Other	35	41	45
Cash flow from finance activities	-672	1,460	-6,992
Effect of exchange rate fluctuations on cash and cash equivalents	231	-40	599
Net increase/decrease in cash and cash equivalents	-362	2,293	381
Cash and cash equivalents at beginning of term	6,212	5,731	6,212
Net increase/decrease in cash and cash equivalents from newly consolidated subsidiaries	—	951	—
Net increase/decrease in cash and cash equivalents from removal of consolidated subsidiaries	—	—	-862
Cash and cash equivalent at end of term	5,850	8,975	5,731

Note: Relationship between balance of cash and cash equivalents at end of term and amounts shown in the consolidated balance sheet:

Accounts	As of September 30, 2005	As of September 30, 2006	As of March 31, 2006
Cash and cash deposits	5,851	8,997	5,749
Fixed-term deposits (with terms of more than three months)	- 1	-22	- 18
Total	5,850	8,975	5,731

9. Notes on bases for preparation of these interim consolidated financial statements

(1) Notes on scope of consolidation

Consolidated subsidiaries:
42 companies, including Tonichi Kyosan Cable, Ltd. and Tohoku Rubber Co., Ltd.

Added to consolidated subsidiaries: Hitachi Cable Trading Ltd., HMC TRADING (H.K.) COMPANY LIMITED
Removed from consolidated subsidiaries: Tohoku Rubber Sales Co., Ltd., Tohoku Rubber Molding Co., Ltd., Fujinaga Electric Co., Ltd., Tatara Denki Kogyo Co., Ltd.

(2) Notes on application of the equity method

Equity-method affiliates:
15 companies, including J-Power Systems Corp. and Nippon Seisen Co., Ltd.

Added to equity-method affiliates: NIKKO SHOKAI CO., LTD., UniData Communication Systems Inc., EMC TECH CO., LTD., Zhongtian Hitachi Radio Frequency Cable Co., Ltd., Shenyang Beiheng Hitachi Copper Industry Co., Ltd.
Removed from equity-method affiliates: HMC Co., Ltd., Shin Din Cable Ltd.

(3) Notes on dates of interim accounts settlement at consolidated subsidiaries

The date of interim accounts settlement was June 30, 2006, at the following consolidated subsidiaries: Shanghai Hitachi Cable Co., Ltd., Hitachi Cable (Suzhou) Co., Ltd., Hitachi Cable Fine Tech (Suzhou) Co., Ltd., Hitachi Cable (Johor) Sdn. Bhd., Hitachi Cable Asia Pacific Pte. Ltd., Hitachi Cable Manchester Inc., Hitachi Cable Indiana, Inc., Thai Hitachi Enamel Wire Co., Ltd., Hitachi Cable Philippines, Inc., Hitachi Bangkok Cable Co., Ltd., Hitachi Cable PS Techno (Malaysia) Sdn. Bhd., Hitachi Cable America, Inc., Hitachi Cable Asia Ltd., Hitachi Cable Europe Ltd., Huanan Wire & Cable Services Co., Ltd., Ayutthaya HCL Co., Ltd., Shanghai Hitachi Cable Trading Co., Ltd., Giga Epitaxy Technology Corporation, HC Queretaro, S.A. de C.V., Hitachi Cable UK, Ltd., Euro Wire & Cable Services Industry and Trading L.L.C., HDS International (HK) Ltd., Hitachi Cable Trading (Dalian F.T.Z.) Co., Ltd., HCAS Thai Trading Co., Ltd., PHCP, Inc., Suzhou Hitachi Cable Precision Co., Ltd., and HMC TRADING (H.K.) COMPANY LIMITED Financial statements for these companies as of the date in question were used to prepare these interim consolidated financial statements, with necessary adjustments made for consolidation purposes in the event of significant transactions occurring between June 30 and September 30, 2006.

(4) Notes concerning account processing

① Standards and methods for evaluation of major assets:

A. Securities:
Shares of stock in subsidiaries and affiliates ..Cost method, using the moving-average cost method
Available-for-sale securities:
Those having fair market value ....Mark-to-market based on market values on the date of interim accounts settlement (differences between book and market values processed by direct booking to net assets; book values of sold securities processed using the moving-average cost method)
Those without fair market value ....Cost method, using the moving-average cost method

B. Derivatives……………Mark-to-market

C. Inventories…………….Primarily by the lower-of-cost-or-market method, using the periodic average method

② Method of depreciation for major depreciated assets

A. Tangible fixed assets:
Buildings and attached fixtures ....Straight-line method
Other tangible fixed assets...............................Declining-balance method

B. Intangible fixed assets ....Straight-line method
Software used by the Company was depreciated by the straight-line method, based on the number of expected years usable by the Company (five years).

③ Accounting standards for major reserves

A. Allowance for Doubtful Accounts: In preparation for losses from unrecoverable claims on accounts receivable, loans and other claims, the anticipated amount of unrecoverable claims is booked as follows: the actual rate of unrecoverability is applied to ordinary claims, and for extraordinary claims considered probably unrecoverable, the possibility of recovery is considered for each claim individually.

B. Accrued pension and severance costs for employees:

In preparation for providing retirement benefits to employees of the Company and its domestic consolidated subsidiaries, the amount of retirement-benefit obligations recognized to have arisen as of the end of this interim consolidated fiscal period was booked as accrued pension and severance costs for employees, based on retirement benefit obligations as of the end of this consolidated fiscal year and on anticipated pension assets. Past service liabilities were booked as a single lump-sum expense when they arose in each consolidated fiscal year.

Actuarial gains and losses were processed by the straight-line method as expenses, beginning the consolidated fiscal year following the year in which they arose, using an amount prorated over a fixed number of years (10 years) within the average remaining service period for personnel employed at the time of each such gain or loss.

C. Reserve for directors' retirement allowances:

In preparation for payment of retirement benefits to directors, the amount required at the end of this interim consolidated fiscal period was booked based on Company rules.

④ Translation standards for converting to yen major assets or liabilities denominated in foreign currencies

Monetary claims and obligations denominated in foreign currency were converted to yen at the spot exchange rates as of the date of interim consolidated accounts settlement, with any differences in conversion booked as gains or losses. Assets, liabilities, income, and expenses for overseas subsidiaries were also converted to yen at the spot exchange rates as of the date of interim consolidated accounts settlement.

⑤ Standards for booking income and expenses

The accounting standards for construction in progress were applied to income and expenses for long-term, large-scale contracting work (i.e., those involving construction periods of more than one year and contracts of 500 million yen or more in value).

⑥ Method of processing major lease transactions

For finance lease transactions other than those for which ownership rights to the leased property are recognized as having been transferred to the lessee, account processing was carried out in accordance with methods used for ordinary rental transactions.

⑦ Major hedge account processing methods:

A. Hedge accounting methods:

Fluctuating interest on debts: Interest-rate swaps that meet the requirements for exceptional processing are processed by exceptional processing.

Fluctuations in raw-material costs: Deferral hedge accounting was applied.

B. Hedge schemes used and hedge targets:

Hedge schemes	Hedge targets
Interest-rate swaps	Fluctuating interest on debts
Commodity swaps	Raw-material costs

C. Hedging policies:

Derivative transactions have been used to avoid fluctuation risks in market interest rates on certain debts and in market prices of raw materials. No speculative transactions have been conducted.

D. Method of evaluating hedging efficacy:

Hedging efficacy is evaluated by comparing cumulative fluctuations in market values or cash flow for the hedge target with cumulative fluctuations in market values or cash flow for the hedge scheme. However, hedging efficacy is not evaluated for interest-rate swaps subjected to exceptional processing.

⑧ Other important notes on preparing these interim consolidated financial statements

A. Account processing of consumption tax, etc.:

The tax-excluded method was used.

(5) Scope of funds included on the interim consolidated cash flow statement

The funds included under "Cash and Cash Equivalents" on the interim consolidated cash flow statement are cash-on-hand, deposits that may be withdrawn at any time, and short-term investments with maturity of three months or less as of the date of purchase and with only insignificant fluctuating value risks.

10. Significant changes in bases for preparing interim consolidated financial statements

Standards for presentation of net assets on the balance sheet:

ASB Accounting Standard No. 5, Accounting Standard for Presentation of Net Assets on the Balance Sheet and ASBJ Guidance No. 8, Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet (both issued December 9, 2005) have been applied, beginning with this interim consolidated fiscal period.
The amount corresponding to total paid-in capital until now has been 183,992 million yen.
In accordance with amendments to rules on interim consolidated financial statements, net assets on the interim consolidated balance sheet for this interim consolidated fiscal period have been booked pursuant to the amended rules.

Change in method for calculating costs:

Beginning with this interim consolidated fiscal period, total processing costs by process have been calculated using the direct cost method rather than the absorption costing method previously employed. Use of the direct cost method means that fixed production costs incurred during the fiscal period are adjusted at the end of the fiscal period to derive adjusted full costs.
This change in methods had no effects on calculations.

11. Changes in representation methods

Interim consolidated balance sheet:

① Although at the end of the previous interim consolidated fiscal period and of the previous consolidated fiscal year amounts invested in affiliates have been included in Negotiable Securities under Investments and Other Assets (in amounts of 4,922 million yen at the end of the previous interim consolidated fiscal period and 5,019 million yen at the end of the previous consolidated fiscal year), beginning with the end of this interim consolidated fiscal period, these amounts were included in Other under Investments and Other Assets. The amount booked at the end of this interim consolidated fiscal period was 4,984 million yen.

② Although the amount by which pension assets exceeded retirement and severance liabilities was included in Accrued Pension and Severance Costs for Employees under Fixed Liabilities at the end of the previous interim consolidated fiscal period and of the previous consolidated fiscal year, from the end of this interim consolidated fiscal period, these have been classified as Prepaid Pension Expenses under Investments and Other Assets. The amount booked at the end of the previous interim consolidated fiscal period was 1,848 million yen. The amount booked at the end of the previous consolidated fiscal year was 2,097 million yen.

12. Notes

(1) Notes on the consolidated balance sheet

End of previous interim consolidated fiscal period September 30, 2005	End of this interim consolidated fiscal period September 30, 2006	End of previous consolidated fiscal year March 31, 2006
① Accumulated depreciation of tangible fixed assets 277,108 million yen ② Guarantee of loans (including contingent guarantees) 2,279 million yen ③ Letter of awareness 727 million yen ④ Notes receivable endorsed 1,124 million yen ⑤ Promissory notes transferred due to securitization of assets 13,586 million yen ⑥ Trade receivable transferred due to securitization of assets 16,384 million yen	① Accumulated depreciation of tangible fixed assets 275,508 million yen ② Guarantee of loans (including contingent guarantees) 3,623 million yen ③ Letter of awareness 830 million yen ④ Notes receivable endorsed 1,554 million yen ⑤ Promissory notes transferred due to securitization of assets 17,213 million yen ⑥ Trade receivable transferred due to securitization of assets 15,579 million yen	① Accumulated depreciation of tangible fixed assets 281,009 million yen ② Guarantee of loans (including contingent guarantees) 3,007 million yen ③ Letter of awareness 636 million yen ④ Notes receivable endorsed 1,111 million yen ⑤ Promissory notes transferred due to securitization of assets 14,961 million yen ⑥ Trade receivable transferred due to securitization of assets 15,907 million yen

(2) Notes on the consolidated statement of changes in shareholders' equity

This interim consolidated fiscal period (April 1 - September 30, 2006)

① Numbers and types of shares issued and outstanding

Type of stock	Number of shares at end of previous consolidated fiscal year (thousands)	Number of shares added during this consolidated fiscal period (thousands)	Number of shares eliminated during this consolidated fiscal period (thousands)	Number of shares at end of this consolidated fiscal period (thousands)
Common stock	374,018	–	–	374,018

② Numbers and types of shares of treasury stock

Type of stock	Number of shares at end of previous consolidated fiscal year (thousands)	Number of shares added during this consolidated fiscal period (thousands)	Number of shares eliminated during this consolidated fiscal period (thousands)	Number of shares at end of this consolidated fiscal period (thousands)
Common stock	10,785	27	113	10,699

Note: The increase in number of shares of treasury stock of 27,000 shares resulted from purchase of shares in less than the minimum trading unit. The decrease of 113,000 shares resulted from the sale of 1000 shares in less than the minimum trading unit and the exercise of stock options on 112,000 shares.

③ Notes concerning stock options

None.

④ Notes concerning dividends

(i) Amount paid

Resolution	Type of stock	Total amount of dividends (millions yen)	Dividends per share (yen)	Basis date	Effective date
May 29, 2006 Board of Directors meeting	Common stock	1,272	3.50	March 31, 2006	May 30, 2006

(ii) Dividends with basis dates during this interim consolidated fiscal period and effective dates after the end of this interim consolidated fiscal period

Resolution	Type of stock	Total amount of dividends (millions yen)	Source of dividend funds	Dividends per share (yen)	Basis date	Effective date
October 30, 2006 Board of Directors meeting	Common stock	1,272	Earned surplus	3.50	September 30, 2006	December 4, 2006

(3) Notes on lease transactions

Since these notes have been disclosed using EDINET, they have been omitted from this report.

(4) Securities

1st Half of Fiscal 2006（As of Sep.30, 2005）

A. Other Securities Estimated on Market Price

	Acquisition Cost (A) (million yen)	Balance Sheet Value (B) (million yen)	B-A (million yen)
(1) Stock	4,288	8,244	3,956
(2) Bond			
Government Bond, Local Government Bond	35	35	—
Company Bond	—	—	—
Others	—	—	—
(3) Others	—	—	—
Total	4,323	8,279	3,956

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

Other Securities	Balance Sheet Value (million yen)
Unlisted shares (not including shares in nonconsolidated subsidiaries and affiliates)	4,920
Memberships, etc.	1,474

1st Half of Fiscal 2007（As of Sep.30, 2006）

A. Other Securities Estimated on Market Price

	Acquisition Cost (A) (million yen)	Balance Sheet Value (B) (million yen)	B-A (million yen)
(1) Stock	2,678	5,546	2,868
(2) Bond			
Government Bond, Local Government Bond	35	35	—
Company Bond	—	—	—
Others	—	—	—
(3) Others	—	—	—
Total	2,713	5,581	2,868

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

Other Securities	Balance Sheet Value (million yen)
Unlisted shares	12,157

Fiscal 2006 (As of Mar.31, 2006)

A. Other Securities Estimated on Market Price

	Acquisition Cost (A) (million yen)	Balance Sheet Value (B) (million yen)	B-A (million yen)
(1) Stock	2,637	5,702	3,065
(2) Bond			
Government Bond, Local Government Bond	35	35	—
Company Bond	—	—	—
Others	—	—	—
(3) Others	—	—	—
Total	2,672	5,737	3,065

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

Other Securities	Balance Sheet Value (million yen)
Unlisted shares (not including shares in nonconsolidated subsidiaries and affiliates)	1,749
Memberships, etc.	1,415

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

A. Currency (million yen)

Type of subject hedged	Type of transaction	1st Half of Fiscal 2006 (As of Sep.30, 2005)			1st Half of Fiscal 2007 (As of Sep.30, 2006)			Fiscal 2006 (As of Mar.31, 2006)		
		Preset Price	Market Price	Valuation Profit/ Loss	Preset Price	Market Price	Valuation Profit/ Loss	Preset Price	Market Price	Valuation Profit/ Loss
Currency	Forward exchange contracts									
	Sell	12,309	12,691	-382	15,384	15,786	-402	14,642	14,795	-153
	Call	2	2	0	-	-	-	-	-	-
Total		-	-	-382	-	-	-402	-	-	-153

B. Interest rates

None

Note: Excludes derivative transactions to which hedge accounting is applied.

C. Raw materials

None

Note: Excludes derivative transactions to which hedge accounting is applied.

(6) Segment Information

①Results by Operating Division

1st Half of Fiscal 2006（Apr.1, 2005-Sep.30, 2005）

(million yen)

	Wires and Cables	Information and Telecommunications Networking	Sophisticated Materials	Other Business	Total	Eliminated or Company-wide	Consolidated
Net Sales (1) Sales to Customers	87,641	32,128	69,128	2,097	190,994	—	190,994
(2) In-house Sales or Transfer between Operating Divisions	3,903	2,850	3,838	6,219	16,810	(16,810)	—
Total	91,544	34,978	72,966	8,316	207,804	(16,810)	190,994
Operating Expense	90,486	34,727	71,638	8,116	204,967	(16,803)	188,164
Operating Income	1,058	251	1,328	200	2,837	(7)	2,830

1st Half of Fiscal 2007（Apr.1, 2006-Sep.30, 2006）

(million yen)

	Wires and Cables	Information and Telecommunications Networking	Sophisticated Materials	Other Business	Total	Eliminated or Company-wide	Consolidated
Net Sales (1) Sales to Customers	124,977	32,144	92,522	2,116	251,759	—	251,759
(2) In-house Sales or Transfer between Operating Divisions	4,839	2,083	3,857	6,608	17,387	(17,387)	—
Total	129,816	34,227	96,379	8,724	269,146	(17,387)	251,759
Operating Expense	124,905	32,880	93,002	8,450	259,237	(17,378)	241,859
Operating Income	4,911	1,347	3,377	274	9,909	(9)	9,900

Fiscal 2006（Apr.1, 2005-Mar.31, 2006）

(million yen)

	Wires and Cables	Information and Telecommunications Networking	Sophisticated Materials	Other Business	Total	Eliminated or Company-wide	Consolidated
Net Sales (1) Sales to Customers	195,512	73,203	151,949	4,428	425,092	—	425,092
(2) In-house Sales or Transfer between Operating Divisions	8,752	6,442	8,329	12,882	36,405	(36,405)	—
Total	204,264	79,645	160,278	17,310	461,497	(36,405)	425,092
Operating Expense	199,310	79,171	155,262	16,789	450,532	(36,407)	414,125
Operating Income	4,954	474	5,016	521	10,965	2	10,967

(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 (aluminum wires, constructions), etc.
Information and Telecommunications Networking	Information network solutions (information network equipment, 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 (sensors, hoses, etc.), semiconductor packaging materials (TAB, lead frames), copper products (copper tubes, copper strips, copper products for electrical use), etc.
Other Businesses	Logistics, etc.

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

② Sales Results by Location

1st Half of Fiscal 2006 (Apr.1, 2005-Sep.30, 2005) (million yen)

	Japan	Others	Total	Eliminated or Company-wide	Consolidated
Net Sales					
(1) Sales to Customers	151,862	39,132	190,994	—	190,994
(2)In-house Sales or Transfer between Operating Divisions	13,558	2,780	16,338	(16,338)	—
Total	165,420	41,912	207,332	(16,338)	190,994
Operating Expense	163,603	40,884	204,487	(16,323)	188,164
Operating Income	1,817	1,028	2,845	(15)	2,830

1st half of fiscal 2007 (Apr.1, 2006-Sep.30, 2006) (million yen)

	Japan	Others	Total	Eliminated or Company-wide	Consolidated
Net Sales					
(1) Sales to Customers	197,911	53,848	251,759	—	251,759
(2)In-house Sales or Transfer between Operating Divisions	18,368	2,995	21,363	(21,363)	—
Total	216,279	56,843	273,122	(21,363)	251,759
Operating Expense	207,348	55,857	263,205	(21,346)	241,859
Operating Income	8,931	986	9,917	(17)	9,900

Fiscal 2006 (Apr.1, 2005-Mar.31, 2006) (million yen)

	Japan	Others	Total	Eliminated or Company-wide	Consolidated
Net Sales					
(1) Sales to Customers	338,869	86,223	425,092	—	425,092
(2)In-house Sales or Transfer between Operating Divisions	30,392	6,882	37,274	(37,274)	—
Total	369,261	93,105	462,366	(37,274)	425,092
Operating Expense	359,976	91,397	451,373	(37,248)	414,125
Operating Income	9,285	1,708	10,993	(26)	10,967

(Note 1) It is omitted to mention business results by country or region in 1st half of fiscal 2006, fiscal 2006, 1st half of fiscal 2007,because the every ratio of sales of country or region in total net sales are less than 10%.
(Note 2) Others・・・U.S.A., Thailand, China, etc.
(Note 3) Because operating expenses are allocated in their entirety to individual business segments, there are no unallocatable operating expenses in the "elimination or company-wide" item.

③ Overseas

1st Half of Fiscal 2006 (Apr.1, 2005-Sep.30, 2005)

	Asia	North America	Others	Total
Ⅰ. Overseas (million yen)	34,451	10,503	5,196	50,150
Ⅱ. Consolidated Sales (million yen)				190,994
Ⅲ. Ratio of Overseas Sales in Consolidated Sales (%)	18.1	5.5	2.7	26.3

1st Half of Fiscal 2007 (Apr.1, 2006-Sep.30, 2006)

	Asia	North America	Others	Total
Ⅰ. Overseas (million yen)	52,863	15,088	4,272	72,223
Ⅱ. Consolidated Sales (million yen)				251,759
Ⅲ. Ratio of Overseas Sales in Consolidated Sales (%)	21.0	6.0	1.7	28.7

Fiscal 2006 (Apr.1, 2005-Mar.31, 2006)

	Asia	North America	Others	Total
Ⅰ. Overseas (million yen)	80,778	23,468	11,003	115,249
Ⅱ. Consolidated Sales (million yen)				425,092
Ⅲ. Ratio of Overseas Sales in Consolidated Sales (%)	19.0	5.5	2.6	27.1

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

(Note 2) Main Countries or Regions

(1) Asia･･･China, South Korea, Thailand, Singapore etc.

(2) North America･･･U.S.A., Canada

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

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

(7) Going-concern Assumption

Not applicable

(Reference)

Transition of Performance by Each Quarter

Fiscal 2007(consolidated)

	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
	Apr.2006-Jun.2006	Jul.2006-Sep.2006	Oct.2006-Dec.2006	Jan.2007-Mar.2007	Apr.2006-Sep.2006
	million yen	million yen	million yen	million yen	million yen
Net Sales	120,418	131,341	—	—	251,759
Gross Income	14,292	20,583	—	—	34,875
Operating Income	2,069	7,831	—	—	9,900
Ordinary Income	2,056	7,607	—	—	9,663
Income before Income Tax	2,081	5,840	—	—	7,921
Net Income	1,015	3,468	—	—	4,483
	yen	yen	yen	yen	yen
Net Income per Share	2.79	9.55	—	—	12.34
Diluted Net Income per Share	2.79	9.55	—	—	12.34
	million yen	million yen	million yen	million yen	million yen
Total Asset	348,907	367,068	—	—	367,068
Net Asset	184,099	187,274	—	—	187,274
	yen	yen	yen	yen	yen
Net Asset per Share	499.16	507.31	—	—	507.31
	million yen	million yen	million yen	million yen	million yen
Net Cash Provided by Operating Activities	5,324	3,828	—	—	9,152
Net Cash Used in Investing Activities	-3,374	-4,905	—	—	-8,279
Net Cash Provided by Financing Activities	-1,750	3,210	—	—	1,460
Cash and Cash Equivalents at the End of Term	5,962	8,975	—	—	8,975

Fiscal 2006 (consolidated)

	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
	Apr.2005-Jun.2005	Jul.2005-Sep.2005	Oct.2005-Dec.2005	Jan.2006-Mar.2006	Apr.2005-Mar.2006
	million yen	million yen	million yen	million yen	million yen
Net Sales	91,077	99,917	110,083	124,015	425,092
Gross Income	12,647	14,046	15,281	18,374	60,348
Operating Income	989	1,841	2,821	5,316	10,967
Ordinary Income	1,385	2,042	3,199	5,416	12,042
Income before Income Tax	1,341	771	2,982	3,295	8,389
Net Income	1,045	27	2,005	1,863	4,940
	yen	yen	yen	yen	yen
Net Income per Share	2.88	0.07	5.52	4.97	13.44
Diluted Net Income per Share	2.88	0.07	5.52	4.97	13.44
	million yen	million yen	million yen	million yen	million yen
Total Asset	320,920	327,129	347,301	338,837	338,837
Net Asset	176,707	177,650	179,280	181,542	181,542
	yen	yen	yen	yen	yen
Net Asset per Share	486.54	489.04	493.56	499.64	499.64
	million yen	million yen	million yen	million yen	million yen
Net Cash Provided by Operating Activities	-3,958	6,072	-2,399	15,102	14,817
Net Cash Used in Investing Activities	4,134	-6,169	-3,157	-2,851	-8,043
Net Cash Provided by Financing Activities	-273	-399	5,744	-12,064	-6,992
Cash and Cash Equivalents at the End of Term	6,250	5,850	6,136	5,731	5,731