Financial Report for fiscal 2007 ended March 31, 2007

April 26, 2007

Name of Listed Company: Hitachi Cable, Ltd.
Stock Exchange where listed (section): Tokyo Stock Exchange, Inc. (First Section)
Osaka Securities Exchange Co., Ltd. (First Section)
Code Number: 5812
Head Office Location: Tokyo
(URL http://www.hitachi-cable.co.jp)
President and Representative Director: Norio Sato
Contact: Shinichiro Suzumura
Deputy Group-Executive, Human Resources & Administration Group
Tel: +81-3-6381-1050
Planned date of the Regular Shareholders Meeting: June 27, 2007
Planned date of beginning payment of dividends: May 29, 2007
Planned date of submittal of Financial Statement Report: June 27, 2007

1. Performance over the year under review (Apr. 1, 2006-Mar. 31, 2007)

Note: Figures are rounded off to the nearest 1 million yen.

(1) Operating Results

	Net Sales (Million yen)		Operating Income (Million yen)		Ordinary Income (Million yen)		Net Income (Million Yen)	
		(%)		(%)		(%)		(%)
Mar./07	544,244	28.0	22,983	109.6	20,449	69.8	8,662	75.3
Mar./06	425,092	9.9	10,967	9.3	12,042	12.1	4,940	-1.0

	Net Income Per Share (Yen)	Diluted Net Income Per Share (Yen)	Ratio of Net Income to Equity (%)	Ratio of Ordinary Income to Total Assets (%)	Ratio of Operating Income to Net Sales (%)
Mar./07	23.84	23.83	4.7	5.8	4.2
Mar./06	13.44	13.44	2.8	3.6	2.6

Note: ①Investment income based on equity method Mar./07 -279 million yen Mar./06 805 million yen
②Figures 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)
Mar./07	361,892	193,600	52.6	523.60
Mar./06	338,837	181,542	53.6	499.64

Note: Equity Mar./07 190,271 million Mar./06 — million

(3) Statement of Cash Flows

	Cash Flows from Operating Activities (Million Yen)	Cash Flows from Investment Activities (Million Yen)	Cash Flows from Financing Activities (Million Yen)	Cash, Time Deposit and Marketable Securities at the End of Year (Million Yen)
Mar./07	25,561	-19,048	-4,319	9,169
Mar./06	14,817	-8,043	-6,992	5,731

2. Dividends

	Dividends Per Share			Total Dividends (Annual)	Dividend Payout Ratio (Consolidated)	Dividends on Equity (Consolidated)
(Base Date)	Sept. 30	March 31	Annual			
	(Yen)	(Yen)	(Yen)	(Million)	(%)	(%)
Mar./06	3.50	3.50	7.00	2,543	52.1	2.8
Mar./07	3.50	5.00	8.50	3,089	35.6	1.7
Mar./08 (Forecast)	4.25	4.25	8.50		29.4	

Note: Breakdown of dividends at end of fiscal year ended March 31, 2007: ordinary dividends: 3.50 yen; commemorative dividends: 1.50 yen

3. Business Results Forecast for Fiscal Year 2008 (Apr.1, 2007-Mar.31, 2008)

	Net Sales (Million yen)		Operating Income (Million yen)		Ordinary Income (Million yen)		Net Income (Million Yen)		Net Income Per Share (Yen)
		(%)		(%)		(%)		(%)	
Sep./08	256,000	1.7	7,000	-29.3	7,000	-27.6	4,200	-6.3	11.56
Mar./08	520,000	-4.5	18,000	-21.7	18,000	-12.0	10,500	21.2	28.89

Note: Figures in parentheses represent % change from same term of the previous year.

4. Other Notes

(1) Significant changes in subsidiaries during this fiscal year (changes in designatedsubsidiaries resulting from changes in the scope of consolidation): No changes made

(2) Changes in accounting principles, procedures, methods of representation, etc. involved in preparation of consolidated financial statements
①Changes resulting from changes to accounting standards etc.: Changes made
②Changes other than those noted under "①" above: Changes made
Note: See "(7) Significant changes in bases for preparation of these consolidated financial statements" on page 13 for details.

(3) Number of shares outstanding (Common)
①Number of shares outstanding at the end of period (Including treasury stock) Mar./07 374,018,174 Mar./07 374,018,174
②Number of treasury stock at the end of period Mar./07 10,631,624 Mar./07 10,785,431
Note: See "Per-share information" on page 16 concerning changes in the number of shares used as the basis for calculating (consolidated) net income per share.

Non-consolidated Business Results (Reference)
1. Performance over the year under review (Apr. 1, 2006-Mar. 31, 2007)
(1) Operating Results

	Net Sales (Million yen)		Operating Income (Million yen)		Ordinary Income (Million yen)		Net Income (Million Yen)	
		(%)		(%)		(%)		(%)
Mar./07	325,091	20.9	9,487	144.8	10,590	78.1	4,438	47.8
Mar./06	268,811	4.0	3,875	12.4	5,945	19.0	3,002	-14.7

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
Mar./07	12.21	12.21
Mar./06	8.26	8.26

(2) Financial Standing

	Total Asset (Million yen)	Net Assets (Million yen)	Equity Ratio (%)	Net Assets Per Share (yen)
Mar./07	281,565	162,282	57.6	446.54
Mar./06	272,417	158,835	58.3	437.24

Note: Equity Mar./07 162,282 million Mar./06 — million

* Notes concerning appropriate use of business performance forecasts and other matters

Caution on statements regarding the future:
The forecasts of business performance and other statements regarding the future in this document are based on information obtained by the Company as of the time of preparation of this document and upon certain assumptions deemed reasonable. Due to various factors, actual business performance and other results may vary significantly from these forecasts.

1. Business performance

(1) Analysis of business performance

① Performance this consolidated fiscal year

During this consolidated fiscal year, economic expansion in East Asia, centered on China, sustained healthy overall economic growth worldwide, despite apparent slowing in the U.S. economy during the second half of the fiscal year. The Japanese economy expanded steadily during this period, supported by growth in private-sector capital investment driven by factors including improved business earnings and booming personal consumption.

In this business climate, the Hitachi Cable Group set a goal of 20 billion yen in ordinary income in Plan BEGIN, its midterm management plan covering the three-year period beginning with this fiscal year. In accordance with the plan the Group has implemented various measures intended to establish a business foundation for achieving business performance steadily surpassing this ordinary income goal. In addition to steadily improving income in its core businesses while continuing structural reforms suitable for the market environment, the Group has proactively invested management resources in the three target fields of electronics, wireless/broadcasting/information networks, and automotive products.

Business performance during this consolidated fiscal year is described below.

Rising copper prices and strong demand in the wires and cables sector drove up prices of products such as wires, cables, and copper products, increasing overall sales to 544,244 million yen, 28% above the previous consolidated fiscal year. Factors including progress in translating increases in copper prices to product sale prices in the area of wires and cables and reductions in pre-existing losses, as well as high demand for wires and cables, resulted in operating income of 22,983 million yen (representing 110% growth from the previous consolidated fiscal year) and ordinary income growth to 20,449 million yen (70% above the previous consolidated fiscal year). The Company recorded extraordinary losses of 1,337 million yen in restructuring costs and 3,338 million yen in impairment losses. These and other factors resulted in net income of 8,662 million yen for the consolidated fiscal year, 75% above figures for the previous consolidated fiscal year.

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

Wires and cables

In this segment, factors such as rising product sale prices resulting from rising market prices of copper, the primary raw material, led to overall growth in sales figures from the previous consolidated fiscal year.

Sales of industrial and power cables showed steady increase, driven primarily by private-sector capital investment. Also strong were sales of electronic wires and wiring device in fields such as industrial markets and the digital home electronics. Sales of magnet wires grew as well, primarily for use in electronic automotive components.

Sales in this segment totaled 286,518 million yen, 40% above figures for the previous consolidated fiscal year. Operating income in this segment totaled 12,790 million yen, 158% above figures for the previous consolidated fiscal year.

Information and telecommunications networking

Figures for the information networking solutions segment remained generally constant from the previous consolidated fiscal year, as increasing sales to telecommunications carriers offset sluggish sales to public- and private-sector markets.

In the area of optical and telecommunications cables, despite the transfer of fiber-optic cable sales operations effective April 1, 2006, to Advanced Cable Systems Corp., an equity-method affiliate, factors including strong sales of metal telecommunications cables resulted in overall figures largely unchanged from the previous consolidated fiscal year.

In the area of high-frequency wireless systems, construction projects for terrestrial digital broadcasting fell despite expanding construction projects for mobile phone base station installations, leading to performance slightly below figures for the previous consolidated fiscal year.

In the area of optical submarine cables, the absence of major projects resulted in lower performance in this segment from that of the previous consolidated fiscal year.

As a result, sales in this segment were 74,193 million yen, 7% below figures for the previous consolidated fiscal year. In addition, operating income in this segment totaled 2,296 million yen, an increase of 384% from the previous consolidated fiscal year.

Sophisticated materials

Sales of compound semiconductors rose from the previous consolidated fiscal year. Sales for use in high-frequency devices grew, as did sales for LED use. Steady sales of chip-on-film (COF) products for large LCD panels and growing sales of μBGA* products for high-speed DDR2 SDRAM memory led to sales growth for TAB tape from the previous consolidated fiscal year.

For copper products, rising product sale prices made possible by rising copper prices led to high overall sales figures. Recovering demand for semiconductor use also helped drive sales of copper strips above those for the previous consolidated fiscal year.

Factors such as strong sales in the key product line of hose parts also led to sales growth in the auto parts sector, with overall sales above those for the previous consolidated fiscal year.

Combined, these factors resulted in total sales in this segment of 204,093 million yen, an increase of 27% over figures for the previous consolidated fiscal year. Operating income for the segment was 7,294 million yen, an increase of 45% over the previous consolidated fiscal year.

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

Other businesses

Sales in the other businesses segment, comprised of logistics and other operations, were 17,802 million yen, 3% above figures for the previous consolidated fiscal year. Operating income was 598 million yen, 15% higher than the previous consolidated fiscal year.

② Projections for the subsequent consolidated fiscal year

Continuing growth in the world economy is expected for the time being, led by East Asia, most notably China. Gentle growth is expected in the Japanese economy as well, due to strong capital investment in the private sector and strong personal consumption. But various factors make the future difficult to gauge, including increasing uncertainty demonstrated by factors such as slowing in the erstwhile booming area of U.S. residential investment; rising prices of commodities in global markets, including nonferrous metals; and concerns about inventory adjustments in areas such as electronic components and devices.

Given this economic environment, under its Plan BEGIN midterm management plan, the Hitachi Cable Group seeks to strengthen its business foundations by investing management resources in fields that promise growth, as well as continuing with business structural reforms such as selection and concentration of businesses, cost reductions, and productivity growth.

Projections for market trends and business performance during the subsequent consolidated fiscal year are discussed below.

Note: The following projections of business performance for the subsequent consolidated fiscal year assume average standard quoted copper prices of 700 thousand yen per ton. (The average standard quoted copper price in this consolidated fiscal year was 867 thousand yen per ton.)

Wires and cables

Sales of industrial and power cables are projected to remain strong in various markets, including private-sector capital investment. Sales of electronic wires and wiring devices are also projected to remain strong in various markets, including those involving industrial devices and digital home electronics. Sales of magnet wires for use in electronic automotive components and home electronics are also projected to grow.

In summary, based on these demand projections and on projected declines in copper prices, which affect the sale prices of wires and cables, projected sales in this segment are 270.4 billion yen, approximately 6% below figures for this consolidated fiscal year.

Information and telecommunications networking

In the area of optical submarine cables, cable demand continues to show sharp increases worldwide, due to factors such as growth in video distribution services. Projections call for numerous large-scale projects and results significantly above those for this consolidated fiscal year.

In the area of information network solutions, despite revitalized demand in public- and private-sector markets, full-scale demand for next-generation networks in the telecommunications-carrier market is expected to emerge only in the second half of this fiscal year or beyond. This and other factors are projected to result in performance below that for this consolidated fiscal year.

In the area of high-frequency wireless systems, despite growing demand for use in terrestrial digital broadcasting base stations, mobile-phone base-station construction projects are projected to settle down, resulting in lower performance than seen in this consolidated fiscal year.

In summary, sales in this segment are projected to be 72.1 billion yen, approximately 3% lower than this consolidated fiscal year.

Sophisticated materials

The projected emergence of sales of gallium nitride products, combined with projected growth in sales of gallium arsenide products for LED use centering on LEDs of mid- to high brightness, is expected to drive sales of compound semiconductors higher than those for this consolidated fiscal year.

In the market for TAB products, in addition to fully absorbing growth in COF demand for use in large LCD panels, continued growth is expected in sales of μBGA products and of TAB tape for use in chip scale packages (CSPs). These factors are expected to lead to higher performance than this consolidated fiscal year.

While demand volume for copper products is projected to remain largely unchanged, projected declines in copper prices, which affect the sale prices of copper products, are expected to suppress sales figures in this area relative to the current consolidated fiscal year.

In the area of auto parts, sales in the primary product line of hose parts are projected to decline as automakers continue to shift to electric power-steering systems. In addition, consolidated subsidiary Hitachi Cable Philippines, Inc. has withdrawn from the automotive wire business effective October 31, 2006. The effects of this withdrawal and other factors are expected to lead to performance below that for this consolidated fiscal year.

In summary, sales in this segment are projected to be 199.6 billion yen, a decline of approximately 2% from this consolidated fiscal year.

Other businesses

Sales in this segment are projected to total 17 billion yen, approximately 5% below sales for this consolidated fiscal year.

The above is an overview of sales projections of each business segment. The following levels of business performance are projected for the full fiscal year: sales of 520 billion yen; operating income of 18 billion yen; ordinary income of 18 billion yen; and net income of 10.5 billion yen.

(2) Analysis of financial conditions

① Financial conditions in this consolidated fiscal year

The balance of cash and cash equivalents at the end of this consolidated fiscal year was 9,169 million yen, an increase of 3,438 million yen from the end of the previous consolidated fiscal year. Described below are the particulars of each type of cash flow and related factors.

Cash flow from operations was 25,561 million yen. This figure resulted from factors including 15,943 million yen in net income before taxes and other adjustments and depreciation of 19,008 million yen. Factors contributing to increased cash flow included 3,338 million yen from booking of impairment losses and an increase of 886 million yen in amount in arrears. Other factors contributing to decreased cash flow included an increase of 8,588 million yen in trade receivables and an increase of 6,991 million yen in inventory assets.

The cash flow used in investment activities amounted to 19,048 million yen, including expenditures of 21,455 million yen on acquisition of tangible fixed assets; expenditures of 756 million yen on acquisition of negotiable securities;, income of 1,344 million yen from collection of loans; and income of 1,087 million yen from sales of negotiable securities.

Cash flow for financing activities was 4,319 million yen, including payments of 2,543 million yen in dividends and a decline of 1,590 million yen in short-term debts.

② Projections for the subsequent consolidated fiscal year

Net income before taxes and other adjustments, a component of cash flow from operating activities, is projected to total 18 billion yen.

For the components of cash flow applied to investment, capital investments and expenditures to acquire negotiable securities are projected to remain largely unchanged from this consolidated fiscal year.

For cash flow applied to financing, the Company plans to continue reducing interest-bearing debt through efficient use of Group funds.

Due to the preceding factors, the balance of cash and cash equivalents at the end of the subsequent consolidated fiscal year is projected to be some 3 billion yen lower than at the end of this consolidated fiscal year.

③ Trends in cash flow indicators

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Equity ratio (%)	51.6	53.0	54.3	53.6	52.6
Equity ratio (%) at market value	25.2	57.0	49.2	71.6	67.4
Debt repayment period (years)	3.7	2.5	1.4	2.9	1.7
Interest coverage ratio	13.5	19.6	28.8	11.5	16.2

Notes: Equity ratio: equity/total assets
Equity ratio at market value: total market value of stock/total assets
Debt repayment period: interest-bearing debt/cash flow from operations
Interest coverage ratio: cash flow from operations/interest paid

Additional information:

1. Each indicator has been calculated using figures from consolidated-basis financial statements.
2. Total market value of stock has been calculated by multiplying the closing share price at the end of the fiscal period by total shares issued and outstanding as of the end of the fiscal period.
3. For cash flow from operations, the value of cash flow from operating activities on the

Consolidated Cash Flow Statement has been used.

4. Interest-bearing debt includes all debts on the Consolidated Balance Sheet on which interest is paid. For interest paid, the value of interest payments from the Consolidated Cash Flow Statement has been used.

(3) Basic Company policy on distribution of profits; dividends for the current and subsequent fiscal periods

Hitachi Cable distributes appropriate profits following a comprehensive assessment of issues such as business performance, enhancements in management structure, and future business strategies.

With respect to the distribution of retained earnings, the Company returns profits to shareholders after considering business performance, in line with its basic policy of providing stable dividends, paying dividends in cash twice annually, with basis dates of March 31 and September 30. It also seeks to apply the remaining funds effectively, investing them into businesses with high potential for future growth, into revitalizing existing businesses, and for other purposes, while maintaining and strengthening its financial status. The Company also regards the acquisition of treasury stocks as another effective means of distributing profits to shareholders, implementing relevant measures while considering issues such as trends in share prices and financial circumstances.

In fiscal 2007, ended March 2007, Hitachi Cable paid interim dividends of 3.5 yen per share. Hitachi Cable also plans to pay end-of-year dividends of 5.0 yen per share (consisting of 3.5 yen per share in ordinary dividends and 1.5 yen per share in commemorative dividends), for a total of 8.5 yen per share in dividends paid over the course of the entire fiscal year.

In the fiscal 2008, ending March 2008, Hitachi Cable plans to pay interim dividends and end-of-year dividends of 4.25 yen per share each, for a total of 8.5 yen per share over the course of the entire fiscal year.

2. Status of the group of companies

Since no substantial changes have emerged in the “Lines of Business” or the “Status of Affiliate Companies” provided in the most recent Financial Report (submitted June 28, 2006), this report omits any discussion of the status of the group of companies.

3. Management policies

Given the absence of significant changes in “(1) Fundamental Company Management Policies,” “(2) Target Indicators,” “(3) Mid- to Long Term Management Strategies,” or “(4) Matters that Require Company Attention” included in the Consolidated Financial Report for First Half of Fiscal 2007 (released October 30, 2006), this report omits discussions of management policies.

The Consolidated Financial Report for First Half of Fiscal 2007 is available for viewing at the following URLs:

Hitachi Cable website:
http://www.hitachi-cable.co.jp/en/i_r/report/result/index.html

4. Consolidated financial statements, etc.

(1) Consolidated Balance Sheet

(Units: rounded off to the nearest million yen)

Account	End of previous consolidated fiscal year (March 31, 2006)	End of this consolidated fiscal year (March 31, 2007)	Increase/decrease
	Amount	Amount	Amount
(Assets)			
Current assets	170,444	197,257	26,813
Cash and deposits in banks	5,749	9,192	3,443
Notes receivable and accounts receivable	98,289	114,049	15,760
Inventories	46,985	54,183	7,198
Deferred income tax	4,747	6,844	2,097
Other	15,141	13,644	-1,497
Allowance for doubtful accounts	-467	-655	-188
Fixed assets	168,393	164,635	-3,758
Tangible fixed assets	117,600	115,683	-1,917
Buildings and structures	44,991	44,180	-811
Machinery and equipment, vehicles, etc.	56,006	55,415	-591
Land	9,514	9,329	-185
Construction in progress	7,089	6,759	-330
Intangible fixed assets	7,140	7,006	-134
Software, etc.	7,140	7,006	-134
Investments and other assets	43,653	41,946	-1,707
Negotiable securities	24,123	21,016	-3,107
Long-term loans	3,467	3,535	68
Prepaid pension expenses	—	3,725	3,725
Deferred income tax	15,240	9,412	-5,828
Other	3,593	7,571	3,978
Allowance for doubtful accounts	-2,770	-3,313	-543
Total assets	338,837	361,892	23,055

(Units: rounded off to the nearest million yen)

Account	End of previous consolidated fiscal year (March 31, 2006) Amount	End of this consolidated fiscal year (March 31, 2007) Amount	Increase/decrease Amount
(Liabilities)			
Current liabilities	116,053	140,067	24,014
Notes payable and accounts payable	67,328	73,962	6,634
Short-term debt	20,196	35,051	14,855
Other	28,529	31,054	2,525
Fixed liabilities	38,604	28,225	-10,379
Company bonds	5,000	5,000	—
Long-term debt	18,408	3,000	-15,408
Deferred tax liabilities	491	358	-133
Accrued pension and severance costs for employees	13,614	18,270	4,656
Reserve for directors' retirement allowances	825	860	35
Liabilities under application of the equity method	—	343	343
Other	266	394	128
Total liabilities	154,657	168,292	13,635
Minority investment	2,638	—	—
(Shareholders' equity)			
Paid-in capital	25,948	—	—
Capital surplus	31,516	—	—
Earned surplus	128,075	—	—
Revaluation gains/losses on available-for-sale securities	1,769	—	—
Exchange-rate adjustment account	-1,319	—	—
Treasury stock	-4,447	—	—
Total shareholders' equity	181,542	—	—
Total liabilities, minority investment, and shareholders' equity	338,837	—	—
(Net assets)			
Shareholders' equity	—	186,800	—
Paid-in capital	—	25,948	—
Capital surplus	—	31,516	—
Earned surplus	—	133,739	—
Treasury stock	—	-4,403	—
Revaluation/translation gains/losses	—	3,471	—
Revaluation gains/losses on available-for-sale securities	—	3,179	—
Exchange-rate adjustment account	—	292	—
Minority investment	—	3,329	—
Total net assets	—	193,600	—
Total liabilities and net assets	—	361,892	—

(2)Consolidated Statement of Profit and Loss

(Units: rounded off to the nearest million yen)

Accounts	Fiscal 2006 (Apr.1, 2005-Mar.31, 2006) Amount	Fiscal 2007 (Apr.1, 2006-Mar.31, 2007) Amount	Increase/decrease (%)
Net sales	425,092	544,244	28.0
Cost of sales	364,744	469,068	28.6
Total return on sales	60,348	75,176	24.6
Sales and general administrative expenses	49,381	52,193	5.7
Operating income	10,967	22,983	109.6
Non-operating income	4,329	3,161	-27.0
(Interest and dividends received)	501	391	
(Investment income by equity method)	805	—	
(Miscellaneous revenues)	3,023	2,770	
Non-operating expenses	3,254	5,695	75.0
(Interest expense)	1,280	1,583	
(Investment losses by equity method)	—	279	
(Miscellaneous losses)	1,974	3,833	
Ordinary income	12,042	20,449	69.8
Extraordinary income	5,953	1,150	-80.7
(Gains on sale of fixed assets)	1,933	247	
(Gains on sale of negotiable securities)	—	359	
(Gains on securities contributed to employee retirement benefits)	3,519	—	
(Other extraordinary income)	501	544	
Extraordinary losses	9,606	5,656	-41.1
(Restructuring costs)	3,948	1,337	
(Impairment losses)	3,852	3,338	
(PCB waste-disposal expenses)	989	—	
(Other extraordinary losses)	817	981	
Net income before taxes and other adjustments	8,389	15,943	90.0
Corporate, residence, and enterprise taxes	1,999	4,182	
Corporate tax adjustments	1,302	2,648	
Gains to minority investors	-148	-451	
Net income	4,940	8,662	75.3

(3) Statement of Consolidated Surplus

(Units: rounded off to the nearest million yen)

Accounts	Fiscal 2006 (Apr.1, 2005-Mar.31, 2006)	Fiscal 2007 (Apr.1, 2006-Mar.31, 2007)
	Amount	Amount
[Capital surplus]		
Capital surplus brought forward	30,420	—
Capital surplus increase	1,096	—
(Increase from merger)	1,096	—
Capital surplus carried forward	31,516	—
[Earned surplus]		
Earned surplus brought forward	126,847	—
Earned-surplus increase	4,940	—
Net income	4,940	—
Decrease in earned surplus	3,712	—
(Cash dividends)	2,542	—
(Directors' bonuses)	69	—
(Decrease from change in scope of consolidation)	1,096	—
(Margin from treasury stock)	5	—
Earned surplus carried forward	128,075	—

(4) Consolidated statement of changes in shareholders' equity

Fiscal 2007 (Apr.1, 2006-Mar.31, 2007)

(Units: rounded off to the nearest million yen)

	Shareholder equity					Revaluation /translation gains/losses	Minority investments	Total net assets
	Paid-in capital	Capital surplus	Earned surplus	Treasury stock	Total shareholder's equity			
Balance as of March 31, 2006	25,948	31,516	128,075	-4,447	181,092	450	2,638	184,180
Changes during this consolidated fiscal year								
Distribution of earned surplus			-2,543		-2,543			-2,543
Net income			8,662		8,662			8,662
Acquisition of treasury stock				-42	-42			-42
Sale of treasury stock			-1	91	90			90
Changes in scope of consolidation			-466	-5	-471			-471
Bonuses paid to directors			-53		-53			-53
Increase/decrease from changes in functional currency of overseas subsidiaries			65		65			65
(Net) changes during this consolidated fiscal year in accounts other than Shareholder Equity					—	3,021	691	3,712
Total changes during this consolidated fiscal year	—	—	5,664	44	5,708	3,021	691	9,420
Balance as of March 31, 2007	25,948	31,516	133,739	-4,403	186,800	3,471	3,329	193,600

(5) Consolidated Statement of Cash Flows

(Units: rounded off to the nearest million yen)

Accounts	Fiscal 2006 (Apr.1, 2005- Mar.31, 2006)	Fiscal 2007 (Apr.1, 2006- Mar.31, 2007)
	Amount	Amount
Cash flow from operating activities		
Net income before taxes and other adjustments	8,389	15,943
Depreciation	19,221	19,008
Impairment losses	3,852	3,338
Increase/decrease in allowances for doubtful accounts (Decrease :-)	-319	688
Interest received and dividends received	-501	-391
Interest expense	1,280	1,583
Exchange profit/loss (Profit :-)	-462	-374
Gains on sale of negotiable securities	—	-365
Gains on securities contributed to employee retirement benefits	-3,519	—
Increase /decrease of trade receivables (Increase :-)	-16,795	-8,588
Increase /decrease of inventories (Increase :-)	-5,692	-6,991
Increase/decrease of trade payables (Decrease :-)	13,258	-916
Increase/decrease of amount in arrears (Decrease :-)	3,563	886
Increase /decrease of other accounts receivable (Increase :-)	-3,897	-509
Other	-211	5,790
Subtotal	18,167	29,102
Earnings on interest and dividends	501	592
Interest paid	-1,285	-1,574
Corporate tax and other taxes paid	-2,566	-2,559
Cash flow from operating activities	14,817	25,561
Cash flow from investing activities		
Expenditures to acquire negotiable securities	-2,756	-756
Proceeds from sale of negotiable securities	347	1,087
Expenditures to acquire tangible fixed assets	-19,691	-21,455
Proceeds from sale of tangible fixed assets	3,921	701
Expenditures for loans	-101	-9
Proceeds from collection of loans	9,984	1,344
Other	253	40
Cash flow from investing activities	-8,043	-19,048
Cash flow from finance activities		
Increase/decrease of short-term debt (Decrease :-)	6,098	-1,590
Expenditures for repayment of long-term debt	-509	-108
Expenditures for redemption of company bonds	-10,000	—
Expenditures to acquire treasury stock	-36	-42
Dividends paid by parent company	-2,542	-2,543
Dividends paid to minority shareholders	-48	-127
Other	45	91
Cash flow from finance activities	-6,992	-4,319
Effect of exchange rate fluctuations on cash and cash equivalents	599	293
Net increase/decrease in cash and cash equivalents	381	2,487
Cash and cash equivalents at beginning of term	6,212	5,731
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	5,731	9,169

(6) Notes on bases for preparation of these consolidated financial statements

Given the lack of significant changes in "Lines of Business" or the "Status of Affiliate Companies" provided in the most recent Financial Report (submitted June 28, 2006), this report omits discussion of significant changes in grounds for the preparation of consolidated financial statements.

(7) Significant changes in bases for preparation of these consolidated financial statements

(Accounting Standard 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) are applied from this consolidated fiscal year.
The amount corresponding to total paid-in capital to date has been 190,271 million yen.

Net assets on the consolidated balance sheet for this consolidated fiscal period have been booked pursuant to the amended rules governing consolidated financial statements.

(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 was made to strengthen management accounting focusing on marginal income, an important source of profits.
This change in methods had no effects on calculations.

(8) Notes on consolidated financial statements

This report omits discussion of lease transactions, transactions with interested parties, tax-effect accounting, negotiable securities, derivatives, retirement benefits, stock options, combinations of companies, and other issues, since their disclosure in summary financial reports is considered relatively unimportant.

(Notes on Consolidated Income Statement)

Notes on depreciation of fixed assets
During this consolidated fiscal year, the Company booked impairment losses on the following asset groups:

Location	Purpose	Type	Impairment loss amount	Reason for recognizing of loss on impairment	Amount recoverable	Method of calculating amount recoverable
Densen Works (Hitachi, Ibaraki Pref.)	Bimetal TAB tape business	Buildings, machinery and equipment, supplies, etc.	Buildings: 344 million yen Machinery: 1,776 million yen Supplies, etc.: 63 million yen 2,183 million yen	Due to projections of a major shrinkage in this business as key products reach the end of their product life cycle	Value in use	Value in use calculated using a discount rate of 4.5%
Tsuchiura Works (Tsuchiura, Ibaraki Pref.) and elsewhere	Dormant assets	Construction in progress, machinery and equipment	Construction in progress: 265 million yen Machinery: 181 million yen 446 million yen	These assets are no longer expected to be put to use	Net sale price	Market valuation
Tonichi Kyosan Cable, Ltd. (Toride, Ibaraki Pref.) and Elsewhere	Dormant assets	Land and buildings	Land: 67 million yen Buildings: 157 million yen 224 million yen	These assets are no longer expected to be put to use and their market values have dropped significantly below their book values	Net sale price	Market valuation and real-estate appraisal valuation
Hitachi Cable Philippines, Inc.	Automotive wiring (AV wiring) business	Buildings, machinery and equipment	Buildings: 176 million yen Machinery: 172 million yen 348 million yen	Due to deteriorating business performance resulting from changes in the market environment	Net sale price	Market valuation
Hitachi Cable (Johor) Sdn. Bhd.	Magnet wire business	Land, machinery and equipment	Land: 7 million yen Machinery: 130 million yen 137 million yen	Due to deteriorating business performance resulting from changes in the market environment	Net sale price	Market valuation

(Grouping method)

These assets have been grouped by business sector in the smallest cash-flow-generating units, largely independent of the cash flow of other assets or asset groups.

(Segment Information)

① Sales Results for Each Segment by Business Type

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

(Million Yen)

	Wires and Cables	Information and Telecommuni-cations Networking	Sophisticated Materials	Other Businesses	Total	Eliminated or Companywide	Consolidated
Ⅰ.Net sales and Operating Income							
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 Segments	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
Ⅱ. Assets, Depreciation, Impairment Loss and capital Expenditure							
Assets	133,722	73,787	127,598	1,523	336,630	2,207	338,837
Depreciation	5,433	3,404	10,199	185	19,221	—	19,221
Impairment Loss	156	3,301	395	—	3,852	—	3,852
Capital Expenditure	4,917	2,940	11,739	95	19,691	—	19,691

The Term under Review (Apr.1, 2006-Mar.31, 2007)

(Million Yen)

	Wires and Cables	Information and Telecommuni-cations Networking	Sophisticated Materials	Other Businesses	Total	Eliminated or Companywide	Consolidated
Ⅰ.Net sales and Operating Income							
Net Sales							
(1) Sales to Customers	275,116	69,871	195,140	4,117	544,244	—	544,244
(2) In-house Sales or Transfer between Operating Segments	11,402	4,322	8,953	13,685	38,362	(38,362)	—
Total	286,518	74,193	204,093	17,802	582,606	(38,362)	544,244
Operating Expense	273,728	71,897	196,799	17,204	559,628	(38,367)	521,261
Operating Income	12,790	2,296	7,294	598	22,978	5	22,983
Ⅱ. Assets, Depreciation, Impairment Loss and capital Expenditure							
Assets	152,150	58,298	146,434	3,128	360,010	1,882	361,892
Depreciation	5,275	3,107	10,457	169	19,008	—	19,008
Impairment Loss	294	—	3,044	—	3,338	—	3,338
Capital Expenditure	5,521	2,513	13,296	125	21,455	—	21,455

(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 (optical 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

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

(Million Yen)

	Japan	Others	Total	Eliminated or Company-wide	Consoli-dated
Ⅰ. Net sales and Operating Income					
Net Sales					
(1) Sales to Customers	338,869	86,223	425,092	—	425,092
(2) In-house Sales or Transfer between Operating Segments	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
Ⅱ. Assets	309,921	58,751	368,672	(29,835)	338,837

The Term under Review (Apr.1, 2006-Mar.31, 2007)

(Million Yen)

	Japan	Others	Total	Eliminated or Company-wide	Consoli-dated
Ⅰ. Net sales and Operating Income					
Net Sales					
(1) Sales to Customers	421,230	123,014	544,244	—	544,244
(2) In-house Sales or Transfer between Operating Segments	39,703	6,804	46,507	(46,507)	—
Total	460,933	129,818	590,751	(46,507)	544,244
Operating Expense	440,840	126,915	567,755	(46,494)	521,261
Operating Income	20,093	2,903	22,996	(13)	22,983
Ⅱ. Assets	329,223	68,282	397,505	(35,613)	361,892

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

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

(Note3) Because operating expenses are allocated in their entirety to individual business segments, there are no unallocatable operating expenses in the "elimination or company-wide" item.

③ Overseas

Previous Fiscal Year (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

The Term under Review（Apr.1, 2006-Mar.31, 2007）

	Asia	North America	Others	Total
Ⅰ.Overseas（Million Yen）	118,322	30,774	9,022	158,118
Ⅱ.Consolidated Sales（Million Yen）				544,244
Ⅲ.Ratio of Overseas Sales in Consolidated Sales (%)	21.7	5.7	1.7	29.1

（Note） 1. As a rule, countries or regions are divided according to geographical proximity to each other.
2. Main Countries or regions
(1) Asia・・・China, South Korea, Thailand, Singapore
(2) North America・・・U.S.A., Canada
(3) Other countries・・・Italy, U.K., etc.
3. Overseas sales represent sales made by the Company and its consolidated subsidiaries in countries or regions other than Japan.

(Per-share information)

Fiscal 2006 (April 1, 2005 - March 31, 2006)		Fiscal 2007 (April 1, 2006 - March 31, 2007)	
Net assets per share	499.64 yen	Net assets per share	523.60 yen
Net income per share	13.44 yen	Net income per share	23.84 yen
Diluted net income per share	13.44 yen	Diluted net income per share	23.83 yen

Bases for calculations for the above figures:

	Fiscal 2006 (April 1, 2005 - March 31, 2006)	Fiscal 2007 (April 1, 2006 - March 31, 2007)
Net income per share		
Net income (millions yen)	4,940	8,662
Amount not reverting to holders of common stock (millions yen)	57	—
(Amount of the above income distributed as bonuses paid to directors)	(57)	(—)
Net income on common stock (millions yen)	4,883	8,662
Average shares issued and outstanding during this fiscal year (thousands)	363,211	363,278
Diluted net income per share		
Amount of dilution of net income (millions yen)	—	—
Increase in number of shares of common stock (thousands)	75	172
Number of the above increase corresponding to stock options issued as warrant rights	(75)	(172)
Summary of potential shares not included in calculations of diluted net income per share because they do not involve dilution effects	Shares subject to two types of warrant rights and two types of stock options (641 warrant rights and 554 stock options)	Shares subject to one type of warrant rights and shares subject to two types of stock options (warrant rights: 8,000 shares, stock options: 554,000 shares)

(Significant events occurring after the end of this fiscal year) Not applicable

5. Non-consolidated financial statements, etc.

(1) Non-consolidated Balance Sheet

(Units: rounded off to the nearest million yen)

Account	End of previous fiscal year (March 31, 2006)	End of this fiscal year (March 31, 2007)	Increase/decrease
	Amount	Amount	Amount
(Assets)			
Current assets	118,272	125,598	7,326
Cash and deposits in banks	213	369	156
Notes receivable	2,649	5,303	2,654
Trade accounts receivable	70,135	70,508	373
Products	2,254	2,583	329
Raw materials	3,501	5,246	1,745
In-process inventories	19,465	20,472	1,007
Deferred income taxes	3,132	4,825	1,693
Short-term loans	4,167	3,238	-929
Other	12,846	13,184	338
Allowance for doubtful accounts	-90	-130	-40
Fixed assets	154,145	155,967	1,822
Tangible fixed assets	78,433	75,115	-3,318
Buildings	30,211	28,958	-1,253
Structures	1,813	1,655	-158
Machinery and equipment	29,120	28,038	-1,082
Vehicles	32	29	-3
Tools and supplies	4,011	3,810	-201
Land	7,901	7,723	-178
Construction in progress	5,345	4,902	-443
Intangible fixed assets	6,246	6,039	-207
Software, etc.	6,246	6,039	-207
Investments and other assets	69,466	74,813	5,347
Negotiable securities	5,213	7,836	2,623
Shares in affiliates	44,989	35,523	-9,466
Long-term loans	6,090	7,455	1,365
Prepaid pension expenses	—	3,725	3,725
Deferred income tax	11,790	6,758	-5,032
Other	3,884	16,556	12,672
Allowance for doubtful accounts	-2,500	-3,040	-540
Total assets	272,417	281,565	9,148

(Units: rounded off to the nearest million yen)

Account	End of previous fiscal year (March 31, 2006)	End of this fiscal year (March 31, 2007)	Increase/decrease
	Amount	Amount	Amount
(Liabilities)			
Current liabilities	82,199	98,997	16,798
Trade accounts payable	51,949	53,365	1,416
Short-term debt	11,827	28,299	16,472
Other accounts payable	6,741	5,860	-881
Expenses payable	9,304	8,711	-593
Corporate tax payable	215	169	-46
Advances received	593	1,028	435
Deposits received	1,489	1,485	-4
Other	81	80	-1
Fixed liabilities	31,383	20,286	-11,097
Company bonds	5,000	5,000	—
Long-term debt	18,408	3,000	-15,408
Accrued pension and severance costs for employees	7,402	11,667	4,265
Reserve for directors' retirement allowances	470	547	77
Other	103	72	-31
Total liabilities	113,582	119,283	5,701
(Shareholders' equity)			
Paid-in capital	25,948	—	-25,948
Capital surplus	34,839	—	-34,839
Capital reserves	34,839	—	-34,839
Earned surplus	101,368	—	-101,368
Income reserves	6,512	—	-6,512
Special redemption reserves	370	—	-370
Reserves for decrease in fixed assets	480	—	-480
Voluntary reserves	86,964	—	-86,964
Unappropriated earnings	7,042	—	-7,042
Revaluation gains/losses on available-for-sale securities	1,123	—	-1,123
Treasury stock	-4,443	—	4,443
Total shareholders' equity	158,835	—	-158,835
Total liabilities and shareholders' equity	272,417	—	-272,417
(Net assets)			
Shareholders' equity	—	159,655	159,655
Paid-in capital	—	25,948	25,948
Capital surplus	—	34,839	34,839
Capital reserves	—	34,839	34,839
Earned surplus	—	103,262	103,262
Income reserves	—	6,512	6,512
Other earned surplus	—	96,750	96,750
Special redemption reserves	—	877	877
Reserves for decrease in fixed assets	—	452	452
Voluntary reserves	—	86,964	86,964
Earned surplus carried forward	—	8,457	8,457
Treasury stock	—	-4,394	-4,394
Revaluation/translation gains/losses	—	2,627	2,627
Revaluation gains/losses on available-for-sale securities	—	2,627	2,627
Total net assets	—	162,282	162,282
Total liabilities and net assets	—	281,565	281,565

(2) Non-consolidated Profit and Loss Sheet

(Units: rounded off to the nearest million yen)

Accounts	Fiscal 2006 (Apr.1, 2005-Mar.31, 2006)	Fiscal 2007 (Apr.1, 2006-Mar.31, 2007)	Increase/decrease (%)
	Amount	Amount	
Net sales	268,811	325,091	20.9
Cost of sales	237,308	290,371	22.4
Total return on sales	31,503	34,720	10.2
Sales and general administrative expenses	27,628	25,233	-8.7
Operating income	3,875	9,487	144.8
Non-operating income	4,241	4,381	3.3
(Interest and dividends received)	3,033	3,011	
(Miscellaneous revenues)	1,208	1,370	
Non-operating expenses	2,171	3,278	50.9
(Interest expense)	615	851	
(Miscellaneous losses)	1,556	2,427	
Ordinary income	5,945	10,590	78.1
Extraordinary income	5,147	996	-80.6
(Gains on sales of negotiable securities)	—	488	
(Gains on sales of land)	1,576	129	
(Gains on securities contributed to employee retirement benefits)	3,519	—	
(Other)	52	379	
Extraordinary losses	6,813	4,613	-32.3
(Restructuring costs)	2,168	1,002	
(Revaluation losses on negotiable securities)	—	630	
(Impairment losses)	3,457	2,629	
(PCB waste-disposal expenses)	768	—	
(Other)	420	352	
Net income before taxes and other adjustments	4,279	6,973	62.9
Corporate, residence, and enterprise taxes	175	215	
Corporate tax adjustments	1,102	2,320	
Net income	3,002	4,438	47.8
Earnings brought forward	5,317	—	
Gains/losses on disposal of treasury shares	-5	—	
Interim dividends	-1,272	—	
Unappropriated earnings	7,042	—	

(3) Statement of Profit Appropriations

(Units: rounded off to the nearest million yen)

Accounts	Fiscal 2006 (Apr.1, 2005-Mar.31, 2006)	
	breakdown of amount	Amount
Unappropriated earnings		7,042
Reversal of special reserve		
Reversal of special depreciation reserve	98	
Reversal of deferred income taxes on fixed assets	14	112
Total		7,154
Amount of profit appropriation		
cash dividends	1,272	
(Ordinary 3.50 yen)		
Special depreciation reserve	890	2,162
Retained earnings carried forward		4,992

(4) Statement of changes in shareholders' equity and revaluation/translation gains/losses

Fiscal 2007(Apr.1, 2006-Mar.31, 2007)

	Shareholder equity											Revaluation/translation gains/losses, etc.		
		Capital surplus		Retained earnings										
					Other retained earnings									
	Paid-in capital	Capital reserves	Total capital surplus	Earned reserves	Reserves for depreciation of specific assets	Fixed asset reduction reserves	Voluntary reserves	Retained earnings carried forward	Total retained earnings	Treasury stock	Total shareholder equity	Revaluation gains/losses on available-for-sale securities	Total revaluation/translation gains/losses	Net total assets
Balance as of March 31, 2006	25,948	34,839	34,839	6,512	370	480	86,964	7,042	101,368	-4,443	157,712	1,123	1,123	158,835
Increase/decrease this fiscal year														
Transfer to reserves for depreciation of specific assets			—		890			-890	—		—		—	—
Transfer from reserves for depreciation of specific assets			—		-383			383	—		—		—	—
Transfer from fixed asset reduction Reserves			—			-28		28	—		—		—	—
Distribution of retained Earnings			—					-2,543	-2,543		-2,543		—	-2,543
Net income			—					4,438	4,438		4,438		—	4,438
Purchase of treasury shares			—						—	-42	-42		—	-42
Sale of treasury shares			—					-1	-1	91	90		—	90
(Net) changes during this fiscal year in accounts other than Shareholder Equity			—						—		—	1,504	1,504	1,504
Total increase/decrease this fiscal year	—	—	—	—	507	-28	—	1,415	1,894	49	1,943	1,504	1,504	3,447
Balance as of March 31, 2007	25,948	34,839	34,839	6,512	877	452	86,964	8,457	103,262	-4,394	159,655	2,627	2,627	162,282

(4) Significant changes in bases for preparing financial statements

(Accounting Standard 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) are applied from this fiscal year.

The amount corresponding to total paid-in capital to date has been 162,282 million yen.

Net assets on the consolidated balance sheet for this consolidated fiscal period have been booked pursuant to the amended rules governing financial statements.

(Change in method for calculating costs)

Beginning with this 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 was made to strengthen management accounting focusing on marginal income, an important source of profits.

This change in methods had no effects on calculations.

(5) Notes on non-consolidated financial statements

(Notes on Non-consolidated Income Statement)

Notes on depreciation of fixed assets

During this consolidated fiscal year, the Company booked impairment losses on the following asset groups:

Location	Purpose	Type	Impairment loss amount	Reason for recognizing of loss on impairment	Amount recoverable	Method of calculating amount recoverable
Densen Works (Hitachi, Ibaraki Pref.)	Bimetal TAB tape business	Buildings, machinery and equipment, supplies, etc.	Buildings: 344 million yen Machinery: 1,776 million yen Supplies, etc.: 63 million yen 2,183 million yen	Due to projections of a major shrinkage in this business as key products reach the end of their product life cycle	Value in use	Value in use calculated using a discount rate of 4.5%
Tsuchiura Works (Tsuchiura, Ibaraki Pref.) and elsewhere	Dormant assets	Construction underway account, machinery and equipment	Construction underway: 265 million yen Machinery: 181 million yen 446 million yen	These assets are no longer expected to be put to use	Net sale price	Market valuation

(Grouping method)

These assets have been grouped by business sector in the smallest cash-flow-generating units, largely independent of the cash flow of other assets or asset groups.