

Financial Report for 1st half of fiscal 2008 ending March 31, 2008

October 29, 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/en>)

President and Representative Director: Norio Sato

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Planned date of submittal of Semiannual Report: Dec. 27, 2007

Planned date of beginning payment of dividends: Dec. 4, 2007

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

1. Performance over 1st half of the fiscal year under review (Apr. 1, 2007-Sep. 30, 2007)

(1) Operating Results

| | Net Sales (Million yen) | Operating Income (Million yen) | Ordinary Income (Million yen) | Net Income (Million yen) |
|-----------|----------------------------|-----------------------------------|----------------------------------|-----------------------------|
| | % | % | % | % |
| Sep. 2007 | 277,468 (10.2) | 10,938 (10.5) | 11,366 (17.6) | 6,840 (52.6) |
| Sep. 2006 | 251,759 (31.8) | 9,900 (249.8) | 9,663 (182.0) | 4,483 (318.2) |
| Mar. 2007 | 544,244 - | 22,983 - | 20,449 - | 8,662 - |

| | Net Income Per Share (Yen) | Diluted Net Income Per Share (Yen) |
|-----------|-------------------------------|--|
| Sep. 2007 | 18.82 | 18.81 |
| Sep. 2006 | 12.34 | 12.34 |
| Mar. 2007 | 23.84 | 23.83 |

Note: Investment income based on equity method

Sep./07 1,409 million yen

Sep./06 512 million yen

Mar./07 -279 million yen

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) |
|-----------|------------------------------|-----------------------------|---------------------|----------------------------------|
| Sep. 2007 | 379,470 | 201,200 | 52.0 | 543.31 |
| Sep. 2006 | 367,068 | 187,274 | 50.2 | 507.31 |
| Mar. 2007 | 361,892 | 193,600 | 52.6 | 523.60 |

Note: Equity Sep./07 197,509 million Sep./06 184,317 million Mar./07 190,271 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 and Cash Equivalent at the End of Term (Million Yen) |
|-----------|--|---|--|---|
| Sep. 2007 | 8,248 | -12,407 | 3,334 | 8,830 |
| Sep. 2006 | 9,152 | -8,279 | 1,460 | 8,975 |
| Mar. 2007 | 25,561 | -19,048 | -4,319 | 9,169 |

2. Dividends

| (Base Date) | Dividends Per Share | | |
|--------------------|---------------------|----------|----------|
| | Sep. 30 | Mar. 31 | Annual |
| Mar./07 | 3.50 yen | 5.00 yen | 8.50 yen |
| Mar./08 | 4.25 yen | 4.25 yen | 8.50 yen |
| Mar./08 (Forecast) | 4.25 yen | 4.25 yen | 8.50 yen |

Note: Dividends at end of fiscal year ended March 31, 2007 include commemorative dividends: 1.50 yen

3. Consolidated 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) |
|---------|----------------------------|--------|------------------------------------|--------|----------------------------------|-------|-----------------------------|--------|-------------------------------|
| | | % | | % | | % | | % | |
| Mar./08 | 540,000 | (-0.8) | 22,000 | (-4.3) | 22,000 | (7.6) | 13,100 | (51.2) | 36.04 |

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 designated subsidiaries 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

Changes resulting from changes to accounting standards etc.: Changes made

Changes other than those noted under " " above: No changes made

Note: See "Notes on bases for preparing interim consolidated financial statements" on page 16 for details.

(3) Number of shares outstanding (Common)

Number of shares outstanding at the end

of period (Including treasury stock) Sep./07 374,018,174 Sep./06 374,018,174 Mar./07 374,018,174

Number of treasury stock at the end of period Sep./07 10,491,601 Sep./06 10,699,479 Mar./07 10,631,624

Note: See "Per-share information" on page 21 concerning changes in the number of shares used as the basis for calculating(consolidated) interim net income per share.

Non-consolidated Business Results (Reference)

1. Performance over 1st half of the fiscal year under review (Apr. 1, 2007-Sep. 30, 2007)

(1) Operating Results

| | Net Sales (Million yen) | | Operating Income (Million yen) | | Ordinary Income (Million yen) | | Net Income (Million Yen) | |
|-----------|----------------------------|--------|------------------------------------|--------|----------------------------------|---------|-----------------------------|---------|
| | | % | | % | | % | | % |
| Sep. 2007 | 170,157 | (10.3) | 5,846 | (25.2) | 7,620 | (49.8) | 5,210 | (117.9) |
| Sep. 2006 | 154,219 | (28.4) | 4,670 | - | 5,088 | (165.2) | 2,392 | (70.4) |
| Mar. 2007 | 325,091 | - | 9,487 | - | 10,590 | - | 4,438 | - |

| | Net Income per Share (Yen) |
|-----------|-------------------------------|
| Sep. 2007 | 14.33 |
| Sep. 2006 | 6.58 |
| Mar. 2007 | 12.21 |

Note: 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) |
|-----------|------------------------------|-----------------------------|---------------------|-------------------------------|
| Sep. 2007 | 288,519 | 165,807 | 57.5 | 456.06 |
| Sep. 2006 | 285,689 | 160,004 | 56.0 | 440.35 |
| Mar. 2007 | 281,565 | 162,282 | 57.6 | 446.54 |

Note: Equity Sep./07 165,807 million Sep./06 160,004 million Mar./07 162,282 million

2. Non-consolidated 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) |
|---------|----------------------------|-----|------------------------------------|------|----------------------------------|------|-----------------------------|-------|----------------------------------|
| | | % | | % | | % | | % | |
| Mar./08 | 328,000 | 0.9 | 11,000 | 15.9 | 13,000 | 22.8 | 8,900 | 100.6 | 24.48 |

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

Caution on statements regarding the future:

The forecasts of business performance for the fiscal year ending March 2008 (April 1, 2007 - March 31, 2008) represent revisions to the forecasts announced with the Consolidated Business Results for First Quarter of Fiscal 2008 Ending March 31, 2008. dated July 27, 2007.

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.

See “(1)Analysis of business performance, Projections for the full consolidated fiscal year” under “1. Business performance” on page 5 concerning the content of the revisions to forecasts of business performance, assumptions used in forecasting business performance, cautions concerning the use of forecasts of business performance, and related matters.

1. Business performance

(1) Analysis of business performance

Performance this interim consolidated fiscal period

Overall, despite looming uncertainties related to fallout from the U.S. market for sub-prime loans, the global economy during this interim consolidated fiscal period maintained a vigorous expansion, driven primarily by growth in East Asia, particularly China. The Japanese economy grew steadily during this fiscal period, supported by rising private-sector capital investment and steady personal consumption.

The Hitachi Cable Group continued to implement a range of measures intended to strengthen its business foundations in accordance with Plan "BEGIN," its midrange management plan covering the three-year period beginning with the 2007 fiscal year. In addition to steadily improving income in its core operations alongside continuing structural reforms tailored to the market environment, the Group is proactively investing management resources in three targeted fields of electronics, wireless/broadcasting/information networks, and automotive.

Described below is the business performance for this interim consolidated fiscal period.

Overall sales increased 10% over the previous interim consolidated fiscal period to 277,468 million yen, driven by various factors, including higher prices for products such as wires, cables, and copper products (attributable to the high price of copper, a primary raw material) and strong demand for products such as optical submarine cables. Increased sales and cost-cutting efforts, among other factors, increased operating income by 10% over the previous interim consolidated fiscal period, to 10,938 million yen. Ordinary income rose 18% from the previous interim consolidated fiscal period to 11,366 million yen. The Company recorded net income of 6,840 million yen for this interim consolidated fiscal period, 53% above the previous interim consolidated fiscal period.

An overview of performance for each business segment is given below. Note that sales figures for each segment include internal sales and transfers between segment.

Wires and cables

In this segment, various factors such as rising copper prices and stable demand based on private-sector capital investment boosted sales over the previous interim consolidated fiscal period. In addition to rising copper prices, booming sales of magnet wires for use in electronic automotive components and heavy electrical machinery resulted in sales figures exceeding the previous interim consolidated fiscal period. In contrast, sluggish sales of electronic wires and wiring devices at overseas subsidiaries led to lower sales in these sectors than in the previous interim consolidated fiscal period.

Sales in this segment totaled 145,943 million yen, a 12% increase over the figure for the previous interim consolidated fiscal period. Operating income in this segment totaled 5,492 million yen, a 12% increase over the figure for the previous interim consolidated fiscal period.

Information and telecommunications networking

Although sales in information networks to telecommunications carriers recovered at the end of the second quarter, this recovery failed to offset sluggish sales in the first quarter, leading to lower sales of the interim consolidated fiscal period than in the same period of the previous year. In the area of wireless systems, factors such as booming capital investment by mobile-phone carriers in mobile phone base stations boosted performance over the previous interim consolidated fiscal period. Performance improved significantly in the optical submarine cables business, thanks to the launch of numerous large-scale projects driven by rapid worldwide growth in telecommunication line demand.

Sales in this segment grew by 19% over the previous interim consolidated fiscal period to 40,585 million yen. Operating income in this segment totaled 2,477 million yen, an 84% increase over the previous interim consolidated fiscal period.

Sophisticated materials

While the auto parts business saw strong sales in the key product line of brake hoses, various factors, including the withdrawal of subsidiary Hitachi Cable Philippines, Inc. from vinyl-insulated wires for automobile business at the end of October 2006, resulted in performance figures below those for the previous interim consolidated fiscal period. Overall sales of compound semiconductors remained constant, with booming sales for optical devices offsetting declining sales (attributed to slow demand recovery) for use in high-frequency devices. For Tape Automated Bonding (TAB) tape, various factors, including growing sales for chip-on-film (COF) products for large LCD panels, increased sales from the previous interim consolidated fiscal period. In the area of copper products, while sales volume for copper strips declined from the previous interim consolidated fiscal period, higher sale prices driven by copper prices resulted in higher overall sales figures than for the previous interim consolidated fiscal period.

Overall, sales in this segment totaled 103,251 million yen, a 7% increase over the figure from the previous interim consolidated fiscal period. Operating income in this segment was 2,764 million yen, 18% below the previous interim consolidated fiscal period.

Other businesses

Sales in this segment, comprised of logistics and other operations, were 8,136 million yen, 7% below the previous interim consolidated fiscal period. Operating income was 223 million yen, 19% below the previous interim consolidated fiscal period.

Projections for this consolidated fiscal year

The world economy is projected to remain in a steady growth pattern, led by East Asia, particularly China. Moderate growth is expected for the Japanese economy, based on strong private sector capital investment and robust personal consumption. However, various current factors render projections uncertain, including high commodity prices in global markets (e.g., crude oil and nonferrous metals) and the increasing risk of a slowdown in the U.S. economy due to fallout from subprime loans and their potential impact on financial markets.

Given these economic conditions, the Hitachi Cable Group continues to proceed with structural reforms, including cost reductions, productivity improvements, and the selection and concentration of businesses, as it seeks to establish a business foundation to exceed the target of 20 billion yen in ordinary income under its Plan "BEGIN" midrange management plan. At the same time, the Hitachi Cable Group is working to expand its businesses by investing management resources in promising fields.

Forecasts of business performance for this consolidated fiscal year represent revisions to the forecasts announced with the Consolidated Business Results for the First Quarter of Fiscal 2008 Ending March 31, 2008, dated July 27, 2007, as outlined in the table below. Revised forecasts call for sales of 540 billion yen, operating income of 22 billion yen, ordinary income of 22 billion yen, and net income of 13.1 billion yen. These revisions reflect performance for this interim consolidated fiscal period exceeding original projections. In the second half of this consolidated fiscal year, based on factors including the current market environment and trends in orders received, projections call for overall performance in line with initial forecasts.

| | Net Sales | Operating income | Ordinary income | Net income | Net income per share |
|-----------------------|-------------|------------------|-----------------|-------------|----------------------|
| | Million yen | Million yen | Million yen | Million yen | yen |
| Previous forecast (A) | 526,000 | 18,800 | 19,900 | 11,600 | 31.92 |
| Revised forecast (B) | 540,000 | 22,000 | 22,000 | 13,100 | 36.04 |
| Change (B - A) | 14,000 | 3,200 | 2,100 | 1,500 | 4.12 |
| Rate of change | 2.7 % | 17.0 % | 10.6 % | 12.9 % | 12.9 % |

Discussed below for each business segment are projections for market trends in the second half of this consolidated fiscal

year as well as business performance for the full consolidated fiscal year.

Note: Given the extreme difficulty of accurately forecasting market prices, the average standard quoted copper price on which performance projections for the second half of the fiscal year are based remains unchanged from the figure of 700 thousand yen per ton set at the start of the fiscal year. (The average standard quoted copper price in the previous consolidated fiscal year was 867 thousand yen per ton, while the average standard quoted copper price in this interim consolidated fiscal period was 964 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. Likewise, sales of magnet wires are projected to remain strong in various markets, including markets for electronic automotive parts and heavy electrical machinery. Projections call for growing sales of electronic wires and wiring devices, driven by booming demand for use in medical devices and industrial devices.

In summary, sales in this segment are projected to be 276 billion yen.

Information and telecommunications networking

In the area of information networks, while demand in the second half of the fiscal year is projected to be roughly the same as in the second half of the previous consolidated fiscal year for telecommunications carriers and public- and private-sector markets, performance for the entire fiscal year is projected to decline slightly from the previous consolidated fiscal year. In the area of wireless systems, with demand for mobile-phone base stations projected to remain strong thanks to aggressive capital investment by mobile-phone carriers, sales are projected to be roughly equal to those in the previous consolidated fiscal year. In the area of optical submarine cables, deliveries will continue for large-scale projects in the second half of the fiscal year, leading to a forecast for results significantly better than for the previous consolidated fiscal year.

In summary, sales in this segment are projected to be 82.4 billion yen.

Sophisticated materials

In the area of auto parts, although sales of various sensors and the primary product line of brake hoses are projected to remain strong, the withdrawal of an overseas subsidiary from the automotive wiring business has led to downgraded forecasts for performance below the previous consolidated fiscal year. In the area of copper products, factors such as recovering demand for copper strips for semiconductor use have led to demand forecasts roughly the same as for the previous consolidated fiscal year. Sales of compound semiconductors are projected to increase from the previous consolidated fiscal year, due to projected growth resulting from a stronger product lineup for LED use and projected recovery in the market for high-frequency devices. In the market for TAB products, although inventory adjustments for LCD panel use are projected to lead to lower sales in the second half of the fiscal year, booming demand for memory use is expected to increase sales over the previous consolidated fiscal year.

In summary, sales in this segment are projected to be 205.4 billion yen.

Other businesses

Sales in this segment are projected to total 16.3 billion yen.

(2) Analysis of financial conditions

Financial conditions in this interim consolidated fiscal period

【Consolidated Interim Balance Sheet】

At the end of this interim consolidated fiscal period, total assets were 379,470 million yen, an increase of 17,578 million yen from the end of the previous consolidated fiscal year. Current assets totaled 210,737 million yen, an increase of 13,480 million yen from the end of the previous consolidated fiscal year, due primarily to an increase of 11,488 million yen in inventory

assets. Fixed assets increased by 4,098 million yen from the end of the previous consolidated fiscal year, due primarily to growth of 3,367 million yen in tangible fixed assets.

Liabilities totaled 178,270 million yen, an increase of 9,978 million yen from the end of the previous consolidated fiscal year, due primarily to an increase of 6,135 million yen in short-term debts.

Net assets totaled 201.2 billion yen, an increase of 7.6 billion yen from the end of the previous consolidated fiscal year, due primarily to an increase of 5,028 million yen in retained earnings driven by factors such as the booking of interim net income of 6,840 million yen and an increase of 2,166 million yen in foreign currency translation adjustments.

【Consolidated Interim Statement of Cash Flows】

The balance of cash and cash equivalents at the end of this interim consolidated fiscal period was 8,830 million yen, a decrease of 339 million yen from the end of the previous consolidated fiscal year. The status of each type of cash flow and related factors is described below.

Cash flow from operations was 8,248 million yen, based on factors such as 11,143 million yen in interim net income before taxes and other adjustments and depreciation of 9,679 million yen. Factors contributing to increased cash flow included an increase of 5,039 million yen in trade payables, while factors contributing to decreased cash flow included an increase of 11,488 million yen in inventors and an increase of 3,130 million yen in trade receivables.

Cash flow used in investing activities was 12,407 million yen, based on factors such as expenditures of 12,440 million yen on purchases of tangible fixed assets, etc., expenditures of 371 millions yen on loans, and income of 289 million yen on sale of tangible fixed assets.

Cash flow from finance activities was 3,334 million yen, based on factors such as an increase of 5,379 million yen in short-term debts, payment of 1,817 million yen in dividends.

Projections for the full consolidated fiscal year

Net income before taxes and other adjustments, a component of cash flow from operations, is projected to total 21.8 billion yen.

For components of cash flow used from investing activities, the amount of capital investment is projected to increase from the previous consolidated fiscal year.

For cash flow from finance activities, the Company plans to continue reducing its interest-bearing debt 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 1 billion yen from the end of the previous consolidated fiscal year.

Reference: Trends in cash flow indicators

| | Fiscal 2004 | Fiscal 2005 | Fiscal 2006 | Fiscal 2007 | 1st half of Fiscal 2008 |
|--|-------------|-------------|-------------|-------------|-------------------------|
| Equity ratio | 53.0 | 54.3 | 53.6 | 52.6 | 52.0 |
| Equity ratio at market value | 57.0 | 49.2 | 71.6 | 67.4 | 68.2 |
| Interest-bearing liabilities/cash flow | 2.5 | 1.4 | 2.9 | 1.7 | 6.0 |
| Interest coverage ratio | 19.6 | 28.8 | 11.5 | 16.2 | 10.7 |

Notes:

Equity ratio: shareholders' equity/total assets x 100

Equity ratio at market value: total market value of stock/total assets x 100

Interest-bearing liabilities/cash flow: interest-bearing liabilities/cash flow from operations

Interest coverage ratio: cash flow from operations/interest paid

Additional information:

- 1 . Each indicator is calculated from figures from consolidated-basis financial statements.
- 2 . The total market value of all shares was obtained 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 . The figure for cash flow from operations is the value of cash flow from operations found on the Consolidated Cash Flow Statement.
- 4 Interest-bearing debt includes all debt on the Consolidated Balance Sheet on which interest is paid. The figure for interest paid is the value of interest payments from the Consolidated Cash Flow Statement.

(3) Basic Company policy on dividends and dividends for this consolidated fiscal year

Hitachi Cable distributes appropriate dividends after comprehensive assessment of issues such as business performance, enhancements to the management structure, and future business strategies.

The Company returns profits to shareholders after examining business performance, in line with its basic policy of providing stable dividends. It pays dividends in cash twice annually, with basis dates of March 31 and September 30, and puts the remaining funds to effective use, including investing in high growth potential areas and investing to revitalize existing businesses, while continuing to maintain and strengthen its basic financial soundness. The Company also acquires treasury shares, another effective way to distribute profits to shareholders, and seeks to implement relevant measures while monitoring issues such as trends in share prices and general financial conditions.

In the fiscal year ending March 2008, Hitachi Cable's Board of Directors approved a resolution in its latest meeting to pay interim dividends of 4.25 yen per share. The Company also plans to pay year-end dividends of 4.25 yen per share, a figure unchanged from the figure announced in the Financial Report for Fiscal 2007 Ended March 31, 2007 (issued April 26, 2007). The Company expects to pay a total of 8.5 yen per share in dividends over the course of the entire fiscal year.

2. Status of the group of companies

Since no significant changes have occurred in the Lines of Business or Status of Affiliate Companies described in the most recent Financial Report (submitted June 27, 2007), this report will omit any discussion of the status of the group of companies.

3. Management policies

Since no significant changes have occurred in the content of "(1) The Company's Fundamental Management Policies," "(2) Target Indicators," "(3) Midrange Management Strategies," or "(4) Matters that Require Company Attention" described in the Consolidated Financial Report for the First Half of Fiscal 2007 Ended March 31, 2007 (released October 30, 2006), this report will omit any discussion of management policies.

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

(Hitachi Cable website)

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

(1) Consolidated Interim Balance Sheet

| Section | 1st half of Fiscal 2007 (Sep.30, 2006) | | 1st half of Fiscal 2008 (Sep.30, 2007) | | Summary of Consolidated Balance Sheet for end of Fiscal 2007 (Mar.31, 2007) | |
|--|---|-------|--|-------|--|-------|
| | Amount (Million yen) | (%) | Amount (Million yen) | (%) | Amount (Million yen) | (%) |
| (Assets) | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | 8,997 | | 8,832 | | 9,192 | |
| Notes receivable and accounts receivable | 113,015 | | 117,179 | | 114,049 | |
| Inventories | 59,682 | | 65,671 | | 54,183 | |
| Deferred income tax | 9,029 | | 5,953 | | 6,844 | |
| Other | 14,485 | | 13,770 | | 13,644 | |
| Allowance for doubtful accounts | -465 | | -668 | | -655 | |
| Total current assets | 204,743 | 55.8 | 210,737 | 55.5 | 197,257 | 54.5 |
| Fixed assets | | | | | | |
| 1 Tangible fixed assets | | | | | | |
| Buildings and structures | 44,621 | | 43,949 | | 44,180 | |
| Machinery and equipment, vehicles, etc. | 55,001 | | 56,198 | | 55,415 | |
| Land | 9,514 | | 9,324 | | 9,329 | |
| Construction in progress | 8,163 | | 9,579 | | 6,759 | |
| Total tangible fixed assets | 117,299 | 32.0 | 119,050 | 31.4 | 115,683 | 32.0 |
| 2 Intangible fixed assets | | | | | | |
| Software, etc. | 7,305 | | 6,974 | | 7,006 | |
| Total intangible fixed assets | 7,305 | 2.0 | 6,974 | 1.8 | 7,006 | 1.9 |
| 3 Investments and other assets | | | | | | |
| Negotiable securities | 17,738 | | 22,162 | | 21,016 | |
| Long-term loans | 3,178 | | 3,467 | | 3,535 | |
| Deferred income tax | 9,156 | | 8,264 | | 9,412 | |
| Prepaid pension expenses | 2,904 | | 4,183 | | 3,725 | |
| Other | 7,680 | | 7,891 | | 7,571 | |
| Allowance for doubtful accounts | -2,935 | | -3,258 | | -3,313 | |
| Total investments and other assets | 37,721 | 10.2 | 42,709 | 11.3 | 41,946 | 11.6 |
| Total fixed assets | 162,325 | 44.2 | 168,733 | 44.5 | 164,635 | 45.5 |
| Total assets | 367,068 | 100.0 | 379,470 | 100.0 | 361,892 | 100.0 |

| Section | 1st half of Fiscal 2007 (Sep.30, 2006) | | 1st half of Fiscal 2008 (Sep.30, 2007) | | Summary of Consolidated Balance Sheet for end of Fiscal 2007 (Mar.31, 2007) | |
|--|--|-------|--|-------|--|-------|
| | Amount (Million yen) | (%) | Amount (Million yen) | (%) | Amount (Million yen) | (%) |
| (Liabilities) | | | | | | |
| Current liabilities | | | | | | |
| Trade payables | 85,823 | | 79,001 | | 73,962 | |
| Short-term debt | 23,294 | | 41,186 | | 35,051 | |
| Deferred tax liabilities | 111 | | - | | - | |
| Other | 28,758 | | 29,405 | | 31,054 | |
| Total current liabilities | 137,986 | 37.6 | 149,592 | 39.4 | 140,067 | 38.7 |
| Fixed liabilities | | | | | | |
| Company bonds | 5,000 | | 5,000 | | 5,000 | |
| Long-term debt | 18,300 | | 3,000 | | 3,000 | |
| Retirement and severance benefits | 16,921 | | 19,138 | | 18,270 | |
| Reserve for directors' retirement allowances | 818 | | 800 | | 860 | |
| Deferred tax liabilities | 379 | | 346 | | 358 | |
| Liabilities under application of the equity method | - | | - | | 343 | |
| Other | 390 | | 394 | | 394 | |
| Total fixed liabilities | 41,808 | 11.4 | 28,678 | 7.6 | 28,225 | 7.8 |
| Total liabilities | 179,794 | 49.0 | 178,270 | 47.0 | 168,292 | 46.5 |
| (Net assets) | | | | | | |
| Shareholders' equity | | | | | | |
| Common stock | 25,948 | 7.1 | 25,948 | 6.8 | 25,948 | 7.2 |
| Capital surplus | 31,516 | 8.6 | 31,531 | 8.3 | 31,516 | 8.7 |
| Retained earnings | 130,761 | 35.6 | 138,767 | 36.6 | 133,739 | 36.9 |
| Treasury stock | -4,421 | -1.2 | -4,358 | -1.2 | -4,403 | -1.2 |
| Total shareholders' equity | 183,804 | 50.1 | 191,888 | 50.5 | 186,800 | 51.6 |
| Valuation and translation adjustments | | | | | | |
| Net unrealized holding gains on securities | 1,673 | 0.4 | 3,163 | 0.8 | 3,179 | 0.9 |
| Deferred hedging gains/losses | 325 | 0.1 | - | - | - | - |
| Foreign currency translation adjustments | -1,485 | -0.4 | 2,458 | 0.7 | 292 | 0.1 |
| Total valuation and translation adjustments | 513 | 0.1 | 5,621 | 1.5 | 3,471 | 1.0 |
| Minority investments | 2,957 | 0.8 | 3,691 | 1.0 | 3,329 | 0.9 |
| Total net assets | 187,274 | 51.0 | 201,200 | 53.0 | 193,600 | 53.5 |
| Total liabilities and net assets | 367,068 | 100.0 | 379,470 | 100.0 | 361,892 | 100.0 |

(2) Consolidated Interim Statement of Profit and Loss

| Section | 1st half of Fiscal 2007 (Apr.1, 2006-Sep.30, 2006) | | | 1st half of Fiscal 2008 (Apr.1, 2007-Sep.30, 2007) | | | Summary of Consolidated Statement of Profit and Loss for Fiscal 2007 (Apr.1, 2006-Mar.31, 2007) | | |
|--|---|---------|-------|---|---------|-------|--|---------|-------|
| | Amount (Million yen) | | (%) | Amount (Million yen) | | (%) | Amount (Million yen) | | (%) |
| Net sales | | 251,759 | 100.0 | | 277,468 | 100.0 | | 544,244 | 100.0 |
| Cost of sales | | 216,884 | 86.1 | | 240,201 | 86.6 | | 469,068 | 86.2 |
| Total return on sales | | 34,875 | 13.9 | | 37,267 | 13.4 | | 75,176 | 13.8 |
| Sales and general administrative expenses | | 24,975 | 9.9 | | 26,329 | 9.5 | | 52,193 | 9.6 |
| Operating income | | 9,900 | 4.0 | | 10,938 | 3.9 | | 22,983 | 4.2 |
| Non-operating income | | | | | | | | | |
| (Interest and dividends income) | 177 | | | 281 | | | 391 | | |
| (Investment income by equity method) | 512 | | | 1,409 | | | - | | |
| (Miscellaneous revenues) | 1,291 | 1,980 | 0.8 | 1,224 | 2,914 | 1.1 | 2,770 | 3,161 | 0.6 |
| Non-operating expenses | | | | | | | | | |
| (Interest expense) | 748 | | | 769 | | | 1,583 | | |
| (Investment losses by equity method) | - | | | - | | | 279 | | |
| (Miscellaneous losses) | 1,469 | 2,217 | 0.9 | 1,717 | 2,486 | 0.9 | 3,833 | 5,695 | 1.0 |
| Ordinary income | | 9,663 | 3.9 | | 11,366 | 4.1 | | 20,449 | 3.8 |
| Extraordinary income | | | | | | | | | |
| (Gains on sale of fixed assets) | 83 | | | 243 | | | 247 | | |
| (Gains on sale of negotiable securities) | 315 | | | 2 | | | 359 | | |
| (Other) | 57 | 455 | 0.2 | 111 | 356 | 0.1 | 544 | 1,150 | 0.2 |
| Extraordinary losses | | | | | | | | | |
| (Impairment losses) | 510 | | | 417 | | | 3,338 | | |
| (Restructuring costs) | 1,168 | | | - | | | 1,337 | | |
| (Other extraordinary losses) | 519 | 2,197 | 0.9 | 162 | 579 | 0.2 | 981 | 5,656 | 0.9 |
| Interim net income (Net income) before taxes and other adjustments | | 7,921 | 3.2 | | 11,143 | 4.0 | | 15,943 | 2.9 |
| Corporate, residence, and enterprise taxes | 1,496 | | | 1,898 | | | 4,182 | | |
| Corporate tax adjustments | 1,766 | 3,262 | 1.3 | 2,067 | 3,965 | 1.4 | 2,648 | 6,830 | 1.2 |
| Gains to minority investors | | 176 | 0.1 | | 338 | 0.1 | | 451 | 0.1 |
| Interim net income (Net income) | | 4,483 | 1.8 | | 6,840 | 2.5 | | 8,662 | 1.6 |

(3) Consolidated Interim Statement of Changes in Net Assets

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

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|----------------|----------------------------|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance as of March 31, 2006 (million yen) | 25,948 | 31,516 | 128,075 | -4,447 | 181,092 |
| Changes during this interim consolidated fiscal period | | | | | |
| Cash dividends | | | -1,272 | | -1,272 |
| Interim net income | | | 4,483 | | 4,483 |
| Acquisition of treasury stock | | | | -16 | -16 |
| Sale of treasury stock | | | -6 | 47 | 41 |
| Changes in scope of consolidation | | | -466 | -5 | -471 |
| Bonuses to directors | | | -53 | | -53 |
| (Net) changes during this interim consolidated fiscal period in accounts other than Shareholders' equity | | | | | |
| Total changes during this interim consolidated fiscal period (million yen) | - | - | 2,686 | 26 | 2,712 |
| Balance as of September 30, 2006 (million yen) | 25,948 | 31,516 | 130,761 | -4,421 | 183,804 |

| | Valuation and translation adjustments | | | | Minority investments | Total net assets |
|--|---|--------------------------------|--|---|----------------------|------------------|
| | Net unrealized holding gain on securities | Deferred hedging gains/ losses | Foreign currency translation adjustments | Total valuation and translation adjustments | | |
| Balance as of March 31, 2006 (million yen) | 1,769 | - | -1,319 | 450 | 2,638 | 184,180 |
| Changes during this interim consolidated fiscal period | | | | | | |
| Cash dividends | | | | | | -1,272 |
| Interim net income | | | | | | 4,483 |
| Acquisition of treasury stock | | | | | | -16 |
| Sale of treasury stock | | | | | | 41 |
| Changes in scope of consolidation | | | | | | -471 |
| Bonuses to directors | | | | | | -53 |
| (Net) changes during this interim consolidated fiscal period in accounts other than Shareholders' equity | -96 | 325 | -166 | 63 | 319 | 382 |
| Total changes during this interim consolidated fiscal period (million yen) | -96 | 325 | -166 | 63 | 319 | 3,094 |
| Balance as of September 30, 2006 (million yen) | 1,673 | 325 | -1,485 | 513 | 2,957 | 187,274 |

1st half of fiscal 2008 (Apr.1, 2007-Sep.30, 2007)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|----------------|----------------------------|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance as of March 31, 2007 (million yen) | 25,948 | 31,516 | 133,739 | -4,403 | 186,800 |
| Changes during this interim consolidated fiscal period | | | | | |
| Cash dividends | | | -1,817 | | -1,817 |
| Interim net income | | | 6,840 | | 6,840 |
| Acquisition of treasury stock | | | | -34 | -34 |
| Sale of treasury stock | | 15 | | 79 | 94 |
| Effect of change in functional currency by foreign subsidiaries | | | 5 | | 5 |
| (Net) changes during this interim consolidated fiscal period in accounts other than Shareholders' equity | | | | | |
| Total changes during this interim consolidated fiscal period (million yen) | - | 15 | 5,028 | 45 | 5,088 |
| Balance as of September 30, 2007 (million yen) | 25,948 | 31,531 | 138,767 | -4,358 | 191,888 |

| | Valuation and translation adjustments | | | | Minority investments | Total net assets |
|--|---|--------------------------------|--|---|----------------------|------------------|
| | Net unrealized holding gain on securities | Deferred hedging gains/ losses | Foreign currency translation adjustments | Total valuation and translation adjustments | | |
| Balance as of March 31, 2007 (million yen) | 3,179 | - | 292 | 3,471 | 3,329 | 193,600 |
| Changes during this interim consolidated fiscal period | | | | | | |
| Cash dividends | | | | | | -1,817 |
| Interim net income | | | | | | 6,840 |
| Acquisition of treasury stock | | | | | | -34 |
| Sale of treasury stock | | | | | | 94 |
| Effect of change in functional currency by foreign subsidiaries | | | | | | 5 |
| (Net) changes during this interim consolidated fiscal period in accounts other than Shareholders' equity | -16 | - | 2,166 | 2,150 | 362 | 2,512 |
| Total changes during this interim consolidated fiscal period (million yen) | -16 | - | 2,166 | 2,150 | 362 | 7,600 |
| Balance as of September 30, 2007 (million yen) | 3,163 | - | 2,458 | 5,621 | 3,691 | 201,200 |

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

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|----------------|----------------------------|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance as of March 31, 2006 (million yen) | 25,948 | 31,516 | 128,075 | -4,447 | 181,092 |
| Changes during this consolidated fiscal year | | | | | |
| Cash dividends | | | -2,543 | | -2,543 |
| Net income | | | 8,662 | | 8,662 |
| Acquisition of treasury stock | | | | -42 | -42 |
| Sale of treasury stock | | | -1 | 91 | 90 |
| Changes in scope of consolidation | | | -466 | -5 | -471 |
| Bonuses to directors | | | -53 | | -53 |
| Effect of change in functional currency by foreign subsidiaries | | | 65 | | 65 |
| (Net) changes during this consolidated fiscal year in accounts other than Shareholders' equity | | | | | |
| Total changes during this consolidated fiscal year (million yen) | - | - | 5,664 | 44 | 5,708 |
| Balance as of March 31, 2007 (million yen) | 25,948 | 31,516 | 133,739 | -4,403 | 186,800 |

| | Valuation and translation adjustments | | | | Minority investments | Total net assets |
|--|---|--------------------------------|--|---|----------------------|------------------|
| | Net unrealized holding gain on securities | Deferred hedging gains/ losses | Foreign currency translation adjustments | Total valuation and translation adjustments | | |
| Balance as of March 31, 2006 (million yen) | 1,769 | - | -1,319 | 450 | 2,638 | 184,180 |
| Changes during this consolidated fiscal year | | | | | | |
| Cash dividends | | | | | | -2,543 |
| Net income | | | | | | 8,662 |
| Acquisition of treasury stock | | | | | | -42 |
| Sale of treasury stock | | | | | | 90 |
| Changes in scope of consolidation | | | | | | -471 |
| Bonuses to directors | | | | | | -53 |
| Effect of change in functional currency by foreign subsidiaries | | | | | | 65 |
| (Net) changes during this consolidated fiscal year in accounts other than Shareholders' equity | 1,410 | - | 1,611 | 3,021 | 691 | 3,712 |
| Total changes during this consolidated fiscal year (million yen) | 1,410 | - | 1,611 | 3,021 | 691 | 9,420 |
| Balance as of March 31, 2007 (million yen) | 3,179 | - | 292 | 3,471 | 3,329 | 193,600 |

(4) Consolidated Interim Statement of Cash Flows

| | 1st half of Fiscal 2007 (Apr.1, 2006-Sep.30, 2006) | 1st half of Fiscal 2008 (Apr.1, 2007-Sep.30, 2007) | Summary of Consolidated Statement of Cash Flows for Fiscal 2007 (Apr.1, 2006-Mar.31, 2007) |
|---|---|---|---|
| Section | Amount (Million yen) | Amount (Million yen) | Amount (Million yen) |
| Cash flow from operating activities | | | |
| Interim net income (Net income) before taxes and other adjustments | 7,921 | 11,143 | 15,943 |
| Depreciation | 9,005 | 9,679 | 19,008 |
| Impairment losses | 510 | 417 | 3,338 |
| Increase/decrease in allowances for doubtful accounts (Decrease :-) | 120 | -42 | 688 |
| Interest received and dividends received | -177 | -281 | -391 |
| Interest expense | 748 | 769 | 1,583 |
| Exchange profit/loss (Profit :-) | -24 | -88 | -374 |
| Gains on sale of negotiable securities | -315 | - | -365 |
| Increase /decrease of trade receivables (Increase :-) | -7,554 | -3,130 | -8,588 |
| Increase /decrease of inventories (Increase :-) | -12,490 | -11,488 | -6,991 |
| Increase/decrease of trade payables (Decrease :-) | 10,945 | 5,039 | -916 |
| Increase /decrease of other accounts receivable (Increase :-) | -267 | 905 | -509 |
| Increase/decrease of amount in arrears (Decrease :-) | 163 | -726 | 886 |
| Other | 2,725 | -891 | 5,790 |
| Subtotal | 11,310 | 11,306 | 29,102 |
| Earnings on interest and dividends | 249 | 548 | 592 |
| Interest paid | -748 | -767 | -1,574 |
| Corporate tax and other taxes paid | -1,659 | -2,839 | -2,559 |
| Cash flow from operating activities | 9,152 | 8,248 | 25,561 |
| Cash flow from investing activities | | | |
| Purchases of tangible fixed assets, etc. | -10,578 | -12,440 | -21,455 |
| Proceeds from sale of tangible fixed assets | 317 | 289 | 701 |
| Investment in loans receivable | -109 | -160 | -756 |
| Purchases of investments in securities | 1,017 | 120 | 1,087 |
| Expenditures for loans | -47 | -371 | -9 |
| Collection of loans receivable | 1,125 | 132 | 1,344 |
| Other | -4 | 23 | 40 |
| Cash flow from investing activities | -8,279 | -12,407 | -19,048 |
| Cash flow from finance activities | | | |
| Increase/decrease of short-term debt (Decrease :-) | 2,872 | 5,379 | -1,590 |
| Payments on long-term debt | -108 | -107 | -108 |
| Acquisition of treasury stock | -16 | -34 | -42 |
| Dividends paid to stockholders | -1,272 | -1,817 | -2,543 |
| Dividends paid to minority stockholders | -57 | -181 | -127 |
| Other | 41 | 94 | 91 |
| Cash flow from finance activities | 1,460 | 3,334 | -4,319 |
| Effect of exchange rate fluctuations on cash and cash equivalents | -40 | 475 | 293 |
| Net increase/decrease in cash and cash equivalents (Decrease :-) | 2,293 | -350 | 2,487 |
| Cash and cash equivalents at beginning of term | 5,731 | 9,169 | 5,731 |
| Net increase/decrease in cash and cash equivalents from newly consolidated subsidiaries | 951 | 11 | 951 |
| Cash and cash equivalent at end of term | 8,975 | 8,830 | 9,169 |

(5) Notes on bases for preparing interim consolidated financial statements

Depreciation methods for key depreciable assets

A. Tangible fixed assets

Declining-balance method (straight-line method for buildings and fixtures)

Changes to accounting policies:

Due to amendments to the Corporation Tax Law, beginning with this consolidated fiscal period, Hitachi Cable and its consolidated subsidiaries in Japan will depreciate tangible fixed assets acquired on or after April 1, 2007 by the depreciation methods stipulated in the amended Corporation Tax Law. As a result, operating income has decreased by 135 million yen, while ordinary income and interim net income before taxes and other adjustments decreased by 146 million yen each.

Effects on sector data are covered in the corresponding sections.

Additional information:

Due to amendments to the Corporation Tax Law, for assets acquired on or before March 31, 2007, beginning with the consolidated fiscal year following that in which application of depreciation methods based on the pre-amendment Corporation Tax Law reached 5% of the acquisition price, the difference between the amount corresponding to 5% of the acquisition price and the memorandum price will be depreciated by the straight-line method over five years.

This results in a figure for operating income 484 million yen lower than that given by the previous method. Likewise, under the new method, the figures for ordinary income and interim net income before taxes and other adjustments are both 491 million yen lower than with the previous method.

B. Intangible fixed assets

The method used is the straight-line method. For software used by the company, the straight-line method is used over the company's useful life for such software (five years).

Given the absence of significant changes other than the above accounting standards on depreciation methods for significant depreciable assets dating from the most recent semiannual report (submitted December 26, 2006), this report omits any disclosure of such changes.

(6) Notes on interim consolidated financial statements

This report omits discussion of issues such as lease transactions, securities, derivative transactions, stock options, and mergers deemed not to merit coverage.

(Segment Information)

Results by Business Segment

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 Companywide | 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 Business Segment | 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 |

1st Half of Fiscal 2008 (Apr.1, 2007-Sep.30, 2007)

(million yen)

| | Wires and Cables | Information and Telecommunications Networking | Sophisticated Materials | Other Business | Total | Eliminated or Companywide | Consolidated |
|---|------------------|---|-------------------------|----------------|---------|---------------------------|--------------|
| Net Sales | | | | | | | |
| (1) Sales to Customers | 140,033 | 36,948 | 98,989 | 1,498 | 277,468 | - | 277,468 |
| (2) In-house Sales or Transfer between Business Segment | 5,910 | 3,637 | 4,262 | 6,638 | 20,447 | (20,447) | - |
| Total | 145,943 | 40,585 | 103,251 | 8,136 | 297,915 | (20,447) | 277,468 |
| Operating Expense | 140,451 | 38,108 | 100,487 | 7,913 | 286,959 | (20,429) | 266,530 |
| Operating Income | 5,492 | 2,477 | 2,764 | 223 | 10,956 | (18) | 10,938 |

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

(million yen)

| | Wires and Cables | Information and Telecommunications Networking | Sophisticated Materials | Other Business | Total | Eliminated or Companywide | Consolidated |
|---|------------------|---|-------------------------|----------------|---------|---------------------------|--------------|
| 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 Business Segment | 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 |

(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 (information network equipment, network integration, optical components), wireless system (high-frequency/wireless system), telecommunications cables (optical submarine cables, fiber optic cables, metal telecommunications cables.), etc |
| Sophisticated Materials | Compound semiconductors, auto parts (hoses , sensors, 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.

(Note 4) Changes in accounting policies

This interim consolidated fiscal period:

Changes in depreciation method for tangible fixed assets

As noted under “Notes on Bases for Preparing Interim Consolidated Financial Statements,” beginning with this interim consolidated fiscal period, Hitachi Cable and its consolidated subsidiaries in Japan will depreciate tangible fixed assets acquired on or after April 1, 2007 by the depreciation methods stipulated in the amended Corporation Tax Law. As a result, operating expenses in this interim consolidated fiscal period increased by 19 million yen in wires and cables, by 98 million yen in sophisticated materials, by 16 million yen in information and telecommunications networking, and by 2 million yen in other areas. Operating income decreased by the same amounts.

Sales Results by Geographic Segment

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 Geographic Segment | 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 |

1st Half of Fiscal 2008 (Apr.1, 2007-Sep.30, 2007)

(million yen)

| | Japan | Others | Total | Eliminated or Company-wide | Consolidated |
|---|---------|--------|---------|----------------------------|--------------|
| Net Sales | | | | | |
| (1) Sales to Customers | 215,697 | 61,771 | 277,468 | - | 277,468 |
| (2) In-house Sales or Transfer between Geographic Segment | 20,430 | 4,046 | 24,476 | (24,476) | - |
| Total | 236,127 | 65,817 | 301,944 | (24,476) | 277,468 |
| Operating Expense | 226,756 | 64,234 | 290,990 | (24,460) | 266,530 |
| Operating Income | 9,371 | 1,583 | 10,954 | (16) | 10,938 |

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

(million yen)

| | Japan | Others | Total | Eliminated or Company-wide | Consolidated |
|---|---------|---------|---------|----------------------------|--------------|
| Net Sales | | | | | |
| (1) Sales to Customers | 421,230 | 123,014 | 544,244 | - | 544,244 |
| (2) In-house Sales or Transfer between Geographic Segment | 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 |

(Note 1) It is omitted to mention business results by country or region in 1st half of fiscal 2007, fiscal 2007, 1st half of fiscal 2008, 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.

(Note 4) Changes in accounting policies

This interim consolidated fiscal period:

Changes in depreciation method for tangible fixed assets

As noted under "Notes on Bases for Preparing These Interim Consolidated Financial Statements," beginning with this interim consolidated fiscal period Hitachi Cable and its consolidated subsidiaries in Japan will depreciate tangible fixed assets acquired on or after April 1, 2007 by the depreciation methods stipulated in the amended Corporation Tax Law. As a result, operating expenses for Japan in this interim consolidated fiscal period increased by 135 million yen, while operating income decreased by the same amount.

Overseas Sales

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

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

1st Half of Fiscal 2008 (Apr.1, 2007-Sep.30, 2007)

| | Asia | North America | Others | Total |
|---|--------|---------------|--------|---------|
| Overseas (million yen) | 58,442 | 19,740 | 3,999 | 82,181 |
| Consolidated Sales (million yen) | - | - | - | 277,468 |
| Ratio of Overseas Sales in Consolidated Sales (%) | 21.1 | 7.1 | 1.4 | 29.6 |

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

| | Asia | North America | Others | Total |
|---|---------|---------------|--------|---------|
| Overseas (million yen) | 118,322 | 30,774 | 9,022 | 158,118 |
| Consolidated Sales (million yen) | - | - | - | 544,244 |
| 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.

(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.

(Per-share information)

| 1st Half of Fiscal 2007 (Apr.1, 2006-Sep.30, 2006) | | 1st Half of Fiscal 2008 (Apr.1, 2007-Sep.30, 2007) | | Fiscal 2007 (Apr.1, 2006-Mar.31, 2007) | |
|---|------------|---|------------|---|------------|
| Net assets per share | 507.31 yen | Net assets per share | 543.31 yen | Net assets per share | 523.60 yen |
| Interim net income per share | 12.34 yen | Interim net income per share | 18.82 yen | Net income per share | 23.84 yen |
| Diluted interim net income per share | 12.34 yen | Diluted interim net income per share | 18.81 yen | Diluted net income per share | 23.83 yen |

(Note) Bases for calculations for the Interim net income (net income) per share, diluted interim net income (net income) per share.

| | 1st Half of Fiscal 2007 (Apr.1, 2006-Sep.30, 2006) | 1st Half of Fiscal 2008 (Apr.1, 2007-Sep.30, 2007) | Fiscal 2007 (Apr.1, 2006-Mar.31, 2007) |
|--|---|---|---|
| Interim net income (net income) per share | | | |
| Interim net income (net income) (millions yen) | 4,483 | 6,840 | 8,662 |
| Amount not reverting to holders of common stock (millions yen) | - | - | - |
| Interim net income (net income) on common stock (millions yen) | 4,483 | 6,840 | 8,662 |
| Average shares issued and outstanding of common stock during this fiscal year (thousands) | 363,248 | 363,432 | 363,278 |
| Diluted interim net income (net income) per share | | | |
| Increase in number of shares of common sock (thousand) | 139 | 228 | 172 |
| Number of the above increase corresponding to stock options issued as warrant rights | (139) | (228) | (172) |
| Summary of potential shares not included in calculations of diluted interim net income (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 (321,000 warrant rights and 554,000 stock options) | Shares subject to two types of warrant rights and one type of stock options (33,000 warrant rights and 203,000 stock options) | Shares subject to one type of warrant right and two types of stock options (8,000 warrant rights and 554,000 stock options) |

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

5. Non-consolidated Interim Financial Statements

(1) Non-consolidated Interim Balance Sheet

| Section | 1st half of Fiscal 2007 (Sep.30, 2006) | | 1st half of Fiscal 2008 (Sep.30, 2007) | | Summary of Balance Sheet for end of Fiscal 2007 (Mar.31, 2007) | |
|---------------------------------|---|-------|---|-------|--|-------|
| | Amount (Million yen) | (%) | Amount (Million yen) | (%) | Amount (Million yen) | (%) |
| (Assets) | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | 2,380 | | 380 | | 369 | |
| Notes receivable | 2,687 | | 4,543 | | 5,303 | |
| Accounts receivable | 74,009 | | 73,919 | | 70,508 | |
| Products | 2,397 | | 3,054 | | 2,583 | |
| Raw materials | 4,821 | | 6,567 | | 5,246 | |
| In-process inventories | 23,939 | | 24,807 | | 20,472 | |
| Deferred income taxes | 7,494 | | 4,016 | | 4,825 | |
| Short-term loans | 3,676 | | 850 | | 3,238 | |
| Other | 13,427 | | 13,478 | | 13,184 | |
| Allowance for doubtful accounts | -100 | | -140 | | -130 | |
| Total current assets | 134,730 | 47.2 | 131,474 | 45.6 | 125,598 | 44.6 |
| Fixed assets | | | | | | |
| Tangible fixed assets | | | | | | |
| Buildings | 29,850 | | 28,411 | | 28,958 | |
| Structures | 1,699 | | 1,579 | | 1,655 | |
| Machinery and equipment | 27,737 | | 27,058 | | 28,038 | |
| Vehicles | 28 | | 27 | | 29 | |
| Tools and supplies | 3,752 | | 3,770 | | 3,810 | |
| Land | 7,899 | | 7,665 | | 7,723 | |
| Construction in progress | 6,888 | | 6,303 | | 4,902 | |
| Total tangible fixed assets | 77,853 | 27.3 | 74,813 | 25.9 | 75,115 | 26.7 |
| Intangible fixed assets | | | | | | |
| Software, etc. | 6,235 | | 6,089 | | 6,039 | |
| Total intangible fixed assets | 6,235 | 2.2 | 6,089 | 2.1 | 6,039 | 2.1 |
| Investments and other assets | | | | | | |
| Negotiable securities | 5,177 | | 8,048 | | 7,836 | |
| Shares in affiliates | 35,111 | | 36,854 | | 35,523 | |
| Long-term loans | 6,773 | | 7,385 | | 7,455 | |
| Deferred income tax | 6,243 | | 5,494 | | 6,758 | |
| Prepaid pension expenses | 2,904 | | 4,183 | | 3,725 | |
| Other | 13,343 | | 17,219 | | 16,556 | |
| Allowance for doubtful accounts | -2,680 | | -3,040 | | -3,040 | |
| Investments and other assets | 66,871 | 23.3 | 76,143 | 26.4 | 74,813 | 26.6 |
| Total fixed assets | 150,959 | 52.8 | 157,045 | 54.4 | 155,967 | 55.4 |
| Total assets | 285,689 | 100.0 | 288,519 | 100.0 | 281,565 | 100.0 |

| Section | 1st half of Fiscal 2007 (Sep.30, 2006) | | 1st half of Fiscal 2008 (Sep.30, 2007) | | Summary of Balance Sheet for end of Fiscal 2007 (Mar.31, 2007) | |
|---|---|-------|---|-------|--|-------|
| | Amount (Million yen) | (%) | Amount (Million yen) | (%) | Amount (Million yen) | (%) |
| (Liabilities) | | | | | | |
| Current liabilities | | | | | | |
| Trade accounts payable | 59,409 | | 56,145 | | 53,365 | |
| Short-term debt | 13,840 | | 28,583 | | 28,299 | |
| Other accounts payable | 6,357 | | 5,416 | | 5,860 | |
| Expenses payable | 8,852 | | 8,548 | | 8,711 | |
| Corporate tax payable | 186 | | 213 | | 169 | |
| Advances received | 1,173 | | 1,306 | | 1,028 | |
| Deposits received | 1,449 | | 1,540 | | 1,485 | |
| Other | - | | 4 | | 80 | |
| Total Current liabilities | 91,266 | 32.0 | 101,755 | 35.2 | 98,997 | 35.2 |
| Fixed liabilities | | | | | | |
| Company bonds | 5,000 | | 5,000 | | 5,000 | |
| Long-term debt | 18,300 | | 3,000 | | 3,000 | |
| Accrued pension and severance costs for employees | 10,547 | | 12,421 | | 11,667 | |
| Reserve for directors' retirement allowances | 480 | | 434 | | 547 | |
| Other | 92 | | 102 | | 72 | |
| Total fixed liabilities | 34,419 | 12.0 | 20,957 | 7.3 | 20,286 | 7.2 |
| Total liabilities | 125,685 | 44.0 | 122,712 | 42.5 | 119,283 | 42.4 |
| (Net assets) | | | | | | |
| Shareholders' equity | | | | | | |
| Common stock | 25,948 | 9.1 | 25,948 | 9.0 | 25,948 | 9.2 |
| Capital surplus | | | | | | |
| Capital reserves | 34,839 | | 34,839 | | 34,839 | |
| Other Capital surplus | - | | 16 | | - | |
| Total capital surplus | 34,839 | 12.2 | 34,855 | 12.1 | 34,839 | 12.4 |
| Retained earnings | | | | | | |
| Income reserves | 6,512 | | 6,512 | | 6,512 | |
| Other Earned surplus | | | | | | |
| Special redemption reserves | 1,163 | | 877 | | 877 | |
| Reserves for decrease in fixed asset | 465 | | 452 | | 452 | |
| Voluntary reserves | 86,964 | | 86,964 | | 86,964 | |
| Earned surplus carried forward | 7,378 | | 11,850 | | 8,457 | |
| Total Earned surplus | 102,482 | 35.9 | 106,655 | 37.0 | 103,262 | 36.7 |
| Treasury stock | -4,412 | -1.6 | -4,351 | -1.6 | -4,394 | -1.6 |
| Total shareholders' equity | 158,857 | 55.6 | 163,107 | 56.5 | 159,655 | 56.7 |
| Valuation and translation adjustments | | | | | | |
| Net unrealized holding gain on securities | 1,147 | 0.4 | 2,700 | 1.0 | 2,627 | 0.9 |
| Total valuation and translation adjustments | 1,147 | 0.4 | 2,700 | 1.0 | 2,627 | 0.9 |
| Total net assets | 160,004 | 56.0 | 165,807 | 57.5 | 162,282 | 57.6 |
| Total liabilities and net assets | 285,689 | 100.0 | 288,519 | 100.0 | 281,565 | 100.0 |

(2) Non-consolidated Interim Statement of Profit and Loss

| 区分 | 1st half of Fiscal 2007 (Apr.1, 2006-Sep.30, 2006) | | | 1st half of Fiscal 2008 (Apr.1, 2007-Sep.30, 2007) | | | Summary of statement of Profit and Loss for Fiscal 2007 (Apr.1, 2006-Mar.31, 2007) | | |
|---|---|---------|-------|---|---------|-------|---|---------|-------|
| | Amount (Million yen) | | (%) | Amount (Million yen) | | (%) | Amount (Million yen) | | (%) |
| Net sales | | 154,219 | 100.0 | | 170,157 | 100.0 | | 325,091 | 100.0 |
| Cost of sales | | 137,302 | 89.0 | | 151,896 | 89.3 | | 290,371 | 89.3 |
| Total return on sales | | 16,917 | 11.0 | | 18,261 | 10.7 | | 34,720 | 10.7 |
| Sales and general administrative expenses | | 12,247 | 7.9 | | 12,415 | 7.3 | | 25,233 | 7.8 |
| Operating income | | 4,670 | 3.1 | | 5,846 | 3.4 | | 9,487 | 2.9 |
| Non-operating income | | | | | | | | | |
| (Interest and dividends income) | 1,217 | | | 2,838 | | | 3,011 | | |
| (Miscellaneous revenues) | 656 | 1,873 | 1.2 | 764 | 3,602 | 2.1 | 1,370 | 4,381 | 1.3 |
| Non-operating expenses | | | | | | | | | |
| (Interest expense) | 406 | | | 460 | | | 851 | | |
| (Miscellaneous losses) | 1,049 | 1,455 | 0.9 | 1,368 | 1,828 | 1.1 | 2,427 | 3,278 | 1.0 |
| Ordinary income | | 5,088 | 3.4 | | 7,620 | 4.4 | | 10,590 | 3.2 |
| Extraordinary income | | | | | | | | | |
| (Gains on sales of negotiable securities) | 444 | | | - | | | 488 | | |
| (Gains on sales of land) | 41 | | | 241 | | | 129 | | |
| (Other) | 4 | 489 | 0.3 | 40 | 281 | 0.2 | 379 | 996 | 0.3 |
| Extraordinary losses | | | | | | | | | |
| (Revaluation losses on negotiable securities) | 480 | | | 120 | | | 630 | | |
| (Impairment losses) | 181 | | | 417 | | | 2,629 | | |
| (Restructuring costs) | 904 | | | - | | | 1,002 | | |
| (Other) | 349 | 1,914 | 1.2 | 26 | 563 | 0.3 | 352 | 4,613 | 1.4 |
| Net income before taxes and other adjustments | | 3,663 | 2.5 | | 7,338 | 4.3 | | 6,973 | 2.1 |
| Corporate, residence, and enterprise taxes | 102 | | | 104 | | | 215 | | |
| Corporate tax adjustments | 1,169 | 1,271 | 0.8 | 2,024 | 2,128 | 1.3 | 2,320 | 2,535 | 0.8 |
| Interim net income (Net income) | | 2,392 | 1.7 | | 5,210 | 3.0 | | 4,438 | 1.3 |

(3) Non-consolidated Interim Statement of Changes in Net Assets

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

| | Shareholders' equity | | | | | | | | | | | |
|---|----------------------|------------------|-----------------------|-----------------------|-------------------|-----------------------------|---------------------------------------|--------------------|-----------------------------------|-------------------------|----------------|----------------------------|
| | Common stock | Capital surplus | | | Retained earnings | | | | | | Treasury stock | Total shareholders' equity |
| | | Capital reserves | Other capital surplus | Total capital surplus | Income reserves | Other retained earnings | | | | Total retained earnings | | |
| | | | | | | Special redemption reserves | Reserves for decrease in fixed assets | Voluntary reserves | Retained earnings carried forward | | | |
| Balance as of March 31, 2006 (million yen) | 25,948 | 34,839 | - | 34,839 | 6,512 | 370 | 480 | 86,964 | 7,042 | 101,368 | -4,443 | 157,712 |
| Changes during this interim fiscal period | | | | | | | | | | | | |
| Cash dividends | | | | | | | | | -1,272 | -1,272 | | -1,272 |
| Interim net income | | | | | | | | | 2,392 | 2,392 | | 2,392 |
| Acquisition of treasury stock | | | | | | | | | | | -16 | -16 |
| Sale of treasury stock | | | | | | | | | -6 | -6 | 47 | 41 |
| Transfer from special redemption reserves | | | | | | -97 | | | 97 | | | - |
| Transfer to special redemption reserves | | | | | | 890 | | | -890 | | | - |
| Transfer from reserves for decrease in fixed assets | | | | | | | -15 | | 15 | | | - |
| (Net) changes during this interim fiscal period in accounts other than Shareholders' equity | | | | | | | | | | | | |
| Total changes during this interim fiscal period (million yen) | - | - | - | - | - | 793 | -15 | - | 336 | 1,114 | 31 | 1,145 |
| Balance as of September 30, 2006 (million yen) | 25,948 | 34,839 | - | 34,839 | 6,512 | 1,163 | 465 | 86,964 | 7,378 | 102,482 | -4,412 | 158,857 |

| | Valuation and translation adjustments | | Total net assets |
|---|---|---|------------------|
| | Net unrealized holding gain on securities | Total valuation and translation adjustments | |
| Balance as of March 31, 2006 (million yen) | 1,123 | 1,123 | 158,835 |
| Changes during this interim fiscal period | | | |
| Cash dividends | | | -1,272 |
| Interim net income | | | 2,392 |
| Acquisition of treasury stock | | | -16 |
| Sale of treasury stock | | | 41 |
| (Net) changes during this interim fiscal period in accounts other than Shareholders' equity | 24 | 24 | 24 |
| Total changes during this interim fiscal period (million yen) | 24 | 24 | 1,169 |
| Balance as of September 30, 2006 (million yen) | 1,147 | 1,147 | 160,004 |

1st half of fiscal 2008 (Apr.1, 2007-Sep.30, 2007)

| | Shareholders' equity | | | | | | | | | | | |
|---|----------------------|------------------|-----------------------|-----------------------|-----------------|-----------------------------|---------------------------------------|--------------------|-----------------------------------|-------------------------|----------------|----------------------------|
| | Common stock | Capital surplus | | | Income reserves | Retained earnings | | | | | Treasury stock | Total shareholders' equity |
| | | Capital reserves | Other capital surplus | Total capital surplus | | Other retained earnings | | | | Total retained earnings | | |
| | | | | | | Special redemption reserves | Reserves for decrease in fixed assets | Voluntary reserves | Retained earnings carried forward | | | |
| Balance as of March 31, 2007 (million yen) | 25,948 | 34,839 | - | 34,839 | 6,512 | 877 | 452 | 86,964 | 8,457 | 103,262 | -4,394 | 159,655 |
| Changes during this interim fiscal Period | | | | | | | | | | | | |
| Cash dividends | | | | | | | | | -1,817 | -1,817 | | -1,817 |
| Interim net income | | | | | | | | | 5,210 | 5,210 | | 5,210 |
| Acquisition of treasury stock | | | | | | | | | | | -34 | -34 |
| Sale of treasury stock | | | 16 | 16 | | | | | | | 77 | 93 |
| (Net) changes during this interim fiscal period in accounts other than Shareholders' equity | | | | | | | | | | | | |
| Total changes during this interim fiscal period (million yen) | - | - | 16 | 16 | - | - | - | - | 3,393 | 3,393 | 43 | 3,452 |
| Balance as of September 30, 2007 (million yen) | 25,948 | 34,839 | 16 | 34,855 | 6,512 | 877 | 452 | 86,964 | 11,850 | 106,655 | -4,351 | 163,107 |

| | Valuation and translation adjustments | | Total net assets |
|---|---|---|------------------|
| | Net unrealized holding gain on securities | Total valuation and translation adjustments | |
| Balance as of March 31, 2007 (million yen) | 2,627 | 2,627 | 162,282 |
| Changes during this interim fiscal Period | | | |
| Cash dividends | | | -1,817 |
| Interim net income | | | 5,210 |
| Acquisition of treasury stock | | | -34 |
| Sale of treasury stock | | | 93 |
| (Net) changes during this interim fiscal period in accounts other than Shareholders' equity | 73 | 73 | 73 |
| Total changes during this interim fiscal period (million yen) | 73 | 73 | 3,525 |
| Balance as of September 30, 2007 (million yen) | 2,700 | 2,700 | 165,807 |

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

| | Shareholders' equity | | | | | | | | | | | |
|---|----------------------|------------------|-----------------------|-----------------------|-------------------|-----------------------------|---------------------------------------|--------------------|-----------------------------------|-------------------------|----------------|----------------------------|
| | Common stock | Capital surplus | | | Retained earnings | | | | | | Treasury stock | Total shareholders' equity |
| | | Capital reserves | Other capital surplus | Total capital surplus | Income reserves | Other retained earnings | | | | Total retained earnings | | |
| | | | | | | Special redemption reserves | Reserves for decrease in fixed assets | Voluntary reserves | Retained earnings carried forward | | | |
| Balance as of March 31, 2006 (million yen) | 25,948 | 34,839 | - | 34,839 | 6,512 | 370 | 480 | 86,964 | 7,042 | 101,368 | -4,443 | 157,712 |
| Changes during this fiscal year | | | | | | | | | | | | |
| Cash dividends | | | | | | | | | -2,543 | -2,543 | | -2,543 |
| Net income | | | | | | | | | 4,438 | 4,438 | | 4,438 |
| Acquisition of treasury stock | | | | | | | | | | | -42 | -42 |
| Sale of treasury stock | | | | | | | | | -1 | -1 | 91 | 90 |
| Transfer from special redemption reserves | | | | | | -383 | | | 383 | | | - |
| Transfer to special redemption reserves | | | | | | 890 | | | - 890 | | | - |
| Transfer from reserves for decrease in fixed assets | | | | | | | -28 | | 28 | | | - |
| (Net) changes during this fiscal year in accounts other than Shareholders' equity | | | | | | | | | | | | |
| Total changes during this fiscal year (million yen) | - | - | - | - | - | 507 | -28 | - | 1,415 | 1,894 | 49 | 1,943 |
| Balance as of March 31, 2007 (million yen) | 25,948 | 34,839 | - | 34,839 | 6,512 | 877 | 452 | 86,964 | 8,457 | 103,262 | -4,394 | 159,655 |

| | Valuation and translation adjustments | | Total net assets |
|---|---|---|------------------|
| | Net unrealized holding gain on securities | Total valuation and translation adjustments | |
| Balance as of March 31, 2006 (million yen) | 1,123 | 1,123 | 158,835 |
| Changes during this fiscal year | | | |
| Cash dividends | | | -2,543 |
| Net income | | | 4,438 |
| Acquisition of treasury stock | | | -42 |
| Sale of treasury stock | | | 90 |
| (Net) changes during this fiscal year in accounts other than Shareholders' equity | 1,504 | 1,504 | 1,504 |
| Total changes during this fiscal year (million yen) | 1,504 | 1,504 | 3,447 |
| Balance as of March 31, 2007 (million yen) | 2,627 | 2,627 | 162,282 |

(4) Notes on bases for preparing interim financial statements

Depreciation methods for fixed assets

A. Tangible fixed assets

Declining-balance method (straight-line method for buildings and fixtures)

Changes to accounting policies:

Beginning with this interim fiscal period, tangible fixed assets acquired on or after April 1, 2007, will be depreciated by the depreciation methods stipulated in the amended Corporation Tax Law. As a result, operating income, ordinary income, and interim net income before taxes and other adjustments have each decreased by 106 million yen.

Additional information:

Due to amendments to the Corporation Tax Law, for assets acquired on or before March 31, 2007, beginning with the fiscal year following that in which application of depreciation methods based on the pre-amendment Corporation Tax Law reached 5% of the acquisition price, the difference between the amount corresponding to 5% of the acquisition price and the memorandum price is depreciated by the straight-line method over five years. As a result, operating income, ordinary income, and interim net income before taxes and other adjustments have each decreased by 366 million yen.

B. Intangible fixed assets

The method used is the straight-line method. For software used by the company, the straight-line method is applied over the company's useful life for such software (five years).