Financial Report for Fiscal 2009 Ended March 31, 2009

April 28, 2009

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
(URL http://www.hitachi-cable.co.jp/en)
President and Representative Director: Mitsuo Imai
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General Manager, Administration Dept. Human Resources & Administration Group
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Planned date of the Regular Shareholders Meeting: June 25, 2009
Planned date of beginning payment of dividends: May 29, 2009
Planned date of submittal of Financial Statement Report: June 25, 2009

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

1. Performance over the year under review (Apr. 1, 2008-Mar. 31, 2009)

(1) Operating Results

	Net Sales (Million yen)		Operating Income (Million yen)		Ordinary Income (Million yen)		Net Income (Million yen)	
		(%)		(%)		(%)		(%)
Mar./09	493,151	(-12.9)	-14,740	(—)	-19,974	(—)	-53,775	(—)
Mar./08	565,994	(4.0)	23,117	(0.6)	21,639	(5.8)	10,708	(23.6)

	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./09	-147.92	—	-32.8	-6.2	-3.0
Mar./08	29.46	29.45	5.5	5.9	4.1

Note: (i)Investment income based on equity method Mar./09 -2,790 million yen Mar./08 1,776 million yen
(ii)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)
Mar./09	278,958	132,853	46.7	358.48
Mar./08	370,127	200,842	53.3	543.09

Note: Equity Mar./09 130,315 million Mar./08 197,438 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 Year (Million yen)
Mar./09	36,053	-41,387	5,525	7,965
Mar./08	38,301	-28,484	-9,249	9,902

2. Dividends

	Dividends Per Share			Total Dividends (Annual)	Dividend Payout Ratio (Consolidated)	Dividends on Net Assets (Consolidated)
(Base Date)	Sept. 30	March 31	Annual			
	(Yen)	(Yen)	(Yen)	(Million yen)	%	%
Mar./08	4.25	4.25	8.50	3,090	28.9	1.6
Mar./09	4.25	3.00	7.25	2,636	—	1.6
Mar./10 (Forecast)	2.50	2.50	5.00		—	

3. Business Results Forecast for Fiscal Year 2010 (Apr.1, 2009-Mar.31, 2010)

	Net Sales (Million yen)	(%)	Operating Income (Million yen)	(%)	Ordinary Income (Million yen)	(%)	Net Income (Million yen)	(%)	Net Income Per Share (Yen)
Sep./09	177,000	(-37.0)	-5,000	(—)	-5,000	(—)	-5,000	(—)	-13.75
Mar./10	370,000	(-25.0)	1,000	(—)	1,000	(—)	-3,000	(—)	-8.25

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

4. Other Notes

(1) Significant changes in key subsidiaries during this fiscal year (changes in designated subsidiaries resulting from changes in the scope of consolidation):(Y/N):N

(2) Changes in accounting principles, procedures, methods of representation, etc. involved in preparation of consolidated financial statements
(i)Changes resulting from changes to accounting standards etc.: (Y/N):Y
(ii)Changes other than those noted under "(i)" above (Y/N):Y
Note: See "(6) Notes on bases for preparation of these consolidated financial statements"and (7) Changes in the bases for preparing consolidated financial statements on page 14 for details.

(3) Number of shares outstanding (Common)
(i)Number of shares outstanding at the end of period (Including treasury stock) Mar./09 374,018,174 Mar./08 374,018,174
(ii)Number of treasury stock at the end of period Mar./09 10,500,697 Mar./08 10,469,883

Note: See "Per-share information" on page 19 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, 2008-Mar. 31, 2009)

(1) Operating Results

	Net Sales (Million yen)	(%)	Operating Income (Million yen)	(%)	Ordinary Income (Million yen)	(%)	Net Income (Million yen)	(%)
Mar./09	298,078	(-14.6)	-9,766	(—)	-5,398	(—)	-38,764	(—)
Mar./08	349,193	(7.4)	11,088	(16.9)	12,050	(13.8)	6,195	(39.6)

	Net Income Per Share (Yen)	Diluted Net Income Per Share (Yen)
Mar./09	-106.62	—
Mar./08	17.04	17.04

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)
Mar./09	219,653	120,657	54.9	331.88
Mar./08	277,181	163,967	59.2	450.98

Note: Equity Mar./09 120,657 million yen Mar./08 163,967 million yen

* 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.

See "(1)Analysis of business performance" under "1. Business performance" on page 3 concerning the content of the 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
(i)Performance this consolidated fiscal year

During this consolidated fiscal year, the global economy presented symptoms of a simultaneous worldwide recession in the real economy, as what some refer to as a once-in-a-century financial crisis—stemming from the bankruptcy of a major US securities firm—worsened and sharp foreign exchange movements and steep declines in international commodities markets took place. Affected by this sudden deterioration of the economic environment, the business performance of the Hitachi Cable Group in this consolidated fiscal year was significantly worse than that of the previous consolidated fiscal year.

Net sales totaled 493,151million yen, 13% lower than the previous consolidated fiscal year, owing to the effect of sharp declines in the price of copper—the principal raw material for wires, cables, and copper products—and decreased demand and prices for the Group's products, especially those supplied to the semiconductor and autotive markets.

revaluation losses on inventories arising from sharp falls in the price of copper, a deterioration in the profit structure—particularly in the sophisticated materials business—resulting from sluggish demand for products targeting the semiconductor and automotive markets, and higher depreciation expenses resulting from a revision of the useful lives of machinery and equipment that was made along with the amendment of the Corporation Tax Law, among other factors, led to an operating loss of 14,740 million yen and an ordinary loss of 19,974 million yen.

As a result of implementing restructuring measures to address the sudden changes in the economic environment and the accompanying deterioration of business performance, the Group recorded an extraordinary loss of 13,169 million yen, including impairment losses and losses on the elimination of fixed assets. Furthermore, the reversal of deferred tax assets and the recording of the resultant charge in corporate, residence and enterprise taxes—which resulted from a reassessment of the recoverability of deferred income tax assets induced by a reevaluation of the Group's future profit plans—combined with other factors, led to a net loss of 53,775 million yen.

An overview of performance for each business segment is given below. The net sales figures for each segment include internal sales and transfers between business segments.

Wires and cables

The overall sales of this segment underperformed the previous consolidated fiscal year as sale prices declined with the sharp fall in the price of copper—the segment's primary raw material—that started around September 2008. In terms of individual product performance, sales of industrial cables and power cables were strong during the first half of the fiscal year but were affected by factors including slowing demand for construction-use products beginning in the latter half of the third quarter (October-December 2008) of this consolidated fiscal period. Sales of magnet wires were sluggish, particularly those used in automotive electronic components, and sales of electronic wires and wiring devices also fell, affected by stagnant demand for products used in industrial machinery and consumer appliances.

These factors led to net sales for the segment of 253,028 million yen, 15% lower than the previous consolidated fiscal year. The segment produced an operating loss of 2,058 million yen as a result of revaluation losses on inventories induced by the sharp fall in copper prices as well as the decrease in net sales.

Information and telecommunications networking

Although affected by the strong yen, sales of optical submarine cables were strong, buoyed by high demand.

Sales of wireless systems were strong for both digital broadcasting relay stations and mobile phone base stations.

For information networks, sales of information and telecommunications networking devices slowed slightly from the latter half of the third quarter of this consolidated fiscal period due to the effects of the economic slowdown—although demand for use in next-generation telecommunications networks and the backbone systems for mobile phones and next-generation high-speed wireless communications did emerge—while sales of the integration business were strong.

These factors led to net sales for the segment of 82,831 million yen, 7% lower than the previous consolidated fiscal year. The segment's operating income was 3,886 million yen, 44% below that of the previous consolidated fiscal year.

Sophisticated materials business

Sales of compound semiconductors, both for optical devices and for electronic devices, declined considerably beginning in the latter half of the third quarter of this consolidated fiscal year due to sudden inventory adjustments. TAB sales, especially of the chip-on-film (COF) used in LCD panels, stagnated due to the effects of decreased volumes and sales price declines.

Sales of auto parts were sluggish, affected strongly by the decline in demand, especially in the North American market.

Copper products saw sales price declines due to the effect of the sharp fall in the price of copper—their principal raw material—that began around September 2008; demand also fell, especially for copper strips used in semiconductors.

These factors led to segment net sales of 177,822 million yen, 13% lower than the previous consolidated fiscal year.

The segment produced an operating loss of 17,284 million yen due to factors including an overall decline in sales and a revaluation loss on inventories in copper products arising from the sharp fall in the price of copper.

Other business

This segment comprises logistics and other businesses. Segment net sales were 16,808 million yen, 3% lower than the previous consolidated fiscal year. The segment's operating income was 680 million yen, 4% higher than the previous consolidated fiscal year.

(ii) Projections for the subsequent consolidated fiscal year

Although there are signs that the deterioration of business sentiment is coming to an end thanks to the economic stimulus packages and monetary easing adopted by various countries, the condition of the global economy at present allows no room for speculation of a full-fledged economic recovery in the short term. Despite a projected weakening in inventory adjustment pressures in areas including electronic components and automobiles, an extremely harsh environment is expected to continue in the domestic economy as well, with private-sector capital investment likely to remain low—reflecting the harsh profit and financing considerations impacting business and personal consumption, which are both expected to contract further due to deterioration in employment and income figures.

In view of the current economic environment and trends in markets impacting the businesses of the Hitachi Cable Group, net sales of the Group for the following consolidated fiscal year are projected at 370 billion yen, a 25% decrease from this consolidated fiscal year. Although profits are expected to weaken due to lower net sales, among other factors, the Group will seek to secure operating income and ordinary income of 1 billion yen each by steadily implementing the business performance improvement measures described in 3.(3) Issues that must be addressed. Net loss is projected at 3 billion yen, as extraordinary losses are anticipated in connection with the implementation of restructuring measures.

Discussed below are projections for the market and the business performance of each business segment for the subsequent consolidated fiscal year. The net sales figures for each segment include internal sales and transfers between business segments.

Note: The average standard quoted copper price on which performance projections for the subsequent consolidated fiscal year are based is estimated at 400 thousand yen per ton. (The average standard quoted copper price in this consolidated fiscal year was 657 thousand yen per ton.)

Wires and cables

Sales of industrial cables and electronic power cables for private-sector capital investments and other uses are expected to decrease due to the recession. With respect to electronic wires and wiring devices, demand for use in industrial machinery and consumer appliances is expected to continue to stagnate. With respect to magnet wires, sales of products for use in heavy electrical machinery are expected to remain firm while sales of products for use in electronic automotive components are expected to decrease.

In summary, net sales for the segment are projected at 180.5 billion yen.

Information and telecommunications networking

While uncertainty surrounding the timing of recovery in private-sector capital investments is a concern for information networks, demand from telecommunication carriers and mobile-phone carriers is expected to remain firm.

With respect to wireless systems, continued demand stemming from capital investments by mobile-phone carriers is anticipated, and demand for use in digital broadcasting relay stations, albeit at a slightly smaller scale, is expected to peak.

Shipments of optical submarine cables for large-scale projects are expected to continue, especially in the first half of the fiscal year. However, continuation of the strong yen is expected to push profits down.

In summary, net sales for the segment are projected at 71.5 billion yen.

Sophisticated materials

While demand for compound semiconductors for electronic devices is expected to recover, demand for optical devices is expected to remain weak, particularly for laser diodes. Demand for TAB tape for memory use is expected to grow, particularly for new products. While prices for chip-on-film (COF) used in large LCD panels are anticipated to remain low, volume is expected to recover.

Although auto parts are expected to see gradual progress in inventory adjustment, stagnant demand is likely to continue, especially in the North American market.

While demand for copper products is expected to recover in the second half of the fiscal year, the level of net sales is expected to remain stagnant as it is assumed that the price of copper will remain below its level during the current consolidated fiscal year.

In summary, net sales for the segment are projected at 131 billion yen.

Other businesses

Sales in this segment are projected to total 15 billion yen.

(2) Analysis of financial conditions

(i) Financial conditions in this consolidated fiscal year

【Consolidated Balance Sheet】

Total assets at the end of this consolidated fiscal year were 278,958 million yen, a decrease of 91,169 million yen from the end of the previous consolidated fiscal year. Included in this figure are current assets, whose value declined by 71,408 million yen to 130,670 million yen over the same period. This decline is primarily attributable to a reduction in trade receivables of 44,883 million yen, a reduction in inventories the total amount of merchandise and products, in-process inventories and raw materials and supplies of 20,849 million yen and a reduction in deferred income tax assets of 4,515 million yen. Fixed assets decreased by 19,761 million yen to 148,288 million yen from the end of the previous consolidated fiscal year, mainly as a result of tangible fixed assets falling by 6,329 million yen, negotiable securities falling by 4,686 million yen and deferred income tax assets falling by 9,476 million yen.

Liabilities totaled 146,105 million yen, a decrease of 23,180 million yen from the end of the previous consolidated fiscal year. This decrease was due primarily to a decrease of 35,778 million yen in trade payables.

Net assets totaled 132,853 million yen, a decrease of 67,989 million yen from the end of the previous consolidated fiscal year, due primarily to a decrease of 56,865 million yen in retained earnings driven by factors such as the booking of net loss of 53,775 million yen and a decrease of 8,615 million yen in foreign currency translation adjustments.

【Consolidated Cash Flow Statement】

Cash and cash equivalents at the end of this consolidated fiscal year totaled 7,965 million yen, a decrease of 1,937 million yen from the previous consolidated fiscal year. This figure resulted from factors including a net loss before taxes and other adjustments of 33,036 million yen, lower trade payables, and expenditures for tangible and intangible fixed assets in connection with capital investments, despite receipts of cash and cash equivalents resulting from lower trade receivables, lower inventories, recording of impairment losses, and short- and long-term debts.

The state of each type of cash flow at the end of this consolidated fiscal year, and related factors, are described below.

Cash flow from operations totaled 36,053 million yen, 2,248 million yen less than the previous consolidated fiscal year. This figure resulted from a net loss before taxes and other adjustments of 33,036 million yen and a 32,593 million yen decrease in trade payables, as well as depreciation expenses of 25,347 million yen, a decrease in trade receivables of 41,435 million yen, a decrease in inventories of 20,329 million yen, the recording of impairment losses of 8,990 million yen, and other items.

Cash flow used in investments totaled 41,387 million yen, an increase of 12,903 million yen over the previous consolidated fiscal year. This figure resulted from factors including expenditures of 30,382 million yen for purchases of tangible fixed assets and other items, an expenditure of 9,145 million yen for the acquisition of subsidiary shares involving a change in the scope of consolidation, and expenditures on loans of 2,649 million yen.

Cash flow from financing activities totaled 5,525 million yen, an increase of 14,774 million yen over the previous consolidated fiscal year. This figure resulted from factors including a cash inflow of 5 billion yen due to long-term debts, an increase in short-term debts of 4,198 million yen, and payment of dividends of 3,090 million yen.

(ii) Projections for the subsequent consolidated fiscal year

Net loss, a component of cash flow from operations, is projected at 3 billion yen.

With respect to the components of cash flow used in investments, capital investments are expected to be lower than in this consolidated fiscal year.

With respect to cash flow used in financing activities, the Company plans to continue reducing its interest-bearing debt through efficient use of funds within the Group.

(iii) Trends in cash flow indicators

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Equity ratio	54.3	53.6	52.6	53.3	46.7
Equity ratio at market value	49.2	71.6	67.4	36.4	24.8
Interest-bearing liabilities/cash flow	1.4	2.9	1.7	1.0	1.2
Interest coverage ratio	28.8	11.5	16.2	24.3	23.6

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 dividends after comprehensive assessment of issues such as business performance, enhancements to management structures, and future business strategies.

With respect to distribution of retained earnings, the Company returns profits to shareholders after assessing business performance, in line with its basic policy of providing stable dividends. It pays dividends from retained earnings twice annually in cash, with basis dates of March 31 and September 30, putting the remaining funds to effective use through investment in areas with high growth potential and investment intended to revitalize existing businesses, while continuing to maintain and strengthen its basic financial soundness. The Company also acquires treasury shares, which it considers another effective way to distribute profits to shareholders, and seeks to implement relevant measures while monitoring various issues, such as trends in share prices and general financial conditions.

In the fiscal year 2009, Hitachi Cable paid interim dividends of 4.25 yen per share. The Company also plans to pay year-end dividends of 3.00 yen per share for a projected total of 7.25 yen per share in dividends over the entire fiscal year.

In the fiscal year 2010, Hitachi Cable expects to pay interim dividends of 2.5 yen per share and year-end dividends of 2.5 yen per share for a projected total of 5.0 yen per share in dividends over the entire fiscal year.

2. Status of the group of companies

Since no significant changes have occurred in the “Group Schematic” or the “Major Subsidiaries and Affiliates” provided in the Annual Report 2008, this report omits any discussion of the status of the group of companies.

3. Management policies

(1) Fundamental Company management policies

Under its corporate vision of Empowering Energy & Communication, the Hitachi Cable Group seeks to be a leading figure recognized around the world, a company in which all employees can take pride, based on its contributions to society through products and services that meet diversified and sophisticated needs in the areas of energy and communications.

(2) The Company’s medium- to long-range management strategies

To realize sustainable growth in the future, the Hitachi Cable Group seeks to establish a firm business foundation capable of achieving high levels of profitability, in addition to creating large numbers of proprietary products that ensure large market shares worldwide. To this end, it will implement the following measures:

In terms of measures targeting markets and business domains, it will work to strengthen its global marketing capabilities and its quality, cost, delivery and development (QCDD) to establish a structure for generating high profitability overseas. It will also seek to further strengthen the profitability of key businesses and will concentrate managerial resources on areas of growth while maintaining a clear view of related risks. Furthermore, it will seek to create new core businesses in such areas as the environment and energy.

In terms of measures to strengthen human resource development and organizational capabilities, the Group will seek to enhance its organizational capabilities from the perspectives of overall optimization and consolidated group business management, and will enhance training programs and HR systems to develop human resources capable of competing in the global market. Furthermore, it will work to make continued progress in the area of manufacturing, the starting point for any maker of products, through the Hitachi Cable Just-in-Time (JIT) production system.

(3) Issues that must be addressed

The Hitachi Cable Group will aim to generate profits at both the operating and ordinary income levels in the fiscal year 2010 and, to this end, will urgent measures to improve business performance in addition to rationalization measures, including expense and procurement cost reductions, productivity improvements, and fixed cost reductions that it has been working on to date.

At the same time, it will initiate restructuring measures anticipated to bear fruit by the fiscal year 2011, focusing on semiconductor- and automobile-related areas, which are experiencing worsening profitability. It will also seek to reinforce the wires and cables business, with a focus on products for which the Group can demonstrate advantage, and in addition will seek to expand its information and telecommunications networking business, which promises growth.

By steadily implementing these measures, the Group will create a foundation for future growth while at the same time reinforcing its corporate constitution.

Specific measures include the following.

(i) Urgent measures to improve business performance

A. Adoption of "2009 work-sharing days off", one-unpaid day off per month, for ordinary employees.
B. Expansion of the emergency salary measure imposed on managerial staff
C. Six-month postponement of periodic salary raise
D. Main labor cost measures aligned to the status of order receipts and business performance

(ii) Restructuring measures

A. Structural improvement of semiconductor-related businesses
- TAB: consolidation of COF manufacturing facilities; commencement of full-fledged mass production of new TAB product for memory use.
- Compound semiconductors: focus on products for electronic devices and LEDs; reevaluate allocation of production within the Group.

B. Elimination/consolidation of manufacturing and sales facilities

Improve management efficiency through the elimination/consolidation of manufacturing facilities, including those for electronic wires and wiring devices, leadframes and auto parts, and the elimination/consolidation of domestic and overseas sales facilities.

(iii) Expansion of information and telecommunications networking business

A. Information networks
- Domestic

Products for telecommunications carriers: expand applications in new areas such as the mobile backhaul of next-generation mobile communications.

Products for private-sector and public-sector markets: expand partner sales

- Overseas

Address the international services provided by domestic telecommunications carriers and expand sales to overseas telecommunications carriers, particularly in Southeast Asia.

B. Wireless systems

Capture the demand created by capital investments in next-generation mobile communications by mobile-phone carriers

(iv) Reinforcement of wires and cables business

A. Further strengthening of products with a high market share (e.g., auto wires)
B. Aggressively expand sales in growth areas (e.g., probe cables for medical applications, micro coaxial cables, clean energy related areas, etc.)
C. Strengthen manufacturing capabilities (further entrenchment of the Hitachi Cable Just-in-Time (JIT) production system)

4. Consolidated Financial Statements
(1) Consolidated Balance Sheet

(Units: million yen)

	End of previous consolidated fiscal year (March 31, 2008)	End of this consolidated fiscal year (March 31, 2009)
(Assets)		
Current assets		
Cash and cash equivalents	9,902	8,038
Trade receivables	115,241	70,358
Securities	—	301
Inventories	59,772	—
Merchandise and products	—	8,725
In-process inventories	—	19,983
Raw materials and supplies	—	10,215
Deferred income tax	5,052	537
Other	12,774	12,903
Allowance for doubtful accounts	-663	-390
Total current assets	202,078	130,670
Fixed assets		
Tangible fixed assets		
Buildings and structures	109,697	111,734
Cumulative depreciation	-65,584	-66,254
Buildings and structures (net)	44,113	45,480
Machinery, vehicles, and tools	279,240	275,476
Cumulative depreciation	-223,129	-227,446
Machinery, vehicles, and tools (net)	56,111	48,030
Land	9,143	10,175
Construction in progress	7,875	7,228
Total tangible fixed assets	117,242	110,913
Intangible fixed assets		
Goodwill	—	1,830
Other	7,844	8,989
Total intangible fixed assets	7,844	10,819
Investments and other assets		
Negotiable securities	20,161	15,475
Long-term loans	3,020	2,680
Prepaid pension expenses	4,259	3,358
Deferred income tax	10,461	985
Other	7,919	6,754
Allowance for doubtful accounts	-2,857	-2,696
Total investments and other assets	42,963	26,556
Total fixed assets	168,049	148,288
Total assets	370,127	278,958

	End of previous consolidated fiscal year (March 31, 2008)	End of this consolidated fiscal year (March 31, 2009)
(Liabilities)		
Current liabilities		
Trade payables	78,385	42,607
Short-term debt	14,449	15,390
Bonds due within one year	—	5,000
Long-term debt due within one year	—	3,000
Corporate tax payable	2,721	815
Other	28,550	28,597
Total current liabilities	124,105	95,409
Fixed liabilities		
Company bonds	5,000	—
Long-term debt	18,500	20,523
Deferred tax liabilities	379	4,073
Retirement and severance benefits	20,042	22,511
Reserve for directors' retirement allowances	851	785
Liability due to application of equity method	—	1,112
Other	408	1,692
Total fixed liabilities	45,180	50,696
Total liabilities	169,285	146,105
(Net assets)		
Shareholders' equity		
Common stock	25,948	25,948
Capital surplus	31,534	31,529
Retained earnings	141,090	84,225
Treasury stock	-4,356	-4,362
Total shareholders' equity	194,216	137,340
Valuation and translation adjustments		
Net unrealized holding gains on securities	1,517	275
Deferred hedging gains/losses	351	-39
Foreign currency translation adjustments	1,354	-7,261
Total valuation and translation adjustments	3,222	-7,025
Minority investments	3,404	2,538
Total net assets	200,842	132,853
Total liabilities and net assets	370,127	278,958

(2) Consolidated Statement of Profit and Loss

(Units: million yen)

	Fiscal 2008 (Apr.1, 2007- Mar.31, 2008)	Fiscal 2009 (Apr.1, 2008- Mar.31, 2009)
Net sales	565,994	493,151
Cost of sales	489,306	452,663
Total return on sales	76,688	40,488
Sales and general administrative expenses	53,571	55,228
Operating income (loss :-)	23,117	-14,740
Non-operating income		
Interest received	343	282
Dividends received	172	262
Investment income by equity method	1,776	—
Gain on sale of goods	830	534
Fixed asset lease expense	—	373
Other non-operating income	2,295	1,442
Total non-operating income	5,416	2,893
Non-operating expenses		
Interest expense	1,582	1,545
Exchange loss	2,268	820
Investment loss by equity method	—	2,790
Other non-operating expenses	3,044	2,972
Total non-operating expenses	6,894	8,127
Ordinary income (loss :-)	21,639	-19,974
Extraordinary income		
Gains on sale of fixed assets	311	—
Gains on sale of negotiable securities	—	24
Reversal of allowance for doubtful accounts	138	—
Prior-period adjustments	—	68
Other extraordinary income	147	15
Total extraordinary income	596	107
Extraordinary losses		
Loss on elimination of fixed assets	—	1,877
Impairment losses	3,679	8,990
Restructuring costs	456	—
Other extraordinary losses	504	2,302
Total extraordinary losses	4,639	13,169
Net income (loss:-) before taxes and other adjustments	17,596	-33,036
Corporate, residence, and enterprise taxes	4,486	2,252
Corporate tax adjustments	1,746	18,411
Total corporate taxes, etc.	6,232	20,663
Gains to minority investors	656	76
Net income (loss:-)	10,708	-53,775

(3) Consolidated Statement of Changes in Shareholders' Equity

(Units: million yen)

	Fiscal 2008 (Apr.1, 2007- Mar.31, 2008)	Fiscal 2009 (Apr.1, 2008- Mar.31, 2009)
Shareholders' equity		
Common stock		
Balance at end of previous year	25,948	25,948
Balance at end of current year	25,948	25,948
Capital surplus		
Balance at end of previous year	31,516	31,534
Changes during current year		
Sale of treasury stock	18	-5
Total Changes during current year	18	-5
Balance at end of current year	31,534	31,529
Retained earnings		
Balance at end of previous year	133,739	141,090
Changes during current year		
Cash dividends	-3,362	-3,090
Net income (loss :-)	10,708	-53,775
Increase/decrease due to changes in accounting treatment at overseas subsidiaries	5	—
Total Changes during current year	7,351	-56,865
Balance at end of current year	141,090	84,225
Treasury stock		
Balance at end of previous year	-4,403	-4,356
Changes during current year		
Acquisition of treasury stock	-48	-19
Sale of treasury stock	95	13
Total Changes during current year	47	-6
Balance at end of current year	-4,356	-4,362
Total shareholders' equity		
Balance at end of previous year	186,800	194,216
Changes during current year		
Cash dividends	-3,362	-3,090
Net income (loss :-)	10,708	-53,775
Acquisition of treasury stock	-48	-19
Sale of treasury stock	113	8
Increase/decrease due to changes in accounting treatment at overseas subsidiaries	5	—
Total Changes during current year	7,416	-56,876
Balance at end of current year	194,216	137,340
Valuation and translation adjustments		
Net unrealized holding gain on securities		
Balance at end of previous year	3,179	1,517
Changes during this consolidated fiscal year		
(Net) changes during current year in accounts other than shareholders' equity	-1,662	-1,242
Total Changes during current year	-1,662	-1,242
Balance at end of current year	1,517	275

(Units: million yen)

	Fiscal 2008 (Apr.1, 2007- Mar.31, 2008)	Fiscal 2009 (Apr.1, 2008- Mar.31, 2009)
Deferred hedging gain/ losses		
Balance at end of previous year	—	351
Changes during current year		
(Net) changes during current year in accounts other than shareholders' equity	351	-390
Total Changes during current year	351	-390
Balance at end of current year	351	-39
Foreign currency translation adjustments		
Balance at end of previous year	292	1,354
Changes during current year		
(Net) changes during current year in accounts other than shareholders' equity	1,062	-8,615
Changes during current year	1,062	-8,615
Balance at end of current year	1,354	-7,261
Total valuation and translation adjustments		
Balance at end of previous year	3,471	3,222
Changes during current year		
(Net) changes during current year in accounts other than shareholders' equity	-249	-10,247
Total Changes during current year	-249	-10,247
Balance at end of current year	3,222	-7,025
Minority investments		
Balance at end of previous year	3,329	3,404
Changes during current year		
(Net) changes during current year in accounts other than shareholders' equity	75	-866
Changes during current year	75	-866
Changes during current year	3,404	2,538
Total net assets		
Balance at end of previous year	193,600	200,842
Balance at end of current year		
Cash dividends	-3,362	-3,090
Net income (loss :-)	10,708	-53,775
Acquisition of treasury stock	-48	-19
Sale of treasury stock	113	8
Increase/decrease due to changes in accounting treatment at overseas subsidiaries	5	—
(Net) changes during current year in accounts other than shareholders' equity	-174	-11,113
Total Changes during current year	7,242	-67,989
Balance at end of current year	200,842	132,853

(4) Consolidated Statement of Cash Flows

(Units: million yen)

	Fiscal 2008 (Apr.1, 2007- Mar.31, 2008)	Fiscal 2009 (Apr.1, 2008-Mar.31, 2009)
Cash flow from operating activities		
Net income (loss) before taxes and other adjustments (-)	17,596	-33,036
Depreciation	20,503	25,347
Impairment losses	3,679	8,990
Increase/decrease in allowances for doubtful accounts (Decrease: -)	-448	—
Increase/decrease in retirement and severance benefits (Decrease: -)	—	2,239
Increase/decrease in prepaid pension expenses (Increase: -)	—	901
Interest received and dividends received	-515	-544
Interest expense	1,582	1,545
Exchange profit/loss (Profit: -)	276	-493
Investment income/loss by equity method (Income: -)	—	2,790
Gains on sale of negotiable securities (Profit: -)	-4	—
Increase/decrease of trade receivables (Increase: -)	-1,192	41,435
Increase/decrease of inventories (Increase: -)	-5,589	20,329
Increase/decrease of trade payables (Decrease: -)	4,423	-32,593
Increase/decrease in other accounts payable and expenses payable (Decrease: -)	865	-871
Increase /decrease of other accounts receivable (Increase: -)	2,351	2,318
Other	576	2,493
Subtotal	44,103	40,850
Earnings on interest and dividends	823	691
Interest paid	-1,573	-1,527
Corporate tax and other taxes paid	-5,052	-3,961
Cash flow from operating activities	38,301	36,053
Cash flow from investing activities		
Expenditures for purchases of securities	—	-587
Expenditures for purchases of tangible and intangible fixed assets	-27,823	-30,382
Proceeds from sale of tangible fixed assets	1,248	—
Expenditures for purchases of investment in securities	-1,416	—
Proceeds for sale of investments in securities	513	349
Acquisition of subsidiaries' shares involving changes in scope of consolidation	—	-9,145
Expenditures for loans	-1,178	-2,649
Collection of loans receivable	145	722
Other	27	305
Cash flow from investing activities	-28,484	-41,387
Cash flow from finance activities		
Net increase/decrease in short-term debt (Decrease: -)	-5,842	4,198
Proceeds from long-term debt	15,500	5,000
Payments on long-term debt	-15,407	-356
Acquisition of treasury stock	-48	—
Dividends paid to stockholders	-3,362	-3,090
Dividends paid to minority stockholders	-203	-216
Other	113	-11
Cash flow from finance activities	-9,249	5,525
Effect of exchange rate fluctuations on cash and cash equivalents	104	-2,128
Net increase/decrease in cash and cash equivalents (Decrease: -)	672	-1,937
Net increase in cash and cash equivalents from newly consolidated subsidiaries	61	—
Cash and cash equivalents at beginning of term	9,169	9,902
Cash and cash equivalent at end of term	9,902	7,965

(5) Facts or circumstances casting doubt on going-concern assumptions : Not applicable

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

Matters concerning accounting standards

(i) Standards and methods for the measurement of material assets

Inventories

Inventories are principally valued based on the weighted-average cost method.

Changes to accounting policies:

"Accounting standards for measurement of inventories" (ASBJ statement No. 9 published July 5, 2006) applied from this consolidated fiscal year. This change led to an increase in operating loss of 1,049, and to increases of 1,066 million yen in both ordinary loss and net loss before tax and other adjustments.

(ii) Depreciation methods for key depreciable assets

A. Tangible fixed assets(Excluding leased assets)

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

Additional information:

Taking the opportunity provided by the amendment to the Corporation Tax Law to reevaluate the useful lives of machinery and equipment, it was concluded that equipment conversions and replacements would be anticipated over even shorter time intervals than previously, due chiefly to shortened product life cycles. Accordingly, the Company and its consolidated domestic subsidiaries have modified the useful lives of machinery and equipment to reflect these factors beginning with this consolidated fiscal year.

This change led to an increase in operating loss of 2,901 million yen, and to increases of 2,965 million yen in both ordinary loss and net loss before taxes and other adjustments as compared with the previous method.

B. Intangible fixed assets (Excluding leased 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).

C. Leased assets

The straight-line depreciation method, using the lease term as the useful life and zero as the residual value, is adopted. Finance leases not involving the transfer of ownership which commenced on or before March 31, 2008 are accounted for in accordance with the accounting treatment for ordinary leases.

(iii) Standards for the translation of material foreign currency-denominated assets and liabilities into Japanese yen

The assets, liabilities, incomes, and expenses of overseas subsidiaries and other entities had previously been translated into Japanese yen based on the spot foreign exchange rate prevailing on the balance sheet dates of the overseas subsidiaries and other entities, and translation adjustments were recorded in the foreign currency translation adjustment account and the minority interests account in the net assets section. Beginning with this consolidated fiscal year, incomes and expenses will be translated into Japanese yen based on the average foreign exchange rate for the period, which is the proper current accounting treatment.

This change was made to appropriately reflect the foreign exchange movements during the consolidated fiscal year in consolidated financial statements when translating incomes and expenses—which arise throughout the consolidated fiscal year—and thereby more closely represent the actual status of the corporation.

The impact on profits due to this change is negligible.

Further disclosure is omitted since there have been no material changes from the description in the most recent Financial Report (submitted June 27, 2008) except for the above.

(7) Changes in the bases for preparing consolidated financial statements

Accounting standard for leases:

Finance leases not involving the transfer of ownership had previously been accounted for in accordance with the accounting treatment for leases. "Accounting standard for lease transactions" (ASBJ Statement No. 13 (June 17, 1993 (First Division of Business Accounting Council) amended March 30, 2007)) and "Guidance on accounting standard for lease transactions" (ASBJ Guidance No. 16 (January 18, 1994 (Japanese Institute of Certified Public Accountants, Accounting System Committee), (amended March 30, 2007)) applied from this consolidated fiscal year and accounted for ordinary sale and purchase transactions.

Finance leases not involving the transfer of ownership and the start date of which was earlier than the start of the first fiscal year in which the lease accounting standard was applied continue to be accounted for in accordance with the accounting treatment for ordinary leases.

Since there were no finance leases not involving the transfer of ownership which commenced on or after April 1, 2008 during this consolidated fiscal year, this changes has no impact on profits.

Practical solution on unification of accounting policies applied to foreign subsidiaries for consolidated financial statements:

The Company began applying "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ PITF No. 18, May 17, 2006) in this consolidated fiscal year and made necessary changes for purposes of consolidated account settlement.

The impact of this change on profits is negligible.

Consolidated balance sheet:

In connection with "Cabinet office ordinance regarding the amendment of the Regulations on Terminology, Format and Preparation Method of Financial Statements, etc." (Cabinet Office Ordinance No. 50, August 7, 2008) becoming applicable, items presented as "inventories" in the previous consolidated fiscal year are presented separately beginning this consolidated fiscal year as "merchandise and products," "in-process inventories," and "raw materials and supplies."

"Merchandise and products," "in-process inventories," and "raw materials and supplies" included in "inventories" in the previous consolidated fiscal year totaled 13,990 million yen, 33,434 million yen, and 12,348 million yen, respectively.

(8) Notes on consolidated financial statements

This report omits discussion of issues such as lease transactions, transactions with interested parties, tax-effect accounting, financial instruments, securities, derivative transactions, retirement benefit, stock options, and mergers deemed not to merit coverage.

(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	Use	Type	Impairment loss amount	Reason for recognizing impairment loss	Amount recoverable	Method of calculating amount recoverable
Takasago Works (Hitachi, Ibaraki Pref.)	Compound semiconductors business	Buildings, machinery, supplies, etc.	Buildings: 1,226 million yen Machinery: 1,256 million yen Supplies etc.: 171 million yen Total: 2,653 million yen	Due to projections of a worsened market environment	Value in use	Value in use using discount rate of 4.5%
Densen Works (Hitachi, Ibaraki Pref.)	Packaging materials (COF) business	machinery, supplies, etc.	Machinery: 1,219 million yen Supplies etc.: 27 million yen Total: 1,246 million yen	Due to projections of a worsened market environment	Net sale price	Market valuation
Takasago Works (Hitachi, Ibaraki Pref.)	Auto parts (Electric components) business	machinery, supplies, etc.	Machinery: 613 million yen Supplies etc.: 36 million yen Total: 649 million yen	Due to projections of a worsened market environment	Net sale price	Market valuation
Densen Works (Hitachi, Ibaraki Pref.)	Auto parts (hoses) business	Buildings, machinery, supplies, etc.	Buildings: 126 million yen Machinery: 425 million yen Supplies etc.: 23 million yen Total: 574 million yen	Due to projections of a worsened market environment	Value in use	Value in use using discount rate of 4.5%
Hitachi Cable Film Device, Ltd. (Chuo, Yamanashi Pref.)	Packaging materials (COF) business	machinery, leased assets, etc.	Machinery: 417 million yen Leased assets etc.: 2,023 million yen Supplies etc.: 65 million yen Total: 2,512 million yen	Due to projections of a worsened market environment	Net sale price	Market valuation
Hitachi Cable Fine Tech, Ltd.(Hitachi, Ibaraki Pref.)	Electronic wires business, others	machinery, supplies, etc.	Machinery: 732 million yen Supplies etc.: 179 million yen Buildings etc.: 205 million yen Total: 1,116 million yen	Due to projections of a worsened market environment	Value in use	Value in use using discount rate of 4.5%, Others
Hitachi Cable Indiana, Inc. (U.S.A.)and others	Assets committed to disposition, others	machinery, etc.	Machinery: 227 million yen Buildings etc.: 13 million yen Total: 240 million yen	Due to finalization of write-off of assets	Net sale price	Market valuation, others

(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)

【Sales Results for Each Segment by Business Type】

Previous Fiscal Year (Apr.1, 2007 -Mar.31, 2008)

(Million Yen)

	Wires and Cables	Information and Telecommunications Networking	Sophisticated Materials	Other Businesses	Total	Eliminated or Companywide	Consolidated
Ⅰ. Net sales and Operating Income							
Net Sales							
(1) Sales to Customers	285,051	80,934	196,561	3,448	565,994	—	565,994
(2) In-house Sales or Transfer between Operating Segments	12,655	7,959	8,254	13,938	42,806	(42,806)	—
Total	297,706	88,893	204,815	17,386	608,800	(42,806)	565,994
Operating Expense	286,360	81,903	200,657	16,733	585,653	(42,776)	542,877
Operating Income	11,346	6,990	4,158	653	23,147	(30)	23,117
Ⅱ. Assets, Depreciation, Impairment Loss and capital Expenditure							
Assets	154,957	61,098	147,861	3,426	367,342	2,785	370,127
Depreciation	5,646	3,361	11,290	206	20,503	—	20,503
Impairment Loss	151	9	3,519	—	3,679	—	3,679
Capital Expenditure	7,819	3,145	16,700	159	27,823	—	27,823

The Term under Review (Apr.1, 2008-Mar.31, 2009)

(Million Yen)

	Wires and Cables	Information and Telecommunications Networking	Sophisticated Materials	Other Businesses	Total	Eliminated or Companywide	Consolidated
Ⅰ. Net sales and Operating Income							
Net Sales							
(1) Sales to Customers	243,300	76,563	170,092	3,196	493,151	—	493,151
(2) In-house Sales or Transfer between Operating Segments	9,728	6,268	7,730	13,612	37,338	(37,338)	—
Total	253,028	82,831	177,822	16,808	530,489	(37,338)	493,151
Operating Expense	255,086	78,945	195,106	16,128	545,265	(37,374)	507,891
Operating Income (loss :-)	-2,058	3,886	-17,284	680	-14,776	36	-14,740
Ⅱ. Assets, Depreciation, Impairment Loss and capital Expenditure							
Assets	107,165	62,106	111,016	2,306	282,593	(3,635)	278,958
Depreciation	7,204	3,943	13,962	238	25,347	—	25,347
Impairment Loss	1,198	—	7,792	—	8,990	—	8,990
Capital Expenditure	10,087	4,576	15,535	184	30,382	—	30,382

(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 networks (information network equipment, network integration, optical components), wireless systems (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

(Note3) Because operating expenses are allocated in their entirety to individual business segments, there are no unallocatable operating expenses in the "elimination or company-wide" item.
(Note4) Among assets, the amounts of companywide assets included in the “eliminated or companywide” item are as follows, principal components of which include the Company’s surplus investment funds (cash and securities) and long-term investment funds (investment securities).
Previous Fiscal Year (Apr.1, 2007 -Mar.31, 2008) 3,811million yen
The Term under Review (Apr.1, 2008-Mar.31, 2009) 2,965million yen

【Sales Results by Location】

Previous Fiscal Year(Apr.1, 2007-Mar.31, 2008)

(Million Yen)

	Japan	Others	Total	Eliminated or Company-wide	Consoli-dated
Ⅰ. Net sales and Operating Income					
Net Sales					
(1) Sales to Customers	443,765	122,229	565,994	−	565,994
(2) In-house Sales or Transfer between Operating Segments	39,809	7,969	47,778	(47,778)	−
Total	483,574	130,198	613,772	(47,778)	565,994
Operating Expense	463,671	126,966	590,637	(47,760)	542,877
Operating Income	19,903	3,232	23,135	(18)	23,117
Ⅱ. Assets	329,137	77,666	406,803	(36,676)	370,127

The Term under Review(Apr.1, 2008-Mar.31, 2009)

(Million Yen)

	Japan	Others	Total	Eliminated or Company-wide	Consoli-dated
Ⅰ. Net sales and Operating Income					
Net Sales					
(1) Sales to Customers	380,772	112,379	493,151	−	493,151
(2) In-house Sales or Transfer between Operating Segments	31,957	7,172	39,129	(39,129)	−
Total	412,729	119,551	532,280	(39,129)	493,151
Operating Expense	426,425	120,847	547,272	(39,381)	507,891
Operating Income (loss :-)	-13,696	-1,296	-14,992	252	-14,740
Ⅱ. Assets	262,438	53,163	315,601	(36,643)	278,958

(Note1) It is omitted to mention business results by country or region in the term under review, because every ratio of sales of country or region in total net sales are less than 10%.
(Note2) Others･･･U.S.A., Thailand, China, etc.
(Note3) Because operating expenses are allocated in their entirety to individual business segments, there are no unallocatable operating expenses in the "elimination or company-wide" item.
(Note4) Among assets, the amounts of companywide assets included in the “eliminated or companywide” item are as follows, principal components of which include the Company’s surplus investment funds (cash and securities) and long-term investment funds (investment securities).
Previous Fiscal Year (Apr.1, 2007 -Mar.31, 2008) 3,811million yen
The Term under Review (Apr.1, 2008-Mar.31, 2009) 2,965million yen

【Overseas】

Previous Fiscal Year (Apr.1, 2007-Mar.31, 2008)

	Asia	North America	Others	Total
Ⅰ.Overseas (Million Yen)	117,487	37,148	7,133	161,768
Ⅱ.Consolidated Sales (Million Yen)	—	—	—	565,994
Ⅲ.Ratio of Overseas Sales in Consolidated Sales (%)	20.8	6.6	1.2	28.6

The Term under Review (Apr.1, 2008-Mar.31, 2009)

	Asia	North America	Others	Total
Ⅰ.Overseas (Million Yen)	94,707	35,811	9,089	139,607
Ⅱ.Consolidated Sales (Million Yen)	—	—	—	493,151
Ⅲ.Ratio of Overseas Sales in Consolidated Sales (%)	19.2	7.3	1.8	28.3

(Note1) As a rule, countries or regions are divided according to geographical proximity to each other.
(Note2) 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.
(Note3) Overseas sales represent sales made by the Company and its consolidated subsidiaries in countries or regions other than Japan.

【Per-share information】

Fiscal 2008 (April 1, 2007 - March 31, 2008)	Fiscal 2009 (April 1, 2008– March 31, 2009)
Net assets per share 543.09 yen Net income per share 29.46 yen Diluted net income per share 29.45 yen	Net assets per share 358.48 yen Net income per share -147.92 yen Although dilutive securities are included, the fully-diluted earnings per share amount is not indicated because the earnings per share is negative.

Bases for calculations for the above figures:

	Fiscal 2008 (April 1, 2007 - March 31, 2008)	Fiscal 2009 (April 1, 2008 - March 31, 2009)
Net income per share		
Net income (loss:-) (millions yen)	10,708	-53,775
Amount not reverting to holders of common stock (millions yen)	—	—
Net income (loss:-) on common stock (millions yen)	10,708	-53,775
Average shares issued and outstanding during this fiscal year (thousands)	363,474	363,532
Diluted net income per share		
Adjustment to net income (millions Yen)	—	—
Increase in number of shares of common stock (thousands)	153	0
Number of the above increase corresponding to stock options issued as warrant rights	(153)	(0)
Summary of potential shares not included in calculations of diluted net income per share because they do not involve dilution effects	Shares subject to type 2 warrant rights and type 2 stock options (33,000 warrant rights and 554,000 stock options)	Shares subject to type 3 warrant rights and type 2 stock options (692,000 warrant rights and 554,000 stock options)

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

5.Non-consolidated Financial Statements

(1)Non-consolidated Balance Sheet

(Units: million yen)

	End of previous fiscal year (March 31, 2008)	End of this fiscal year (March 31, 2009)
(Assets)		
Current assets		
Cash and cash equivalents	426	317
Notes receivable	4,338	2,439
Accounts receivable	68,778	43,118
Products	3,429	—
Merchandise and products	—	2,307
Raw materials	5,415	—
In-process inventories	20,330	14,395
Raw materials and supplies	—	3,989
Deferred income taxes	2,731	—
Short-term loans	2,375	4,398
Other	12,380	7,518
Allowance for doubtful accounts	-120	-290
Total current assets	120,082	78,191
Fixed assets		
Tangible fixed assets		
Buildings	27,783	25,922
Structures	1,498	1,323
Machinery and equipment	25,636	20,493
Vehicles	39	25
Tools and supplies	3,512	3,767
Land	7,188	7,169
Construction in progress	4,559	4,920
Total tangible fixed assets	70,215	63,619
Intangible fixed assets		
Software, etc	6,837	7,304
Total intangible fixed assets	6,837	7,304
Investments and other assets		
Negotiable securities	5,811	3,825
Shares in affiliates	38,863	39,563
Long-term loans	7,942	9,333
Deferred income tax	7,507	—
Prepaid pension expenses	4,259	3,358
Other	18,295	17,720
Allowance for doubtful accounts	-2,630	-3,260
Investments and other assets	80,047	70,539
Total fixed assets	157,099	141,462
Total assets	277,181	219,653

(Units: million yen)

	End of previous fiscal year (March 31, 2008)	End of this fiscal year (March 31, 2009)
(Liabilities)		
Current liabilities		
Trade accounts payable	55,123	31,802
Short-term debt	2,525	1,465
Bonds due within one year	—	5,000
Long-term debt due within one year	—	3,000
Other accounts payable	6,523	6,237
Expenses payable	8,507	7,784
Corporate tax payable	326	133
Advances received	1,166	1,614
Deposits received	1,551	1,580
Other	95	829
Total Current liabilities	75,816	59,444
Fixed liabilities		
Company bonds	5,000	—
Long-term debt	18,500	20,500
Accrued pension and severance costs for employees	13,303	14,882
Reserve for directors' retirement allowances	505	502
Deferred tax liabilities	—	3,444
Other	90	224
Total fixed liabilities	37,398	39,552
Total liabilities	113,214	98,996
(Net assets)		
Shareholders' equity		
Common stock	25,948	25,948
Capital surplus		
Capital reserves	34,839	34,839
Other Capital surplus	16	11
Total capital surplus	34,855	34,850
Retained earnings		
Income reserves	6,512	6,512
Other Earned surplus		
Special redemption reserves	598	357
Reserves for decrease in fixed asset	375	380
Voluntary reserves	86,964	86,964
Earned surplus carried forward	11,646	-29,972
Total Earned surplus	106,095	64,241
Treasury stock	-4,348	-4,353
Total shareholders' equity	162,550	120,686
Valuation and translation adjustments		
Net unrealized holding gain on securities	1,319	283
Deferred hedging gains/losses	98	-312
Total valuation and translation adjustments	1,417	-29
Total net assets	163,967	120,657
Total liabilities and net assets	277,181	219,653

(2)Non-consolidated Profit and Loss Sheet

(Units: million yen)

	Fiscal 2008 (Apr.1, 2007- Mar.31, 2008)	Fiscal 2009 (Apr.1, 2008- Mar.31, 2009)
Net sales	349,193	298,078
Cost of sales	312,548	282,605
Total return on sales	36,645	15,473
Sales and general administrative expenses	25,557	25,239
Operating income (loss: -)	11,088	-9,766
Non-operating income		
Interest and dividends income	4,113	5,961
Miscellaneous revenues	1,999	1,399
Total non-operating income	6,112	7,360
Non-operating expenses		
Interest expense	895	904
Miscellaneous losses	4,255	2,088
Total non-operating expenses	5,150	2,992
Ordinary income (loss: -)	12,050	-5,398
Extraordinary income		
Gains on sale of fixed assets	300	—
Reversal of allowance for doubtful accounts	87	—
Other	53	—
Total extraordinary income	440	—
Extraordinary losses		
Revaluation losses on shares in affiliates	—	7,039
Revaluation losses on investments in affiliates	—	2,619
Impairment losses	3,476	5,125
Other	450	3,907
Total extraordinary losses	3,926	18,690
Net income (loss) before taxes and other adjustments (-)	8,564	-24,088
Corporate, residence, and enterprise taxes	204	225
Corporate tax adjustments	2,165	14,451
Total Corporate taxes, etc.	2,369	14,676
Net income (loss: -)	6,195	-38,764

(3)Non-consolidated Statement of Changes in Shareholders' Equity

(Units: million yen)

	Fiscal 2008 (Apr.1, 2007- Mar.31, 2008)	Fiscal 2009 (Apr.1, 2008- Mar.31, 2009)
Shareholders' equity		
Common stock		
Balance at end of previous year	25,948	25,948
Balance at end of current year	25,948	25,948
Capital surplus		
Capital reserves		
Balance at end of previous year	34,839	34,839
Balance at end of current year	34,839	34,839
Other Capital reserves		
Balance at end of previous year	—	16
Changes during current year		
Sale of treasury stock	16	-5
Total Changes during current year	16	-5
Balance at end of current year	16	11
Total capital surplus		
Balance at end of previous year	34,839	34,855
Changes during current year		
Sale of treasury stock	16	-5
Total Changes during current year	16	-5
Balance at end of current year	34,855	34,850
Retained earnings		
Income reserves		
Balance at end of previous year	6,512	6,512
Balance at end of current year	6,512	6,512
Other retained earnings		
Special redemption reserves		
Balance at end of previous year	877	598
Changes during current year		
Transfer from special redemption reserves	-279	-241
Total Changes during current year	-279	-241
Balance at end of current year	598	357
Reserves for decrease in fixed assets		
Balance at end of previous year	452	375
Changes during current year		
Transfer from reserves for decrease in fixed assets	-77	-14
Transfer to reserves for decrease in fixed assets	—	19
Total Changes during current year	-77	5
Balance at end of current year	375	380
Voluntary reserves		
Balance at end of previous year	86,964	86,964
Balance at end of current year	86,964	86,964
Retained earnings carried forward		
Balance at end of previous year	8,457	11,646
Changes during current year		
Cash dividends	-3,362	-3,090
Net income(loss: -)	6,195	-38,764
Transfer from special redemption reserves	279	241
Transfer from reserves for decrease in fixed assets	77	14
Transfer to reserves for decrease in fixed assets	—	-19
Total Changes during current year	3,189	-41,618
Total Balance at end of current year	11,646	-29,972

(Units: million yen)

	Fiscal 2008 (Apr.1, 2007- Mar.31, 2008)	Fiscal 2009 (Apr.1, 2008- Mar.31, 2009)
Total retained earnings		
Balance at end of previous year	103,262	106,095
Changes during current year		
Cash dividends	-3,362	-3,090
Net income(loss: -)	6,195	-38,764
Total Changes during current year	2,833	-41,854
Total Balance at end of current year	106,095	64,241
Treasury stock		
Balance at end of previous year	-4,394	-4,348
Changes during current year		
Acquisition of treasury stock	-48	-18
Sale of treasury stock	94	13
Total Changes during current year	46	-5
Balance at end of current year	-4,348	-4,353
Total shareholders' equity		
Balance at end of previous year	159,655	162,550
Changes during current year		
Cash dividends	-3,362	-3,090
Net income(loss: -)	6,195	-38,764
Acquisition of treasury stock	-48	-18
Sale of treasury stock	110	8
Changes during current yea	2,895	-41,864
Balance at end of current year	162,550	120,686
Valuation and translation adjustments		
Net unrealized holding gain on securities		
Balance at end of previous year	2,627	1,319
Changes during current year		
(Net) changes during this consolidated fiscal year in accounts other than shareholders' equity	-1,308	-1,036
Changes during current year	-1,308	-1,036
Balance at end of current year	1,319	283
Deferred hedging gains/losses		
Balance at end of previous year	—	98
Changes during current year		
(Net) changes during this consolidated fiscal year in accounts other than shareholders' equity	98	-410
Changes during current year	98	-410
Balance at end of current year	98	-312
Total valuation and translation adjustments		
Balance at end of previous year	2,627	1,417
Changes during current year		
(Net) changes during this consolidated fiscal year in accounts other than shareholders' equity	-1,210	-1,446
Total Changes during current year	-1,210	-1,446
Balance at end of current year	1,417	-29
Total net assets		
Balance at end of previous year	162,282	163,967
Changes during current year		
Cash dividends	-3,362	-3,090
Net income(loss: -)	6,195	-38,764
Acquisition of treasury stock	-48	-18
Sale of treasury stock	110	8
(Net) changes during this consolidated fiscal year in accounts other than shareholders' equity	-1,210	-1,446
Total Changes during current year	1,685	-43,310
Total Balance at end of current year	163,967	120,657

(4) Facts or circumstances casting doubt on going-concern assumptions : Not applicable

(5) Bases for preparing financial statements

Inventories

Inventories are principally valued based on the weighted-average cost method.

Changes to accounting policies:

"Accounting standards for measurement of inventories" (ASBJ statement No. 9 published July 5, 2006) will be applied beginning this consolidated fiscal year. This change led to an increase in operating loss of 708, and to increases of 708 million yen in both ordinary loss and net loss before tax and other adjustments.

(6) Changes in the bases for preparing financial statements

Accounting standard for leases:

Finance leases not involving the transfer of ownership had previously been accounted for in accordance with the accounting treatment for leases. "Accounting standard for lease transactions" (ASBJ Statement No. 13 (June 17, 1993 (First Division of Business Accounting Council) amended March 30, 2007)) and "Guidance on accounting standard for lease transactions" (ASBJ Guidance No. 16 (January 18, 1994 (Japanese Institute of Certified Public Accountants, Accounting System Committee), (amended March 30, 2007)) applied from this consolidated fiscal year and accounted for ordinary sale and purchase transactions.

Finance leases not involving the transfer of ownership and the start date of which was earlier than the start of the first fiscal year in which the lease accounting standard was applied continue to be accounted for in accordance with the accounting treatment for ordinary leases.

Since there were no finance leases not involving the transfer of ownership which commenced on or after April 1, 2008 during this consolidated fiscal year, this changes has no impact on profits.

Additional information:

Changes in service lives of tangible fixed assets

Taking the opportunity provided by the amendment to the Corporation Tax Law to reevaluate the useful lives of machinery and equipment, it was concluded that equipment conversions and replacements would be anticipated over even shorter time intervals than previously, due chiefly to shortened product life cycles. Accordingly, the Company have modified the useful lives of machinery and equipment to reflect these factors beginning with this consolidated fiscal year.

This change led to an increase 2,099 million yen in operating loss, ordinary loss and net loss before taxes and other adjustments as compared with the previous method.

(7) 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	Use	Type	Impairment loss amount	Reason for recognizing impairment loss	Amount recoverable	Method of calculating amount recoverable
Takasago Works (Hitachi, Ibaraki Pref.)	Compound semiconductors business	Buildings, machinery, supplies, etc.	Buildings: 1,226million yen Machinery: 1,256 million yen Supplies etc.: 171 million yen Total: 2,653 million yen	Due to projections of a worsened market environment	Value in use	Value in use using discount rate of 4.5%
Densen Works (Hitachi, Ibaraki Pref.)	Packaging materials (COF) business	machinery, supplies, etc.	Machinery: 1,219 million yen Supplies etc.: 27 million yen Total: 1,246 million yen	Due to projections of a worsened market environment	Net sale price	Market valuation
Takasago Works (Hitachi, Ibaraki Pref.)	Auto parts (Electric components) business	machinery, supplies, etc.	Machinery: 613 million yen Supplies etc.: 36 million yen Total: 649 million yen	Due to projections of a worsened market environment	Net sale price	Market valuation
Densen Works (Hitachi, Ibaraki Pref.)	Auto parts (hoses) business	Buildings, machinery, supplies, etc.	Buildings: 26 million yen Machinery: 425 million yen Supplies etc.: 23 million yen Total: 574 million yen	Due to projections of a worsened market environment	Value in use	Value in use using discount rate of 4.5%
Misawa Ground (Misawa, Aomori Pref.)	Dormant assets	Land	Land: 3 million yen	Due to fall in market values in comparison with book values	Net sale price	Assessed value of fixed assets

(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.