Financial Report for Fiscal 2010 Ended March 31, 2010

April 30, 2010

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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Planned date of the Regular Shareholders Meeting: June 24, 2010
Planned date of beginning payment of dividends: June 1, 2010
Planned date of submittal of Financial Statement Report: June 24, 2010

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

1. Performance over the year under review (Apr. 1, 2009-Mar. 31, 2010)

(1) Operating Results

	Net sales (Million yen)	(%)	Operating income (Million yen)	(%)	Ordinary income (Million yen)	(%)	Net income (Million yen)	(%)
Mar./10	372,450	(-24.5)	-6,381	(—)	-4,939	(—)	-9,110	(—)
Mar./09	493,151	(-12.9)	-14,740	(—)	-19,974	(—)	-53,775	(—)

	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./10	-25.04	—	-7.2	-1.7	-1.7
Mar./09	-147.92	—	-32.8	-6.2	-3.0

Note: (i)Investment income based on equity method Mar./10 1,530million yen Mar./09 -2,790 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./10	289,016	123,233	41.9	332.69
Mar./09	278,958	132,853	46.7	358.48

Note: Equity Mar./10 121,238 million yen Mar./09 130,315 million yen

(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./10	14,304	-17,047	2,804	7,939
Mar./09	36,053	-41,387	5,525	7,965

2. Dividends

	Dividends per share			Total dividends (Annual)	Dividend payout ratio (Consolidated)	Dividends on net assets (Consolidated)
(Base date)	Sep. 30	Mar. 31	Annual			
	(Yen)	(Yen)	(Yen)	(Million yen)	%	%
Mar./09	4.25	3.00	7.25	2,636	—	1.6
Mar./10	2.50	2.50	5.00	1,820	—	1.4
Mar./11 (Forecast)	2.50	2.50	5.00		45.5	

3. Business results forecast for fiscal year 2011 (Apr.1, 2010-Mar.31, 2011)

	Net sales (Million yen)		Operating income (Million yen)		Ordinary income (Million yen)		Net income (Million yen)		Net income per share (Yen)
		(%)		(%)		(%)		(%)	
Sep./10	208,000	(22.1)	2,000	(—)	2,000	(—)	1,500	(—)	4.12
Mar./11	430,000	(15.5)	8,000	(—)	8,000	(—)	4,000	(—)	11.00

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):N
Note: See "Notes on bases for preparation of these consolidated financial statements" on page 18 for details.

(3) Number of shares outstanding (Common)

(i)Number of shares outstanding at the end of period (Including treasury stock)	Mar./10	374,018,174	Mar./09	374,018,174
(ii)Number of treasury stock at the end of period	Mar./10	9,603,268	Mar./09	10,500,697

Note: See "Per-share information" on page 22 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, 2009-Mar. 31, 2010)

(1) Operating Results

	Net sales (Million yen)		Operating income (Million yen)		Ordinary income (Million yen)		Net income (Million yen)	
		(%)		(%)		(%)		(%)
Mar./10	241,718	(-18.9)	-3,476	(—)	-1,667	(—)	-9,194	(—)
Mar./09	298,078	(-14.6)	-9,766	(—)	-5,398	(—)	-38,764	(—)

	Net income per share (Yen)	Diluted net income per share (Yen)
Mar./10	-25.27	—
Mar./09	-106.62	—

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./10	228,290	110,629	48.5	303.55
Mar./09	219,653	120,657	54.9	331.88

Note: Equity Mar./10 110,629 million yen Mar./09 120,657 million yen

<u>* Notes concerning appropriate use of business performance forecasts and other matters</u>
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 4 concerning the content of the assumptions used in forecasting business performance, cautions concerning the use of forecasts of business performance, and related matters.
This document is an English translation of a document prepared in Japanese. In the event of any discrepancies between the content of the Japanese and English documents, the content of the Japanese document shall take precedence.

Differences from the previous fiscal year in non-consolidated business performance

Although Hitachi Cable does not release projections of non-consolidated business performance, shown below are the differences between fiscal 2010 performance figures (April 1, 2009 - March 31, 2010) and those for the previous fiscal year (fiscal 2009: April 1, 2008 - March 31, 2009).

1. Differences from the previous fiscal year in non-consolidated business performance

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Fiscal 2009 performance (A)	298,078	-9,766	-5,398	-38,764	-106.62
Fiscal 2010 performance (B)	241,718	-3,476	-1,667	-9,194	-25.27
Difference: (B) - (A)	-56,360	6,290	3,731	29,570	
Persentage change (%)	-18.9	–	–	–	

Note: The amounts above are given in the following units: millions of yen for net sales, operating income, ordinary income, and net income; yen for net income per share.

2. Reasons for differences in individual performance figures

Hitachi Cable's net sales in fiscal 2010 (April 1, 2009 - March 31, 2010) fell from the previous fiscal year. While a rapid decline in copper prices during the previous fiscal year resulted in significant revaluation losses on inventory assets, copper prices during the 2010 fiscal year remained relatively stable. For this reason, the effects on profits of the revaluation of inventory assets was relatively minor. Operating income and ordinary income were also above figures for the previous fiscal year, due to progress in various cost-cutting measures in accordance with initial plans.

In addition, in the previous fiscal year Hitachi Cable reversed a portion of deferred income tax assets as credits to income tax expenses. In contrast, there was no transfer from deferred income tax assets in fiscal 2010, resulting in higher net income and net income per share compared to the previous fiscal year.

【Qualitative information, financial statements, etc.】

1. Business performance

(1) Analysis of business performance

(i) Performance during this consolidated fiscal year

The global economy during the consolidated fiscal year maintained a trend toward recovery, based largely on emerging markets and as the result of economic measures implemented in various nations. Economic improvements overseas and the results of government economic measures led to improvements in the domestic economy as well, although the recovery does not appear to be self-sustaining.

The business performance of the Hitachi Cable Group declined significantly during the previous consolidated fiscal year due to fallout from the global financial crisis of fall 2008 and the sudden decline in the economic environment that ensued. After reaching bottom in spring 2009, performance has steadily recovered through the start of this consolidated fiscal year, due in part to the success of various cost-reduction measures targeting chiefly fixed costs.

A look at business performance by quarter shows that while results through the first and second quarters of this consolidated fiscal year (April - June and July - September 2009) declined from the corresponding quarters of the previous fiscal year, performance improved in the third quarter of this consolidated fiscal year (October - December 2009). Operating losses fell 9.1 billion yen and ordinary losses fell 12.3 billion yen from the corresponding quarter of the previous year, partly because the impact from revaluations of inventory assets—which had swollen at the end of the third quarter of the previous consolidated fiscal year—was relatively minor at the end of the third quarter of this consolidated fiscal year. In the fourth quarter of this consolidated fiscal year (January - March 2010), continued implementation of measures to improve business performance alongside recovering orders helped the Group return to profitability, with steady progress along the path toward recovery.

A look at performance during this overall consolidated fiscal year shows a 24% decline in net sales from the previous consolidated fiscal year to 372,450 million yen. Income improved significantly from the previous consolidated fiscal year in terms of both operating losses, which totaled 6,381 million yen (vs. operating losses of 14,740 million yen for the previous consolidated fiscal year), and ordinary losses, which totaled 4,939 million yen (vs. 19,974 million yen for the previous consolidated fiscal year).

The Group also focused restructuring efforts on businesses in the semiconductor and automotive markets, which had experienced declining profitability. These business areas recorded related extraordinary losses of 4,114 million yen. Net losses during this consolidated fiscal year were 9,110 million yen (vs. 53,775 million yen for the previous consolidated fiscal year).

Provided below is an overview of the performance of each business segment. Net sales figures for each segment include internal sales and transfers between business segments.

Wires and cables

Sales of magnet wires recovered, primarily due to products related to electronic components for automobile. Examples included strong sales of products for use in hybrid electric vehicles. Sales of industrial and electric power cables declined, due to declining construction demand. Sales of electronic wires and wiring devices failed to reach the levels recorded for the previous consolidated fiscal year, despite recovery in sales of key products used in industrial equipment and machine tools beginning from the second half of this fiscal year and in sales of certain products used in consumer electronics.

These factors led to net sales for the segment of 181,810 million yen, 28% below levels recorded the previous consolidated fiscal year. The segment generated operating losses of 139 million yen.

Information and telecommunications networking

Due to declining sales in the construction industry for mobile-phone base stations, overall sales of wireless systems decreased slightly from the previous consolidated fiscal year, despite strong performance in products used in mobile-phone base stations and digital-broadcasting relay stations.

In the information network business, despite strong sales for systems integration services, low sales volumes in the information network devices business through the cumulative third quarter led to lower overall sales than in the previous consolidated fiscal year, despite concentrations of shipments in the information network devices business during the fourth quarter driven primarily by shipments to telecommunications carriers.

While optical submarine cables showed strong performance through the cumulative second quarter of this consolidated fiscal year, with shipments continuing for several major projects, sales in the second half of the fiscal year were low, as demand entered the off-peak season. Overall sales fell from the previous consolidated fiscal year.

These factors resulted in net sales for the segment of 64,513 million yen, 22% below the previous consolidated fiscal year. The segment's operating income was 955 million yen, 75% below the corresponding figure for the previous consolidated fiscal year.

Sophisticated materials

Sales of compound semiconductors for use in high-frequency devices and laser diodes (LDs) returned to levels reached during the previous consolidated fiscal year. However, sales of devices for use in red and infrared LEDs dropped dramatically, leading to lower overall sales than in the previous consolidated fiscal year.

While rapid recovery in demand for TAB tape continued through the cumulative second quarter of this consolidated fiscal year, sales during the second half began to slip due to inventory adjustments and intensifying competition, primarily in the area of chip-on-film (COF) products for LCD use. Overall, sales decreased from the previous consolidated fiscal year.

In the auto-parts, despite strong sales for various sensors installed in motor vehicles and recovery in the key area of brake hoses following the completion of inventory adjustments in the second half, the impact of sluggish sales persisting through the cumulative second quarter of the consolidated fiscal year lowered results from the previous consolidated fiscal year.

In the area of copper products, demand for copper strips remained strong, especially those used in semiconductor lead frames. Sales of copper products for electrical use also recovered. However, unseasonable weather and a decline in demand from capital investment slowed sales of copper tubes for air conditioner, resulting in lower overall sales than in the previous consolidated fiscal year.

These factors led to net segment sales of 139,510 million yen, 22% below the figure recorded for the previous consolidated fiscal year. The segment produced operating losses of 7,826 million yen.

Other businesses

Net sales in this segment, comprising logistics and other operations, were 15,205 million yen, a decline of 10% from the previous consolidated fiscal year. The operating income for this segment was 623 million yen, 8% below the figure for the previous consolidated fiscal year.

(ii) Projections for the following consolidated fiscal year

For now, the overall global economy is expected to remain in a recovery trend, despite the possibility that growth, to this point driven by emerging markets, might slow temporarily as the impact of economic stimulus measures and increased production to restore inventory wane. Boosted by improving global economic conditions, the domestic economy is also expected to experience a gentle recovery, despite concerns about the potential for declining personal consumption and further strengthening of the yen due to declining employment and income conditions.

Amid these economic conditions, under its new Plan BRIDGE medium-term management plan, the Hitachi Cable Group will seek to restore its status as a highly profitable enterprise and to remake itself into a truly global business by enhancing investments in management resources in three main areas: electrical power infrastructures and next-generation energy; industrial infrastructures; and information and telecommunications infrastructures. The Group will also seek to recover high profits by identifying and focusing on strong products that offer advantages over competing products in the areas of electronics, semiconductors, and automotive products. (See "3. (2) The Company's Medium- to Long-Range Management Strategies and Issues that Must be Addressed" for more information on the new Plan BRIDGE medium-term management plan.)

Given below are projections for markets and for the business performance of each business segment for the subsequent consolidated fiscal year.

Note: The average standard quoted copper price on which performance projections for the subsequent consolidated fiscal year are based is estimated to be 600 thousand yen per ton. (The average standard quoted copper price during this consolidated fiscal year was 610 thousand yen per ton.)

Wires and cables

While sales of industrial cables and electronic power cables for private-sector capital investment are projected to increase, forecasts suggest sales for construction use will remain low. Sales of electronic wires and wiring devices are expected to increase for use in both industrial equipment and consumer appliances. Sales of magnet wires are forecast to increase, boosted by anticipated demand to renovate domestic facilities in the heavy electrical machinery market, as well as continued strong sales in areas related to electronics for automobile.

In summary, net sales for the segment are forecast to be 215 billion yen.

Information and telecommunications networking

The information networks sector is projected to grow, with recovering capital-investment demand for telecommunications carriers and enterprises in the area of information network devices and strong anticipated sales for systems integration services.

In the sphere of wireless systems, while the market for products used in mobile-phone base stations is forecast to show continued strong sales, demand for use in digital broadcasting relay stations is expected to reach a peak and then take a downward turn.

The off-season for demand for optical submarine cables is expected to persist through the first half of the fiscal year. However, various projects are projected to get underway in the second half and beyond.

In summary, net sales for the segment are forecast to be 71.5 billion yen.

Sophisticated materials

While intensifying competition is expected to result in persisting harsh conditions in the area of compound semiconductors for products used in red and infrared LEDs, forecasts call for strong sales for products used in high-frequency devices and laser diodes.

Sales of TAB tape are expected to decline. Nevertheless, the earnings structure is expected to improve, with continuing progress in the transition to new products in the area of TAB tape for memory use and efforts to build a production structure, through management streamlining, suited to the revenue scales for chip-on-film (COF) products for LCD use.

Profits are projected to improve in the area of auto parts, based on continuing anticipated recovery in final demand and the forthcoming completion of structural improvements at North American subsidiaries.

Sales of copper products are projected to decline, based on anticipated declines in domestic demand for copper tubes. At the same time, sales of copper strips are expected to grow, thanks to efforts to achieve further sales growth for use in semiconductor lead frames and expanded use of copper foil.

In summary, net sales for the segment are forecast to be 161.5 billion yen.

Other businesses

Sales in this segment are projected to total 14.5 billion yen.

Forecasts of net sales in each business segment are as shown above. Forecasts of full-year business performance indicate net sales of 430 billion yen, operating income of 8 billion yen, ordinary income of 8 billion yen, and net income of 4 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 289,016 million yen, an increase of 10,058 million yen from the end of the previous consolidated fiscal year. Included in this figure are current assets, whose value increased by 17,821 million yen to 148,491 million yen over the same period. This increase is primarily due to an increase of 14,204 million yen in trade receivables. Fixed assets declined by 7,763 million yen from the end of the previous consolidated fiscal year to 140,525 million yen, primarily due to declines of 2,829 million yen in buildings and structures, declines of 4,373 million yen in machinery, vehicles, and tools declines of 2,756 million yen in construction in progress, and declines of 2,026 million yen in prepaid pension expenses. Negotiable securities increased by 4,944 million yen.

Liabilities totaled 165,783 million yen, an increase of 19,678 million yen from the end of the previous consolidated fiscal year. This increase was primarily due to an increase of 18,363 million yen in trade payables.

Net assets totaled 123,233 million yen, a decline of 9,620 million yen from the end of the previous consolidated fiscal year, due primarily to a decline of 11,458 million yen in retained earnings. Net unrealized holding gains on securities increased by 829 million yen. Foreign currency translation adjustments rose by 1,154 million yen.

【Consolidated Cash Flow Statement】

Cash and cash equivalents at the end of this consolidated fiscal year totaled 7,939 million yen, a decrease of 26 million yen from the previous consolidated fiscal year. This figure resulted from several factors, including an increase in trade receivables, an increase in inventory assets, and a decrease in impairment losses from the end of the previous consolidated fiscal year. Net losses before taxes and other adjustments fell by 24,175 million yen; trade payables increased; and expenditures for tangible and intangible fixed assets decreased.

Described below are the conditions for each type of cash flow at the end of this consolidated fiscal year, as well as related factors.

Cash flow from operations totaled 14,304 million yen, a figure 21,749 million yen less than the figure at the end of the previous consolidated fiscal year. This figure resulted from the combined impact of an increase in trade receivables, an increase in inventory assets, a decrease in impairment losses, and a decrease in depreciation totaling 95,244 million yen, among other items. Net losses before taxes and other adjustments fell by 24,175 million yen and trade payables increased by 50,586 million yen.

Cash flow used in investments totaled 17,047 million yen, a decline of 24,340 million yen from the end of the previous consolidated fiscal year. This figure resulted from several factors, including the combined impact of reduced expenditures for purchases of tangible and intangible fixed assets and a decrease in short-term loans totaling 17,974 million yen, as well as expenditures of 9,145 million yen to acquire subsidiary shares due to changes in the scope of consolidation at the end of the previous fiscal year, while 4 billion yen was invested in affiliate shares.

Cash flow from financing activities totaled 2,804 million yen, a decline of 2,721 million yen from the end of the previous consolidated fiscal year. This figure resulted from factors such as an increase of 2,667 million yen in payments on long-term debt.

(ii) Projections for the subsequent consolidated fiscal year

Forecasts call for 4 billion yen in net income, a component of cash flow from operations.

Among the components of cash flow used in investments, capital investment is expected to be lower than in this consolidated fiscal year.

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

(iii) Trends in cash flow i ndicators

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Equity ratio	53.6	52.6	53.3	46.7	41.9
Equity ratio at market value	71.6	67.4	36.4	24.8	35.2
Interest-bearing liabilities/cash flow	2.9	1.7	1.0	1.2	3.4
Interest coverage ratio	11.5	16.2	24.3	23.6	14.9

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 current and subsequent fiscal periods

Hitachi Cable distributes appropriate dividends following comprehensive assessments of issues such as business performance, enhancements in management structures, and future business strategies.

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

In fiscal 2010, Hitachi Cable paid interim dividends of 2.5 yen per share. The Company plans to pay year-end dividends of 2.5 yen per share, for a projected total of 5.0 yen per share in dividends paid over the entire fiscal year. Plans call for year-end dividends for fiscal 2010 to be determined at the Board of Directors meeting to be held on May 31, 2010.

In fiscal 2011, 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 paid over the entire fiscal year.

2. Status of the group of companies

Since no significant changes have occurred in the status provided in Group Schematic and Major Subsidiaries and Affiliates in the most recent Annual Report (submitted June 25, 2009), 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—expressed in the phrase Empowering Energy & Communication—the Hitachi Cable Group seeks to serve as a leading industry figure recognized worldwide and as a company in which all employees can take pride, based on contributions to society through products and services that meet diversifying and accelerating needs in the areas of energy and communications.

(2) Medium- to long-range company management strategies and issues to be addressed

Provided below is an overview of the Hitachi Cable Group's new Plan BRIDGE medium-term management plan, established to cover fiscal years 2011 through 2013.

(i) Fundamental policy and numerical goals under Plan BRIDGE

Under the Plan BEGIN medium-term management plan covering fiscal years 2007 through 2009, the Hitachi Cable Group enacted a fundamental policy for establishing new growth foundations, as it worked to grow and expand its businesses by generating steady income from core businesses and proactively investing management resources in key target areas. As a result, during the period covered by this plan, it was able to achieve the numerical goal of 20 billion yen in ordinary income. However, it was unable to establish a new growth foundation; as a result, business performance declined significantly in response to the rapid worsening of economic circumstances in fiscal 2009.

The fundamental policy of Plan BRIDGE is to restore the Group's status as a highly profitable enterprise and to reshape it into a truly global business. The key aspect of Plan BRIDGE is to reshape the Hitachi Cable Group into a group of highly profitable businesses active primarily in the materials, parts, and devices needed to build infrastructures. Plan BRIDGE is seen as a bridge to reach future goals: achieving ordinary income margins of at least 5% in all businesses through management focused on profit margins, including management of margins in each business; and achieving at least 40% of overall sales in overseas markets that promise high rates of economic growth.

Shown below are the numerical goals for the period covered by Plan BRIDGE.

	Fiscal 2010 (performance)	Fiscal 2013 (targets)
Net sales	372.5 billion yen	500 billion yen
Ordinary income	-4.9 billion yen	25 billion yen
Ordinary income/net sales	-1.3%	5%
Percentage of sales achieved overseas	25%	38%

(ii) Business strategies

A. Review of priority target areas

Based on reviews of policies intended to expand and strengthen operations in wires and cables and in information systems—areas in which Hitachi Cable Group has special strengths—the Group has established the following as new priority target areas for capturing emerging demand in overseas markets: electrical power infrastructures and next-generation energy; industrial infrastructures; and information and telecommunications infrastructures. The Group will aggressively invest management resources in core product lines, including products for heavy electrical machinery and products for solar power generation and superconductivity in the areas of electrical power infrastructures and next-generation energy; next-generation automotive products, cables for train cars and signals, products for use in industrial equipment and machine tools, and probe cables for medical applications in the area of industrial infrastructures; and information network devices, antennas, high-frequency coaxial cables, and optical submarine cables in the area of information and telecommunications infrastructures.

At the same time, in electronics, semiconductors, and automotive applications, the Group will push ahead with business restructuring through measures to improve profits and by identifying and cultivating strong products in which it offers advantages over competitors.

In all the areas of business in which it is active, the Group will advance aggressively into markets related to the environment.

B. Dramatic reforms in overseas businesses

To achieve dramatic improvements in cost structures, the Group will work to optimize its business execution structures, including areas such as global purchasing of parts and materials, manufacturing, and logistics, particularly in the areas of electronic wires, auto parts, lead frames, and compound semiconductors. It will examine establishing facilities to manufacture multiple strong products (core manufacturing facilities) in such areas.

In addition to steadily capturing growing demand by aggressively expanding product sales in infrastructure fields, the Group will work to expand sales channels by strengthening strategic alliances.

(iii) Research and development, capital investment, manufacturing enhancements, and human resource development enhancements

A. Research and development

To create high-value-added products surpassing those from competitors as sources of growth, the Group will seek to enhance research and development by strengthening intellectual property strategies; by developing element technologies; and by rapidly developing new products and businesses based on market-leading products in priority areas. It will maintain R&D investment at roughly 2.5% of net sales.

B. Capital investment

Capital investment will be roughly equal to that of depreciation, or approximately 20 billion yen/year. While capital investment has traditionally focused on sophisticated materials, an area encompassing numerous electronics and automotive products, based on a review of priority areas, future capital investment will entail a proactive focus on wires and cables and on information and telecommunications networking.

C. Manufacturing enhancements

The Group regards the Hitachi Cable Just-in-Time (JIT) Production System, in which it has invested significant effort to the present day, as the foundation of its manufacturing enhancements. The Group will strive to establish solid foundations for and to intensify such efforts in Japan. The Group will also seek to achieve the full-fledged deployment of these efforts at Group member companies overseas.

D. Human resource development enhancements

Alongside enhancing human-resources development through on-the-job training (OJT), the Group will enhance training of and promote local staff in locations around the world to expand overseas operations.

(iv) Compliance and CSR management

Based on its Corporate Vision, the Hitachi Cable Group's Code of Conduct calls for keeping to the Straight and Narrow—to engage in all of its activities in good faith and in harmony with the global community. In accordance with this Code, the Group will advance various efforts, including environmental protection, ensuring quality and safety, increasing the diversity of its human resources, ensuring respect for human rights, and enhancing information security, as well as full compliance with laws, regulations, and business ethics. To strengthen the fairness and transparency of these business activities, the Group will aggressively pursue improvements in its systems of internal controls as a key management goal, while seeking to engage in activities that contribute to society at all times.

4. Consolidated Financial Statements
(1) Consolidated Balance Sheet

(Units: million yen)

	End of previous consolidated fiscal year (March 31, 2009)	End of this consolidated fiscal year (March 31, 2010)
(Assets)		
Current assets		
Cash and cash equivalents	8,038	8,301
Trade receivables	70,358	84,562
Securities	301	176
Merchandise and products	8,725	11,661
In-process inventories	19,983	24,463
Raw materials and supplies	10,215	10,086
Deferred income tax	537	524
Other	12,903	9,196
Allowance for doubtful accounts	-390	-478
Total current assets	130,670	148,491
Fixed assets		
Tangible fixed assets		
Buildings and structures	111,734	111,872
Cumulative depreciation	-66,254	-69,221
Buildings and structures (net)	45,480	42,651
Machinery, vehicles, and tools	275,476	279,245
Cumulative depreciation	-227,446	-235,588
Machinery, vehicles, and tools (net)	48,030	43,657
Land	10,175	9,803
Construction in progress	7,228	4,472
Total tangible fixed assets	110,913	100,583
Intangible fixed assets		
Goodwill	1,830	1,134
Other	8,989	8,975
Total intangible fixed assets	10,819	10,109
Investments and other assets		
Negotiable securities	15,475	20,419
Long-term loans	2,680	2,756
Prepaid pension expenses	3,358	1,332
Deferred income tax	985	825
Other	6,754	6,991
Allowance for doubtful accounts	-2,696	-2,490
Total investments and other assets	26,556	29,833
Total fixed assets	148,288	140,525
Total assets	278,958	289,016

	End of previous consolidated fiscal year (March 31, 2009)	End of this consolidated fiscal year (March 31, 2010)
(Liabilities)		
Current liabilities		
Trade payables	42,607	60,970
Short-term debt	15,390	20,274
Bonds due within one year	5,000	—
Long-term debt due within one year	3,000	—
Corporate tax payable	815	916
Other	28,597	24,244
Total current liabilities	95,409	106,404
Fixed liabilities		
Company bonds	—	5,000
Long-term debt	20,523	23,500
Deferred tax liabilities	4,073	3,564
Retirement and severance benefits	22,511	24,635
Reserve for directors' retirement allowances	785	590
Liability due to application of equity method	1,112	1,301
Other	1,692	789
Total fixed liabilities	50,696	59,379
Total liabilities	146,105	165,783
(Net assets)		
Shareholders' equity		
Common stock	25,948	25,948
Capital surplus	31,529	31,518
Retained earnings	84,225	72,767
Treasury stock	-4,362	-3,984
Total shareholders' equity	137,340	126,249
Valuation and translation adjustments		
Net unrealized holding gains on securities	275	1,104
Deferred hedging gains/losses	-39	-8
Foreign currency translation adjustments	-7,261	-6,107
Total valuation and translation adjustments	-7,025	-5,011
Minority investments	2,538	1,995
Total net assets	132,853	123,233
Total liabilities and net assets	278,958	289,016

(2) Consolidated Statement of Profit and Loss

(Units: million yen)

	Fiscal 2009 (Apr.1, 2008- Mar.31, 2009)	Fiscal 2010 (Apr.1, 2009- Mar.31, 2010)
Net sales	493,151	372,450
Cost of sales	452,663	329,767
Total return on sales	40,488	42,683
Sales and general administrative expenses	55,228	49,064
Operating loss (-)	-14,740	-6,381
Non-operating income		
Interest received	282	129
Dividends received	262	186
Gain on sale of goods	534	—
Fixed asset lease expense	373	—
Investment income by equity method	—	1,530
Other non-operating income	1,442	2,033
Total non-operating income	2,893	3,878
Non-operating expenses		
Interest expense	1,545	961
Exchange loss	820	—
Losses on elimination of fixed assets	—	283
Investment loss by equity method	2,790	—
Other non-operating expenses	2,972	1,192
Total non-operating expenses	8,127	2,436
Ordinary loss (-)	-19,974	-4,939
Extraordinary income		
Gains on prior-period adjustments	68	57
Gains on sale of negotiable securities	24	120
Other extraordinary income	15	15
Total extraordinary income	107	192
Extraordinary losses		
Losses on prior-period adjustments	—	39
Impairment losses	8,990	1,694
Losses on sale of negotiable securities	—	1,204
Restructuring costs	—	848
Losses on elimination of fixed assets	1,877	—
Other extraordinary losses	2,302	329
Total extraordinary losses	13,169	4,114
Net loss before taxes and other adjustments (-)	-33,036	-8,861
Corporate, residence, and enterprise taxes	2,252	1,167
Corporate tax adjustments	18,411	-1,036
Total corporate taxes, etc.	20,663	131
Gains to minority investors	76	118
Net loss (-)	-53,775	-9,110

(3) Consolidated Statement of Changes in Shareholders' Equity

(Units: million yen)

	Fiscal 2009 (Apr.1, 2008- Mar.31, 2009)	Fiscal 2010 (Apr.1, 2009- Mar.31, 2010)
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	31,534	31,529
Changes during current year		
Sale of treasury stock	-5	-11
Total Changes during current year	-5	-11
Balance at end of current year	31,529	31,518
Retained earnings		
Balance at end of previous year	141,090	84,225
Changes during current year		
Cash dividends	-3,090	-2,000
Net loss (-)	-53,775	-9,110
Sale of treasury stock	—	-121
Change of scope of consolidation	—	30
Change of scope of equity method	—	-257
Total Changes during current year	-56,865	-11,458
Balance at end of current year	84,225	72,767
Treasury stock		
Balance at end of previous year	-4,356	-4,362
Changes during current year		
Acquisition of treasury stock	-19	-7
Sale of treasury stock	13	385
Total Changes during current year	-6	378
Balance at end of current year	-4,362	-3,984
Total shareholders' equity		
Balance at end of previous year	194,216	137,340
Changes during current year		
Cash dividends	-3,090	-2,000
Net loss (-)	-53,775	-9,110
Acquisition of treasury stock	-19	-7
Sale of treasury stock	8	253
Change of scope of consolidation		30
Change of scope of equity method		-257
Total Changes during current year	-56,876	-11,091
Balance at end of current year	137,340	126,249

(Units: million yen)

	Fiscal 2009 (Apr.1, 2008- Mar.31, 2009)	Fiscal 2010 (Apr.1, 2009- Mar.31, 2010)
Valuation and translation adjustments		
Net unrealized holding gain on securities		
Balance at end of previous year	1,517	275
Changes during current year		
(Net) changes during current year in accounts other than shareholders' equity	-1,242	829
Total Changes during current year	-1,242	829
Balance at end of current year	275	1,104
Deferred hedging gain/ losses		
Balance at end of previous year	351	-39
Changes during current year		
(Net) changes during current year in accounts other than shareholders' equity	-390	31
Total Changes during current year	-390	31
Balance at end of current year	-39	-8
Foreign currency translation adjustments		
Balance at end of previous year	1,354	-7,261
Changes during current year		
(Net) changes during current year in accounts other than shareholders' equity	-8,615	1,154
Changes during current year	-8,615	1,154
Balance at end of current year	-7,261	-6,107
Total valuation and translation adjustments		
Balance at end of previous year	3,222	-7,025
Changes during current year		
(Net) changes during current year in accounts other than shareholders' equity	-10,247	2,014
Total Changes during current year	-10,247	2,014
Balance at end of current year	-7,025	-5,011
Minority investments		
Balance at end of previous year	3,404	2,538
Changes during current year		
(Net) changes during current year in accounts other than shareholders' equity	-866	-543
Changes during current year	-866	-543
Changes during current year	2,538	1,995

(Units: million yen)

	Fiscal 2009 (Apr.1, 2008- Mar.31, 2009)	Fiscal 2010 (Apr.1, 2009- Mar.31, 2010)
Total net assets		
Balance at end of previous year	200,842	132,853
Balance at end of current year		
Cash dividends	-3,090	-2,000
Net loss (-)	-53,775	-9,110
Acquisition of treasury stock	-19	-7
Sale of treasury stock	8	253
Change of scope of consolidation	—	30
Change of scope of equity method	—	-257
(Net) changes during current year in accounts other than shareholders' equity	-11,113	1,471
Total Changes during current year	-67,989	-9,620
Balance at end of current year	132,853	123,233

(4) Consolidated Statement of Cash Flows

(Units: million yen)

	Fiscal 2009 (Apr.1, 2008- Mar.31, 2009)	Fiscal 2010 (Apr.1, 2009-Mar.31, 2010)
Cash flow from operating activities		
Net loss before taxes and other adjustments (-)	-33,036	-8,861
Depreciation	25,347	21,350
Impairment losses	8,990	1,694
Increase/decrease in allowances for doubtful accounts (Decrease: -)	-413	-102
Increase/decrease in retirement and severance benefits (Decrease: -)	2,239	2,124
Increase/decrease in prepaid pension expenses (Increase: -)	901	2,026
Interest received and dividends received	-544	-315
Interest expense	1,545	961
Exchange profit/loss (Profit: -)	-493	—
Investment profit/loss by equity method (Profit: -)	2,790	-1,530
Profit/loss on sale of negotiable securities (Profit: -)	—	1,084
losses on retirement of tangible fixed assets	2,479	—
Increase/decrease of trade receivables (Increase: -)	41,435	-14,660
Increase/decrease of inventories (Increase: -)	20,329	-7,527
Increase/decrease of trade payables (Decrease: -)	-32,593	17,993
Increase/decrease in other accounts payable and expenses payable (Decrease: -)	-871	-16
Increase /decrease of other accounts receivable (Increase: -)	2,318	562
Other	427	462
Subtotal	40,850	15,245
Earnings on interest and dividends	691	753
Interest paid	-1,527	-957
Corporate tax and other taxes paid	-3,961	-737
Cash flow from operating activities	36,053	14,304
Cash flow from investing activities		
Expenditures for purchases of securities	-587	-143
Expenditures for purchases of tangible and intangible fixed assets	-30,382	-16,985
Proceeds for sale of investments in securities	349	—
Expenditures for purchases of shares in affiliates	—	-4,000
Proceeds for sale of shares in affiliates	—	1,123
Expenditures for acquisition of subsidiaries' shares involving changes in scope of consolidation	-9,145	—
Expenditures for divestiture of subsidiaries' shares involving changes in scope of consolidation	—	-173
Net increase/decrease in short-term loans (Increase: -)	-1,892	2,685
Expenditures for long-term loans	-58	-4
Collection of long-term loans receivable	23	15
Other	305	435
Cash flow from investing activities	-41,387	-17,047
Cash flow from finance activities		
Net increase/decrease in short-term debt (Decrease: -)	4,198	5,046
Proceeds from long-term debt	5,000	3,000
Payments on long-term debt	-356	-3,023
Proceeds from issue of company bonds	—	5,000
Expenditures for redemption of company bonds	—	-5,000
Dividends paid to stockholders	-3,090	-2,000
Dividends paid to minority stockholders	-216	-101
Other	-11	-118
Cash flow from finance activities	5,525	2,804
Effect of exchange rate fluctuations on cash and cash equivalents	-2,128	222
Net increase/decrease in cash and cash equivalents (Decrease: -)	-1,937	283
Cash and cash equivalents at beginning of term	9,902	7,965
Decrease in cash and cash equivalents due to exclusion of subsidiaries from consolidation	—	-309
Cash and cash equivalent at end of term	7,965	7,939

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

(6) Notes on bases for the preparation of these consolidated financial statements
Matters concerning accounting standards
(i)Important accounting standards for revenues and costs
Standards on recording completed construction and completed construction costs
A.Construction for which successful completion can be forecast based on progress through the end of this consolidated fiscal year
Percentage-of-completion method (cost method for estimated rate of progress on construction)
B.Other construction
Completed contract method

(Changes to accounting policies)

The standards previously applied to account for revenues related to subcontracted construction have been the percentage-of-completion method (for projects lasting one year or longer and involving contracted amounts of at least 500 million yen) and the completed contract method (for all other projects). Starting this consolidated fiscal year, the standards described in Accounting Standard for Construction Contracts (ASBJ Statement No. 15, December 27, 2007) and Guidance on Accounting Standard for Construction Contracts (ASBJ Guidance No. 18, December 27, 2007) have been applied. For contracts involving construction projects that get underway during this consolidated fiscal year, the percentage-of-completion method (cost method for estimated rate of progress on construction) has been applied to projects for which successful completion can be forecast based on progress through the end of this consolidated fiscal year. The completed contract method has been applied to other projects.

This change has no effect on net sales or income.

Further disclosure is omitted, since no material changes aside from the above have occurred to affect the description given in the most recent Annual Report (submitted June 25, 2009).

(7) Notes on consolidated financial statements

This report omits discussions of issues such as lease transactions, financial instruments, securities, derivative transactions, retirement benefits, stock options, tax-effect accounting, leasing and other matters related to real estate, and transactions with interested parties deemed not to merit coverage.

(Notes on Consolidated Income Statement)

Notes on fixed asset impairment losses

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
Tsuchiura Works (Hitachi, Ibaraki Pref.)	Copper tubes business	Machinery and equipment, tools and supplies, other	Machinery and equipment: 638 million yen Tools and supplies, other.: 16 million yen Total: 654 million yen	Due to projections of a worsened market environment	Value in use	Value in use using discount rate of 4.5%
Hitachi Cable Indiana, Inc. (U.S.A.)	Auto parts business	Machinery and equipment, leased assets, buildings	Machinery and equipment: 315 million yen Leased assets: 166 million yen Buildings: 3 million yen Total: 484 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 and equipment, land, buildings	Machinery and equipment: 199 million yen Land: 54 million yen Buildings, other: 50 million yen Total: 303 million yen	Due to projections of a worsened market environment	Net sale price	Market valuation, other
Hitachi Cable Rubber Technology Co., Ltd. (Shimizu, Sunto-gun, Shizuoka Pref.)	Office equipment roller business	Goodwill	Goodwill: 238 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.), and other	Dormant assets	Land, machinery and equipment	Land: 8 million yen Machinery and equipment: 7 million yen Total: 15 million yen	Due to decline in market values below book values, other	Net sale price	Assessed value of fixed assets, other

(Grouping method)

These assets are grouped by business sector into 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 Consolidated Fiscal Year (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

This Consolidated Fiscal Year (Apr.1, 2009-Mar.31, 2010)

(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	175,265	60,214	134,711	2,260	372,450	―	372,450
(2) In-house sales or transfer between operating segments	6,545	4,299	4,799	12,945	28,588	(28,588)	―
Total	181,810	64,513	139,510	15,205	401,038	(28,588)	372,450
Operating expense	181,949	63,558	147,336	14,582	407,425	(28,594)	378,831
Operating income (loss :-)	-139	955	-7,826	623	-6,387	6	-6,381
Ⅱ. Assets, depreciation, impairment loss and capital expenditure							
Assets	119,121	55,155	117,792	1,935	294,003	(4,987)	289,016
Depreciation	6,453	3,943	10,738	216	21,350	―	21,350
Impairment loss	318	―	1,376	―	1,694	―	1,694
Capital expenditure	5,603	2,362	5,815	82	13,862	―	13,862

(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 Consolidated Fiscal Year (Apr.1, 2008 -Mar.31, 2009) 2,965 million yen
This Consolidated Fiscal Year (Apr.1, 2009-Mar.31, 2010) 2,842 million yen

【Sales Results by Location】

Previous Consoledated Fiscal Year (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 loss	-13,696	-1,296	-14,992	252	-14,740
II. Assets	262,438	53,163	315,601	(36,643)	278,958

This Consolidated Fiscal Year (Apr.1, 2009-Mar.31, 2010)

(Million yen)

	Japan	Others	Total	Eliminated or company-wide	Consoli-dated
I. Net sales and operating income					
Net sales					
(1) Sales to customers	299,897	72,553	372,450	―	372,450
(2) In-house sales or transfer between operating segments	29,919	3,917	33,836	(33,836)	―
Total	329,816	76,470	406,286	(33,836)	372,450
Operating expense	334,641	77,902	412,543	(33,712)	378,831
Operating loss	-4,825	-1,432	-6,257	(124)	-6,381
II. Assets	273,017	59,432	332,449	(43,433)	289,016

(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 Consoledated Fiscal Year (Apr.1, 2008 -Mar.31, 2009) 2,965 million yen
This Consolidated Fiscal Year (Apr.1, 2009-Mar.31, 2010) 2,842 million yen

【Overseas】

Previous Consolidated Fiscal Year（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

This Consolidated Fiscal Year（Apr.1, 2009-Mar.31, 2010）

	Asia	North America	Others	Total
Ⅰ.Overseas（Million yen）	65,135	21,418	6,425	92,978
Ⅱ.Consolidated sales（Million yen）	－	－	－	372,450
Ⅲ.Ratio of overseas sales in consolidated sales (%)	17.5	5.8	1.7	25.0

(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 2009 (April 1, 2008– March 31, 2009)	Fiscal 2010 (April 1, 2009– March 31, 2010)
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.	Net assets per share 332.69 yen Net income per share -25.04 yen Although dilutive securities are included, the fully-diluted earnings per share amount is not indicated because the earnings per share is negative.

Note: Shown below are the bases for calculations of net loss per share and diluted net income per share:

	Fiscal 2009 (April 1, 2008 - March 31, 2009)	Fiscal 2010 (April 1, 2009 - March 31, 2010)
Net income per share		
Net loss (million yen)	-53,775	-9,110
Amount not reverting to holders of common stock (million yen)	－	－
Net loss on common stock (million yen)	-53,775	-9,110
Average shares issued and outstanding during this fiscal year (thousands)	363,532	363,754
Diluted net income per share		
Adjustment to net income (million yen)	－	－
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 3 warrant rights and type 2 stock options (692,000 warrant rights and 554,000 stock options)	Shares subject to type 2 warrant rights and type 2 stock options (448,000 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, 2009)	End of this fiscal year (March 31, 2010)
(Assets)		
Current assets		
Cash and cash equivalents	317	414
Notes receivable	2,439	3,135
Accounts receivable	43,118	59,317
Merchandise and products	2,307	3,060
In-process inventories	14,395	16,109
Raw materials and supplies	3,989	4,078
Advances	205	26
Prepaid expenses	18	124
Short-term loans	4,368	3,328
Other accounts receivable	7,150	8,396
Other	175	325
Allowance for doubtful accounts	-290	-2,358
Total current assets	78,191	95,954
Fixed assets		
Tangible fixed assets		
Buildings	68,514	68,766
Cumulative depreciation	-42,592	-44,243
Buildings (net)	25,922	24,523
Structures	9,548	9,475
Cumulative depreciation	-8,225	-8,342
Structures (net)	1,323	1,133
Machinery and equipment	158,842	159,034
Cumulative depreciation	-138,349	-140,930
Machinery and equipment (net)	20,493	18,104
Vehicles	321	364
Cumulative depreciation	-296	-312
Vehicles (net)	25	52
Tools and supplies	24,963	24,177
Cumulative depreciation	-21,196	-21,487
Tools and supplies (net)	3,767	2,690
Land	7,169	7,123
Construction in progress	4,920	2,085
Total tangible fixed assets	63,619	55,710
Intangible fixed assets		
Goodwill	79	56
Leaseholds	674	671
Usage rights	70	66
Software	6,481	6,650
Total intangible fixed assets	7,304	7,443

(Units: million yen)

	End of previous fiscal year (March 31, 2009)	End of this fiscal year (March 31, 2010)
Investments and other assets		
Negotiable securities	3,825	4,983
Shares in affiliates	39,563	40,135
Investments	787	644
Investments in affiliates	14,786	16,211
Long-term loans to affiliates	9,333	9,559
Long-term prepaid expenses	37	—
Prepaid pension expenses	3,358	1,332
Other	2,110	2,216
Allowance for doubtful accounts	-3,260	-5,897
Investments and other assets	70,539	69,183
Total fixed assets	141,462	132,336
Total assets	219,653	228,290

(Units: million yen)

	End of previous fiscal year (March 31, 2009)	End of this fiscal year (March 31, 2010)
(Liabilities)		
Current liabilities		
Trade accounts payable	31,802	48,786
Short-term debt	1,465	5,893
Bonds due within one year	5,000	—
Long-term debt due within one year	3,000	—
Other accounts payable	604	1,501
Accounts payable - facilities	5,633	2,373
Corporate tax payable	133	194
Expenses payable	7,784	7,399
Deferred tax liabilities	—	48
Advances received	1,614	747
Deposits received	1,580	1,501
Other	829	791
Total Current liabilities	59,444	69,233
Fixed liabilities		
Company bonds	—	5,000
Long-term debt	20,500	23,500
Deferred tax liabilities	3,444	2,984
Retirement and severance benefits	14,882	16,572
Reserve for directors' retirement allowances	502	372
Other	224	—
Total fixed liabilities	39,552	48,428
Total liabilities	98,996	117,661
(Net assets)		
Shareholders' equity		
Common stock	25,948	25,948
Capital surplus		
Capital reserves	34,839	34,839
Other Capital surplus	11	—
Total capital surplus	34,850	34,839
Retained earnings		
Income reserves	6,512	6,512
Other Earned surplus		
Special redemption reserves	357	140
Reserves for decrease in fixed asset	380	364
Voluntary reserves	86,964	36,964
Earned surplus carried forward	-29,972	8,946
Total Earned surplus	64,241	52,926
Treasury stock	-4,353	-3,975
Total shareholders' equity	120,686	109,738
Valuation and translation adjustments		
Net unrealized holding gain on securities	283	959
Deferred hedging gains/losses	-312	-68
Total valuation and translation adjustments	-29	891
Total net assets	120,657	110,629
Total liabilities and net assets	219,653	228,290

(2)Non-consolidated Profit and Loss Sheet

(Units: million yen)

	Fiscal 2009 (Apr.1, 2008- Mar.31, 2009)	Fiscal 2010 (Apr.1, 2009- Mar.31, 2010)
Net sales	298,078	241,718
Cost of sales		
Product inventory at beginning of period	3,429	2,307
Cost of finished goods	281,501	222,628
Total	284,930	224,935
Transfer to other accounts	18	—
Product inventory at end of period	2,307	3,060
Cost of goods sold	282,605	221,875
Total return on sales	15,473	19,843
Sales and general administrative expenses		
Packaging and shipping cost	4,357	3,949
Other cost of sales	1,578	1,393
Transfer to allowance for doubtful accounts	11	—
Employee salary and benefits	5,188	4,603
Retirement and severance benefits	842	1,094
Depreciation	162	161
R&D costs	7,540	6,397
Compensation paid	1,640	2,366
Other	3,921	3,356
Total sales and general administrative expenses	25,239	23,319
Operating loss (-)	-9,766	-3,476
Non-operating income		
Interest received	282	286
Interest on securities	7	3
Dividends received	5,672	1,703
Income from lease of fixed assets	—	575
Other	1,399	627
Total non-operating income	7,360	3,194
Non-operating expenses		
Interest expense	867	580
Interest on company bonds	37	39
Exchange loss	578	—
Loss on disposal of fixed assets	389	176
Loss on disposal of inventory	510	—
Other	611	590
Total non-operating expenses	2,992	1,385
Ordinary loss (-)	-5,398	-1,667

	Fiscal 2009 (Apr.1, 2008- Mar.31, 2009)	Fiscal 2010 (Apr.1, 2009- Mar.31, 2010)
Extraordinary income		
Proceeds for sale of shares in affiliates	—	456
Gains on sale of fixed assets	—	416
Other	—	63
Total extraordinary income	—	935
Extraordinary losses		
Revaluation losses on shares in affiliates	7,039	3,485
Revaluation losses on investments in affiliates	2,619	—
Impairment losses	5,125	662
Transfer to allowance for doubtful accounts	1,144	4,909
Other	2,763	495
Total extraordinary losses	18,690	9,551
Net loss before taxes and other adjustments (-)	-24,088	-10,283
Corporate, residence, and enterprise taxes	225	-113
Corporate tax adjustments	14,451	-976
Total Corporate taxes, etc.	14,676	-1,089
Net loss (-)	-38,764	-9,194

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

(Units: million yen)

	Fiscal 2009 (Apr.1, 2008- Mar.31, 2009)	Fiscal 2010 (Apr.1, 2009- Mar.31, 2010)
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	11
Changes during current year		
Sale of treasury stock	-5	-11
Total changes during current year	-5	-11
Balance at end of current year	11	—
Total capital surplus		
Balance at end of previous year	34,855	34,850
Changes during current year		
Sale of treasury stock	-5	-11
Total changes during current year	-5	-11
Balance at end of current year	34,850	34,839
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	598	357
Changes during current year		
Transfer from special redemption reserves	-241	-217
Total changes during current year	-241	-217
Balance at end of current year	357	140
Reserves for decrease in fixed assets		
Balance at end of previous year	375	380
Changes during current year		
Transfer from reserves for decrease in fixed assets	-14	-16
Transfer to reserves for decrease in fixed assets	19	—
Total changes during current year	5	-16
Balance at end of current year	380	364
Voluntary reserves		
Balance at end of previous year	86,964	86,964
Changes during current year		
Transfer from voluntary reserves	—	-50,000
Total changes during current year	—	-50,000
Balance at end of current year	86,964	36,964
Retained earnings carried forward		
Balance at end of previous year	11,646	-29,972
Changes during current year		
Cash dividends	-3,090	-2,000
Net loss (-)	-38,764	-9,194
Sale of treasury stock	—	-121
Transfer from special redemption reserves	241	217
Transfer from reserves for decrease in fixed assets	14	16
Transfer to reserves for decrease in fixed assets	-19	—
Transfer from voluntary reserves	—	50,000
Total changes during current year	-41,618	38,918
Total balance at end of current year	-29,972	8,946

(Units: million yen)

	Fiscal 2009 (Apr.1, 2008- Mar.31, 2009)	Fiscal 2010 (Apr.1, 2009- Mar.31, 2010)
Total retained earnings		
Balance at end of previous year	106,095	64,241
Changes during current year		
Cash dividends	-3,090	-2,000
Net loss (-)	-38,764	-9,194
Sale of treasury stock	—	-121
Total changes during current year	-41,854	-11,315
Total balance at end of current year	64,241	52,926
Treasury stock		
Balance at end of previous year	-4,348	-4,353
Changes during current year		
Acquisition of treasury stock	-18	-7
Sale of treasury stock	13	385
Total changes during current year	-5	378
Balance at end of current year	-4,353	-3,975
Total shareholders' equity		
Balance at end of previous year	162,550	120,686
Changes during current year		
Cash dividends	-3,090	-2,000
Net loss (-)	-38,764	-9,194
Acquisition of treasury stock	-18	-7
Sale of treasury stock	8	253
Changes during current year	-41,864	-10,948
Balance at end of current year	120,686	109,738

(Units: million yen)

	Fiscal 2009 (Apr.1, 2008- Mar.31, 2009)	Fiscal 2010 (Apr.1, 2009- Mar.31, 2010)
Valuation and translation adjustments		
Net unrealized holding gain on securities		
Balance at end of previous year	1,319	283
Changes during current year		
Changes during this consolidated fiscal year in accounts other than shareholders' equity (Net)	-1,036	676
Changes during current year	-1,036	676
Balance at end of current year	283	959
Deferred hedging gains/losses		
Balance at end of previous year	98	-312
Changes during current year		
Changes during this consolidated fiscal year in accounts other than shareholders' equity (Net)	-410	244
Changes during current year	-410	244
Balance at end of current year	-312	-68
Total valuation and translation adjustments		
Balance at end of previous year	1,417	-29
Changes during current year		
Changes during this consolidated fiscal year in accounts other than shareholders' equity (Net)	-1,446	920
Total changes during current year	-1,446	920
Balance at end of current year	-29	891
Total net assets		
Balance at end of previous year	163,967	120,657
Changes during current year		
Cash dividends	-3,090	-2,000
Net income (-)	-38,764	-9,194
Acquisition of treasury stock	-18	-7
Sale of treasury stock	8	253
Changes during this consolidated fiscal year in accounts other than shareholders' equity (Net)	-1,446	920
Total changes during current year	-43,310	-10,028
Total balance at end of current year	120,657	110,629

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

(5) Important accounting standards
Accounting standards for revenues and costs
Standards on recording completed construction and completed construction costs
A. Construction for which successful completion can be forecast based on progress through the end of this consolidated fiscal year
Percentage-of-completion method (cost method for estimated rate of progress on construction)
B. Other construction
Completed contract method

(Changes to accounting policies)
The standards previously applied to account for revenues related to subcontracted construction have been the percentage-of-completion method (for projects lasting one year or longer and involving contracted amounts of at least 500 million yen) and the completed contract method (for all other projects). Starting this consolidated fiscal year, the standards described in Accounting Standard for Construction Contracts (ASBJ Statement No. 15, December 27, 2007) and Guidance on Accounting Standard for Construction Contracts (ASBJ Guidance No. 18, December 27, 2007) have been applied. For contracts involving construction projects that get underway during this consolidated fiscal year, the percentage-of-completion method (cost method for estimated rate of progress on construction) has been applied to projects for which successful completion can be forecast based on progress through the end of this consolidated fiscal year. The completed contract method has been applied to other projects.
This change has no effect on net sales or income.

(6) Notes on non-consolidated financial statements
(Notes on Income Statement)
Notes on impairment losses on fixed assets
During this 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
Tsuchiura Works (Hitachi, Ibaraki Pref.)	Copper tubes business	Machinery and equipment, tools and supplies, other	Machinery and equipment: 638 million yen Tools and supplies, other.: 16 million yen Total: 654 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.), and other	Dormant assets	Land	Land: 8 million yen	Due to decline in market values below 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.