

# **Explanatory Material for Financial Report for Second Quarter of Fiscal 2012 Ending March 31, 2013**

October 29, 2012

 **Hitachi Cable, Ltd.**

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- 1. Outline of Financial Report for the Second Quarter  
of Fiscal 2012 Ending March 31, 2013**
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Ending March 31, 2013

# 1-1. Consolidated Statement of Income and Loss HitachiCable

Units: billion yen

	Second Quarter of FY 2011	Second Quarter of FY 2012	Change from Second Quarter of FY 2011	Change from Previous Forecast*
Net sales	210.4	179.7	85% (30.8)	100% (0.3)
Operating income	1.4	1.9	+0.6	+0.4
Non-Operating income/ loss	(1.1)	0.4	+1.4	(0.1)
Ordinary income	0.3	2.3	+2.0	+0.3
Extraordinary income / loss	(8.5)	(0.8)	+7.7	(0.3)
Net income before taxes and other adjustments	(8.2)	1.5	+9.7	(0.0)
Corporate taxes, etc.	0.7	0.6	(0.1)	(0.2)
Gains to minority investors	0.2	0.1	(0.0)	(0.1)
Net income	(9.1)	0.7	+9.8	+0.2

Second Quarter of FY 2012: From April 1, 2012 to September 30, 2012

Note: Figures are rounded off to the nearest 0.1 billion yen.

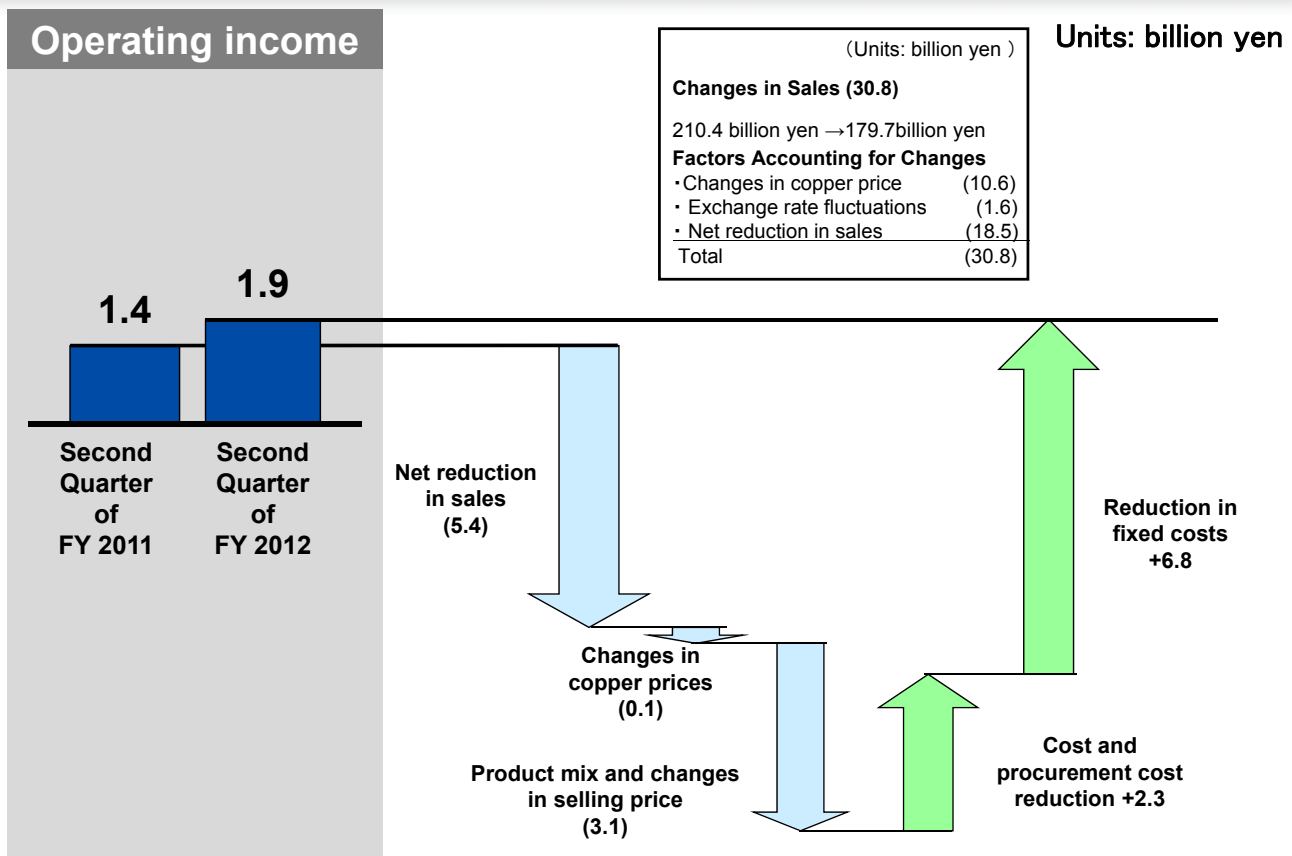
\* Previous forecast: Forecasts of business performance for FY2012 announced on July 27, 2012

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## 1-2. Major Factors Contributing to Change in Operating Income (Change from Second Quarter of FY 2011)

HitachiCable

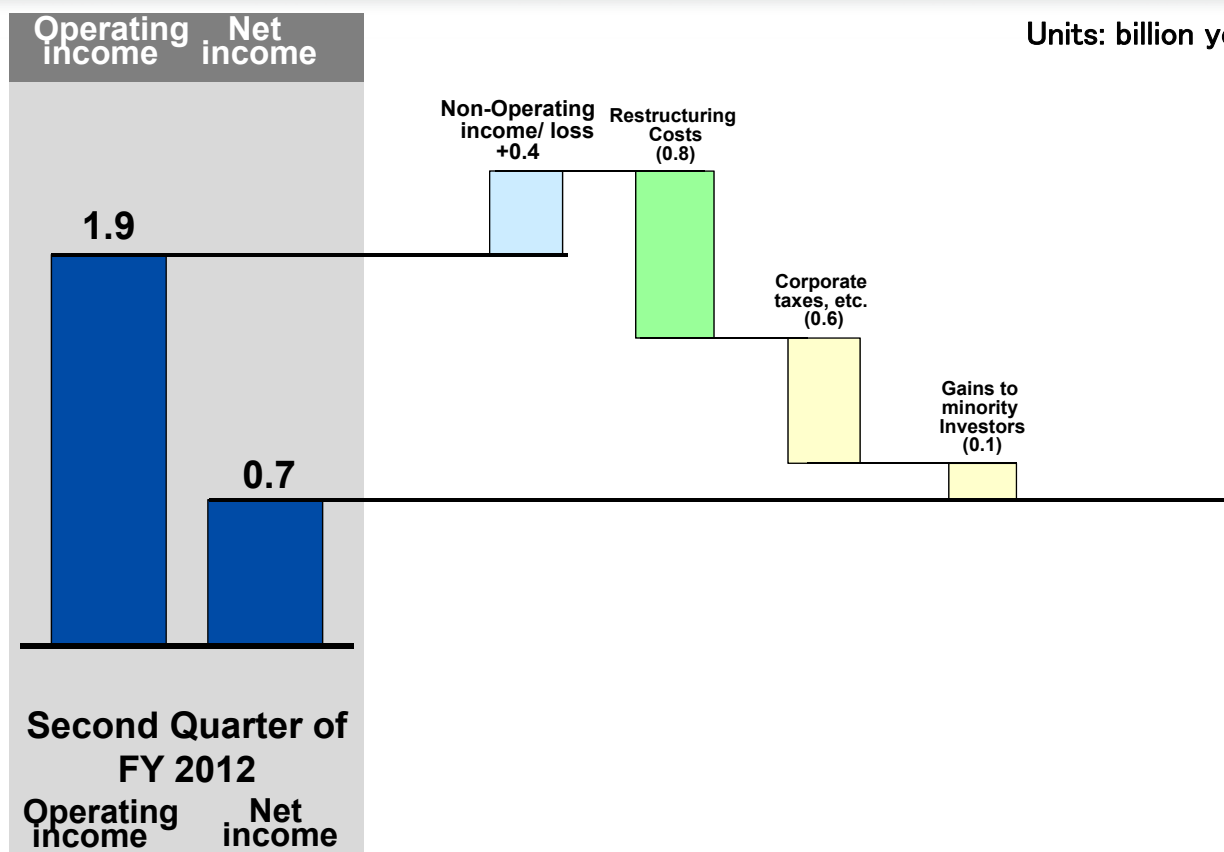
Units: billion yen



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### 1-3. Breakdown of Net Income for the Current Quarter

Units: billion yen



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### 1-4. Consolidated Balance Sheet, Cash Flows

Units: billion yen

	End of Fiscal 2011	End of Second Quarter of FY2012	Change from Previous Fiscal Year-End
Total assets	245.9	261.6	+15.7
Total liabilities	162.8	179.0	+16.2
Liabilities comprising interest-bearing debt	50.2	48.4	(1.8)
Equity	81.2	80.8	(0.4)
Equity ratio	33.0%	30.9%	(2.1%)
Debt to equity ratio	0.60	0.59	(0.01)

	First Half of FY 2011	First Half of FY 2012	Change from First Half of FY 2011
cash flows from operating activities	(9.2)	11.4	+20.6
Cash flows from investing activities	(4.6)	(2.3)	+2.3
Free Cash flows	(13.8)	9.1	+22.9

Note: Figures are rounded off to the nearest 0.1 billion yen. Totals and sums of figures may not agree.

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# 1-5. Sales by Reporting Segment

Units: billion yen

	Second Quarter of FY 2011	Second Quarter of FY 2012	Change from Second Quarter of FY 2011	Change from Previous Forecast*
Industrial infrastructure products	39.1	37.9	97%	100%
Electronic & Automotive Products	77.1	73.9	96%	101%
Information Systems Devices & Materials	22.8	19.7	86%	96%
Metal Materials & Component Products	50.1	30.0	60%	95%
Sales Companies & Distribution	21.3	18.2	86%	107%
<b>Total</b>	<b>210.4</b>	<b>179.7</b>	<b>85%</b>	<b>100%</b>

\*Previous forecast: Forecasts of business performance for FY2012 announced on July 27, 2012

• Note: Figures are rounded off to the nearest 0.1 billion yen.

# 1-6. Operating Income by Reporting Segment

Units: billion yen

	Second Quarter of FY 2011	Second Quarter of FY 2012	Change from Second Quarter of FY 2011	Change from Previous Forecast*
Industrial infrastructure products	(0.4)	0.0	+0.4	(0.5)
Electronic & Automotive Products	0.9	1.9	+1.1	+0.4
Information Systems Devices & Materials	(0.3)	0.5	+0.8	+0.3
Metal Materials & Component Products	(0.5)	(1.3)	(0.8)	(0.1)
Sales Companies & Distribution	1.3	1.2	(0.1)	+0.2
Adjustment amount	0.4	(0.5)	(0.9)	(0.0)
<b>Total</b>	<b>1.4</b>	<b>1.9</b>	<b>+0.6</b>	<b>+0.4</b>

\*Previous forecast: Forecasts of business performance for FY2012 announced on July 27, 2012

• Note: Figures are rounded off to the nearest 0.1 billion yen.

# 1-7. Capital Investment, R&D Expenses, Number of Employees, Etc.

## (1) Capital investment, Depreciation, R&D expenses

Units: billion yen

	Second Quarter of FY 2011	Second Quarter of FY 2012	Change from Second Quarter of FY 2011
Capital investment	5.7	5.0	87%
Depreciation	8.1	6.0	74%
R&D expenses (R&D expenses/Net sales)	4.4 (2.1%)	3.8 (2.1%)	86%

The depreciation method for tangible fixed assets for Hitachi Cable and its consolidated subsidiaries in Japan has changed from a declining-balance method to a straight-line method from the current consolidated fiscal year.

## (2) Number of employees

Units: persons

	End of FY2011	End of Second Quarter of FY2012	Change from the Previous Fiscal Year-End
Number of employees	14,142	13,331	(811)

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# 1-8. Overview by Segment: Industrial Infrastructure Products

Units: billion yen

	Second Quarter of FY 2011 (Actual performance)	Second Quarter of FY 2012 (Previous forecast)*	Second Quarter of FY 2012 (Actual performance)	Change from Second Quarter of FY 2011	Change from Previous Forecast
Power and Industrial Systems Products	35.2	34.0	34.2	97%	100%
Optical Communication Products	3.9	4.0	3.8	96%	94%
Total net sales	39.1	38.0	37.9	97%	100%
Operating income	(0.4)	0.5	0.0	+0.4	(0.5)

### Power and Industrial Systems Products [Net sales]

Net sales fell below the previous year's level, although demand for construction wires and cables was robust. This was due to weak demand for heat resistant wires and wires and cables for rolling stock, as capital investment of private enterprise slowed in Japan and demand for railway projects peaked out.

### Optical Communication Products [Net sales]

Net sales fell below the previous year's level, as demand for metal cables for domestic capital investment of private enterprise slumped, and sales in optical fibers were sluggish, affected by intensified competition in the domestic market.

### Operating income

Although net sales decreased, operating income surpassed the previous year's level due to cost reduction effects. However, net sales fell below the previous forecast as a result of a drop in sales of heat resistant wires and cables for rolling stock.

\* Forecasts as of July 27, 2012

Note: Figures are rounded off to the nearest 0.1 billion yen. Totals and sums of figures may not agree.

## 1-9. Overview by Segment: Electronic & Automotive Products

Units: billion yen

	Second Quarter of FY 2011 (Actual performance)	Second Quarter of FY 2012 (Previous forecast)*	Second Quarter of FY 2012 (Actual performance)	Change from Second Quarter of FY 2011	Change from Previous Forecast
Automotive Components	19.4	22.0	21.9	113%	100%
Electronic Products	20.3	17.0	17.0	84%	100%
Magnet Wire Products	37.4	34.0	34.9	93%	103%
<b>Total net sales</b>	<b>77.1</b>	<b>73.0</b>	<b>73.9</b>	<b>96%</b>	<b>101%</b>
<b>Operating income</b>	<b>0.9</b>	<b>1.5</b>	<b>1.9</b>	<b>+1.1</b>	<b>+0.4</b>

<b>Automotive Components</b> [Net sales]	Net sales exceeded the previous year's level due to the increase in the number of automobiles sold globally, mainly in Japan and North America, and due to growth in the automotive electronic components business, on which Hitachi Cable focuses.
<b>Electronic Products</b> [Net sales]	Net sales fell below the previous year's level because of sluggish sales of products for the electronics device market and the semiconductor manufacturing equipment market.
<b>Magnet Wire Products</b> [Net sales]	Demand in automotive electronics was favorable in line with a rise in auto sales. As for heavy electrical machinery, sales of products for pole-mounted transformers were strong. However, net sales for Magnet Wire Products fell below the previous year's level due to a lower price of copper, the primary material, compared with the last year.
<b>Operating income</b>	Although net sales decreased, operating income exceeded both the level of the second quarter of FY 2011 and the forecast due to cost reduction effects and growth in automotive electronic components, on which Hitachi Cable focuses.

\* Forecasts as of July 27, 2012

Note: Figures are rounded off to the nearest 0.1 billion yen. Totals and sums of figures may not agree.

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## 1-10. Overview by Segment: Information Systems Devices & Materials

Units: billion yen

	Second Quarter of FY 2011 (Actual performance)	Second Quarter of FY 2012 (Previous forecast)*	Second Quarter of FY 2012 (Actual performance)	Change from Second Quarter of FY 2011	Change from Previous Forecast
Information Networks	11.9	12.0	12.0	101%	100%
Wireless Systems	5.1	6.0	5.1	100%	85%
Compound Semiconductor Products	5.8	2.5	2.5	44%	102%
<b>Total net sales</b>	<b>22.8</b>	<b>20.5</b>	<b>19.7</b>	<b>86%</b>	<b>96%</b>
<b>Operating income</b>	<b>(0.3)</b>	<b>0.2</b>	<b>0.5</b>	<b>+0.8</b>	<b>+0.3</b>

<b>Information Networks</b> [Net sales]	Sales for network devices and in the network integration business remained strong due to solid capital investment demand by mobile phone carriers and to favorable demand for capital investment of private enterprise in IT, respectively. Despite a sales decrease in optical transmission devices stemming from inventory adjustment, net sales for Information Networks as a whole slightly exceeded the previous year's level.
<b>Wireless Systems</b> [Net sales]	Net sales in total remained roughly at the same level on a year-over-year basis. Although demand from mobile phone carriers who obtained new licenses for a frequency band known as the "platinum band" increased, sales of products and services for broadcasting facilities decreased.
<b>Compound Semiconductor Products</b> [Net sales]	Net sales sharply decreased from the previous year's level. Sales of products for optical devices dropped as demand for optical discs slumped. Sales of products for high-frequency devices were also dropped due to competition from other materials.
<b>Operating income</b>	Operating income exceeded the level of the second quarter of FY 2011 as well as the forecast due to the cost reduction effects and product mix improvement despite the decrease in sales.

\* Forecasts as of July 27, 2012

Note: Figures are rounded off to the nearest 0.1 billion yen. Totals and sums of figures may not agree.

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# 1-11. Overview by Segment: Metal Materials & Component Products

Units: billion yen

	Second Quarter of FY 2011 (Actual performance)	Second Quarter of FY 2012 (Previous forecast)*	Second Quarter of FY 2012 (Actual performance)	Change from Second Quarter of FY 2011	Change from Previous Forecast
Copper Strips	17.1	15.0	13.8	80%	92%
Copper Products for Electrical	21.6	10.0	9.5	44%	95%
Lead Frames	6.4	5.0	5.0	79%	100%
Package Materials	5.0	1.5	1.7	33%	111%
Total net sales	50.1	31.5	30.0	60%	95%
Operating income	(0.5)	(1.2)	(1.3)	(0.8)	(0.1)

#### Copper Strips [Net sales]

Net sales fell below the previous year's level due to the decline of demand in the semiconductor and electronics markets, although copper foil showed favorable performance for automotive on-board electronics.

#### Copper Products for Electrical [Net sales]

Net sales fell below the previous year's level due to withdrawal from the copper tube business in Japan. Sales were also negatively affected by decreased domestic capital investment demand for copper products for electrical use and other fabricated products and by a drop in shipments of superconducting wires for international projects.

#### Lead Frames [Net sales]

Net sales fell below the previous year's level as a result of a decline in demand for products for the semiconductor and electronics markets.

#### Package Materials [Net sales]

Net sales fell below the previous year's level as sales of products for memory and specific-use applications remained at a low level.

#### Operating income

Operating income was lower than the previous year's result as well as the forecast, affected heavily by the sales decrease.

\* Forecasts as of July 27, 2012

Note: Figures are rounded off to the nearest 0.1 billion yen. Totals and sums of figures may not agree.

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1. Outline of Financial Report for the Second Quarter  
of Fiscal 2012 Ending March 31, 2013
2. Forecast of Business Performance for Fiscal 2012  
Ending March 31, 2013

## 2-1. Forecast of Business Performance for the Year Ending March 31, 2013

Units: billion yen

	Year Ended March 31, 2012 (Actual performance)	Year Ending March 31, 2013 (Previous forecast)*	Year Ending March 31, 2013 (Forecast)	Change from Previous Year	Change from Previous Forecast
Net sales	432.5	360.0	360.0	(83%) (72.5)	(100%) 0.0
Operating income	2.0	7.0	4.0	+2.0	(3.0)
Non-operating income/loss	(1.0)	0.5	0.0	+1.0	(0.5)
Ordinary income	0.9	7.5	4.0	+3.1	(3.5)
Extraordinary income/loss	(22.1)	(4.0)	(11.5)	+10.6	(7.5)
Net income before taxes and other adjustments	(21.1)	3.5	(7.5)	+13.6	(11.0)
Corporate taxes, etc. and gains to minority investors	1.6	2.0	1.5	(0.1)	(0.5)
Net income	(22.8)	1.5	(9.0)	+13.8	(10.5)

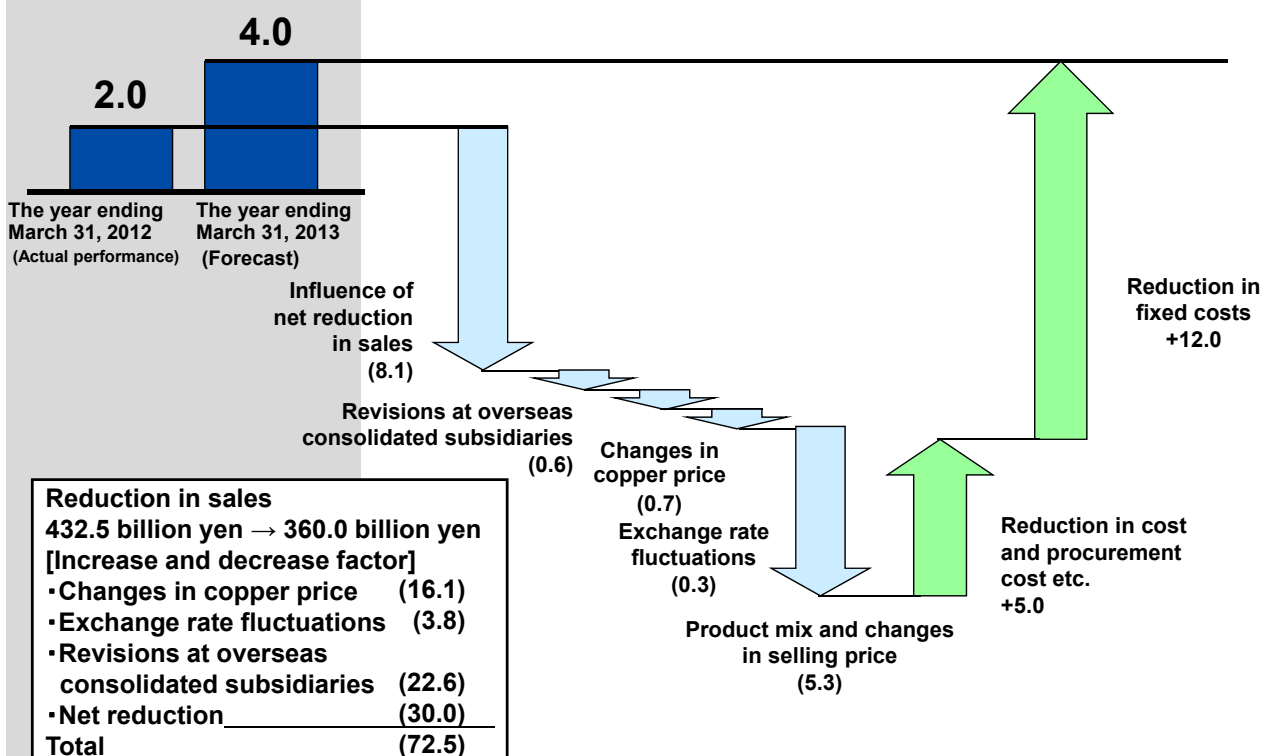
Actual performance for FY 2011: Copper price of 720 thousand yen/ton, exchange rate of US\$1 = 79 yen  
 First to second quarter of FY 2012 (actual performance): Copper price of 660 thousand yen/ton, exchange rate of US\$1 = 79 yen;  
 Third to fourth quarters of FY 2012 (forecast): Copper price of 650 thousand yen/ton, exchange rate of US\$1 = 75 yen  
 Actual performance for FY 2011 factors in the impact of revisions at overseas consolidated subsidiaries.  
 Figures are rounded off to the nearest 0.1 billion yen. Totals and sums of figures may not agree.  
 \*Forecasts as of July 27, 2012

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## 2-2. Major Factors Contributing to Change in Operating Income (From Previous Year)

### Operating income

Units: billion yen



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## 2-3. Capital Investment, R&D Expense, and Number of Employees

### (1) Capital investment, Depreciation and R&D expense

Units: billion yen

	Year ended March 31, 2012 (Actual performance)	Year ending March 31, 2013 (Previous forecast)*	Year ending March 31, 2013 (Forecast)	Change from Previous Year	Change from Previous Forecast
Capital investment	12.9	11.0	11.0	85%	100%
Depreciation	16.7	12.5	12.5	75%	100%
R&D expense (R&D expense/Net sales)	8.8 (2.0%)	9.0 (2.5%)	9.0 (2.5%)	103%	100%

The depreciation method for tangible fixed assets for Hitachi Cable and its consolidated subsidiaries in Japan has changed from a declining-balance method to a straight-line method from the current consolidated fiscal year.

\* Forecasts as of July 27, 2012

### (2) Number of employees

Units: persons

	End of fiscal 2011 (Actual number)	End of fiscal 2012 (Forecast)	Change from previous fiscal year-end
Number of employees	14,142	12,100	(2,042)

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## 2-4. Change of Reporting Segment Structure

Units: billion yen

Year Ended March 31, 2013 Former Segments					Year Ended March 31, 2013 New Segments				
	First-half (Actual performance)		Full-year (Forecast)			First-half (Actual performance)		Full-year (Forecast)	
	Net sales	Operating income	Net sales	Operating income		Net sales	Operating income	Net sales	Operating income
Power & Industrial Systems Products	34.2	-	66.0	-	Power & Industrial Systems Products	34.2	-	66.0	-
Optical Communication Products	3.8	-	8.0	-	Electronic & Communication Products	20.8	-	37.0	-
Industrial Infrastructure Products	37.9	0.0	74.0	1.5	Industrial Infrastructure Products	54.9	0.6	103.0	2.0
Automotive Components	21.9	-	45.0	-	Automotive Components	21.9	-	45.0	-
Electronic Products	17.0	-	33.0	-	Electric Materials	34.9	-	72.0	-
Magnet Wire Products	34.9	-	68.0	-	Electronic & Automotive Products	56.9	1.4	117.0	3.0
Electronic & Automotive Products	73.9	1.9	146.0	3.5	Information Networks	12.0	-	29.0	-
Information Networks	12.0	-	29.0	-	Wireless Systems	5.1	-	13.0	-
Wireless Systems	5.1	-	13.0	-	Compound Semiconductor Products	2.5	-	5.0	-
Compound Semiconductor Products	2.5	-	5.0	-	Information Systems Devices & Materials	19.7	0.5	47.0	2.0
Information Systems Devices & Materials	19.7	0.5	47.0	2.0	Copper Strips	13.8	-	23.0	-
Copper Strips	13.8	-	23.0	-	Copper Products for Electrical	9.5	-	19.0	-
Copper Products for Electrical	9.5	-	19.0	-	Lead Frames	5.0	-	9.5	-
Lead Frames	5.0	-	9.5	-	Package Materials	1.7	-	3.5	-
Package Materials	1.7	-	3.5	-	Metal Materials & Component Products	30.0	(1.3)	55.0	(4.0)
Metal Materials & Component Products	30.0	(1.3)	55.0	(4.0)	Sales Companies	18.2	1.2	38.0	2.0
Sales Companies	18.2	1.2	38.0	2.0	Adjustment amount	-	(0.5)	-	(1.0)
Adjustment amount	-	(0.5)	-	(1.0)	Total	179.7	1.9	360.0	4.0
Total	179.7	1.9	360.0	4.0					

(1) Electronic Products SBU was moved under the Industrial Infrastructure Products segment and integrated with Optical Communication Products, with the name changed to Electronic & Communication Products

(2) The wire drawing business under Electronic Products was consolidated to Magnet Wire Products, with the name changed to Electric Materials.

Note: Figures are rounded off to the nearest 0.1 billion yen. Totals and sums of figures may not agree.

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## 2-5. Net Sales Forecast by Reporting Segment

Units: billion yen

	Year Ended March 31, 2012 (Actual performance)	Year Ending March 31, 2013 (Previous forecast)*	Year Ending March 31, 2013 (Forecast)	Change from Previous Year	Change from Previous Forecast
Power & Industrial Systems Products	70.4	65.0	66.0	94%	102%
Electronic & Communication Products	49.6	38.0	37.0	75%	97%
<b>Industrial Infrastructure Products</b>	<b>120.0</b>	<b>103.0</b>	<b>103.0</b>	<b>86%</b>	<b>100%</b>
Automotive Components	50.5	45.0	45.0	89%	100%
Electric Materials	82.7	72.0	72.0	87%	100%
<b>Electronic &amp; Automotive Products</b>	<b>133.2</b>	<b>117.0</b>	<b>117.0</b>	<b>88%</b>	<b>100%</b>
Information Networks	27.3	29.0	29.0	106%	100%
Wireless Systems	11.2	12.0	13.0	116%	108%
Compound Semiconductor Products	9.5	5.0	5.0	53%	100%
<b>Information Systems Devices &amp; Materials</b>	<b>48.0</b>	<b>46.0</b>	<b>47.0</b>	<b>98%</b>	<b>102%</b>
Copper Strips	29.1	28.0	23.0	79%	82%
Copper Products for Electrical	36.7	19.0	19.0	52%	100%
Lead Frames	13.1	10.0	9.5	73%	95%
Package Materials	7.6	3.0	3.5	46%	117%
<b>Metal Materials &amp; Component Products</b>	<b>86.5</b>	<b>60.0</b>	<b>55.0</b>	<b>64%</b>	<b>92%</b>
Sales Companies & Distribution	44.8	34.0	38.0	85%	112%
<b>Total</b>	<b>432.5</b>	<b>360.0</b>	<b>360.0</b>	<b>83%</b>	<b>100%</b>

Actual performance for FY 2011: Copper price of 720 thousand yen/ton, exchange rate of US\$1 = 79 yen  
 First to second quarter of FY 2012 (actual performance): Copper price of 660 thousand yen/ton, exchange rate of US\$1 = 79 yen;  
 Third to fourth quarters of FY 2012 (forecast): Copper price of 650 thousand yen/ton, exchange rate of US\$1 = 75 yen  
 Actual performance for FY 2011 factors in the impact of revisions at overseas consolidated subsidiaries.  
 The figures for each segment for the year ended March 31, 2012 have not been audited by accountants.  
 Figures are rounded off to the nearest 0.1 billion yen. Totals and sums of figures may not agree.  
 \*Forecasts as of July 27, 2012

## 2-6. Operating Income/Loss Forecast by Reporting Segment

Units: billion yen

	Year Ended March 31, 2012 (Actual performance)	Year Ending March 31, 2013 (Previous forecast)*	Year Ending March 31, 2013 (Forecast)	Change from Previous Year	Change from Previous Forecast
<b>Industrial Infrastructure Products</b>	<b>(0.4)</b>	<b>3.5</b>	<b>2.0</b>	<b>+2.4</b>	<b>(1.5)</b>
<b>Electronic &amp; Automotive Products</b>	<b>1.9</b>	<b>3.0</b>	<b>3.0</b>	<b>+1.1</b>	<b>0.0</b>
<b>Information Systems Devices &amp; Materials</b>	<b>0.5</b>	<b>2.0</b>	<b>2.0</b>	<b>+1.5</b>	<b>0.0</b>
<b>Metal Materials &amp; Component Products</b>	<b>(2.1)</b>	<b>(2.0)</b>	<b>(4.0)</b>	<b>(1.9)</b>	<b>(2.0)</b>
<b>Sales Companies &amp; Distribution</b>	<b>2.8</b>	<b>2.0</b>	<b>2.0</b>	<b>(0.8)</b>	<b>0.0</b>
<b>Adjustment amount</b>	<b>(0.8)</b>	<b>(1.5)</b>	<b>(1.0)</b>	<b>(0.2)</b>	<b>+0.5</b>
<b>Total</b>	<b>2.0</b>	<b>7.0</b>	<b>4.0</b>	<b>+2.0</b>	<b>(3.0)</b>

Actual performance for FY 2011: Copper price of 720 thousand yen/ton, exchange rate of US\$1 = 79 yen  
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 \*Forecasts as of July 27, 2012

## 2-7. supplement : Net Sales Forecast by Reporting Segment

Units: billion yen

	Year Ended March 31, 2012 (Actual performance)	Impact of unifying the fiscal period	Year Ended March 31, 2012 ( Except Impact of unifying the fiscal period )	Year Ending March 31, 2013 (Forecast)	Change from Previous Year
	A	B	C=A-B	D	D/C
Power & Industrial Systems Products	70.4	0.0	70.4	66.0	94%
Electronic & Communication Products	49.6	2.8	46.8	37.0	79%
<b>Industrial Infrastructure Products</b>	<b>120.0</b>	<b>2.8</b>	<b>117.2</b>	<b>103.0</b>	<b>88%</b>
Automotive Components	50.5	8.1	42.4	45.0	106%
Electric Materials	82.7	7.1	75.6	72.0	95%
<b>Electronic &amp; Automotive Products</b>	<b>133.2</b>	<b>15.2</b>	<b>118.0</b>	<b>117.0</b>	<b>99%</b>
Information Networks	27.3	0.0	27.3	29.0	106%
Wireless Systems	11.2	0.0	11.2	13.0	116%
Compound Semiconductor Products	9.5	0.2	9.3	5.0	54%
<b>Information Systems Devices &amp; Materials</b>	<b>48.0</b>	<b>0.2</b>	<b>47.8</b>	<b>47.0</b>	<b>98%</b>
Copper Strips	29.1	0.0	29.1	23.0	79%
Copper Products for Electrical	36.7	0.0	36.7	19.0	52%
Lead Frames	13.1	0.9	12.2	9.5	78%
Package Materials	7.6	0.0	7.6	3.5	46%
<b>Metal Materials &amp; Component Products</b>	<b>86.5</b>	<b>0.9</b>	<b>85.6</b>	<b>55.0</b>	<b>64%</b>
Sales Companies & Distribution	44.8	3.6	41.3	38.0	92%
<b>Total</b>	<b>432.5</b>	<b>22.6</b>	<b>410.0</b>	<b>360.0</b>	<b>88%</b>

Actual performance for FY 2011: Copper price of 720 thousand yen/ton, exchange rate of US\$1 = 79 yen  
 First to second quarter of FY 2012 (actual performance): Copper price of 660 thousand yen/ton, exchange rate of US\$1 = 79 yen;  
 Third to fourth quarters of FY 2012 (forecast): Copper price of 650 thousand yen/ton, exchange rate of US\$1 = 75 yen  
 The figures for each segment for the year ended March 31, 2012 have not been audited by accountants.  
 Figures are rounded off to the nearest 0.1 billion yen. Totals and sums of figures may not agree.

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## 2-8. supplement : Operating Income/Loss Forecast by Reporting Segment



Units: billion yen

	Year Ended March 31, 2012 (Actual performance)	Impact of unifying the fiscal period	Year Ended March 31, 2012 ( Except Impact of unifying the fiscal period )	Year Ending March 31, 2013 (Forecast)	Change from Previous Year
	A	B	C=A-B	D	D-C
<b>Industrial Infrastructure Products</b>	<b>(0.4)</b>	<b>(0.1)</b>	<b>(0.3)</b>	<b>2.0</b>	<b>+2.3</b>
<b>Electronic &amp; Automotive Products</b>	<b>1.9</b>	<b>0.6</b>	<b>1.4</b>	<b>3.0</b>	<b>+1.6</b>
<b>Information Systems Devices &amp; Materials</b>	<b>0.5</b>	<b>(0.0)</b>	<b>0.6</b>	<b>2.0</b>	<b>+1.5</b>
<b>Metal Materials &amp; Component Products</b>	<b>(2.1)</b>	<b>(0.1)</b>	<b>(2.1)</b>	<b>(4.0)</b>	<b>(2.0)</b>
<b>Sales Companies &amp; Distribution</b>	<b>2.8</b>	<b>0.2</b>	<b>2.6</b>	<b>2.0</b>	<b>(0.6)</b>
<b>Adjustment amount</b>	<b>(0.8)</b>	<b>(0.0)</b>	<b>(0.8)</b>	<b>(1.0)</b>	<b>(0.2)</b>
<b>Total</b>	<b>2.0</b>	<b>0.6</b>	<b>1.4</b>	<b>4.0</b>	<b>+2.6</b>

Actual performance for FY 2011: Copper price of 720 thousand yen/ton, exchange rate of US\$1 = 79 yen  
 First to second quarter of FY 2012 (actual performance): Copper price of 660 thousand yen/ton, exchange rate of US\$1 = 79 yen;  
 Third to fourth quarters of FY 2012 (forecast): Copper price of 650 thousand yen/ton, exchange rate of US\$1 = 75 yen  
 The figures for each segment for the year ended March 31, 2012 have not been audited by accountants.  
 Figures are rounded off to the nearest 0.1 billion yen. Totals and sums of figures may not agree.

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# Depreciation, Number of Employees (Consolidated)

## (1) Depreciation, etc.

[Units: million yen]

	FY 2011				FY 2012			
	1st Quarter (3month)	2nd Quarter (6month)	3rd Quarter (9month)	Total	1st Quarter (3month)	2nd Quarter (6month)	3rd Quarter (9month)	Total 【forecast】
Industrial Infrastructure Products	1,057	2,142	3,264	4,629	880	1,759	—	3,500
Electronic & Automotive Products	812	1,655	2,505	3,692	699	1,414	—	2,800
Information Systems Devices & Materials	887	1,819	2,757	3,739	671	1,255	—	3,000
Metal Materials & Component Products	1,150	2,336	3,322	4,336	704	1,420	—	2,900
Sales Companies and distribution	75	157	237	320	61	123	—	300
<b>Depreciation</b>	<b>3,981</b>	<b>8,109</b>	<b>12,085</b>	<b>16,716</b>	<b>3,015</b>	<b>5,971</b>	<b>—</b>	<b>12,500</b>
Industrial Infrastructure Products	766	1,823	2,858	4,630	758	1,599	—	3,200
Electronic & Automotive Products	609	1,329	1,856	2,980	631	1,349	—	2,300
Information Systems Devices & Materials	566	1,313	1,961	2,587	580	1,203	—	3,200
Metal Materials & Component Products	545	1,142	1,994	2,495	312	796	—	2,100
Sales Companies and distribution	41	119	195	241	35	41	—	200
<b>Increase in tangible fixed assets and intangible fixed assets</b>	<b>2,527</b>	<b>5,726</b>	<b>8,864</b>	<b>12,933</b>	<b>2,316</b>	<b>4,988</b>	<b>—</b>	<b>11,000</b>
<b>R&amp;D expenses</b>	<b>2,166</b>	<b>4,411</b>	<b>6,573</b>	<b>8,776</b>	<b>1,877</b>	<b>3,798</b>	<b>—</b>	<b>9,000</b>
R&D expenses/Net sales	2.1%	2.1%	2.1%	2.0%	2.1%	2.1%	—	2.5%
<b>Interest-bearing debt</b>	<b>51,297</b>	<b>53,903</b>	<b>54,055</b>	<b>50,176</b>	<b>47,989</b>	<b>48,386</b>	<b>—</b>	<b>49,000</b>
<b>Finance</b>	<b>△ 144</b>	<b>△ 275</b>	<b>△ 451</b>	<b>△ 703</b>	<b>△ 110</b>	<b>△ 216</b>	<b>—</b>	<b>△ 700</b>

※The depreciation method for tangible fixed assets for Hitachi Cable and its consolidated subsidiaries in Japan has changed from a declining-balance method to a straight-line method from the current consolidated fiscal year.

## (2) Number of Employees

[Units: Persons]

	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13 【forecast】
Industrial Infrastructure Products	6,395	6,404	6,313	5,344	4,907	4,984	—	—
Electronic & Automotive Products	4,569	4,532	4,450	4,352	4,117	4,065	—	—
Information Systems Devices & Materials	1,174	1,166	1,135	1,035	1,028	1,016	—	—
Metal Materials & Component Products	1,950	1,858	1,799	1,665	1,505	1,499	—	—
Sales Companies and distribution	1,095	1,090	1,052	1,090	1,115	1,123	—	—
Staff	775	769	744	656	650	644	—	—
<b>Total</b>	<b>15,958</b>	<b>15,819</b>	<b>15,493</b>	<b>14,142</b>	<b>13,322</b>	<b>13,331</b>	<b>—</b>	<b>12,100</b>

Business performance and other figures in this document for fiscal 2012 and after represent forecasts or targets as of October 29, 2012. These figures are based on certain assumptions deemed reasonable at the time at which the Company prepared this document. Actual business performance may vary significantly from these forecasts and targets.

Listed below are the primary factors that may result in such variations.

- Economic conditions in key markets (particularly Japan, the United States, and Asia)
- The capacity of the Company and members of its group of companies to respond to rapid technological changes, to develop new products and technologies, to bring products to market in a timely fashion, and to achieve low-cost production
- Fluctuations in product and materials markets and in the conditions of such markets
- Fluctuations in exchange rates
- Conditions for raising capital
- The capacity of the Company and members of its group of companies to respond to fluctuating demand for and supply of products and materials, market conditions for products and materials, exchange rates, and other circumstances
- Safeguarding the Company's own patents and securing rights to use patents owned by other companies
- Partnerships with other companies in areas such as product development
- Fluctuations in the stock market

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