

(Summary)

Financial report for 1st half of fiscal 2007 ended March 31, 2007 (Non-consolidated)

October 30, 2006

Name of Listed Company: **Hitachi Cable, Ltd.**

Stock Exchange where listed (Section): Tokyo Stock Exchange, Inc. (First Section)

Osaka Securities Exchange Co., Ltd. (First Section)

Code Number: 5812

Head Office: Tokyo

(URL <http://www.hitachi-cable.co.jp>)

Representative: Norio Sato, President

Contact: Masaaki Tomiyama

Deputy Group-Executive, Human Resources & Administration Group

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Date of the Board of Directors Meeting at which the Account Settlement Plan was approved: October 30, 2006

Existence of Interim Dividend System: Yes

The Day the Company Starts the Payment of the Dividends: December 4, 2006

Adoption of Stock Trading System: Yes. 1Unit=1,000 Shares

1 . Performance over 1st half of the fiscal year under review (Apr.1, 2006 - Sep.30, 2006)

(1) Operating results

	Net Sales (million yen)	Operating Income (million yen)	Ordinary Income (million yen)
September/06	154,219 (28.4%)	4,670 (—)	5,088 (165.2%)
September/05	120,072 (-4.6%)	132 (-93.9%)	1,918 (-37.9%)
March/06	268,811 (4.0%)	3,875 (12.4%)	5,945 (19.0%)

	Interim Net Income (million yen)	Interim Net Income Per Share (million yen)
September/06	2,392 (70.4%)	6.58
September/05	1,404 (13.4%)	3.87
March/06	3,002 (-14.7%)	8.26

(Notes) Average Number of shares outstanding

Sep./06 363,284,841

Sep./05 363,218,335

Mar./06 363,238,707

Changing in accounting policy: Yes

Figures are rounded off to the nearest 1 million yen.

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

(2) Financial standing

	Total Assets (million yen)	Net Assets (million yen)	Equity Ratio (%)	Net assets Per Share (yen)
September/06	285,689	160,004	56.0	440.35
September/05	263,205	158,393	60.2	436.01
March/06	272,417	158,835	58.3	437.24

(Notes)

Number of shares outstanding at the end of period

September/06	363,355,338
September/05	363,278,294
March/06	363,269,386

Number of treasury stocks at the end of period

September/06	10,662,836
September/05	10,739,880
March/06	10,748,788

2 . Business results forecast for fiscal year 2007 (Apr.1, 2006-Mar.31, 2007)

	Net Sales (million yen)	Ordinary Income (million yen)	Net Income (million yen)
March/07	310,000	9,000	4,500

(Reference) Forecast net income per share (Whole year): 12.38 yen

3 . Dividends, Cash Dividends

	Dividend Per Share (yen)		
	End of the Interim Accounting Period	End of the Accounting Period	Annual
March/06	3.50	3.50	7.00
March/07 (Results)	3.50	-	
March/07 (Forecast)	-	3.50	7.00

*** Safe harbor statement**

The figures contained herein, excepting actual performance figures, are based on assumptions by management that were judged to be valid at the time these materials were created. Actual performance may be very different from these forecasts.

1. Non-consolidated Interim Balance Sheet

(Rounded to the nearest million yen)

Accounts	1st half of Fiscal 2006 (Sep.30, 2005)	1st half of Fiscal 2007 (Sep.30, 2006)	End of Fiscal 2006 (Mar.31, 2006)
(Assets)			
Current assets	107,518	134,730	118,272
Cash and deposits in banks	267	2,380	213
Notes receivable	2,794	2,687	2,649
Accounts receivable - trade	54,913	74,009	70,135
Accounts receivable - other	107	—	—
Products	2,362	2,397	2,254
Raw materials	3,253	4,821	3,501
In-process inventories	22,631	23,939	19,465
Short-term loans	5,090	3,676	4,167
Deferred income taxes	6,960	7,494	3,132
Other current assets	9,241	13,427	12,846
Allowance for doubtful accounts	-100	-100	-90
Fixed assets	155,687	150,959	154,145
Tangible fixed assets	82,740	77,853	78,433
Buildings	30,945	29,850	30,211
Structures	2,023	1,699	1,813
Machinery and equipment	32,838	27,737	29,120
Vehicles	39	28	32
Tools and supplies	3,782	3,752	4,011
Land	7,969	7,899	7,901
Construction in progress	5,144	6,888	5,345
Intangible fixed assets	5,910	6,235	6,246
Software, etc.	5,910	6,235	6,246
Investments and other assets	67,037	66,871	69,466
Negotiable securities	9,186	5,177	5,213
Shares in affiliates	42,545	35,111	44,989
Long-term loans	5,895	6,773	6,090
Prepaid pension expenses	—	2,904	—
Deferred income tax	7,831	6,243	11,790
Other	3,910	13,343	3,884
Allowance for doubtful accounts	-2,330	-2,680	-2,500
Total assets	263,205	285,689	272,417

(Rounded to the nearest million yen)

Accounts	1st half of Fiscal 2006 (Sep.30, 2005)	1st half of Fiscal 2007 (Sep.30, 2006)	End of Fiscal 2006 (Mar.31, 2006)
(Liabilities)			
Current liabilities	68,398	91,266	82,199
Accounts payable - trade	39,491	59,409	51,949
Short-term debt	13,812	13,840	11,827
Accounts payable - other	5,202	6,357	6,741
Corporate tax payable	190	186	215
Expenses payable	7,505	8,852	9,304
Advances received	724	1,173	593
Deposits received	1,474	1,449	1,489
Other current liabilities	—	—	81
Fixed liabilities	36,414	34,419	31,383
Company bonds	5,000	5,000	5,000
Long-term debt	18,408	18,300	18,408
Accrued pension and severance costs for employees	12,508	10,547	7,402
Reserve for directors' retirement allowances	404	480	470
Other fixed liabilities	94	92	103
Total liabilities	104,812	125,685	113,582
(Shareholders' equity)			
Paid-in capital	25,948	—	25,948
Capital surplus	33,943	—	34,839
Capital reserves	33,943	—	34,839
Earned surplus	101,043	—	101,368
Income reserves	6,512	—	6,512
Special redemption reserves	370	—	370
Reserves for decrease in fixed assets	480	—	480
Voluntary reserves	86,964	—	86,964
Unappropriated earnings	6,717	—	7,042
Revaluation gains/losses on available-for-sale securities	1,895	—	1,123
Treasury stock	-4,436	—	-4,443
Total shareholders' equity	158,393	—	158,835
Total liabilities and shareholders' equity	263,205	—	272,417
(Net assets)			
Shareholders' equity	—	158,857	—
Paid-in capital	—	25,948	—
Capital surplus	—	34,839	—
Capital reserves	—	34,839	—
Earned surplus	—	102,482	—
Income reserves	—	6,512	—
Other earned surplus	—	95,970	—
Special redemption reserves	—	1,163	—
Reserves for decrease in fixed assets	—	465	—
Voluntary reserves	—	86,964	—
Earned surplus carried forward	—	7,378	—
Treasury stock	—	-4,412	—
Revaluation/translation gains/losses	—	1,147	—
Revaluation gains/losses on available-for-sale securities	—	1,147	—
Total net assets	—	160,004	—
Total liabilities and net assets	—	285,689	—

2. Non-consolidated Interim Profit and Loss Sheet

(Rounded to the nearest million yen)

Accounts	1st half of Fiscal 2006 (Apr.1, 2005- Sep.30, 2005)	1st half of Fiscal 2007 (Apr.1, 2006- Sep.30, 2006)	End of Fiscal 2006 (Apr.1, 2005 Mar.31, 2006)
Net sales	120,072	154,219	268,811
Cost of sales	106,645	137,302	237,308
Total return on sales	13,427	16,917	31,503
Sales and general administrative expenses	13,295	12,247	27,628
Operating income	132	4,670	3,875
Non-operating income	2,693	1,873	4,241
(Interest and dividends received)	2,184	1,217	3,033
(Miscellaneous revenues)	509	656	1,208
Non-operating expenses	907	1,455	2,171
(Interest expense)	285	406	615
(Miscellaneous losses)	622	1,049	1,556
Ordinary income	1,918	5,088	5,945
Extraordinary income	42	489	5,147
(Gains on sales of negotiable securities)	2	444	—
(Gains on sales of land)	27	41	1,576
(Gains on securities contributed to employee retirement benefits)	—	—	3,519
(Other extraordinary income)	13	4	52
Extraordinary losses	520	1,914	6,813
(Restructuring costs)	452	904	2,168
(Revaluation losses on negotiable securities)	36	480	—
(Impairment losses)	—	181	3,457
(PCB waste-disposal expenses)	—	—	768
(Other extraordinary losses)	32	349	420
Net income before taxes and other adjustments	1,440	3,663	4,279
Corporate, residence, and enterprise taxes	93	102	175
Corporate tax adjustments	-57	1,169	1,102
Net income	1,404	2,392	3,002
Earnings brought forward	5,317	—	5,317
Gains/losses on disposal of treasury shares	-4	—	-5
Interim dividends	—	—	-1,272
Unappropriated earnings	6,717	—	7,042

3. Statement of changes in shareholders' equity and revaluation/translation gains/losses

This interim fiscal period

(Rounded to the nearest million yen)

	Shareholders' equity									Revaluation/ translation gains/losses	Total net assets
	Paid-in capital	Capital surplus	Earned surplus					Treasury stock	Total shareholders' equity	Revaluation gains/losses on negotiable securities	
		Capital reserves	Income reserves	Other earned surplus			Earned surplus carried forward				
				Special redempti on reserves	Reserves for decrease in fixed assets	Voluntary reserves					
Balance brought forward	25,948	34,839	6,512	370	480	86,964	7,042	-4,443	157,712	1,123	158,835
Changes during this interim fiscal period											
Transfer to special redemption reserves				890			-890		—		—
Transfer from special redemption reserves				-97			97		—		—
Transfer from reserves for decrease in fixed assets					-15		15		—		—
Distribution of earned surplus							-1,272		-1,272		-1,272
Net income							2,392		2,392		2,392
Acquisition of treasury stock								-16	-16		-16
Sale of treasury stock							-6	47	41		41
(Net) changes during this interim fiscal period in accounts other than Shareholders' Equity									—	24	24
Total changes during this interim fiscal period	—	—	—	793	-15	—	336	31	1,145	24	1,169
Balance carried forward	25,948	34,839	6,512	1,163	465	86,964	7,378	-4,412	158,857	1,147	160,004

4. Notes on bases for preparation of these interim financial statements

(1) Standards and methods for asset evaluations:

Securities:

Shares of stock in subsidiaries and affiliates: Cost method, using the moving-average cost method

Available-for-sale securities:

Those with fair market value: . Mark-to-market based on market values on the date of interim settlement of accounts (differences between book and market values processed by direct booking to net assets; book values of sold securities processed by the moving-average cost method)

Those without fair market value: Cost method, using the moving-average cost method

Derivatives: Mark-to-market

Inventories: Lower-of-cost-or-market method, using the periodic average method

(2) Method of depreciation for fixed assets

Tangible fixed assets:

Buildings and attached fixtures: Straight-line method

Other tangible fixed assets: Declining-balance method

Intangible fixed assets: Straight-line method

Software used by the Company was depreciated by the straight-line method, based on the number of expected years usable by the Company (five years).

(3) Accounting standards for reserves

Allowance for Doubtful Accounts:

In preparation for losses from unrecoverable claims on accounts receivable, loans, and other claims, the anticipated amount of unrecoverable claims is booked as follows: The actual rate of unrecoverability is applied to ordinary claims; for extraordinary claims considered probably unrecoverable, the possibility of recovery is considered for each claim individually.

Accrued pension and severance costs for employees:

In preparation for providing retirement benefits to employees, the amount of retirement-benefit obligations recognized to have arisen as of the end of this interim fiscal period was booked as accrued pension and severance costs for employees, based on retirement benefit obligations as of the end of this fiscal year and on anticipated pension assets. Past service liabilities were booked as one lump-sum expense when they arose in each fiscal year.

Actuarial gains and losses were processed by the straight-line method as expenses, beginning the fiscal year following the year in which they arose, using an amount prorated over a fixed number of years (10 years) within the average remaining service period for personnel employed at the time of each such gain or loss.

Reserve for directors' retirement allowances:

In preparation for payment of retirement benefits to directors, the amount required at the end of this interim fiscal period was booked based on Company rules.

(4) Translation standards for converting to yen assets or liabilities denominated in foreign currencies

Monetary claims and obligations denominated in foreign currency were converted to yen at the spot exchange rates as of the date of interim settlement of accounts, with any differences in conversion booked as gains or losses.

(5) Standards for booking income and expenses

The accounting standards for construction in progress were applied to income and expenses for long-term,

large-scale contracting work (i.e., those with construction periods of more than one year and contracts of 500 million yen or more in value).

(6) Method of processing lease transactions

For finance lease transactions other than those for which ownership rights to the leased property are recognized as having been transferred to the lessee, account processing was carried out in accordance with methods used for ordinary rental transactions.

(7) Major hedge accounting:

Hedge accounting methods:

Interest-rate swaps that meet the requirements for exceptional processing are processed using exceptional processing.

Hedge schemes used and hedge targets:

Hedge schemes: Interest-rate swaps

Hedge targets: Fluctuating interest on debts

Hedging policies:

Derivative transactions have been used to avoid fluctuation risks in market interest rates on certain debts.

Method of evaluating the efficacy of hedging:

The efficacy of hedging is not evaluated for interest-rate swaps subjected to exceptional processing.

(8) Other important notes on preparing these interim financial statements

Account processing of consumption tax, etc.:

The tax-excluded method was used.

5. Changes in account processing

Standards for presentation of net assets on the balance sheet:

ASB Accounting Standard No. 5, Accounting Standard for Presentation of Net Assets on the Balance Sheet and ASBJ Guidance No. 8, Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet (both issued December 9, 2005), have been applied beginning with this interim fiscal period.

The amount corresponding to total paid-in capital until now has been 160,004 million yen.

In accordance with amendments of rules on interim financial statements, net assets on the interim balance sheet for this interim fiscal period have been booked pursuant to the amended rules.

Change in method for calculating costs:

Beginning with this interim fiscal period, total processing costs by process have been calculated using the direct cost method rather than the absorption costing method previously employed. Use of the direct cost method means that fixed production costs incurred during the fiscal period are adjusted at the end of the fiscal period to derive the adjusted full cost.

This change in methods has had no effect on the results of calculation.

6. Changes in representation methods

Interim balance sheet:

- (1) Although at the end of the previous interim fiscal period and of the previous fiscal year amounts invested in affiliates were included in Shares in Affiliates under Investments and Other Assets (in amounts of 8,913 million yen at the end of the previous interim fiscal period and 9,027 million yen at the end of the

previous fiscal year), beginning with the end of this interim fiscal period, these amounts were included in Other under Investments and Other Assets. The amount booked at the end of this interim fiscal period was 10,245 million yen.

- (2) Although the amount by which pension assets exceeded retirement and severance liabilities was included in Accrued Pension and Severance Costs for Employees under Fixed Liabilities at the end of the previous interim fiscal period and of the previous fiscal year, from the end of this interim fiscal period, these have been classified as Prepaid Pension Expenses under Investments and Other Assets. The amount booked at the end of the previous interim fiscal period was 1,848 million yen. The amount booked at the end of the previous fiscal year was 2,097 million yen.

7. Notes

(1) Notes on balance sheet

End of previous interim fiscal period September 30, 2005	End of this interim fiscal period September 30, 2006	End of previous fiscal year March 31, 2006
① Accumulated depreciation of tangible fixed assets 199,645 million yen	① Accumulated depreciation of tangible fixed assets 197,462 million yen	① Accumulated depreciation of tangible fixed assets 202,875 million yen
② Guarantee of loans (including contingent guarantees) 2,960 million yen	② Guarantee of loans (including contingent guarantees) 6,213 million yen	② Guarantee of loans (including contingent guarantees) 4,509 million yen
③ Letter of awareness 2,102 million yen	③ Letter of awareness 4,002 million yen	③ Letter of awareness 4,728 million yen
⑤ Promissory notes transferred due to securitization of assets 7,111 million yen	⑤ Promissory notes transferred due to securitization of assets 7,570 million yen	⑤ Promissory notes transferred due to securitization of assets 7,540 million yen
⑥ Trade receivable transferred due to securitization of assets 9,484 million yen	⑥ Trade receivable transferred due to securitization of assets 3,088 million yen	⑥ Trade receivable transferred due to securitization of assets 6,207 million yen

(2) Notes on the statement of changes in shareholders' equity

This interim fiscal period (April 1 - September 30, 2006)

Numbers and types of shares of treasury stock

Type of stock	Number of shares at end of previous fiscal year (thousands)	Number of shares added during this interim fiscal period (thousands)	Number of shares eliminated during this interim fiscal period (thousands)	Number of shares at end of this interim fiscal period (thousands)
Common stock	10,748	27	113	10,662

Note: The increase in the number of shares of treasury stock of 27,000 shares resulted from purchase of shares in less than the minimum trading unit. The decrease of 113,000 shares resulted from sales of 1000 shares in less than the minimum trading unit and the exercise of stock options on 112,000 shares.

(3) Notes on lease transactions

Since these notes have been disclosed using EDINET, they have been omitted from this report.

(4) Securities

End of the previous interim fiscal period (September 30, 2005)

Shares in subsidiaries and affiliates with current market value:

No shares in subsidiaries or affiliates had current market value.

End of this interim fiscal period (September 30, 2006)

Shares in subsidiaries and affiliates with current market value:

No shares in subsidiaries or affiliates had current market value.

End of previous fiscal year (March 31, 2006)

Shares in subsidiaries and affiliates with current market value:

No shares in subsidiaries or affiliates had current market value.