Financial Report for fiscal 2008 ended March 31, 2008

April 28, 2008

Name of Listed Company: Hitachi Cable, Ltd.
Stock Exchange where listed (section): Tokyo Stock Exchange, Inc. (First Section)
Osaka Securities Exchange Co., Ltd. (First Section)
Code Number: 5812
Head Office Location: Tokyo
(URL http://www.hitachi-cable.co.jp/en)
President and Representative Director: Norio Sato
Contact: Shoichi Kogure
General Manager, Administration Dept. Human Resources & Administration Group
Tel: +81-3-6381-1050
Planned date of the Regular Shareholders Meeting: June 27, 2008
Planned date of beginning payment of dividends: May 30, 2008
Planned date of submittal of Financial Statement Report: June 27, 2008

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

1. Performance over the year under review (Apr. 1, 2007-Mar. 31, 2008)

(1) Operating Results

	Net Sales (Million yen)		Operating Income (Million yen)		Ordinary Income (Million yen)		Net Income (Million Yen)	
		(%)		(%)		(%)		(%)
Mar./08	565,994	(4.0)	23,117	(0.6)	21,639	(5.8)	10,708	(23.6)
Mar./07	544,244	(28.0)	22,983	(109.6)	20,449	(69.8)	8,662	(75.3)

	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./08	29.46	29.45	5.5	5.9	4.1
Mar./07	23.84	23.83	4.7	5.8	4.2

Note: ①Investment income based on equity method Mar./08 1,776 million yen Mar./07 -279million yen
②Figures 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./08	370,127	200,842	53.3	543.09
Mar./07	361,892	193,600	52.6	523.60

Note: Equity Mar./08 197,438 million Mar./07 190,271 million

(3) Statement of Cash Flows

	Cash Flows from Operating Activities (Million Yen)	Cash Flows from Investment Activities (Million Yen)	Cash Flows from Financing Activities (Million Yen)	Cash and Cash Equivalent at the End of Year (Million Yen)
Mar./08	38,301	-28,484	-9,249	9,902
Mar./07	25,561	-19,048	-4,319	9,169

2. Dividends

(Base Date)	Dividends Per Share			Total Dividends (Annual)	Dividend Payout Ratio (Consolidated)	Dividends on Net Assets (Consolidated)
	Sept. 30	March 31	Annual			
	(Yen)	(Yen)	(Yen)	(Million Yen)	%	%
Mar./07	3.50	5.00	8.50	3,089	35.6	1.7
Mar./08	4.25	4.25	8.50	3,090	28.9	1.6
Mar./09 (Forecast)	4.25	4.25	8.50		24.7	

Note: Breakdown of dividends at end of fiscal year ended March 31, 2007: ordinary dividends: 3.50 yen; commemorative dividends: 1.50 yen

3. Business Results Forecast for Fiscal Year 2009 (Apr.1, 2008-Mar.31, 2009)

	Net Sales (Million yen)	(%)	Operating Income (Million yen)	(%)	Ordinary Income (Million yen)	(%)	Net Income (Million Yen)	(%)	Net Income Per Share (Yen)
Sep./08	282,000	(1.6)	9,000	(-17.7)	9,000	(-20.8)	5,500	(-19.6)	15.13
Mar./09	580,000	(2.5)	21,000	(-9.2)	21,000	(-3.0)	12,500	(16.7)	34.38

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

4. Other Notes

(1) Significant changes in subsidiaries during this fiscal year (changes in designated subsidiaries resulting from changes in the scope of consolidation): No changes made

(2) Changes in accounting principles, procedures, methods of representation, etc. involved in preparation of consolidated financial statements
①Changes resulting from changes to accounting standards etc.: Changes made
②Changes other than those noted under "①" above: No changes made
Note: See "(5) Notes on bases for preparing of these consolidated financial statements" on page 15 for details.

(3) Number of shares outstanding (Common)

①Number of shares outstanding at the end of period (Including treasury stock)	Mar./08	374,018,174	Mar./07	374,018,174
②Number of treasury stock at the end of period	Mar./08	10,469,883	Mar./07	10,631,624

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

Non-consolidated Business Results (Reference)

1. Performance over the year under review (Apr. 1, 2007-Mar. 31, 2008)

(1) Operating Results

	Net Sales (Million yen)	(%)	Operating Income (Million yen)	(%)	Ordinary Income (Million yen)	(%)	Net Income (Million Yen)	(%)
Mar./08	349,193	(7.4)	11,088	(16.9)	12,050	(13.8)	6,195	(39.6)
Mar./07	325,091	(20.9)	9,487	(144.8)	10,590	(78.1)	4,438	(47.8)

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
Mar./08	17.04	17.04
Mar./07	12.21	12.21

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

(2) Financial Standing

	Total Asset (Million yen)	Net Assets (Million yen)	Equity Ratio (%)	Net Assets Per Share (yen)
Mar./08	277,181	163,967	59.2	450.98
Mar./07	281,565	162,282	57.6	446.54

Note: Equity Mar./08 163,967 million Mar./07 162,282 million

2. Non-consolidated Business Results Forecast for Fiscal Year 2009 (Apr.1, 2008-Mar.31, 2009)

	Net Sales (Million yen)	(%)	Operating Income (Million yen)	(%)	Ordinary Income (Million yen)	(%)	Net Income (Million Yen)	(%)	Net Income Per Share (Yen)
Sep./08	170,000	(-0.1)	2,400	(-58.9)	3,700	(-51.4)	2,600	(-50.1)	7.15
Mar./09	349,000	(-0.1)	7,400	(-33.3)	10,500	(-12.9)	7,000	(13.0)	19.26

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

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

Caution on statements regarding the future:

The forecasts of business performance and other statements regarding the future in this document are based on information obtained by the Company as of the time of preparation of this document and upon certain assumptions deemed reasonable. Due to various factors, actual business performance and other results may vary significantly from these forecasts.

See "(1)Analysis of business performance, ②Projections for the subsequent consolidated fiscal year" under "1. Business performance" on page 5 concerning the content of the assumptions used in forecasting business performance, cautions concerning the use of forecasts of business performance, and related matters.

If the bill to amend the tax system in 2008 currently being discussed in the Japanese Diet passes, the durable life of depreciable assets is likely to change. However, since details of the bill have not yet been finalized, current forecasts of consolidated and non-consolidated business performance do not reflect the effects of these potential amendments to the tax system. Forecasts of business performance reflecting the effects of these potential amendments will be released as soon as the relevant figures have been finalized.

1. Business performance

(1) Analysis of business performance

① Performance this consolidated fiscal year

Overall, although the global economy during this consolidated fiscal year continued to expand, driven primarily by growth in East Asia and particularly in China, the effects of increasing uncertainty related to fallout from the U.S. market for sub-prime loans spread to the real economy. Factors such as the rising cost of energy and raw materials and the effects of a strengthening yen led to slowing in the Japanese economy.

Under these economic conditions, the Hitachi Cable Group continued to implement a range of measures intended to strengthen its business foundations in accordance with Plan BEGIN, its midrange management plan covering the three-year period starting with the 2007 fiscal year. The business performance for this consolidated fiscal year is summarized below.

Overall sales increased 4% from the previous consolidated fiscal year to 565,994 million yen, driven by various factors, including higher prices for products such as wires, cables, and copper products (attributable to the high price of copper, a primary raw material) and strong demand for products such as optical submarine cables. Increased sales and cost-cutting efforts, among other factors, increased operating income by 1% over the previous consolidated fiscal year, to 23,117 million yen. Ordinary income rose 6% from the previous consolidated fiscal year to 21,639 million yen. The Company recorded net income of 10,708 million yen for this consolidated fiscal year, 24% higher than in the previous consolidated fiscal year.

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

Wires and cables

Various factors in this segment, including rising copper prices and stable demand based on private-sector capital investment, boosted sales over the previous consolidated fiscal year. In addition to rising copper prices, booming sales of magnet wires for use in electronic automotive components and heavy electrical machinery resulted in sales figures exceeding those of the previous consolidated fiscal year.

Sales in this segment totaled 297,706 million yen, a 4% increase over the figure for previous consolidated fiscal year. Operating income in this segment totaled 11,346 million yen, an 11% decline from the figure for the previous consolidated fiscal year.

Information and telecommunications networking

Information network sales were strong, due chiefly to sales to telecommunications carriers. For wireless systems, factors such as booming capital investment by mobile-phone carriers in mobile-phone base stations boosted performance significantly over the previous consolidated fiscal year. Performance also improved significantly over the previous consolidated fiscal year in the optical submarine cables sector, thanks to the launch of numerous large-scale projects driven by rapid worldwide growth in cable demand.

Sales in this segment grew by 20% over the previous consolidated fiscal year to 88,893 million yen. Operating income in this segment totaled 6,990 million yen, a 204% increase over the previous consolidated fiscal year.

Sophisticated materials

Overall sales of compound semiconductors increased from the previous consolidated fiscal year, driven by booming sales of optical devices and recovering demand for use in high-frequency devices. For copper products, in addition to declining demand for copper tubes due to factors including the effects of amendments to the Building Standards Law, sales of copper strips for use in discrete semiconductors were also sluggish. However, higher sale prices driven by inflated copper prices resulted in overall sales figures largely unchanged from those for the previous consolidated fiscal year.

Sales of TAB tape declined from the previous consolidated fiscal year, due to various factors, including significant slowing in the second half of the fiscal year in sales of chip-on-film (COF) products for large LCD panels, resulting from low growth in demand and intensifying price competition. While the auto-parts sector saw strong sales in the key product line of brake hoses, various factors, including the withdrawal of subsidiary Hitachi Cable Philippines, Inc. from automotive-wires operations at the end of October 2006, resulted in performance figures below those for the previous consolidated fiscal year.

Overall, sales in this segment totaled 204,815 million yen, roughly equal to the figure from the previous consolidated fiscal year. Operating income in this segment was 4,158 million yen, 43% below the figure for the previous consolidated fiscal year.

Other businesses

Sales in this segment, comprised of logistics and other operations, were 17,386 million yen, 2% below the figure for the previous consolidated fiscal year. Operating income was 653 million yen, 9% above the figure for the previous consolidated fiscal year.

② Projections for the subsequent consolidated fiscal year

Despite the probability of continuing overall growth in Asian markets, including China and Southeast Asia, the slowdown in the U.S. economy is intensifying, led by factors including stronger adjustments in the residential market and large-scale worsening of financial markets. The Japanese economy is also projected to see continued tight conditions due to factors including continued high prices in international commodities markets, such as those for crude oil and nonferrous metals, as well as the strengthening yen and slowing private-sector capital investment.

Since the next consolidated fiscal year will be the final year of its Plan BEGIN midrange management plan, the Hitachi Cable Group will work to complete this plan successfully by further strengthening the profitability of core businesses and continuing to expand its lines of priority target areas.

Discussed below are projections for market trends and the business performance in each segment for the subsequent consolidated fiscal year.

If the bill to amend the tax system in 2008 currently being discussed in the Japanese Diet passes, the durable life of depreciable assets is likely to change. However, since details of the bill have not yet been finalized, current forecasts of consolidated and non-consolidated business performance do not reflect the effects of these potential amendments to the tax system. Forecasts of business performance reflecting the effects of these potential amendments will be released as soon as the relevant figures have been finalized.

Note: The average standard quoted copper price on which performance projections for the subsequent consolidated fiscal year are based is estimated at 900 thousand yen per ton. (The average standard quoted copper price in this consolidated fiscal year was 916 thousand yen per ton.)

Wires and cables

As for industrial and power cables, strong sales are projected in various areas, including private sector capital investment. Likewise, sales of magnet wires are projected to remain strong in the heavy electrical machinery area, as well as the sales in the electronic automotive components area are projected to grow. For electronic wires and wiring devices, projections call for growing sales of probe cables for ultrasound diagnostic equipment resulting from the acquisition of Astral Meditech GmbH of Austria in June 2008, and growth in sales of micro coaxial cables for mobile phones.

In summary, sales in this segment are projected to total 291.8 billion yen.

Information and telecommunications networking

Strong sales are projected in the area of information network, due to anticipation of the full-fledged emergence of demand for next-generation telecommunications networks and growth in demand for use in mobile-phone and next-generation wireless communication backbone systems. Sales are projected to remain strong in the area of wireless systems, with demand expected to remain strong for small and medium-sized mobile-phone base station projects. For optical submarine cables, shipments for large-scale projects will continue, against a backdrop of growth in worldwide cable demand. However, the effects of the strengthening yen are expected to lead to a minor decline from this consolidated fiscal year.

In summary, sales in this segment are projected to total 86.1 billion yen.

Sophisticated materials

Sales of compound semiconductors are projected to increase from this consolidated fiscal year due to projected growth in sales of gallium nitride products, in addition to projected growth in sales of gallium arsenide products for LED use, focusing on those with mid- to high luminance, as well as recovering sales for high-frequency devices. In the market for TAB products, due to projected strong sales of TAB products for memory use and the acquisition from Casio Micronics Co., Ltd. of its COF business for use in large LCD panels, sales are projected to expand significantly. Significant sales growth is projected in the area of auto parts, due to factors including the acquisition of the operations of a U.S. brake-hose maker and the projected start in the fall of full-fledged mass production at the new plant of a subsidiary in Thailand. For copper products, in addition to projected growth in demand for use in Ecocute*systems, sales of alloy strips in the copper-strip business are expected to increase.

In summary, sales in this segment are projected to total 222.8 billion yen.

*Ecocute is a registered trademark of the Kansai Electric Power Co., Inc.

Other businesses

Sales in this segment are projected to total 17 billion yen.

The above is an overview of sales projections for each business segment. The following levels of business performance are projected for the full fiscal year: sales of 580 billion yen, operating income of 21 billion yen, ordinary income of 21 billion yen, and net income of 12.5 billion yen.

(2) Analysis of financial conditions

①Financial conditions in this consolidated fiscal year

【Consolidated Balance Sheet】

At the end of this consolidated fiscal year total assets were 370,127 million yen, an increase of 8,235 million yen from the end of the previous consolidated fiscal year. Of this figure, current assets totaled 202,078 million yen, an increase of 4,821 million yen from the end of the previous consolidated fiscal year, due primarily to an increase of 5,589 million yen in inventories. Fixed assets increased by 3,414 million yen from the end of the previous consolidated fiscal year to 168,049 million yen, due primarily to growth of 1,559 million yen in tangible fixed assets.

Liabilities totaled 169,285 million yen, an increase of 993 million yen from the end of the previous consolidated fiscal year.

Net assets totaled 200,842 million yen, an increase of 7,242 million yen from the end of the previous consolidated fiscal year, due primarily to an increase of 7,351 million yen in retained earnings driven by factors such as the booking of net income of 10,708 million yen.

【Consolidated Cash Flow Statement】

The balance of cash and cash equivalents at the end of this consolidated fiscal year increased by 733 million yen over the figure at the end of the previous consolidated fiscal year to 9,902 million yen. This figure resulted from factors including a figure of 17,596 million yen in net income before taxes and other adjustments, despite increases of trade receivables and inventories and expenditures on acquisition of tangible fixed assets in connection with capital investment, and booking of impairment losses.

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

Cash flow from operations rose by 12,740 million yen over the end of the previous consolidated fiscal year to 38,301 million yen. This figure resulted from factors including 17,596 million yen in net income before taxes and other adjustments, as well as depreciation of 20,503 million yen, an increase of 4,423 million yen in trade payables and the booking of 3,679 million yen in impairment losses, in addition to an increase of 5,589 million yen in inventories, payment of 5,052 million yen in corporate and other taxes, and an increase of 1,192 million yen in trade receivables.

Cash flow used in investments rose by 9,436 million yen over the end of the previous consolidated fiscal year to 28,484 million yen. This figure resulted from factors including expenditures of 27,823 million yen on acquisition of tangible fixed assets and other property, expenditures of 1,416 million yen on acquisition of securities for investment purposes, and expenditures of 1,178 million yen on loans, as well as revenues of 1,248 million yen on the proceeds of tangible fixed assets and revenues of 513 million yen on the proceeds of securities held for investment purposes.

Cash flow used in financing activities rose by 4,930 million yen over the end of the previous consolidated fiscal year to 9,249 million yen. This figure resulted from factors including expenditures of 5,842 million yen on payment of short-term debt and payment of 3,362 million yen in dividends.

② Projections for the subsequent consolidated fiscal year

Net income before taxes and other adjustments, a component of cash flow from operations, is projected to total 21 billion yen.

With respect to the components of cash flow used in investment activities, capital investment is projected to increase by approximately 0.5billion yen over the figure for this consolidated fiscal year.

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

Reference: Trends in cash flow indicators

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Equity ratio	53.0	54.3	53.6	52.6	53.3
Equity ratio at market value	57.0	49.2	71.6	67.4	36.4
Interest-bearing liabilities/cash flow	2.5	1.4	2.9	1.7	1.0
Interest coverage ratio	19.6	28.8	11.5	16.2	24.3

Notes: Equity ratio: equity/total assets
Equity ratio at market value: total market value of stock/total assets
Debt repayment period: interest-bearing debt/cash flow from operations
Interest coverage ratio: cash flow from operations/interest paid

Additional information:

1. Each indicator has been calculated using figures from consolidated-basis financial statements.
2. Total market value of stock has been calculated by multiplying the closing share price at the end of the fiscal period by total shares issued and outstanding as of the end of the fiscal period.
3. For cash flow from operations, the value of cash flow from operating activities on the Consolidated Cash Flow Statement has been used.
4. Interest-bearing debt includes all debts on the Consolidated Balance Sheet on which interest is paid. For interest paid, the value of interest payments from the Consolidated Cash Flow Statement has been used.

(3) Basic Company policy on distribution of profits; dividends for the current and subsequent fiscal periods

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

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

In the fiscal year 2008, Hitachi Cable paid interim dividends of 4.25 yen per share. The Company also plans to pay year-end dividends of 4.25 yen per share for a projected total of 8.5 yen per share in dividends over the entire fiscal year.

In the fiscal year 2009, Hitachi Cable expects to pay interim dividends of 4.25 yen per share and year-end dividends of 4.25 yen per share for a projected total of 8.5 yen per share in dividends over the entire fiscal year.

2. Status of the group of companies

Since no significant changes have occurred in the “Group Schematic” or the “Major Subsidiaries and Affiliates” provided in the Annual Report 2007, this report omits any discussion of the status of the group of companies.

3. Management policies

(1) Fundamental Company management policies

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

(2) The Company’s medium- to long-range management strategies and issues that must be addressed

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

①Measures on market and business domains

- By enhancing its global marketing capabilities and its QCDD(quality, cost, delivery, and development) process and establishing a structure for generating high profits all over the world
- For our basic business, working to further strengthen profitability through efforts including improvements in production technology, global allocation of production capacities, high –integrated sales strategies and more
- By identifying as growth sectors the electronics, wireless technologies, broadcasting, and information networks, and automotive parts, which promise significant future growth, and investing aggressively in these areas with a clear view of the relevant risks, and thereby seeking to achieve top worldwide market shares
- Based on the technologies established in existing lines of business, seeking to create new core businesses in operating areas such as the environment and energy

②Measures on human-resources development

- From the perspectives of overall optimization and consolidated group business management, working to enhance organizational capabilities to provide value surpassing customers' expectations
- To secure human resources capable of competing in global markets, enhancing training programs and HR systems, including those for local personnel
- Through the Hitachi Cable Just-in-Time (JIT) production system, making progress in the area of manufacturing, the starting point for any maker of products, and optimizing overall business activities from research and development through marketing, purchasing, production, and distribution.

As the final year of the Plan BEGIN midrange management plan (covering the period FY 2007 to 2009), the fiscal year 2009 marks the year in which the Hitachi Cable Group will complete and harvest the fruits of this plan and complete a foundation for realizing further growth.

First, to generate factors to drive the next growth stage, the Group will rapidly work to maximize synergies between existing businesses and other activities brought about through mergers and acquisitions undertaken in the fiscal year 2008 and beyond. In addition to continuing aggressive investment in growth areas, the Group will ensure that these investments result in improvement of manufacturing capabilities and production efficiency to allow rapid product introduction.

Furthermore, to establish firm management foundations, the Group will proceed to enhance consolidated Group management by expanding adoption of the Hitachi Cable Just-in-Time (JIT) production system to Group member companies in Japan and around the world, as well as enhancing overseas business structures by enhancing the governance capabilities of its regional management companies in each of the following zones: Europe and the Americas, China, and Southeast Asia.

4. Consolidated financial statements, etc.
(1) Consolidated Balance Sheet

	End of previous consolidated fiscal year (March 31, 2007)		End of this consolidated fiscal year (March 31, 2008)	
Section	Amount (Million yen)	(%)	Amount (Million yen)	(%)
(Assets)				
I Current assets				
Cash and cash equivalents	9,192		9,902	
Notes receivable and accounts receivable	114,049		115,241	
Inventories	54,183		59,772	
Deferred income tax	6,844		5,052	
Other	13,644		12,774	
Allowance for doubtful accounts	-655		-663	
Total current assets	197,257	54.5	202,078	54.6
II Fixed assets				
1 Tangible fixed assets				
Buildings and structures	44,180		44,113	
Machinery and equipment, vehicles, etc.	55,415		56,111	
Land	9,329		9,143	
Construction in progress	6,759		7,875	
Total tangible fixed assets	115,683	32.0	117,242	31.7
2 Intangible fixed assets				
Software, etc.	7,006		7,844	
Total intangible fixed assets	7,006	1.9	7,844	2.1
3 Investments and other assets				
Negotiable securities	21,016		20,161	
Long-term loans	3,535		3,020	
Prepaid pension expenses	3,725		4,259	
Deferred income tax	9,412		10,461	
Other	7,571		7,919	
Allowance for doubtful accounts	-3,313		-2,857	
Total investments and other assets	41,946	11.6	42,963	11.6
Total fixed assets	164,635	45.5	168,049	45.4
Total assets	361,892	100.0	370,127	100.0

Section	End of previous consolidated fiscal year (March 31, 2007) Amount (Million yen)	(%)	End of this consolidated fiscal year (March 31, 2008) Amount (Million yen)	(%)
(Liabilities)				
Ⅰ Current liabilities				
Trade payables	73,962		78,385	
Short-term debt	35,051		14,449	
Other	31,054		31,271	
Total current liabilities	140,067	38.7	124,105	33.5
Ⅱ Fixed liabilities				
Company bonds	5,000		5,000	
Long-term debt	3,000		18,500	
Deferred tax liabilities	358		379	
Retirement and severance benefits	18,270		20,042	
Reserve for directors' retirement allowances	860		851	
Liabilities under application of the equity method	343		—	
Other	394		408	
Total fixed liabilities	28,225	7.8	45,180	12.2
Total liabilities	168,292	46.5	169,285	45.7
(Net assets)				
Ⅰ Shareholders' equity				
Common stock	25,948	7.2	25,948	7.0
Capital surplus	31,516	8.7	31,534	8.5
Retained earnings	133,739	36.9	141,090	38.2
Treasury stock	-4,403	-1.2	-4,356	-1.2
Total shareholders' equity	186,800	51.6	194,216	52.5
Ⅱ Valuation and translation adjustments				
Net unrealized holding gains on securities	3,179	0.9	1,517	0.4
Deferred hedging gains/losses	—	—	351	0.1
Foreign currency translation adjustments	292	0.1	1,354	0.4
Total valuation and translation adjustments	3,471	1.0	3,222	0.9
Minority investments	3,329	0.9	3,404	0.9
Total net assets	193,600	53.5	200,842	54.3
Total liabilities and net assets	361,892	100.0	370,127	100.0

(2) Consolidated Statement of Profit and Loss

Section	Fiscal 2007 (Apr.1, 2006- Mar.31, 2007) Amount (Million yen)		(%)	Fiscal 2008 (Apr.1, 2007- Mar.31, 2008) Amount (Million yen)		(%)
Ⅰ Net sales		544,244	100.0		565,994	100.0
Ⅱ Cost of sales		469,068	86.2		489,306	86.4
Total return on sales		75,176	13.8		76,688	13.6
Ⅲ Sales and general administrative expenses		52,193	9.6		53,571	9.5
Operating income		22,983	4.2		23,117	4.1
Ⅳ Non-operating income						
(Interest and dividends income)	391			515		
(Investment income by equity method)	—			1,776		
(Miscellaneous revenues)	2,770	3,161	0.6	3,125	5,416	0.9
Ⅴ Non-operating expenses						
(Interest expense)	1,583			1,582		
(Investment losses by equity method)	279			—		
(Miscellaneous losses)	3,833	5,695	1.0	5,312	6,894	1.2
Ordinary income		20,449	3.8		21,639	3.8
Ⅵ Extraordinary income						
(Gains on sale of negotiable securities)	359			—		
(Gains on sale of fixed assets)	247			311		
(Reversal of allowance for doubtful accounts)	—			138		
(Other extraordinary losses)	544	1,150	0.2	147	596	0.1
Ⅶ Extraordinary losses						
(Restructuring costs)	1,337			456		
(Impairment losses)	3,338			3,679		
(Other extraordinary income)	981	5,656	1.1	504	4,639	0.8
Net income before taxes and other adjustments		15,943	2.9		17,596	3.1
Corporate, residence, and enterprise taxes	4,182			4,486		
Corporate tax adjustments	2,648	6,830	1.2	1,746	6,232	1.1
Gains to minority investors		451	0.1		656	0.1
Net income		8,662	1.6		10,708	1.9

(3) Consolidated statement of changes in shareholders' equity

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

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

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

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

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2007	25,948	31,516	133,739	-4,403	186,800
Changes during this consolidated fiscal year					
Cash dividends			-3,362		-3,362
Net income			10,708		10,708
Acquisition of treasury stock				-48	-48
Sale of treasury stock		18		95	113
Increase/decrease from changes in functional currency of overseas subsidiaries			5		5
(Net) changes during this consolidated fiscal year in accounts other than shareholders' equity					
Total changes during this consolidated fiscal year	—	18	7,351	47	7,416
Balance as of March 31, 2008	25,948	31,534	141,090	-4,356	194,216

	Valuation and translation adjustments				Minority investments	Total net assets
	Net unrealized holding gain on securities	Deferred hedging gain/ losses	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance as of March 31, 2007	3,179	—	292	3,471	3,329	193,600
Changes during this consolidated fiscal period						
Cash dividends						-3,362
Net income						10,708
Acquisition of treasury stock						-48
Sale of treasury stock						113
Increase/decrease from changes in functional currency of overseas subsidiaries						5
(Net) changes during this consolidated fiscal year in accounts other than shareholders' equity	-1,662	351	1,062	-249	75	-174
Total changes during this consolidated fiscal year	-1,662	351	1,062	-249	75	7,242
Balance as of March 31, 2008	1,517	351	1,354	3,222	3,404	200,842

(4) Consolidated Statement of Cash Flows

Section	Fiscal 2007 (Apr.1, 2006-Mar.31, 2007) Amount (Million yen)	Fiscal 2008 (Apr.1, 2007-Mar.31, 2008) Amount (Million yen)
Ⅰ Cash flow from operating activities		
Net income before taxes and other adjustments	15,943	17,596
Depreciation	19,008	20,503
Impairment losses	3,338	3,679
Increase/decrease in allowances for doubtful accounts (Decrease :-)	688	-448
Interest received and dividends received	-391	-515
Interest expense	1,583	1,582
Exchange profit/loss (Profit :-)	-374	276
Gains on sale of negotiable securities	-365	-4
Increase of trade receivables	-8,588	-1,192
Increase of inventories	-6,991	-5,589
Increase/decrease of trade payables (Decrease :-)	-916	4,423
Increase /decrease of other accounts receivable (Increase :-)	-509	2,351
Increase/decrease of amount in arrears (Decrease :-)	886	865
Other	5,790	576
Subtotal	29,102	44,103
Earnings on interest and dividends	592	823
Interest paid	-1,574	-1,573
Corporate tax and other taxes paid	-2,559	-5,052
Cash flow from operating activities	25,561	38,301
Ⅱ Cash flow from investing activities		
Expenditures for purchase of tangible fixed assets, etc	-21,455	-27,823
Proceeds from sale of tangible fixed assets	701	1,248
Expenditures for purchases of investment in securities	-756	-1,416
Proceeds for sale of investments in securities	1,087	513
Expenditures for loans	-9	-1,178
Collection of loans receivable	1,344	145
Other	40	27
Cash flow from investing activities	-19,048	-28,484
Ⅲ Cash flow from finance activities		
Decrease of short-term debt	-1,590	-5,842
Proceeds from long-term debt	—	15,500
Payments on long-term debt	-108	-15,407
Acquisition of treasury stock	-42	-48
Dividends paid to stockholders	-2,543	-3,362
Dividends paid to minority stockholders	-127	-203
Other	91	113
Cash flow from finance activities	-4,319	-9,249
Ⅳ Effect of exchange rate fluctuations on cash and cash equivalents	293	104
Ⅴ Net increase/decrease in cash and cash equivalents	2,487	672
Ⅵ Cash and cash equivalents at beginning of term	5,731	9,169
Net increase/decrease in cash and cash equivalents from newly consolidated subsidiarie	951	61
Ⅶ Cash and cash equivalent at end of term	9,169	9,902

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

① Depreciation methods for key depreciable assets

A. Tangible fixed assets

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

Changes to accounting policies:

Due to amendments to the Corporation Tax Law, beginning with this consolidated fiscal year, Hitachi Cable and its consolidated subsidiaries in Japan will depreciate tangible fixed assets acquired on or after April 1, 2007, by the depreciation methods specified in the amended Corporation Tax Law.

As a result, operating income has decreased by 561 million yen. Ordinary income and net income before taxes and other adjustments have decreased by 594 million yen each.

The effects of these amendments on sector data are covered in the relevant sections (on pages 19 and 20).

Additional information:

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

As a result, operating income has decreased by 926 million yen. Ordinary income and net income before taxes and other adjustments have decreased by 941 million yen each.

B. Intangible fixed assets

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

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

(6) Notes on consolidated financial statements

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

(Notes on Consolidated Income Statement)

Notes on depreciation of fixed assets

During this consolidated fiscal year, the Company booked impairment losses on the following asset groups:

Location	Use	Type	Impairment loss amount	Reason for recognizing impairment loss	Amount recoverable	Method of calculating amount recoverable
Densen Works (Hitachi, Ibaraki Pref.)	Bimetallic TAB business	Buildings, machinery, supplies, etc.	Buildings: 67 million yen Machinery: 315 million yen Supplies etc.: 13 million yen Total: 395 million yen	Due to projections of a worsened market environment	Net sale price	Market valuation
Misawa Ground (Misawa, Aomori Pref.) and others	Dormant assets	Land	Land: 22 million yen	Due to fall in market values in comparison with book values	Net sale price	Assessed value of fixed assets
Kofu Facility (Kai, Yamanashi Pref.)	Unimetallic TAB(Kofu) business	Buildings, machinery, supplies, etc.	Buildings: 29 million yen Machinery: 2,924 million yen Supplies etc.: 106 million yen Total: 3,059 million yen	Due to projections of a worsened market environment	Net sale price	Market valuation
Tonichi Kyosan Cable, Ltd. Fujishiro Facility (Toride, Ibaraki Pref.)	Assets subject to write-off	Buildings	Buildings: 145 million yen	Due to finalization of write-off of assets	Net sale price	Market valuation
Giga Epitaxy Technology Corporation (Taiwan)	Assets subject to write-off	Machinery	Machinery: 58 million yen	Due to finalization of write-off of assets	Net sale price	Market valuation

(Grouping method)

These assets have been grouped by business sector in the smallest cash-flow-generating units, largely independent of the cash flow of other assets or asset groups.

(Segment Information)

【Sales Results for Each Segment by Business Type】

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

(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	275,116	69,871	195,140	4,117	544,244	—	544,244
(2) In-house Sales or Transfer between Operating Segments	11,402	4,322	8,953	13,685	38,362	(38,362)	—
Total	286,518	74,193	204,093	17,802	582,606	(38,362)	544,244
Operating Expense	273,728	71,897	196,799	17,204	559,628	(38,367)	521,261
Operating Income	12,790	2,296	7,294	598	22,978	5	22,983
Ⅱ. Assets, Depreciation, Impairment Loss and capital Expenditure							
Assets	152,150	58,298	146,434	3,128	360,010	1,882	361,892
Depreciation	5,275	3,107	10,457	169	19,008	—	19,008
Impairment Loss	294	—	3,044	—	3,338	—	3,338
Capital Expenditure	5,521	2,513	13,296	125	21,455	—	21,455

The Term under Review (Apr.1, 2007-Mar.31, 2008)

(Million Yen)

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

(Note 1) As a rule, business operation is divided according to similarities of manufacturing processes, usage and selling methods.

(Note 2) Major products in each segment

Segment	Major products
Wires and Cables	Industrial cables, magnet wires, electronic wires, wiring devices, cables for power use (aluminum wires, constructions), etc.
Information and Telecommunications Networking	Information network (information network equipment, network integration, optical components), wireless systems, telecommunications cables (optical submarine cables, fiber optic cables, metal telecommunications cables.), etc
Sophisticated Materials	Compound semiconductors, auto parts (hoses , sensors, etc.), semiconductor packaging materials (TAB, lead frames), copper products (copper tubes, copper strips, copper products for electrical use), etc.
Other Businesses	Logistics, etc

(Note 3) Because operating expenses are allocated in their entirety to individual business segments, there are no unallocatable operating expenses in the "elimination or company-wide" item.

(Note 4) Changes in accounting policies

This consolidated fiscal year:

Change in depreciation method for tangible fixed assets

As covered under "Notes on bases for preparation of these consolidated financial statements," due to amendments to the Corporation Tax Law, beginning with this consolidated fiscal year, Hitachi Cable and its consolidated subsidiaries in Japan will depreciate tangible fixed assets acquired on or after April 1, 2007, by the depreciation methods specified in the amended Corporation Tax Law. This change increases operating expenses for this consolidated fiscal year by 117 million yen in the wires and cables business, by 66 million yen in the information and telecommunications networking business, by 371 million yen in the sophisticated materials business, and by 7 million yen in other businesses. It reduces operating income by the corresponding amounts.

【Sales Results by Location】

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

(Million Yen)

	Japan	Others	Total	Eliminated or Company-wide	Consoli-dated
Ⅰ. Net sales and Operating Income					
Net Sales					
(1) Sales to Customers	421,230	123,014	544,244	—	544,244
(2) In-house Sales or Transfer between Operating Segments	39,703	6,804	46,507	(46,507)	—
Total	460,933	129,818	590,751	(46,507)	544,244
Operating Expense	440,840	126,915	567,755	(46,494)	521,261
Operating Income	20,093	2,903	22,996	(13)	22,983
Ⅱ. Assets	329,223	68,282	397,505	(35,613)	361,892

The Term under Review（Apr.1, 2007-Mar.31, 2008）

(Million Yen)

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

(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) Changes in accounting policies

This consolidated fiscal year:

Change in depreciation method for tangible fixed assets

As covered under "Notes on bases for preparation of these consolidated financial statements," due to amendments to the Corporation Tax Law, beginning with this consolidated fiscal year, Hitachi Cable and its consolidated subsidiaries in Japan will depreciate tangible fixed assets acquired on or after April 1, 2007, by the depreciation methods specified in the amended Corporation Tax Law. This change increases operating expenses for this consolidated fiscal year by 561 million yen in Japan and reduces operating income decreases by the corresponding amount.

【Overseas】

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

	Asia	North America	Others	Total
Ⅰ.Overseas（Million Yen）	118,322	30,774	9,022	158,118
Ⅱ.Consolidated Sales（Million Yen）	－	－	－	544,244
Ⅲ.Ratio of Overseas Sales in Consolidated Sales (%)	21.7	5.7	1.7	29.1

The Term under Review（Apr.1, 2007-Mar.31, 2008）

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

(Note)1. As a rule, countries or regions are divided according to geographical proximity to each other.

(Note)2. Main Countries or regions

(1) Asia・・・China, South Korea, Thailand, Singapore

(2) North America・・・U.S.A., Canada

(3) Other countries・・・Italy, U.K., etc.

(Note)3. Overseas sales represent sales made by the Company and its consolidated subsidiaries in countries or regions other than Japan.

(Per-share information)

Fiscal 2007 (April 1, 2006 - March 31, 2007)		Fiscal 2008 (April 1, 2007– March 31, 2008)	
Net assets per share	523.60 yen	Net assets per share	543.09 yen
Net income per share	23.84 yen	Net income per share	29.46 yen
Diluted net income per share	23.83 yen	Diluted net income per share	29.45 yen

Bases for calculations for the above figures:

	Fiscal 2007 (April 1, 2006 - March 31, 2007)	Fiscal 2008 (April 1, 2007 - March 31, 2008)
Net income per share		
Net income (millions yen)	8,662	10,708
Amount not reverting to holders of common stock (millions yen)	—	—
Net income on common stock (millions yen)	8,662	10,708
Average shares issued and outstanding during this fiscal year (thousands)	363,278	363,474
Diluted net income per share		
Increase in number of shares of common stock (thousands)	172	153
Number of the above increase corresponding to stock options issued as warrant rights	(172)	(153)
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 1 warrant rights and type 2 stock options (8000 warrant rights and 554,000 stock options)	Shares subject to type 2 warrant rights and type 2 stock options (33,000 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

Section	End of previous fiscal year (March 31, 2007) Amount (Million yen)		(%)	End of this fiscal year (March 31, 2008) Amount (Million yen)		(%)
(Assets)						
I Current assets						
Cash and cash equivalents		369			426	
Notes receivable		5,303			4,338	
Accounts receivable		70,508			68,778	
Products		2,583			3,429	
Raw materials		5,246			5,415	
In-process inventories		20,472			20,330	
Deferred income taxes		4,825			2,731	
Short-term loans		3,238			2,375	
Other		13,184			12,380	
Allowance for doubtful accounts		-130			-120	
Total current assets		125,598	44.6		120,082	43.3
II Fixed assets						
Tangible fixed assets						
Buildings		28,958			27,783	
Structures		1,655			1,498	
Machinery and equipment		28,038			25,636	
Vehicles		29			39	
Tools and supplies		3,810			3,512	
Land		7,723			7,188	
Construction in progress		4,902			4,559	
Total tangible fixed assets		75,115	26.7		70,215	25.3
Intangible fixed assets						
Software, etc.		6,039			6,837	
Total intangible fixed assets		6,039	2.1		6,837	2.5
Investments and other assets						
Negotiable securities		7,836			5,811	
Shares in affiliates		35,523			38,863	
Long-term loans		7,455			7,942	
Deferred income tax		6,758			7,507	
Prepaid pension expenses		3,725			4,259	
Other		16,556			18,295	
Allowance for doubtful accounts		-3,040			-2,630	
Investments and other assets		74,813	26.6		80,047	28.9
Totalfixed assets		155,967	55.4		157,099	56.7
Total assets		281,565	100.0		277,181	100.0

Section	End of previous fiscal year (March 31, 2007) Amount (Million yen)		(%)	End of this fiscal year (March 31, 2008) Amount (Million yen)		(%)
(Liabilities)						
Ⅰ Current liabilities						
Trade accounts payable		53,365			55,123	
Short-term debt		28,299			2,525	
Other accounts payable		5,860			6,523	
Expenses payable		8,711			8,507	
Corporate tax payable		169			326	
Advances received		1,028			1,166	
Deposits received		1,485			1,551	
Other		80			95	
Total Current liabilities		98,997	35.2		75,816	27.3
Ⅱ Fixed liabilities						
Company bonds		5,000			5,000	
Long-term debt		3,000			18,500	
Accrued pension and severance costs for employees		11,667			13,303	
Reserve for directors' retirement allowances		547			505	
Other		72			90	
Total fixed liabilities		20,286	7.2		37,398	13.5
Total liabilities		119,283	42.4		113,214	40.8
(Net assets)						
Ⅰ Shareholders' equity						
Common stock		25,948	9.2		25,948	9.4
Capital surplus						
Capital reserves	34,839			34,839		
Other Capital surplus	—			16		
Total capital surplus		34,839	12.4		34,855	12.6
Retained earnings						
Income reserves	6,512			6,512		
Other Earned surplus						
Special redemption reserves	877			598		
Reserves for decrease in fixed asset	452			375		
Voluntary reserves	86,964			86,964		
Earned surplus carried forward	8,457			11,646		
Total Earned surplus		103,262	36.7		106,095	38.3
Treasury stock		-4,394	-1.6		-4,348	-1.6
Total shareholders' equity		159,655	56.7		162,550	58.7
Ⅱ Valuation and translation adjustments						
Net unrealized holding gain on securities		2,627	0.9		1,319	0.5
Deferred hedging gains/losses		—	—		98	0.0
Total valuation and translation adjustments		2,627	0.9		1,417	0.5
Total net assets		162,282	57.6		163,967	59.2
Total liabilities and net assets		281,565	100.0		277,181	100.0

(2) Non-consolidated Profit and Loss Sheet

Section	Fiscal 2007 (Apr.1, 2006- Mar.31, 2007) Amount (Million yen)		(%)	Fiscal 2008 (Apr.1, 2007- Mar.31, 2008) Amount (Million yen)		(%)
Ⅰ Net sales		325,091	100.0		349,193	100.0
Ⅱ Cost of sales		290,371	89.3		312,548	89.5
Total return on sales		34,720	10.7		36,645	10.5
Ⅲ Sales and general administrative expenses		25,233	7.8		25,557	7.3
Operating income		9,487	2.9		11,088	3.2
Ⅳ Non-operating income						
(Interest and dividends income)	3,011			4,113		
(Miscellaneous revenues)	1,370	4,381	1.3	1,999	6,112	1.8
Ⅴ Non-operating expenses						
(Interest expense)	851			895		
(Miscellaneous losses)	2,427	3,278	1.0	4,255	5,150	1.5
Ordinary income		10,590	3.2		12,050	3.5
Ⅵ Extraordinary income						
(Gains on sales of negotiable securities)	488			—		
(Gains on sale of fixed assets)	129			300		
(Reversal of allowance for doubtful accounts)	—			87		
(Other)	379	996	0.3	53	440	0.1
Ⅶ Extraordinary losses						
(Revaluation losses on negotiable securities)	630			—		
(Impairment losses)	2,629			3,476		
(Restructuring costs)	1,002			—		
(Other)	352	4,613	1.4	450	3,926	1.1
Net income before taxes and other adjustments		6,973	2.1		8,564	2.5
Corporate, residence, and enterprise taxes	215			204		
Corporate tax adjustments	2,320	2,535	0.8	2,165	2,369	0.7
Net income		4,438	1.3		6,195	1.8

(3) Non-consolidated statement of changes in shareholders' equity

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

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

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

Fiscal 2008 (Apr.1, 2007-Mar.31, 2008) (Million yen)

	Shareholders' equity											
		Capital surplus			Retained earnings							
						Other retained earnings						
	Common stock	Capital reserves	Other capital surplus	Total capital surplus	Income reserves	Special redemption reserves	Reserves for decrease in fixed assets	Voluntary reserves	Retained earnings carried forward	Total retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2007	25,948	34,839	—	34,839	6,512	877	452	86,964	8,457	103,262	-4,394	159,655
Changes during this fiscal year												
Cash dividends									-3,362	-3,362		-3,362
Net income									6,195	6,195		6,195
Acquisition of treasury stock											-48	-48
Sale of treasury stock			16	16							94	110
Transfer from special redemption reserves						-279			279			—
Transfer from reserves for decrease in fixed assets							-77		77			—
(Net) changes during this fiscal year in accounts other than Shareholders' equity												
Total changes during this fiscal year	—	—	16	16	—	-279	-77	—	3,189	2,833	46	2,895
Balance as of March 31, 2008	25,948	34,839	16	34,855	6,512	598	375	86,964	11,646	106,095	-4,348	162,550

	Valuation and translation adjustments			Total net assets
	Net unrealized holding gain on securities	Deferred hedging gains/losses	Total valuation and translation adjustments	
Balance as of March 31, 2007	2,627	—	2,627	162,282
Changes during this fiscal year				
Cash dividends				-3,362
Net income				6,195
Acquisition of treasury stock				-48
Sale of treasury stock				110
(Net) changes during this fiscal year in accounts other than Shareholders' equity	-1,308	98	-1,210	-1,210
Total changes during this fiscal year	-1,308	98	-1,210	1,685
Balance as of March 31, 2008	1,319	98	1,417	163,967

(4) Bases for preparing financial statements

① Depreciation methods for key depreciable assets

A. Tangible fixed assets

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

Changes to accounting policies:

Due to amendments to the Corporation Tax Law, beginning with this non-consolidated fiscal year, Hitachi Cable will depreciate tangible fixed assets acquired on or after April 1, 2007, by the depreciation methods specified in the amended Corporation Tax Law.

As a result, operating income, ordinary income and net income before taxes and other adjustments have decreased by 407 million yen each.

Additional information:

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

As a result, operating income, ordinary income and net income before taxes and other adjustments have decreased by 696 million yen each.

B. Intangible fixed assets

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

(5) Notes on Non-consolidated financial statements

(Notes on Non-consolidated Income Statement)

Notes on depreciation of fixed assets

During this consolidated fiscal year, the Company booked impairment losses on the following asset groups:

Location	Use	Type	Impairment loss amount	Reason for recognizing impairment loss	Amount recoverable	Method of calculating amount recoverable
Densen Works (Hitachi, Ibaraki Pref.)	Bimetallic TAB business	Buildings, machinery, supplies, etc.	Buildings: 67 million yen Machinery: 315 million yen Supplies etc.: 13 million yen Total: 395 million yen	Due to projections of a worsened market environment	Net sale price	Market valuation
Misawa Ground (Misawa, Aomori Pref.) and others	Dormant assets	Land	Land: 22 million yen	Due to fall in market values in comparison with book values	Net sale price	Assessed value of fixed assets
Kofu Facility (Kai, Yamanashi Pref.)	Unimetallic TAB (Kofu) business	Buildings, machinery, supplies, etc.	Buildings: 29 million yen Machinery: 2,924 million yen Supplies etc.: 106 million yen Total: 3,059 million yen	Due to projections of a worsened market environment	Net sale price	Market valuation

(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.