

# Financial Report for Third Quarter of Fiscal 2010

## Ending March 31, 2010

February 1, 2010

Name of Listed Company: **Hitachi Cable, Ltd.**  
 Stock Exchange where listed (section): Tokyo Stock Exchange, Inc. (First Section)  
 Osaka Securities Exchange Co., Ltd. (First Section)

Code Number: 5812

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

President & Chief Executive Officer: Mitsuo Imai

Contact: Shoichi Kogure

General Manager, Administration Dept. Human Resources & Administration Group

Tel: +81-3-6381-1050

Scheduled date for quarterly report submission: February 12, 2010

Scheduled date for beginning payment of dividends: —

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

### 1. Performance over the year under review (Apr. 1, 2009- Dec. 31, 2009)

#### (1) Operating Results

	Net sales (Million yen)		Operating income (Million yen)		Ordinary income (Million yen)		Net income (Million yen)	
		%		%		%		%
Dec./09	267,538	(-33.5)	-6,565	(-)	-4,812	(-)	-6,259	(-)
Dec./08	402,546	(-)	-7,025	(-)	-9,020	(-)	-30,975	(-)

	Net income per share (Yen)	Diluted net income per share (Yen)
Dec./09	-17.21	—
Dec./08	-85.20	—

*Note:* 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)
Dec./09	295,691	125,077	41.7	338.10
Mar./09	278,958	132,853	46.7	358.48

*Note:* Equity Dec./09 123,212 million yen Mar./09 130,315 million yen

### 2. Dividends

	Dividends per share				
	Jun.30	Sept.30	Dec.31	Mar.31	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Mar./09	—	4.25	—	3.00	7.25
Mar./10	—	2.50	—	—	—
Mar./10 (Forecast)	—	—	—	2.50	5.00

*Note:* Revisions made this quarter to forecast dividends (Y/N):N

### 3. Business results forecast for fiscal year 2010 (Apr. 1, 2009-Mar. 31, 2010)

	Net sales (Million yen)	Operating income (Million yen)	Ordinary income (Million yen)	Net income (Million yen)	Net income per share (Yen)
	%	%	%	%	
Mar./10	375,000 (-24.0)	-4,500 (-)	-3,000 (-)	-8,000 (-)	-22.00

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

*Note:* Revisions made this quarter to consolidated business performance forecast (Y/N): Y

## 4. Other Notes

- (1) Significant changes in key subsidiaries during the third quarter of this fiscal year (changes in designated subsidiaries resulting from changes in the scope of consolidation) (Y/N):N
- (2) Application of simplified accounting or special accounting used to prepare these quarterly consolidated financial statements (Y/N):Y

*Note* :For details, see “4. Other Notes” under “Qualitative information, financial statements, etc.” on page 5.

- (3) Changes in accounting principles, procedures, methods of representation, etc., in preparing quarterly consolidated financial statements (covered under Important Changes to Bases for Preparing Quarterly Consolidated Financial Statements)
- (i) Changes resulting from changes to accounting standards etc. (Y/N):Y
- (ii) Changes other than those noted under “(i)” above (Y/N):N

*Note* :For details, see “4. Other Notes” under “Qualitative information, financial statements, etc.” on page 5.

## (4) Number of shares outstanding (Common)

(i) Number of shares outstanding at the end of period (including treasury stock)	Dec./09	374,018,174	Mar./09	374,018,174
(ii) Number of treasury stock at the end of period	Dec./09	9,596,611	Mar./09	10,500,697
(iii) Average shares this quarter (consolidated total through this quarter)	Dec./09	363,631,561	Dec./08	363,536,048

\* 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 “3. Qualitative information on forecasts of consolidated business performance” under “Qualitative information, financial statements, etc.” on page 4 concerning the content of the assumptions used in forecasting business performance, cautions concerning the use of forecasts of business performance, and related matters.

## 【Qualitative information, financial statements, etc.】

### 1. Qualitative information on consolidated business performance

While the global economy continued to trend toward recovery, especially in emerging markets, due in part to measures enacted by various nations in the cumulative third quarter of this consolidated fiscal year (April-December 2009), the domestic economy failed to achieve a self-supporting recovery. Overall, harsh economic conditions persisted.

For the Hitachi Cable Group, products for the semiconductor and automotive markets improved somewhat in response to progress in inventory adjustments and recovering demand. At the same time, a major decline in domestic private-sector capital investment resulted in sluggish group performance in the area of related products. In addition, the sale prices of wires, cables, and copper products fell as the price of copper (the primary raw material for such products) trended lower compared to the cumulative third quarter of the previous consolidated fiscal year (April-December 2008). Net sales fell by 34% from the cumulative third quarter of the previous consolidated fiscal year to 267,538 million yen. Operating losses totaled 6,565 million yen (vs. 7,025 million yen for the cumulative third quarter of the previous consolidated fiscal year); ordinary losses totaled 4,812 million yen (vs. 9,020 million yen for the cumulative third quarter of the previous consolidated fiscal year); and net losses in the quarter totaled 6,259 million yen (vs. 30,975 million yen in the third quarter of the previous consolidated fiscal year).

Relative to the previous consolidated fiscal year, performance for the Hitachi Cable Group fell dramatically in the wake of the global financial crisis in the fall of 2008 and the rapid worsening of the economy that ensued. However, after bottoming out in the spring of 2009, performance steadily recovered during this consolidated fiscal year.

While business performance for the cumulative second quarter of this consolidated fiscal year (April-September 2009) reflected lower income than for the same period of the previous year, significant improvement occurred in the third quarter of this consolidated fiscal year (October-December 2009), with operating losses declining by 9.1 billion yen and ordinary losses declining by 12.3 billion yen. These changes resulted from various successful cost-reduction measures advanced according to plan, in addition to relatively minor revaluation gains/losses on inventory assets during the third quarter of this consolidated fiscal year compared to large-scale losses in this area for the same quarter of the previous year.

In addition, while significant deferred tax assets were reversed and booked as corporate taxes, etc. in the third quarter of the previous consolidated fiscal year, the impact of such actions in the third quarter of this consolidated fiscal year was relatively slight.

Thus, operating income, ordinary income, and net income in the cumulative third quarter all improved from the same period of the previous consolidated fiscal year.

A look at underlying economic conditions, including a strengthening yen in currency markets and concerns about restrained domestic capital investment, points to uncertainty over economic prospects. The Hitachi Cable Group seeks to return to profitability in the fourth quarter of this consolidated fiscal year (January-March 2010) based on the continuing and sustained implementation of measures to improve business performance and expand orders received. We expect to reduce losses significantly this consolidated fiscal year from the previous consolidated fiscal year.

An overview of performance for each business segment is provided below. Sales figures for each segment include in-house sales and transfers between business segments.

#### **Wires and cables**

Sales of magnet wires continued to recover, revolving primarily around products intended for automotive electronic components. Sales of products for use in hybrid electric vehicles, for example, proved strong. Lower construction demand suppressed sales of industrial cables and electric power cables. Despite signs of recovery in sales of electronic wires and wiring devices in the main demand areas of products for industrial equipment and machine tools, and despite recovery in the sales of certain products intended for use in consumer electronics, these areas failed to achieve the sales recorded in the cumulative third quarter of the previous consolidated fiscal year.

As a result, sales in this segment totaled 129,616 million yen, a decline of 38% from the figure for the cumulative third quarter of the previous consolidated fiscal year. Operating losses in this segment totaled 970 million yen.

#### **Information and telecommunications networking**

Overall sales of wireless systems decreased slightly from the figure for the cumulative third quarter of the previous consolidated fiscal year due to lower sales to the construction industry for mobile-phone base stations. This was despite strong performance for products intended for use in mobile-phone base stations and digital-broadcasting relay stations.

While sales in the information network business were strong for systems integration services, sales were sluggish for information network devices, particularly in sales to telecommunications carriers. As a result, sales declined from the cumulative figure through the third quarter of the previous consolidated fiscal year.

Optical submarine cables had demonstrated strong performance in the cumulative second quarter of this consolidated fiscal year due to continuing shipments for several large-scale projects, but third quarter sales weakened as demand entered the off-season. Sales for the cumulative third quarter of this consolidated fiscal year fell from the figure for the cumulative third quarter of the previous consolidated fiscal year.

As a result, sales in this segment totaled 47,209 million yen, 24% below the cumulative figure for the cumulative third quarter of the previous consolidated fiscal year. Operating income in this segment totaled 281 million yen, 92% lower than the figure for the cumulative third quarter of the previous consolidated fiscal year.

### **Sophisticated materials**

While sales of compound semiconductors for use in high-frequency devices continued to recover, sales of compound semiconductors for use in red and infrared LEDs dropped dramatically. Overall sales declined from the figure for the cumulative third quarter of the previous consolidated fiscal year.

A rapid recovery in demand for TAB tape persisted in the cumulative second quarter of this consolidated fiscal year. However, due in part to seasonal factors, sales approached a standstill in the third quarter. Sales in this area failed to reach the levels achieved in the cumulative third quarter of the previous consolidated fiscal year.

In the auto-parts sector, while sales of various motor vehicle sensors were strong and the key business sector of brake hoses recovered following inventory adjustments, dramatic declines during the cumulative second quarter of this consolidated fiscal year resulted in results below the cumulative third quarter of the previous consolidated fiscal year.

In the area of copper products, demand for copper strips remained strong, particularly for copper strips intended for use in semiconductor leadframes. Sales of copper products for electrical use also began to recover. However, unseasonable weather and declining capital investment and the resulting downturn in demand led to lower sales of copper tubes. This in turn drove down overall sales to levels below the cumulative third quarter of the previous consolidated fiscal year.

Sales in this segment totaled 99,801 million yen, a decline of 34% from the figure for the cumulative third quarter of the previous consolidated fiscal year. Operating losses in this segment totaled 6,356 million yen.

### **Other business**

Sales in this segment, comprised of logistics and other operations, were 11,370 million yen, a decline of 15% from the figure for the cumulative third quarter of the previous consolidated fiscal year. Operating income in this segment was 470 million yen, 19% below the figure for the cumulative third quarter of the previous consolidated fiscal year.

## **2. Qualitative information on consolidated financial conditions**

### **【Consolidated balance sheet】**

Total assets at the end of the third quarter of this consolidated fiscal year were 295,691 million yen, 16,733 million yen above the figure at the end of the previous consolidated fiscal year. Current assets totaled 149,249 million yen, an increase of 18,579 million yen from the end of the previous consolidated fiscal year, primarily due to an increase of 12,623 million yen in inventories (representing the total of merchandise and products, in-process inventories, and raw materials and supplies). Fixed assets fell by 1,846 million yen from the end of the previous consolidated fiscal year to 146,442 million yen, due primarily to a decrease of 2,558 million yen in buildings and structures and a decrease of 5,109 million yen in machinery, vehicles, and tools, offset by an increase of 6,272 million yen in negotiable securities.

Liabilities totaled 170,614 million yen, an increase of 24,509 million yen from the end of the previous consolidated fiscal year. This increase was due primarily to increases of 12,632 million yen in trade payables and of 16,639 million yen in short-term debt.

Net assets totaled 125,077 million yen, a decline of 7,776 million yen from the end of the previous consolidated fiscal year. This decrease was due primarily to a decline of 8,350 million yen in retained earnings, offset by an increase of 770 million yen in net unrealized holding gains on securities.

## **3. Qualitative information on forecasts of consolidated business performance**

Hitachi Cable Group business performance in fiscal 2010 (April 1, 2009-March 31, 2010) proceeded largely as expected through the cumulative second quarter of the consolidated fiscal year. However, performance has failed to recover to the degree expected from the third quarter of the consolidated fiscal year. Nor is major improvement expected in the fourth quarter. For these reasons, net sales are now expected to fall below previous forecasts.

In the area of income, expectations that net sales will fail to achieve the levels forecast has had significant impact, generating expectations that operating income and ordinary income will fall below forecasts. We also expect to increase the amount of extraordinary losses booked in association with structural reforms, which have been expanded in response to changing circumstances. Based on these factors, we have revised forecasts of net income and net income per share.

Nevertheless, a major increase in income from the previous consolidated fiscal year is still expected. We expect continuing improvements in profitability in the next fiscal year and beyond, based on accelerating structural reforms in unprofitable areas and on cost reduction measures already in place.

**【Revisions to forecasts of full-year business performance】 (April 1, 2009 - March 31, 2010)**

	Sales	Operating income	Ordinary income	Net income	Net income per share
Previously announced forecasts (A) (Announced October 28, 2009)	380,000	1,000	1,000	-3,000	-8.25
Revised forecast (B)	375,000	-4,500	-3,000	-8,000	-22.00
Difference : (B) - (A)	-5,000	-5,500	-4,000	-5,000	—
Percentage change (%)	-1.3	—	—	—	—
Reference: Performance in previous fiscal year Year ended March, 31 2009	493,151	-14,740	-19,974	-53,775	-147.92

Note: Figures for sales, operating income, ordinary income, and net income above are given in units of millions of yen.  
Figures for net income per share above are given in units of yen.

#### 4. Other Notes

- (1) Significant changes in key subsidiaries during the cumulative third quarter of this consolidated fiscal year (changes in designated subsidiaries resulting from changes in the scope of consolidation): Not applicable
- (2) Application of a simplified accounting procedure and of an accounting procedure specific to quarterly consolidated financial statements
  - (i) Simplified accounting procedure
 

Estimation methods for deferred tax assets and deferred tax liabilities:

With regard to judgments on the recoverability of deferred tax assets, when no marked changes have been recognized in matters such as business conditions since the end of the previous consolidated fiscal year and the conditions leading to temporary differences in amounts or other matters, such judgments are based on forecasts of future business performance and tax planning used in the previous consolidated fiscal year. When marked changes have been recognized in matters such as business conditions since the end of the previous consolidated fiscal year or conditions leading to temporary differences in amounts or other matters, such judgments are made by adjusting forecasts of future business performance and tax planning used in the previous consolidated fiscal year by the effects of such marked changes.
  - (ii) Special accounting procedure for preparing quarterly consolidated financial statements
 

Estimated tax costs:

Estimated tax costs were calculated by estimating a reasonable figure for the effective tax rate after the application of tax-effect accounting to net income before taxes for the consolidated fiscal year, including this consolidated cumulative third quarter, then multiplying net income before taxes by this estimated effective tax rate. However, when an estimated effective tax rate cannot be used, the effective tax rate specified by law is applied.

The figure for corporate taxes, etc. incorporates adjustments to corporate tax and other taxes.
- (3) Changes in accounting principles, procedures, methods of representation, etc. involved in preparation of quarterly consolidated financial statements
  - Changes in matters related to accounting treatment standards
 

For projects lasting one year or longer and involving contracted amounts of 500 million yen or more, the standards governing revenues from subcontracted construction have been the standards used for booking construction in process. For other projects, the standards applied are those for booking upon completion of construction. However, starting with the first quarter of this consolidated fiscal year, the Accounting Standard for Construction Contracts (ASBJ Statement No. 15, December 27, 2007) and Guidance on Accounting Standard for Construction Contracts (ASBJ Guidance No. 18, December 27, 2007) have been applied. Thus, for contracts on construction projects begun during the first quarter of this consolidated fiscal year and for which results for the cumulative third quarter of this consolidated fiscal year can be predicted with some confidence, the standards applied have been those for booking construction in process (estimating percentage of completion using proportion of costs). For all other projects, the standards that apply are those for booking upon completion of construction.

The impact on net sales or profits/losses due to this change is negligible.

## 5. Quarterly Consolidated Financial Statements

## (1) Quarterly Consolidated Balance Sheet

(Units: million yen)

	End of 3rd quarter of fiscal 2010 (Dec. 31, 2009)	End of fiscal 2009 (Mar. 31, 2009)
(Assets)		
Current assets		
Cash and cash equivalents	7,528	8,038
Trade receivables	80,404	70,358
Securities	245	301
Merchandise and products	12,486	8,725
In-process inventories	29,865	19,983
Raw materials and supplies	9,195	10,215
Deferred tax assets	455	537
Other	9,586	12,903
Allowance for doubtful accounts	-515	-390
Total current assets	149,249	130,670
Fixed assets		
Tangible fixed assets		
Buildings and structures	111,387	111,734
Cumulative depreciation	-68,465	-66,254
Buildings and structures (net)	42,922	45,480
Machinery, vehicles, and tools	276,566	275,476
Cumulative depreciation	-233,645	-227,446
Machinery, vehicles, and tools (net)	42,921	48,030
Land	9,907	10,175
Construction in progress	8,415	7,228
Total tangible fixed assets	104,165	110,913
Intangible fixed assets		
Goodwill	1,488	1,830
Other	9,143	8,989
Total intangible fixed assets	10,631	10,819
Investments and other assets		
Negotiable securities	21,747	15,475
Long-term loans	2,675	2,680
Prepaid pension expenses	1,838	3,358
Deferred tax assets	971	985
Other	6,942	6,754
Allowance for doubtful accounts	-2,527	-2,696
Total investments and other assets	31,646	26,556
Total fixed assets	146,442	148,288
Total assets	295,691	278,958

(Units: million yen)

	End of 3rd quarter of fiscal 2010 (Dec. 31, 2009)	End of fiscal 2009 (Mar. 31, 2009)
(Liabilities)		
Current liabilities		
Trade payables	55,239	42,607
Short-term debt	32,029	15,390
Bonds due within one year	5,000	5,000
Long-term debt due within one year	3,000	3,000
Corporate tax payable	530	815
Other	22,697	28,597
Total current liabilities	118,495	95,409
Fixed liabilities		
Long-term debt	20,500	20,523
Deferred tax liabilities	4,568	4,073
Retirement and severance benefits	24,111	22,511
Reserve for directors' retirement allowances	676	785
Liability due to application of equity method	1,208	1,112
Other	1,056	1,692
Total fixed liabilities	52,119	50,696
Total liabilities	170,614	146,105
(Net assets)		
Shareholders' equity		
Common stock	25,948	25,948
Capital surplus	31,518	31,529
Retained earnings	75,875	84,225
Treasury stock	-3,983	-4,362
Total shareholders' equity	129,358	137,340
Valuation and translation adjustments		
Net unrealized holding gains on securities	1,045	275
Deferred hedging gains/losses	86	-39
Foreign currency translation adjustments	-7,277	-7,261
Total valuation and translation adjustments	-6,146	-7,025
Minority investments	1,865	2,538
Total net assets	125,077	132,853
Total liabilities and net assets	295,691	278,958

(2) Quarterly Consolidated Statement of Profit and Loss  
Consolidated cumulative third quarter

(Units: million yen)

	Consolidated cumulative 3rd quarter of fiscal 2009 (Apr. 1, 2008 - Dec. 31, 2008)	Consolidated cumulative 3rd quarter of fiscal 2010 (Apr. 1, 2009 - Dec. 31, 2009)
Net sales	402,546	267,538
Cost of sales	366,967	237,548
Total return on sales	35,579	29,990
Sales and general administrative expenses	42,604	36,555
Operating loss (-)	-7,025	-6,565
Non-operating income		
Interest received	175	105
Dividends received	239	146
Investment income by equity method	—	1,714
Gains on sales of goods	498	—
Other non-operating income	1,272	1,405
Total non-operating income	2,184	3,370
Non-operating expenses		
Interest expenses	1,218	709
Investment losses by equity method	1,176	—
Other non-operating expenses	1,785	908
Total non-operating expenses	4,179	1,617
Ordinary loss (-)	-9,020	-4,812
Extraordinary income		
Prior-period adjustments	68	—
Gains on sale of negotiable securities	24	49
Gains on sale of fixed assets	—	12
Other extraordinary income	3	—
Total extraordinary income	95	61
Extraordinary losses		
Losses on sale of negotiable securities	—	344
Impairment losses	3,196	269
Other extraordinary losses	1,193	105
Total extraordinary losses	4,389	718
Net loss before taxes and other adjustments (-)	-13,314	-5,469
Corporate taxes, etc.	17,391	759
Gains to minority investors	270	31
Net loss (-)	-30,975	-6,259



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

## (4) Segment Information

## 【Sales Results for Each Segment by Business Type】

Consolidated cumulative third quarter of fiscal 2009 (Apr. 1, 2008-Dec. 31, 2008)

(Million yen)

	Wires and cables	Information and telecommunications networking	Sophisticated materials	Other businesses	Total	Eliminated or companywide	Consolidated
Net sales							
(1) Sales to customers	198,971	57,401	143,727	2,447	402,546	—	402,546
(2) In-house sales or transfer between operating segments	8,609	4,759	6,635	10,866	30,869	(30,869)	—
Total	207,580	62,160	150,362	13,313	433,415	(30,869)	402,546
Operating income (loss: -)	509	3,408	-11,555	580	-7,058	33	-7,025

Consolidated cumulative third quarter of fiscal 2010 (Apr. 1, 2009-Dec. 31, 2009)

(Million yen)

	Wires and cables	Information and telecommunications networking	Sophisticated materials	Other businesses	Total	Eliminated or companywide	Consolidated
Net sales							
(1) Sales to customers	125,155	43,954	96,745	1,684	267,538	—	267,538
(2) In-house sales or transfer between operating segments	4,461	3,255	3,056	9,686	20,458	(20,458)	—
Total	129,616	47,209	99,801	11,370	287,996	(20,458)	267,538
Operating income (loss: -)	-970	281	-6,356	470	-6,575	10	-6,565

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

(Note 2) Major products in each segment

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

**【Sales Results by Location】**

Consolidated cumulative third quarter of fiscal 2009 (Apr. 1, 2008-Dec. 31, 2008)

(Million yen)

	Japan	Others	Total	Eliminated or companywide	Consolidated
Net sales					
(1) Sales to customers	309,884	92,662	402,546	—	402,546
(2) In-house sales or transfer between operating segments	28,578	5,660	34,238	(34,238)	—
Total	338,462	98,322	436,784	(34,238)	402,546
Operating income (loss: -)	-7,699	426	-7,273	248	-7,025

Consolidated cumulative third quarter of fiscal 2010 (Apr. 1, 2009-Dec. 31, 2009)

(Million yen)

	Japan	Others	Total	Eliminated or companywide	Consolidated
Net sales					
(1) Sales to customers	216,970	50,568	267,538	—	267,538
(2) In-house sales or transfer between operating segments	20,565	3,178	23,743	(23,743)	—
Total	237,535	53,746	291,281	(23,743)	267,538
Operating loss (-)	-4,655	-1,828	-6,483	(82)	-6,565

(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.

**【Overseas sales】**

Consolidated cumulative third quarter of fiscal 2009 (Apr. 1, 2008-Dec. 31, 2008)

(Million yen)

	Asia	North America	Others	Total
I Overseas sales (Million yen)	78,218	29,281	7,772	115,271
II Consolidated sales (Million yen)	—	—	—	402,546
III Ratio of overseas sales in consolidated sales (%)	19.4	7.3	1.9	28.6

Consolidated cumulative third quarter of fiscal 2010 (Apr. 1, 2009-Dec. 31, 2009)

(Million yen)

	Asia	North America	Others	Total
I Overseas sales (Million yen)	44,800	17,461	4,976	67,237
II Consolidated sales (Million yen)	—	—	—	267,538
III Ratio of overseas sales in consolidated sales (%)	16.8	6.5	1.8	25.1

(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, etc.

(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.

(5) Notes on notable changes in amount of shareholder equity (if applicable): Not applicable