

Financial Report for First Quarter of Fiscal 2011 Ending March 31, 2011

[Japanese accounting standards] (Consolidated)

July 28, 2010

Name of Listed Company: Hitachi Cable, Ltd.

Stock Exchange where listed (section): Tokyo Stock Exchange, Inc. (First Section)
Osaka Securities Exchange Co., Ltd. (First Section)

Code Number: 5812

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

President and 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: August 12, 2010

Scheduled date for beginning payment of dividends: -

Supplementary explanatory materials for quarterly settlement of accounts prepared (Y/N): Y

Briefing held on quarterly settlement of accounts (Y/N): Y

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

1. Performance over the year under review (Apr. 1, 2010-Jun 30, 2010)

(1) Operating Results

	Net sales (Million yen)	Operating income (Million yen)	Ordinary income (Million yen)	Net income (Million yen)
Jun./10	100,268 (25.5)%	111 (-)%	337 (-)%	296 (-)%
Jun./09	79,871 (-41.7)	-3,700 (-)	-2,612 (-)	-2,839 (-)

	Net income per share (Yen)	Diluted net income per share (Yen)
Jun./10	0.81	0.81
Jun./09	-7.81	-

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)
Jun./10	292,751	122,909	41.3	331.51
Mar./10	289,016	123,233	41.9	332.69

Note: Equity Jun./10 120,806million yen Mar./10 121,238million yen

2. Dividends

	Annual dividends				
	Jun.30	Sept.30	Dec.31	Mar.31	Total
Mar./10	(Yen) -	(Yen) 2.50	(Yen) -	(Yen) 2.50	(Yen) 5.00
Mar./11	-	-	-	-	-
Mar./11 (Forecast)	-	2.50	-	2.50	5.00

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

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

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

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

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

4. Other Notes (For detailed information, see "Other Information" on page 3 of the Appendix.)

(1) Significant changes in key subsidiaries during the first quarter of this fiscal year (Y/N):N

Note: This refers to changes in designated subsidiaries resulting from changes in the scope of consolidation during this quarter.

(2) Application of simplified accounting and special accounting (Y/N):Y

Note: This refers to the application of simplified accounting and to special accounting used in the preparation of quarterly consolidated financial statements.

(3) Changes in accounting principles and procedures and methods of representation, etc.

(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: This refers to changes in matters such as accounting principles and procedures and methods of representation related to the preparation of quarterly consolidated financial statements, as shown under "Important Changes to Bases for Preparing Quarterly Consolidated Financial Statements."

(4) Number of shares outstanding (Common)

(i) Number of shares outstanding at the end of period (including treasury stock)	Jun./10	374,018,174	Mar./10	374,018,174
(ii) Number of treasury stock at the end of period	Jun./10	9,607,189	Mar./10	9,603,268
(iii) Average shares this quarter (consolidated total through this quarter)	Jun./10	364,413,076	Jun./09	363,512,831

* Statement on status of implementation of quarterly review procedures

At the time this quarterly Financial Report was released, procedures were underway to review quarterly financial statements pursuant to the Financial Instruments and Exchange Act.

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

Caution on statements regarding the future:

Forecasts of business performance and other forward-looking statements in this document are based on information available to the Company at the time this document was prepared, as well as certain reasonable assumptions. Due to various factors, actual business performance and other results may depart significantly from these forecasts. See "Qualitative Information on Consolidated Business Performance Forecasts" on page 3 of the Appendix concerning the assumptions used to forecast business performance, precautions regarding the use of forecasts of business performance, and related matters.

【Appendix】

Appendix: Table of Contents

1. Qualitative information on financial results for this quarter	2
(1) Qualitative information on consolidated business performance	2
(2) Qualitative information on consolidated financial conditions	3
(3) Qualitative information on consolidated business performance forecasts	3
2. Other information	3
(1) Summary of significant changes in key subsidiaries	3
(2) Summary of simplified accounting and special accounting	3
(3) Summary of changes in accounting principles, procedures, methods of representation, etc.	3
3. Quarterly Consolidated financial statements	5
(1) Quarterly Consolidated Balance Sheet	5
(2) Quarterly Consolidated Statement of Profit and Loss	7
(3) Facts or circumstances casting doubt on going-concern assumptions	8
(4) Segment Information	8
(5) Notes on notable changes in amount of shareholder equity (if applicable)	10

1. Qualitative information on financial results for this quarter

(1) Qualitative information on consolidated business performance

Despite financial uncertainties created by fiscal issues in Europe, the worldwide business environment in the first quarter of this consolidated fiscal year was characterized by continuation of the recovery in the global economy that began last spring.

Under these conditions, despite slight downward pressure exerted by the strength of the yen in currency markets, Hitachi Cable Group net sales during the first quarter of this consolidated fiscal year rose to 100,268 million yen, up 26% from the first quarter of the previous consolidated fiscal year. This was attributable to growth backed by booming demand for products in the electronics and automotive markets and upward pressure on sale prices attributable to the price of copper, the primary raw material used to make wires, cables, and copper products. Prices for copper continued to remain high relative to prices for the same period of the previous fiscal year.

Operating income rose significantly, to 111 million yen, some 3.8 billion yen above the figure for the first quarter of the previous consolidated fiscal year. Ordinary income also improved significantly, rising by approximately 2.9 billion yen from the first quarter of the previous consolidated fiscal year to 337 million yen. Net income rose by approximately 3.1 billion yen from the first quarter of the previous consolidated fiscal year to 296 million yen. These gains are attributable to restructuring efforts first implemented two years ago, in addition to net sales growth.

Provided below is an overview of business performance for each reporting segment. The net sales figures given for each segment represent net sales after offsetting.

The following standards have been applied starting with the first quarter of this consolidated fiscal year: "Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17; March 27, 2009) and "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20; March 21, 2008). For more information, see "Segment Information: (i) Summary of reporting segments" on page 9 of the Appendix.

Electronic & Automotive Products

Net sales in this segment totaled 55,925 million yen; operating income totaled 254 million yen.

By product line, sales of magnet wires increased from the first quarter of the previous consolidated fiscal year, driven by sales growth for heavy electrical machinery and industrial uses and continuing strength in sales for use in automotive electronic components driven by hybrid electric vehicles. Rapid recovery in sales for industrial and machine tool and consumer devices drove sales of electronic wires and wiring devices. Sales of auto parts demonstrated notable recovery, primarily at North American subsidiaries.

In contrast, sales of industrial cables and electric power cables were poor, particularly for construction application sales. Sales of fiber optics and telecommunication cables were sluggish, as the market for use in optical submarine cables entered an off-peak period.

Information Systems

Net sales in this segment totaled 7,997 million yen, with operating losses of 435 million yen.

Results by product line indicate sluggish information network sales, as seasonal and other factors suppressed activity in related projects. Sales of wireless systems weakened, as demand for use in digital broadcast relay stations passed its peak and the market shifted toward smaller projects in the area of mobile phone base stations.

Semiconductor Materials & Packaging

Net sales in this segment totaled 7,754 million yen, with operating losses of 489 million yen.

By product line, sales of compound semiconductors increased, driven by demand for high-frequency devices and laser diodes. Harsh conditions continued in the market for tape automated bonding (TAB) products, primarily in the area of chip-on-film (COF) products for LCD use.

Metal Materials & Component Products

Net sales in this segment totaled 21,410 million yen. Operating income totaled 322 million yen.

By product line, sales of lead frames grew dramatically, reflecting recovering semiconductor markets. Sales of copper products also increased from the first quarter of the previous consolidated fiscal year, driven by steady growth in sales of copper products for electrical use and related applications and by strong sales of copper strips and copper foil for semiconductors in response to demand growth.

Sales Companies

Net sales in this segment totaled 7,182 million yen. Operating income totaled 342 million yen.

(2) Qualitative information on consolidated financial conditions

Total assets at the end of the first quarter of this consolidated fiscal year were 292,751 million yen, 3,735 million yen above the figure at the end of the previous consolidated fiscal year. This figure reflects total current assets of 155,855 million yen, an increase of 7,364 million yen from the end of the previous consolidated fiscal year. This growth is primarily attributable to an increase of 6,256 million yen in inventories (representing the total of merchandise and products, in-process inventories, and raw materials and supplies). Fixed assets fell by 3,629 million yen from the end of the previous consolidated fiscal year to 136,896 million yen, due primarily to a decline of 1,794 million yen in machinery, vehicles, and tools; a decline of 1,170 million yen in negotiable securities; and a decline of 369 million yen in prepaid pension expenses.

Liabilities totaled 169,842 million yen, an increase of 4,059 million yen from the end of the previous consolidated fiscal year. This increase was due primarily to an increase of 12,272 million yen in short-term debts, offset by a decline of 5,472 million yen in trade payables, as well as by a decline of 2,282 million yen in other current liabilities due to various factors, including a decrease in other accounts payable.

Net assets totaled 122,909 million yen, a decrease of 324 million yen from the end of the previous consolidated fiscal year, due primarily to a decline of 638 million yen in retained earnings and 522 million yen in net unrealized holding gains on securities, offset by an increase of 247 million yen in deferred hedging gains/losses and an increase of 482 million yen in foreign currency translation adjustments.

(3) Qualitative information on consolidated business performance forecasts

Since business performance in the first quarter of this consolidated fiscal year proceeded largely within the framework of initial expectations, forecasts for cumulative performance through the second quarter of fiscal 2011 (ending March 2011) and for full-year performance in fiscal 2011 remain unchanged from forecasts announced in the Financial Report for Fiscal 2010 Ended March 31, 2010, released April 30, 2010.

2. Other information

(1) Summary of significant changes in key subsidiaries : Not applicable

(2) Summary of simplified accounting and special accounting

(i) Simplified accounting

Method for calculating deferred tax assets and deferred tax liabilities

Forecasts of future business performance and tax planning used in the previous consolidated fiscal year are used to assess the recoverability of deferred tax assets if no significant changes are deemed to have occurred in business or related conditions, or in the occurrence state of temporary differences since the end of the previous consolidated fiscal year. If significant changes are deemed to have taken place in business or related conditions, or in the occurrence state of temporary differences since the end of the previous consolidated fiscal year, forecasts of future business performance and tax planning used at the end of the previous consolidated fiscal year are applied after adjusting for the effects of such changes.

(ii) Special accounting

Calculation of provision for income taxes

The provision for income taxes is calculated based on reasonable estimates of the effective tax rate on net income before taxes for the consolidated fiscal year, including this first quarter, after the application of tax-effect accounting, and by multiplying this estimated effective tax rate by quarterly net income before taxes. The legal effective tax rate is used when the estimated effective tax rate cannot be applied. The amount of corporate taxes, etc. shown includes corporate tax adjustments.

(3) Summary of changes in accounting principles, procedures, methods of representation, etc.

Changes in accounting standards

(i) Application of Accounting Standards for Asset Retirement Obligations

The following standards have been applied starting with the first quarter of this consolidated fiscal year: "Accounting Standards for Asset Retirement Obligations" (ASBJ Statement No. 18; March 31, 2008) and "Guidance on Accounting Standards for Asset Retirement Obligations" (ASBJ Guidance No. 21; March 31, 2008).

This change has had no effect on profits or losses.

(ii) Application of Revised Accounting Standard for Equity Method of Accounting for Investments and Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method

The following standards have been applied starting with the first quarter of this consolidated fiscal year: “Revised Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16; as revised March 10, 2008) and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method” (ASBJ PITF No. 24; March 10, 2008).

This change has had no effect on profits or losses.

(iii) Application of Accounting Standard for Business Combinations, etc.

The following standards have been applied starting with the first quarter of this consolidated fiscal year: “Accounting Standard for Business Combinations” (ASBJ Statement No. 21; December 26, 2008), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22; December 26, 2008), “Partial amendments to Accounting Standard for Research and Development Costs” (ASBJ Statement No. 23; December 26, 2008), “Revised Accounting Standard for Business Divestiture” (ASBJ Statement No. 7; December 26, 2008), “Revised Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16; as revised December 26, 2008), and “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10; December 26, 2008).

3. Quarterly Consolidated financial statements

(1) Quarterly Consolidated Balance Sheet

(Units: million yen)

	End of 1st quarter of fiscal 2011 (Jun. 30, 2010)	End of fiscal 2010 (Mar. 31, 2010)
(Assets)		
Current assets		
Cash and cash equivalents	7,451	8,301
Trade receivables	85,749	84,562
Securities	145	176
Merchandise and products	11,808	11,661
In-process inventories	30,548	24,463
Raw materials and supplies	10,110	10,086
Deferred tax assets	542	524
Other	9,993	9,196
Allowance for doubtful accounts	-491	-478
Total current assets	155,855	148,491
Fixed assets		
Tangible fixed assets		
Buildings and structures	113,010	111,872
Cumulative depreciation	-70,106	-69,221
Buildings and structures (net)	42,904	42,651
Machinery, vehicles, and tools	280,671	279,245
Cumulative depreciation	-238,808	-235,588
Machinery, vehicles, and tools (net)	41,863	43,657
Land	9,815	9,803
Construction in progress	4,474	4,472
Total tangible fixed assets	99,056	100,583
Intangible fixed assets		
Goodwill	1,038	1,134
Other	8,639	8,975
Total intangible fixed assets	9,677	10,109
Investments and other assets		
Negotiable securities	19,249	20,419
Long-term loans	2,645	2,756
Prepaid pension expenses	963	1,332
Deferred tax assets	840	825
Other	6,840	6,991
Allowance for doubtful accounts	-2,374	-2,490
Total investments and other assets	28,163	29,833
Total fixed assets	136,896	140,525
Total assets	292,751	289,016

	End of 1st quarter of fiscal 2011 (Jun. 30, 2010)	End of fiscal 2010 (Mar. 31, 2010)
(Liabilities)		
Current liabilities		
Trade payables	55,498	60,970
Short-term debt	32,546	20,274
Corporate tax payable	651	916
Other	21,962	24,244
Total current liabilities	<u>110,657</u>	<u>106,404</u>
Fixed liabilities		
Company bonds	5,000	5,000
Long-term debt	23,500	23,500
Deferred tax liabilities	3,188	3,564
Retirement and severance benefits	25,077	24,635
Reserve for directors' retirement allowances	592	590
Liability due to application of equity method	1,182	1,301
Other	646	789
Total fixed liabilities	<u>59,185</u>	<u>59,379</u>
Total liabilities	<u>169,842</u>	<u>165,783</u>
(Net assets)		
Shareholders' equity		
Common stock	25,948	25,948
Capital surplus	31,518	31,518
Retained earnings	72,129	72,767
Treasury stock	-3,985	-3,984
Total shareholders' equity	<u>125,610</u>	<u>126,249</u>
Valuation and translation adjustments		
Net unrealized holding gains on securities	582	1,104
Deferred hedging gains/losses	239	-8
Foreign currency translation adjustments	-5,625	-6,107
Total valuation and translation adjustments	<u>-4,804</u>	<u>-5,011</u>
Minority investments	2,103	1,995
Total net assets	<u>122,909</u>	<u>123,233</u>
Total liabilities and net assets	<u>292,751</u>	<u>289,016</u>

(2) Quarterly Consolidated Statement of Profit and Loss

Consolidated cumulative first quarter

(Units: million yen)

	Consolidated cumulative 1st quarter of fiscal 2010 (Apr. 1, 2009 - Jun. 30, 2009)	Consolidated cumulative 1st quarter of fiscal 2011 (Apr. 1, 2010 - Jun. 30, 2010)
Net sales	79,871	100,268
Cost of sales	71,388	87,814
Total return on sales	8,483	12,454
Sales and general administrative expenses	12,183	12,343
Operating income (loss: -)	-3,700	111
Non-operating income		
Interest received	56	84
Dividends received	65	64
Investment income by equity method	908	207
Other non-operating income	634	538
Total non-operating income	1,663	893
Non-operating expenses		
Interest expenses	245	256
Other non-operating expenses	330	411
Total non-operating expenses	575	667
Ordinary income (loss: -)	-2,612	337
Extraordinary income		
Gains on sale of negotiable securities	—	107
Total extraordinary income	—	107
Extraordinary losses		
Impairment losses	20	—
Total extraordinary losses	20	—
Net income (loss: -) before taxes and other adjustments	-2,632	444
Corporate taxes, etc.	234	78
Quarterly net income before adjustment for minority interests	—	366
Gains (losses: -) to minority investors	-27	70
Net income (loss: -)	-2,839	296

(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 first quarter of fiscal 2010 (Apr. 1, 2009-Jun. 30, 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	37,957	13,755	27,675	484	79,871	—	79,871
(2) In-house sales or transfer between operating segments	1,123	1,358	593	2,821	5,895	(5,895)	—
Total	39,080	15,113	28,268	3,305	85,766	(5,895)	79,871
Operating income (loss: -)	-1,085	18	-2,759	124	-3,702	2	-3,700

(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 first quarter of fiscal 2010 (Apr. 1, 2009-Jun. 30, 2009)

(Million yen)

	Japan	Others	Total	Eliminated or companywide	Consolidated
Net sales					
(1) Sales to customers	66,653	13,218	79,871	—	79,871
(2) In-house sales or transfer between operating segments	5,619	986	6,605	(6,605)	—
Total	72,272	14,204	86,476	(6,605)	79,871
Operating loss	-2,306	-1,248	-3,554	(146)	-3,700

(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 first quarter of fiscal 2010 (Apr. 1, 2009-Jun. 30, 2009)

(Million yen)

	Asia	North America	Others	Total
I Overseas sales (Million yen)	11,317	6,832	1,459	19,608
II Consolidated sales (Million yen)				79,871
III Ratio of overseas sales in consolidated sales (%)	14.2	8.6	1.8	24.6

(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, 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.

【Segment Information】**(i) Summary of reporting segments**

Hitachi Cable's reporting segments are the structural units of the Company for which separate financial statements are available. These segments are subject to periodic review by the Board of Directors for the purpose of decisions related to the allocation of management resources and assessments of business performance.

Hitachi Cable has established business groups organized by product and service. Each business group drafts comprehensive domestic and international strategies for its products and services and deploys the relevant business activities. In addition, the group in charge of sales plays a key role in sales activities.

For this reason, Hitachi Cable is organized by product and service segments, based on business groups, in addition to a segment charged with primary responsibility for handling the sales of these products and services. The following five are the reporting segments: Electronic & Automotive Products; Information Systems; Semiconductor Materials & Packaging; Metal Materials & Component; and Sales Companies.

The areas of business in which the Electronic & Automotive Products segment is active include industrial cables and electric power cables, auto parts, fiber optics and telecommunication cables, electronic wires and wiring devices, and magnet wires. The areas of business in which the Information Systems segment is active include information networks and wireless systems. The Semiconductor Materials & Packaging segment handles business areas such as compound semiconductors and tape automated bonding (TAB) operations. The Metal Materials & Component segment handles business areas involving copper products and lead frames.

(ii) Net sales and income/loss per reporting segment

Consolidated cumulative first quarter of fiscal 2011 (Apr. 1, 2010-Jun. 30, 2010)

(Unit: million yen)

	Reporting segment						Adjustment amount (Note 2)	Amount booked to Quarterly Consolidated Statement of Profit and Loss (Note 3)
	Electronic & Automotive Products	Information Systems	Semi-conductor Materials & Packaging	Metal Materials & Component Products	Sales Companies	Total		
Net sales								
Net sales after offsetting (Note 1)	55,925	7,997	7,754	21,410	7,182	100,268	—	100,268
Net sales offsetting amount (Note 1)	27,740	598	1,581	4,439	32,089	66,447	-66,447	—
Total	83,665	8,595	9,335	25,849	39,271	166,715	-66,447	100,268
Segment income or loss (-)	254	-435	-489	322	342	-6	117	111

- (Note 1) The amount of net sales offset between companies subject to consolidation is removed from the buyer reporting segment, not the seller reporting segment. This means the figure for net sales after offsetting is the figure resulting after eliminating internal sales from total net sales.
- (Note 2) The amount of 117 million yen in adjustments to segment income or loss (-) reflects -96 million yen in amortization of goodwill, -299 million yen in elimination of transactions within and between segments, and 512 million yen in Company income/loss not allocated to any reporting segment.
- (Note 3) Segment income or loss is adjusted against operating income on the Quarterly Consolidated Statement of Profit and Loss.

Additional information

“Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17; March 27, 2009) and “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20; March 21, 2008) have been applied starting this first quarter for the consolidated settlement of accounts.

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