

# Financial Report for the Year Ended March 31, 2012

May 8, 2012

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.com>)

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Planned date of the Regular Shareholders Meeting: June 27, 2012

Planned date of beginning payment of dividends: —

Planned date of submittal of Financial Statement Report: June 27, 2012

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

Briefing held on settlement of accounts (Y/N): Y (For institutional investors, analysts, and members of the press)

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

## 1. Performance over the year under review (Apr. 1, 2011-Mar. 31, 2012)

### (1) Operating Results

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Mar./12	432,540	3.2	1,966	149.5	927	—	(22,758)	—
Mar./11	419,279	12.6	788	—	(1,765)	—	(12,993)	—

Note: Comprehensive income Mar./12 (22,877) million yen (—%) Mar./11 (15,217) million yen (—%)

	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./12	(62.35)	—	(24.6)	0.4	0.5
Mar./11	(35.65)	—	(11.5)	(0.6)	0.2

Note: (i) Investment income based on equity method Mar./12 (2,009) million yen Mar./11 (2,341) million yen

(ii) % indicates the rate of +/- compared with the previous fiscal year

### (2) Financial Standing

	Total Asset Million yen	Net Assets Million yen	Equity Ratio %	Net Assets per Share Yen
Mar./12	245,882	83,034	33.0	221.37
Mar./11	270,750	106,093	38.4	285.12

Note: Equity Mar./12 81,190 million yen Mar./11 103,895 million yen

### (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./12	7,365	(12,642)	5,600	11,875
Mar./11	14,322	(5,067)	(5,152)	11,399

## 2. Dividends

(Base date)	Dividends per Share			Total Dividends Annual	Dividend Payout Ratio Consolidated	Dividends on Net Assets Consolidated
	Sep. 30	Mar. 31	Annual			
Mar./11	Yen 2.50	Yen 0.00	Yen 2.50	Million yen 911	% —	% 0.8
Mar./12	0.00	0.00	0.00	0	—	—
Mar./13 (Forecast)	—	—	—		—	

Note: Forecasts of dividends for distribution at the year ending March 31, 2013 remain to be determined. Hitachi Cable plans to announce this forecast when disclosure becomes possible.

## 3. Business results forecast for the year ending March 31, 2013 (Apr.1, 2012-Mar.31, 2013)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share Yen
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	
Sep./12	185,000	(12.1)	4,000	195.0	4,000	—	1,800	—	4.93
Mar./13	380,000	(12.1)	12,000	510.3	12,000	—	6,000	—	16.44

Note: % indicates the rate of +/- compared with the previous fiscal year

## 4. Other Notes

- (1) Significant changes in key subsidiaries during this fiscal year (changes in designated subsidiaries resulting from changes in the scope of consolidation):(Y/N):N
- (2) Changes in accounting policies; changes in revisions or restatement of accounting estimates
  - (i) Changes in accounting policies resulting from changes to accounting standards etc. (Y/N):N
  - (ii) Changes in accounting policies other than those noted under "(i)" above (Y/N):N
  - (iii) Changes in accounting estimates (Y/N):N
  - (iv) Revisions or restatement (Y/N):N
- (3) Number of shares outstanding (Common)
  - (i) Number of shares outstanding at the end of period  
(Including treasury stock)
 

Mar./12	374,018,174	Mar./11	374,018,174
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  - (ii) Number of treasury stock at the end of period
 

Mar./12	7,264,918	Mar./11	9,623,520
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  - (iii) Number of average shares during this fiscal year
 

Mar./12	365,003,972	Mar./11	364,409,196
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Note: See "(8)Notes on consolidated financial statements:(Per-Share information)" under "4.Consolidated Financial Statements on page 22 of the appendix 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, 2011-Mar. 31, 2012)

#### (1) Operating Results

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Mar./12	244,650	(5.4)	(4,728)	—	(1,727)	—	(22,789)	—
Mar./11	258,718	7.0	(4,974)	—	(2,682)	—	(11,497)	—

	Net income per Share Yen	Diluted Net Income per Share Yen
Mar./12	(62.43)	—
Mar./11	(31.55)	—

Note: % indicates the rate of +/- compared with the previous fiscal year

## (2) Financial standing

	Total Asset Million yen	Net Assets Million yen	Equity Ratio %	Net Assets per Share Yen
Mar./12	191,151	74,233	38.8	202.38
Mar./11	214,937	97,225	45.2	266.78

Reference: Equity Mar./12 74,233 million yen Mar./11 97,225 million yen

### \* Statement on implementation of audit procedures

At the time of the release of this Financial Report, procedures were underway for audits of financial statements pursuant to Japan's Financial Instruments and Exchange Act.

### \* 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. The Company provides no guarantees regarding such statements. Due to various factors, actual business performance and other results may vary significantly from these forecasts. See "(1) Analysis of business performance" under "1. Business performance" on page 2 of the appendix concerning the content of the assumptions used in forecasting business performance, cautions concerning the use of forecasts of business performance, and related matters.

This document is an English translation of a document prepared in Japanese. In the event of any discrepancies between the content of the Japanese and English documents, the content of the Japanese document shall take precedence.

**【Appendix】**

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## 1. Business performance

### (1) Analysis of business performance

#### (i) Performance during this consolidated fiscal year

The global economy maintained a course of gentle recovery during the first half of this consolidated fiscal year, supported primarily by emerging markets. Following the summer, various factors emerged to slow the global economy in the second half of the fiscal year. These included slow export growth in emerging markets and damage inflicted by September flooding in Thailand, as well as tumult in international financial and capital markets and growing credit uncertainty against the backdrop of European fiscal issues. Through the cumulative second quarter of this consolidated fiscal year (April–September 2011), the Japanese economy experienced steady improvement following the massive downturn accompanying the Great East Japan Earthquake of March 2011. From the third quarter (October–December 2011) through the end of the fiscal year, it remained stagnant due to the effects of the global economic slowdown and the historic strength of the yen.

Amid such conditions, net sales for the Hitachi Cable Group during this consolidated fiscal year were 432,540 million yen (vs. 419,279 million yen for the previous consolidated fiscal year); operating income was 1,966 million yen (vs. operating income of 788 million yen for the previous consolidated fiscal year); ordinary income was 927 million yen (vs. an ordinary loss of 1,765 million yen for the previous consolidated fiscal year); and net loss was 22,758 million yen (vs. a net loss of 12,993 million yen for the previous consolidated fiscal year). During this consolidated fiscal year, the Group also standardized the fiscal years of companies subject to consolidation. This standardization means all such companies will now undertake a settlement of accounts at the end of March. See “(6) Changes of notes on bases for the preparation of these consolidated financial statements: Fiscal years of consolidated subsidiaries and other matters” under “4. Consolidated Financial Statements” on page 18 of the Appendix for detailed accounts of various matters, including the consolidated subsidiaries that revised their fiscal years and the effects of this standardization on business performance.

A review of the business conditions in which the Group operates shows that while demand for Group products and services fell dramatically in the fourth quarter of the previous consolidated fiscal year (January–March 2011) due to the effects of the Great East Japan Earthquake, the first quarter of this consolidated fiscal year (April–June 2011) saw a rebound from post-quake supply-chain disruptions and growing recovery-related demand in affected areas. Additionally, the fourth quarter of this consolidated fiscal year (January–March 2012) saw the slow emergence of demand related to earthquake restoration, and increased demand for some infrastructure-related products. However, due to a rapid drop in global demand, the performance of electronics- and semiconductor-related products proved sluggish from the second quarter of this consolidated fiscal year (July–September 2011). As a result, despite increases attributable to fiscal year standardization, net sales in this consolidated fiscal year grew from the previous consolidated fiscal year by no more than 13,261 million yen.

Factors affecting operating income included the effects of declining sales of electronics- and semiconductor-related products, downward pressure resulting from the strong yen, and a decrease resulting from booking of an allowance for doubtful accounts as Elpida Memory, Inc. began corporate reorganization proceedings. However, thanks to the cost-cutting effects of structural reforms, cuts in fixed costs, and other efforts, operating income rose by 1,178 million yen from the previous consolidated fiscal year. Ordinary income also grew, increasing 2,692 million yen from the previous consolidated fiscal year due to increased insurance income and a decrease in losses from equity-method investments.

The Hitachi Cable Group is also seeking to strengthen its business foundations through structural reforms under its Renewed Plan “BRIDGE” medium-term management plan. Various charges for impairment losses and restructuring costs were booked as extraordinary losses resulting from the implementation of these plans. Accordingly, the net base of extraordinary losses were 22,066 million yen. As a result, net loss increased 9,765 million yen from the previous consolidated fiscal year.

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.

Starting this consolidated fiscal year, in line with the reorganization effective April 1, 2011, the Hitachi Cable Group has made changes in its reporting segments. For more information, see “(8) Notes on consolidated financial statements: (Segment Information)” under “4. Consolidated Financial Statements” on page 19 of the appendix.

### **Industrial Infrastructure Products**

Net sales in this segment totaled 91,372 million yen (vs. net sales of 86,069 million yen for the previous consolidated fiscal year); operating losses totaled 208 million yen (vs. operating losses of 1,077 million yen for the previous consolidated fiscal year).

Due to fiscal year standardization at overseas consolidated subsidiaries, net sales in this segment increased by 1,506 million yen. Operating losses fell by 69 million yen.

While the earthquake suppressed net sales in the Industrial Systems Products and Power & Energy businesses in the fourth quarter of the previous consolidated fiscal year, net sales grew significantly in the first quarter of this consolidated fiscal year, bolstered by recovery-related demand and a rebound from supply-chain disruptions following the earthquake. Although orders received for construction wires and cables fell temporarily due to pricing changes, increases driven by year-end demand and other factors helped boost net sales for the full fiscal year beyond figures for the previous consolidated fiscal year. In the Optical Communication Products, net sales in the second and third quarters of this consolidated fiscal year slowed slightly in response to a spike in demand related to earthquake recovery efforts in the first quarter. However, inventory adjustments reached their end in the fourth quarter, while the effects of restoration-related demand began to emerge. Due to these factors, net sales for the entire fiscal year exceeded net sales for the previous consolidated fiscal year.

### **Electronic & Automotive Products**

Net sales in this segment totaled 164,340 million yen (vs. net sales of 147,524 million yen for the previous consolidated fiscal year); operating income totaled 2,405 million yen (vs. operating income of 3,039 million yen for the previous consolidated fiscal year). Due to fiscal year standardization at overseas consolidated subsidiaries, net sales in this segment increased by 15,075 million yen. Operating income increased by 403 million yen.

For the Automotive Components, production by automakers halted by the earthquake began to recover during the second quarter of this consolidated fiscal year. As demand has since remained strong, net sales exceeded the figure for the previous consolidated fiscal year. In the Electronic Products, despite continuing sluggishness in markets for products used in solar cells and a global slowing in electronics and semiconductor markets starting in the second quarter of this consolidated fiscal year, net sales surpassed net sales for the previous consolidated fiscal year. One contributing factor was the standardization of the fiscal years of overseas consolidated subsidiaries. A manufacturing subsidiary in Thailand sustained indirect damage from the September 2011 flooding, affecting the Magnet Wire Products business. Additionally, demand declined for heavy electrical machinery. However, demand in automotive electronics rose alongside strong automotive demand beginning in the second half of the consolidated fiscal year. Net sales in the Magnet Wire Products as a whole exceeded those of the previous consolidated fiscal year.

### **Information Systems Devices & Materials**

Net sales in this segment totaled 48,048 million yen (vs. net sales of 52,621 million yen for the previous consolidated fiscal year); operating income totaled 530 million yen (vs. operating income of 795 million yen for the previous consolidated fiscal year). Due to fiscal year standardization at overseas consolidated subsidiaries, net sales in this segment increased by 158 million yen. Operating income fell by 20 million yen.

Net sales by product in the Information Networks grew from the previous consolidated fiscal year, driven by growth in sales of network devices, which in turn were driven by smartphone proliferation, growing volumes of data communications, and growing demand generated by capital investments on the part of mobile phone carriers. The network integration business also saw strong sales. Sales of wireless systems fell significantly from the previous consolidated fiscal year, with demand for mobile phone base stations remaining low during an off-peak period extending through the cumulative third quarter of this consolidated fiscal year (April–December 2011), despite gradual demand recovery in the fourth quarter (January–March 2012). Sales of compound semiconductor products declined significantly from the previous consolidated fiscal year due to various factors, including a slowdown in electronics markets and competition from other materials, which led to slower sales for use in optical devices and sales for use in high-frequency devices, respectively.

### **Metal Materials & Component Products**

Net sales in this segment totaled 86,587 million yen (vs. net sales of 97,219 million yen for the previous consolidated fiscal year); operating losses totaled 2,123 million yen (vs. operating losses of 3,208 million yen for the previous consolidated fiscal year). Due to fiscal year standardization at overseas consolidated subsidiaries, net sales in this segment increased by 981 million yen. Operating losses increased by 73 million yen.

Net sales of copper strips fell from the previous consolidated fiscal year, with a persistent decline in demand beginning in the second quarter of this consolidated fiscal year for products designed for electronics and semiconductor markets. The decline in demand for products for electronics and semiconductor markets also led to slow sales of lead frames, but sales of lead frames nevertheless surpassed figures for the previous consolidated fiscal year, due to fiscal year standardization at overseas consolidated subsidiaries. Sales of copper products and finished products for electrical use were strong, due to increased demand for copper products for electrical use generated by post-earthquake recovery efforts and shipments of superconducting wire for an international project. Nevertheless, poor prospects for future profitability prompted Hitachi Cable to withdraw from the copper tube business in Japan effective March 31, 2012. For this reason, overall sales of copper products fell from the previous consolidated fiscal year. Sales of package materials fell for both

memory and special-purpose applications. In addition, during the first quarter of this consolidated fiscal year, Hitachi Cable completed its withdrawal from the unprofitable chip-on-film (COF) business for LCD use. While this dramatically reduced net sales of package materials from the previous consolidated fiscal year, actual profitability improved.

### Sales Companies

Net sales in this segment totaled 42,193 million yen (vs. net sales of 35,846 million yen for the previous consolidated fiscal year); operating income totaled 2,127 million yen (vs. operating income of 1,857 million yen for the previous consolidated fiscal year). Due to fiscal year standardization at overseas consolidated subsidiaries, net sales in this segment increased by 4,867 million yen. Operating income increased by 206 million yen.

#### (ii) Projections for the following consolidated fiscal year

In the near term, current conditions do not inspire an optimistic outlook for the global economy. Despite signs of economic recovery in the United States and expectations of growth (albeit slower) in China and other emerging markets, concerns remain regarding various risks, including the potential for reignited fiscal crisis in Europe and consequent harm to emerging markets. Conditions in the Japanese economy remain difficult to predict. Foreseeable risks include the risk of rising oil prices, electric power shortages, and further strengthening of the yen, in addition to persisting sluggishness in the domestic economy.

Given this business environment, the Hitachi Cable Group has proceeded to implement various measures intended to strengthen its business foundations and to enhance global business under the Medium-term Management Plan Renewed Plan "BRIDGE." The Hitachi Cable Group projects lower net sales for the next consolidated fiscal year, falling from 432,540 million yen this consolidated fiscal year to 380 billion yen, due to efforts to move forward with the selection and concentration of businesses. However, due to structural reforms and reductions in fixed costs, the Group projects significant profit gains from this consolidated fiscal year in both operating income (projected to rise to 12 billion yen vs. operating income of 1,966 million yen for this consolidated fiscal year) and ordinary income (projected to rise to 12 billion yen vs. ordinary income of 927 million yen). With extraordinary losses expected to decrease, net income is projected to be in the black (i.e., 6 billion yen, compared to a net loss of 22,758 million yen this consolidated fiscal year) for the first time since the year ended March 31, 2008.

Based on the structural reforms implemented under the Medium-term Management Plan Renewed Plan "BRIDGE," the internal organization will undergo restructuring beginning in the year ending March 31, 2013. This effort will involve the transfer of five consolidated subsidiaries across segments, effectively reorganizing the Group's reporting segments. For detailed information on this reorganization, please refer to "Explanatory Material for the Financial Report for the Year Ended March 31, 2012," released May 8, 2012.

Outlined below are forecasts of market trends and business performance for each reporting segment following the reorganization. The net sales figures given for each segment represent net sales after offsetting. (Note that figures for net sales by new reporting segment for this consolidated fiscal year have not been audited by the account auditor.)

Note: Forecasts of business performance for the next consolidated fiscal year assume an average standard quoted copper price of 700,000 yen per ton and an exchange rate of 80 yen to the dollar. (For this consolidated fiscal year, the average standard quoted copper price was 718,000 yen per ton, while the exchange rate was 79 yen to the dollar.)

### Industrial Infrastructure Products

Net sales in this segment are forecast to be 74 billion yen, a figure below the figure for this consolidated fiscal year.

Sales in the Power and Industrial Systems\* are projected to decline from this consolidated fiscal year due to various factors, including sluggish demand for wires for electronics production equipment. This is despite expectations of gradual growth in demand generated by earthquake restoration projects and energy-related demand. In the Optical Communication Products, due to strong sales of metal communications cables thanks to post-earthquake restoration demand, overall sales are projected to increase from this consolidated fiscal year, despite poor performance in fiber optic cables stemming from intensifying price competition.

\* Starting with the next consolidated fiscal year, the Industrial Systems Products and Power & Energy businesses will be renamed the Power and Industrial Systems.

### Electronic & Automotive Products

Net sales in this segment are forecast to be 156 billion yen, below the figure for this consolidated fiscal year, due to fiscal year standardization at overseas consolidated subsidiaries during the current fiscal year.

Net sales in the Automotive Components are projected to surpass the figure for this consolidated fiscal year if the effects of fiscal year standardization at overseas consolidated subsidiaries are not considered. This is due to projected growth in automotive demand, chiefly in sales to emerging markets. In the Electronic Products, continuing slow demand for products targeting the electronics and semiconductor markets is expected to drag net sales below figures for this consolidated fiscal year. In the Magnet Wire Products, rising automotive demand is expected to drive sales growth in the area of automotive electronics. Sales for general and industrial applications are also projected to recover starting this summer, chiefly to Southeast Asian markets. The slowdown in the heavy electrical machinery field is expected to persist. Overall, production in the Magnet Wire Products business is projected to decline from this consolidated fiscal year. Nevertheless, if the effects of fiscal year standardization at overseas consolidated subsidiaries and fluctuating copper prices are put aside for this consolidated fiscal year, performance is projected to remain largely unchanged from this consolidated fiscal year.

### **Information Systems Devices & Materials**

Net sales in this segment are forecast to be 48 billion yen, a figure largely unchanged from the figure for this consolidated fiscal year.

Net sales in the Information Networks are projected to grow from this consolidated fiscal year, with continuing strong demand for sales to mobile phone carriers and expectations of strong performance in the network integration business. Sales in the Wireless Systems are projected to increase from this consolidated fiscal year, with new demand generated by sales to mobile phone carriers in response to new licensing in the so-called platinum frequency band. Various factors are expected to result in lower sales of compound semiconductor products than during this consolidated fiscal year. These factors include slower sales both for use in optical devices and for use in high-frequency devices, prompted by a persistent slowdown in electronics markets and competition from other materials, respectively.

### **Metal Materials & Component Products**

Net sales in this segment are forecast to be 66 billion yen, a figure below the figure for this consolidated fiscal year.

Net sales of copper strips are projected to increase from this consolidated fiscal year, with growth anticipated for sales for vehicular applications and strong sales expected for copper foil. Strong sales are expected for finished products for electrical use in the area of copper products, due to demand for copper products for electrical use generated by post-earthquake restoration efforts and planned shipments of superconducting wire for an international project. Hitachi Cable completed its withdrawal from the copper tube business in Japan effective March 31, 2012. As a result, overall sales of copper products will be lower than the figure for this consolidated fiscal year. Although sales of lead frames are projected to decline from this consolidated fiscal year due to progress in consolidating overseas manufacturing companies, profits are projected to improve. Sales of package materials are projected to decline significantly from this consolidated fiscal year, with harsh conditions persisting for memory and special-purpose applications. The Group will seek to improve profitability in this area through structural reforms.

### **Sales Companies & Distribution\***

Net sales in this segment are forecast to be 36 billion yen, a figure below the figure for this consolidated fiscal year.

\* Starting with the next consolidated fiscal year, the Sales Companies segment will be renamed the Sales Companies & Distribution segment.

## **(2) Analysis of financial conditions**

### **(i) Assets, liabilities, and net assets**

Total assets at the end of this consolidated fiscal year were 245,882 million yen, a decline of 24,868 million yen from the end of the previous consolidated fiscal year. This figure includes current assets, which declined by 1,303 million yen from the end of previous consolidated fiscal year to 154,144 million yen, primarily due to increase of 3,279 million yen in trade receivables and increase of 3,054 million yen in other current assets. On the other hand however, due to decline of 7,745 million yen in inventories (inventories representing the total of merchandise and products, in-process inventory, raw materials, and supplies). Fixed assets declined by 23,565 million yen from the end of the previous consolidated fiscal year to 91,738 million yen. This was due mainly to factors including the booking of impairment losses associated with structural reforms. Causes included a decline of 7,768 million yen in buildings and structures, 7,146 million yen in machinery, vehicles and tools, and 2,394 million yen in other intangible fixed assets, as well as a decline of 5,088 million yen in negotiable securities.

Liabilities totaled 162,848 million yen, a decline of 1,809 million yen from the end of the previous consolidated fiscal year. This was due mainly to a decline of 7,472 million yen in retirement and severance benefits following the transfer of part of the retirement allowance system to a defined contribution pension plan and the establishment of an early retirement system. Long-term debt grew by 5,500 million yen.

Net assets totaled 83,034 million yen, a decline of 23,059 million yen from the end of the previous consolidated fiscal

year, primarily due to declines of 23,309 million yen in retained earnings.

(ii) Conditions of cash flow

Cash and cash equivalents at the end of this consolidated fiscal year totaled 11,875 million yen, up 476 million yen from the end of the previous consolidated fiscal year. Described below are the conditions of each type of cash flow at the end of this consolidated fiscal year and the primary factors affecting each.

(Cash flow from operating activities)

Cash flow from operations totaled 7,365 million yen, as these earnings declined by 6,957 million yen from the previous consolidated fiscal year. This was due mainly to a decline of 7,472 million yen in retirement and severance benefits following the establishment of an early retirement system and the implementation of a defined contribution pension plan associated with structure reforms. In addition, this was due to factors including a decrease of 5,059 million yen in reserves for losses due to disasters following expenditures for recovery from the Great East Japan Earthquake and a gain of 4,083 million yen due to cuts in operating capital, such as inventory assets.

(Cash flow from investing activities)

Cash flow used in investments totaled 12,642 million yen, as these expenditures increased by 7,575 million yen from the previous consolidated fiscal year. This result including expenditures for purchases of tangible and intangible fixed assets were 12,136 million yen. In consequence of capital investments increased in overseas subsidiaries.

(Cash flow from finance activities)

Cash flow from finance activities totaled 5,600 million yen; these earnings increased by 10,752 million yen from the previous consolidated fiscal year. Due to increase of 5,500 million yen in long-term debt.

Trends in cash flow indicators (Reference)

	Mar./08	Mar./09	Mar./10	Mar./11	Mar./12
Equity ratio	53.3	46.7	41.9	38.4	33.0
Equity ratio at market value	36.4	24.8	35.2	28.8	34.9
Interest-bearing liabilities/cash flow	1.0	1.2	3.4	3.1	6.8
Interest coverage ratio	24.3	23.6	14.9	14.5	7.3

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

(Note1) Each indicator has been calculated using figures from consolidated-basis financial statements.

(Note2) 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.

(Note3) For cash flow from operations, the value of cash flow from operating activities on the Consolidated Cash Flow Statement has been used.

(Note4) 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 current and subsequent fiscal periods

Hitachi Cable distributes appropriate dividends following comprehensive assessments of issues such as business performance, enhancements in management structures, and future business strategies.

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

Dividends for the year ended March 31, 2012, based on a comprehensive consideration of various factors, including the business environment in which the Group operates, underlying business performance, and future business strategies, Hitachi Cable decided not to pay at the end of the second quarter of the fiscal year ended March 2012. And also we aren't going to pay as for the yearend dividends.

Plans call for dividends for the year ended March 31, 2012 to be determined at the Board of Directors meeting to be held on May 30, 2012.

Forecasts of dividends for distribution at the year ending March 31, 2013 remain to be determined. Hitachi Cable plans to announce this forecast when disclosure becomes possible.

## 2. Status of the group of companies

The Hitachi Cable Group consists of the company submitting this report (“Hitachi Cable”), one parent company, 42 consolidated subsidiaries, one non-consolidated subsidiary, and 16 affiliates. These entities are engaged in businesses related to industrial infrastructure products, electronic & automotive products, information systems devices & materials and metal materials & component products, including sales of products and services within these areas.

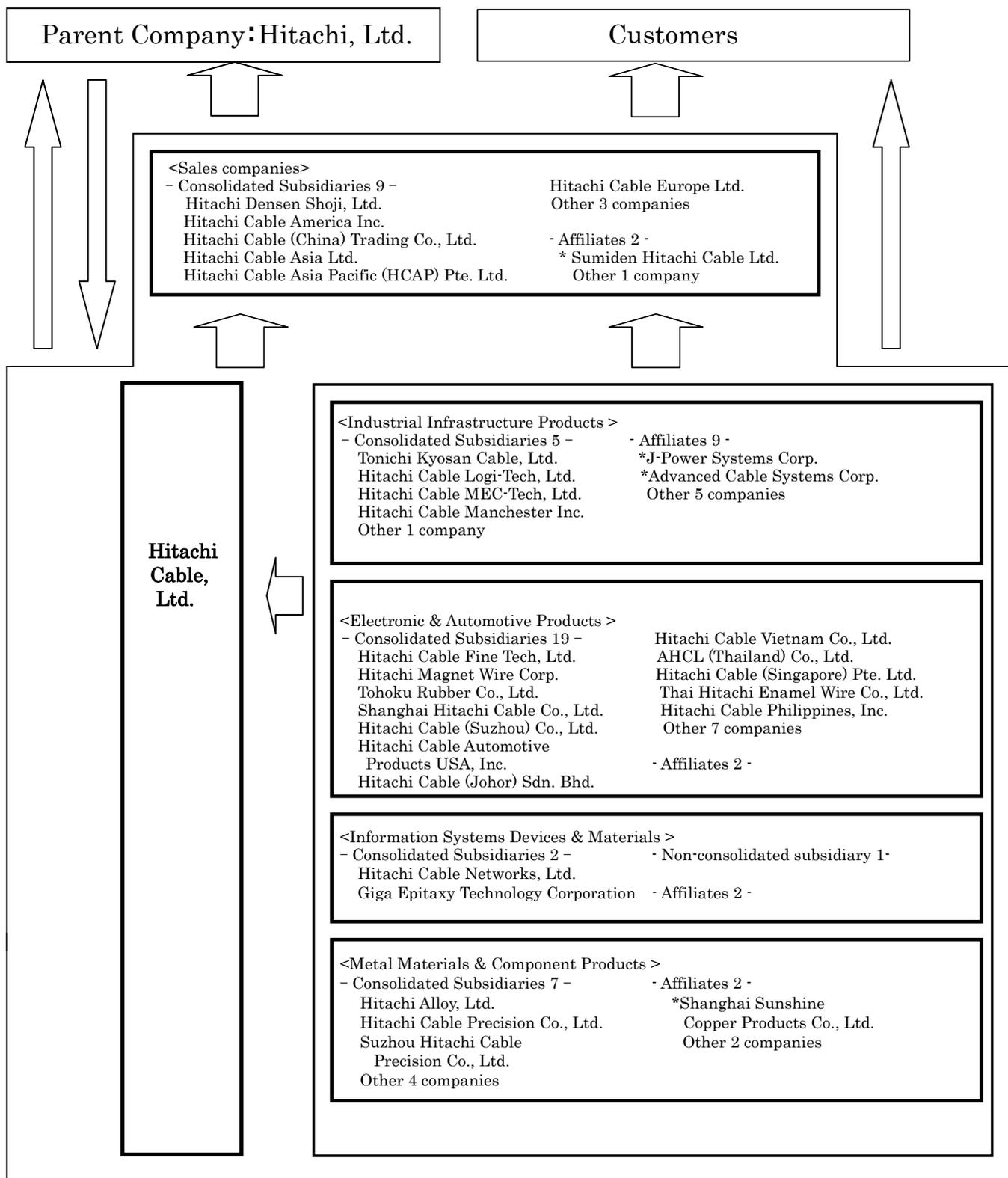
Provided below are details of the Hitachi Cable Group’s businesses and the positioning of Hitachi Cable and its affiliates in connection to these businesses.

Reporting segments	Main businesses	Main affiliates
Industrial Infrastructure Products	Manufacture and sale of industrial systems products and power & energy businesses, optical communication products etc.	Hitachi Cable, Ltd. [Domestic consolidated subsidiaries] Tonichi Kyosan Cable, Ltd. Hitachi Cable Logi-Tech, Ltd. Hitachi Cable MEC-Tech, Ltd. [Overseas consolidated subsidiaries] Hitachi Cable Manchester Inc. [Affiliates] J-Power Systems Corp. Advanced Cable Systems Corp.
Electronic & Automotive Products	Manufacture and sale of automotive components, electronic products and magnet wire products, etc.	Hitachi Cable, Ltd. [Domestic consolidated subsidiaries] Hitachi Cable Fine Tech, Ltd. Hitachi Magnet Wire Corp. Tohoku Rubber Co., Ltd. [Overseas consolidated subsidiaries] Shanghai Hitachi Cable Co., Ltd. Hitachi Cable (Suzhou) Co., Ltd. Hitachi Cable Automotive Products USA, Inc. Hitachi Cable (Johor) Sdn. Bhd. Hitachi Cable Vietnam Co., Ltd. AHCL (Thailand) Co., Ltd. Hitachi Cable (Singapore) Pte. Ltd. Thai Hitachi Enamel Wire Co., Ltd. Hitachi Cable Philippines, Inc.
Information Systems Devices & Materials	Manufacture and sale of information networks, wireless systems and compound semiconductor products, etc.	Hitachi Cable, Ltd. Hitachi Cable Networks, Ltd. [Overseas consolidated subsidiaries] Giga Epitaxy Technology Corporation
Metal Materials & Component Products	Manufacture and sale of copper strips, copper products, lead frames and package materials, etc.	Hitachi Cable, Ltd. [Domestic consolidated subsidiaries] Hitachi Alloy, Ltd. Hitachi Cable Precision Co., Ltd. [Overseas consolidated subsidiaries] Suzhou Hitachi Cable Precision Co., Ltd. [Affiliates] Shanghai Sunshine Copper Products Co., Ltd.
Sales Companies	Sale and services of the above products	[Domestic consolidated subsidiaries] Hitachi Densen Shoji, Ltd. [Overseas consolidated subsidiaries] Hitachi Cable America Inc. Hitachi Cable (China) Trading Co., Ltd. Hitachi Cable Asia Ltd. Hitachi Cable Asia Pacific (HCAP) Pte. Ltd. Hitachi Cable Europe Ltd. [Affiliates] Sumiden Hitachi Cable Ltd.

Hitachi Cable’s parent company is Hitachi, Ltd. Hitachi Cable and certain Hitachi Cable subsidiaries and affiliates engage in transactions with Hitachi, Ltd., including product transactions.

The following diagram summarizes these business relationships:

**Business Map**



(Note) In the diagram above, arrows indicate the flow of products and services, while asterisks (\*) indicate companies to which the equity method is applied.

### 3. Management policies

#### (1) Fundamental Company management policies

Under its corporate vision—expressed in the phrase Empowering Energy & Communication—the Hitachi Cable Group seeks to serve as a leading industry figure recognized worldwide and as a company in which all employees can take pride, based on contributions to society through products and services that meet diversifying and accelerating needs in the areas of energy and communications.

#### (2) Medium- to long-range company management strategies and issues to be addressed

In September 2011, the Hitachi Cable Group revised its Plan “BRIDGE.” Medium-term Management Plan (covering for the year ended March 31, 2012 through for the year ending March 31, 2013) to formulate a Medium-term Management Plan Renewed Plan “BRIDGE,” that adds several new management initiatives. In the year ending March 31, 2013, the final year of the Medium-term Management Plan, the Group will implement the following measures to restore the Group’s status as a highly profitable enterprise and to reshape it into a truly global business.

#### (i) Priority measures of medium-term management plan renewed Plan “BRIDGE”

##### A. Business structure reforms and reinforcement of management foundations

- Carrying through the “selection and concentration” of businesses
- Execution of measures for fixed cost reduction
- Enhancement of product competitiveness

##### B. Implementation of global growth strategies

- Concentration of management resources on social infrastructure
- Drastic reforms in overseas business

#### (ii) Business Strategies and Priority Measures for the year ending March 31, 2013

##### A. Restructuring the Business Portfolio

The Group will select businesses based on growth potential and profitability and implement measures to expand, promote efficiency improvements, and rescale or downsize, based on the positioning of each business.

##### B. Focus on Social Infrastructure Businesses

Hitachi Cable Group seeking to focus on three priority target areas, that are industrial infrastructures, electrical power infrastructures and next-generation energy and information and telecommunications infrastructures.

##### C. Drastic reforms in overseas business operations

The Group will seek to expand net sales overseas through measures that strengthen sales expansion to non-Japanese customers in emerging markets.

##### D. Enhancement of Product Competitiveness

The Group will also strengthen cost competitiveness by cutting materials costs to achieve levels of cash outflow that enable success in global competition. In R&D, Hitachi Cable will concentrate on research topics that offer prospects of product development, working to swiftly commercialize new products and technologies, while drawing on the resources of the Hitachi Group to maintain fundamental research efforts that strengthen R&D in ways leading to medium- and long-term growth.

#### (iii) Compliance and CSR management

The Hitachi Cable Group sets forth its basic philosophy in the Hitachi Cable Group Fundamental Credo and sets specific norms in the Hitachi Cable Group Code of Conduct. Based on this basic philosophy, the Hitachi Cable Group’s Corporate Vision calls for keeping to the Straight and Narrow—to engage in all of its activities in good faith and in harmony with the global community. In accordance with this Code, the Group will advance various efforts, including environmental protection, ensuring quality and safety, increasing the diversity of its human resources, ensuring respect for human rights, and enhancing information security, as well as full compliance with laws, regulations, and business ethics. To strengthen the fairness and transparency of these business activities, the Group will aggressively pursue improvements in its systems of internal controls as a key management goal, while seeking to engage in activities that contribute to society at all times.

#### 4. Consolidated Financial Statements

##### (1) Consolidated Balance Sheet

(Units: million yen)

	End of previous consolidated fiscal year (March 31, 2011)	End of this consolidated fiscal year (March 31, 2012)
(Assets)		
Current assets		
Cash and cash equivalents	11,689	12,013
Trade receivables	81,669	84,948
Securities	144	84
Merchandise and products	10,900	12,134
In-process inventories	27,608	22,679
Raw materials and supplies	13,880	9,830
Deferred tax assets	521	560
Other	9,226	12,280
Allowance for doubtful accounts	(190)	(384)
Total current assets	155,447	154,144
Fixed assets		
Tangible fixed assets		
Buildings and structures	109,207	103,738
Cumulative depreciation	(71,526)	(73,825)
Buildings and structures (net)	37,681	29,913
Machinery, vehicles, and tools	273,428	259,948
Cumulative depreciation	(240,211)	(233,877)
Machinery, vehicles, and tools (net)	33,217	26,071
Land	9,712	8,571
Construction in progress	1,353	2,402
Total tangible fixed assets	81,963	66,957
Intangible fixed assets		
Goodwill	526	265
Other	8,044	5,650
Total intangible fixed assets	8,570	5,915
Investments and other assets		
Negotiable securities	17,175	12,087
Long-term loans	2,726	2,660
Deferred tax assets	1,055	747
Other	6,306	6,426
Allowance for doubtful accounts	(2,492)	(3,054)
Total investments and other assets	24,770	18,866
Total fixed assets	115,303	91,738
Total assets	270,750	245,882

	End of previous consolidated fiscal year (March 31, 2011)	End of this consolidated fiscal year (March 31, 2012)
(Liabilities)		
Current liabilities		
Trade payables	59,047	58,235
Short-term debt	15,393	16,176
Corporate tax payable	1,009	900
Expenses payable	14,049	13,720
Reserves for losses due to disasters	5,140	81
Provision for surcharge	—	1,504
Other	9,268	12,806
Total current liabilities	103,906	103,422
Fixed liabilities		
Company bonds	5,000	5,000
Long-term debt	23,500	29,000
Deferred tax liabilities	2,541	1,935
Retirement and severance benefits	26,669	19,197
Reserves for directors' retirement allowances	635	358
Liability due to application of equity method	1,924	1,011
Other	482	2,925
Total fixed liabilities	60,751	59,426
Total liabilities	164,657	162,848
(Net assets)		
Shareholders' equity		
Common stock	25,948	25,948
Capital surplus	31,518	31,518
Retained earnings	57,931	34,622
Treasury stock	(3,989)	(3,008)
Total shareholders' equity	111,408	89,080
Accumulated other comprehensive income		
Net unrealized holding gains on securities	684	198
Deferred hedging gains/losses	237	(374)
Foreign currency translation adjustments	(8,434)	(7,714)
Total accumulated other comprehensive income	(7,513)	(7,890)
Minority investments	2,198	1,844
Total net assets	106,093	83,034
Total liabilities and net assets	270,750	245,882

(2) Consolidated Statement of Profit and Loss and Statement of consolidated comprehensive income  
(Consolidated Statement of Profit and Loss)

	(Units: million yen)	
	Previous consolidated fiscal year (Apr.1, 2010- Mar.31, 2011)	This consolidated fiscal year (Apr.1, 2011- Mar.31, 2012)
Net sales	419,279	432,540
Cost of sales	370,019	381,398
Total return on sales	49,260	51,142
Sales and general administrative expenses	48,472	49,176
Operating income	788	1,966
Non-operating income		
Interest received	104	115
Dividends received	140	196
Insurance income	51	771
Gain on sale of goods	450	445
Income from lease of fixed assets	335	428
Exchange income	—	380
Other non-operating income	1,164	1,352
Total non-operating income	2,244	3,687
Non-operating expenses		
Interest expense	988	1,014
Investment loss by equity method	2,341	2,009
Other non-operating expenses	1,468	1,703
Total non-operating expenses	4,797	4,726
Ordinary income (loss)	(1,765)	927
Extraordinary income		
Amount of reversal of reserves for losses due to disasters	—	1,671
Gains on sale of fixed assets	387	1,221
Other extraordinary income	547	466
Total extraordinary income	934	3,358
Extraordinary losses		
Impairment losses	4,215	12,715
Restructuring costs	954	8,300
Losses due to disasters	5,925	1,430
Transfer to provision for surcharge	—	1,504
Other extraordinary losses	514	1,475
Total extraordinary losses	11,608	25,424
Net loss before taxes and other adjustments	(12,439)	(21,139)
Corporate, residence, and enterprise taxes	1,134	1,255
Corporate tax adjustments	(908)	99
Total corporate taxes, etc.	226	1,354
Net loss before minority interests	(12,665)	(22,493)
Gains to minority investors	328	265
Net loss	(12,993)	(22,758)

## (Statement of consolidated comprehensive income)

	(Units: million yen)	
	Previous consolidated fiscal year (Apr. 1, 2010- Mar.31, 2011)	This consolidated fiscal year (Apr. 1, 2011- Mar.31, 2012)
Net loss before minority interests	(12,665)	(22,493)
Other comprehensive income		
Net unrealized holding gains on securities	(425)	(494)
Deferred hedging gains/losses	266	(135)
Foreign currency translation adjustments	(2,053)	829
Equity in equity-method affiliates	(340)	(584)
Total other comprehensive income	(2,552)	(384)
Comprehensive income	(15,217)	(22,877)
(Items)		
Comprehensive income attributable to owners of the parent	(15,495)	(23,135)
Comprehensive income attributable to minority interests	278	258

## (3) Consolidated Statement of Changes in Shareholders' Equity

	(Units: million yen)	
	Previous consolidated fiscal year (Apr.1, 2010- Mar.31, 2011)	This consolidated fiscal year (Apr.1, 2011- Mar.31, 2012)
Shareholders' equity		
Common stock		
Balance at beginning of current year	25,948	25,948
Balance at end of current year	25,948	25,948
Capital surplus		
Balance at beginning of current year	31,518	31,518
Balance at end of current year	31,518	31,518
Retained earnings		
Balance at beginning of current year	72,767	57,931
Changes during current year		
Cash dividends	(1,821)	—
Net loss	(12,993)	(22,758)
Sale of treasury stock	—	(551)
Change of scope of consolidation	(22)	—
Total changes during current year	(14,836)	(23,309)
Balance at end of current year	57,931	34,622
Treasury stock		
Balance at beginning of current year	(3,984)	(3,989)
Changes during current year		
Acquisition of treasury stock	(5)	(2)
Sale of treasury stock	0	983
Total changes during current year	(5)	981
Balance at end of current year	(3,989)	(3,008)
Total shareholders' equity		
Balance at beginning of current year	126,249	111,408
Changes during current year		
Cash dividends	(1,821)	—
Net loss	(12,993)	(22,758)
Acquisition of treasury stock	(5)	(2)
Sale of treasury stock	0	432
Change of scope of consolidation	(22)	—
Total changes during current year	(14,841)	(22,328)
Balance at end of current year	111,408	89,080

(Units: million yen)

	Previous consolidated fiscal year (Apr.1, 2010- Mar.31, 2011)	This consolidated fiscal year (Apr.1, 2011- Mar.31, 2012)
Accumulated other comprehensive income		
Net unrealized holding gain on securities		
Balance at beginning of current year	1,104	684
Changes during current year		
Net changes during current year in accounts other than shareholders' equity	(420)	(486)
Total changes during current year	(420)	(486)
Balance at end of current year	684	198
Deferred hedging gain/ losses		
Balance at beginning of current year	(8)	237
Changes during current year		
Net changes during current year in accounts other than shareholders' equity	245	(611)
Total changes during current year	245	(611)
Balance at end of current year	237	(374)
Foreign currency translation adjustments		
Balance at beginning of current year	(6,107)	(8,434)
Changes during current year		
Net changes during current year in accounts other than shareholders' equity	(2,327)	720
Total changes during current year	(2,327)	720
Balance at end of current year	(8,434)	(7,714)
Accumulated other comprehensive income		
Balance at beginning of current year	(5,011)	(7,513)
Changes during current year		
Net changes during current year in accounts other than shareholders' equity	(2,502)	(377)
Total changes during current year	(2,502)	(377)
Balance at end of current year	(7,513)	(7,890)
Minority investments		
Balance at beginning of current year	1,995	2,198
Changes during current year		
Net changes during current year in accounts other than shareholders' equity	203	(354)
Changes during current year	203	(354)
Balance at end of current year	2,198	1,844

(Units: million yen)

	Previous consolidated fiscal year (Apr.1, 2010- Mar.31, 2011)	This consolidated fiscal year (Apr.1, 2011- Mar.31, 2012)
<b>Total net assets</b>		
Balance at beginning of current year	123,233	106,093
Changes during current year		
Cash dividends	(1,821)	—
Net loss	(12,993)	(22,758)
Acquisition of treasury stock	(5)	(2)
Sale of treasury stock	0	432
Change of scope of consolidation	(22)	—
Net changes during current year in accounts other than shareholders' equity	(2,299)	(731)
Total changes during current year	(17,140)	(23,059)
Balance at end of current year	106,093	83,034

## (4) Consolidated Statement of Cash Flows

	(Units: million yen)	
	Previous consolidated fiscal year (Apr.1, 2010- Mar.31, 2011)	This consolidated fiscal year (Apr.1, 2011- Mar.31, 2012)
Cash flow from operating activities		
Net loss before taxes and other adjustments	(12,439)	(21,139)
Depreciation	20,148	16,716
Impairment losses	4,215	12,715
Increase (decrease) in allowances for doubtful accounts	(280)	756
Increase (decrease) in retirement and severance benefits	2,034	(7,472)
Interest received and dividends received	(246)	(311)
Interest expense	988	1,014
Investment (profit) loss by equity method	2,341	2,009
(Profit) loss on sale of tangible fixed assets	(418)	(1,396)
Decrease (increase) of trade receivables	290	(2,557)
Decrease (increase) of inventories	(6,901)	7,980
Increase (decrease) of trade payables	211	(1,340)
Increase (decrease) of reserves for losses due to disasters	5,140	(5,059)
Increase (decrease) of provision for surcharge	—	1,504
Increase (decrease) in other accounts payable and expenses payable	92	5,621
Decrease (increase) of other accounts receivable	(1,044)	186
Other	759	(341)
Subtotal	14,890	8,886
Earnings on interest and dividends	926	489
Interest paid	(985)	(1,012)
Corporate tax and other taxes paid	(509)	(998)
Cash flow from operating activities	14,322	7,365
Cash flow from investing activities		
Expenditures for purchases of tangible and intangible fixed assets	(10,700)	(12,136)
Proceeds for sale of tangible fixed assets	3,783	2,555
Proceeds for sale of shares in affiliates	820	—
Net decrease (increase) in short-term loans	777	(3,550)
Other	253	489
Cash flow from investing activities	(5,067)	(12,642)
Cash flow from finance activities		
Net increase (decrease) in short-term debt	(3,498)	460
Proceeds from long-term debt	—	20,500
Payments on long-term debt	—	(15,000)
Dividends paid to stockholders	(1,821)	—
Dividends paid to minority stockholders	(94)	(168)
Other	261	(192)
Cash flow from finance activities	(5,152)	5,600
Effect of exchange rate fluctuations on cash and cash equivalents	(643)	153
Net increase (decrease) in cash and cash equivalents	3,460	476
Cash and cash equivalent at beginning of term	7,939	11,399
Cash and cash equivalent at end of term	11,399	11,875

## (5) Facts or circumstances casting doubt on going concern assumptions

Not applicable

## (6) Changes of notes on bases for the preparation of these consolidated financial statements

Fiscal years of consolidated subsidiaries and other matters

The end dates for the fiscal years of the following consolidated subsidiaries differ from the dates of consolidated settlement of accounts.

Company name	Account closing date
Shanghai Hitachi Cable Co., Ltd.	Dec. 31
Hitachi Cable (Suzhou) Co., Ltd.	Dec. 31
Hitachi Cable (China) Trading Co., Ltd.	Dec. 31
Hitachi Cable Trading (Dalian F.T.Z.) Co., Ltd.	Dec. 31
Suzhou Hitachi Cable Precision Co., Ltd.	Dec. 31
Shenzhen Hitachi Cable Co., Ltd.	Dec. 31
Giga Epitaxy Technology Corporation	Dec. 31
HC Queretaro, S.A. de C.V.	Dec. 31
Akutron LLC	Dec. 31

Shanghai Hitachi Cable Co., Ltd. and the eight other companies above, whose fiscal years end December 31, have until now adjusted financial statements as of that date for major transactions occurring between that date and the date of consolidated settlement of accounts, as required for consolidation purposes. However, starting this consolidated fiscal year, to allow a better grasp of business-related information, these companies began preparing financial statements based on a tentative settlement of accounts as of the date of consolidated settlement of accounts.

The following consolidated subsidiaries have revised their dates of settlement of accounts:

Company name
Hitachi Cable (Johor) Sdn. Bhd.
Hitachi Cable (Singapore) Pte. Ltd.
Hitachi Cable Manchester Inc.
Hitachi Cable Automotive Products USA, Inc.
Thai Hitachi Enamel Wire Co., Ltd.
Hitachi Cable Philippines, Inc.
Hitachi Cable PS Techno (Malaysia) Sdn.Bhd.
Hitachi Cable America Inc.
Hitachi Cable Asia Ltd.
Hitachi Cable Europe Ltd.
AHCL (Thailand) Co., Ltd.
Hitachi Cable UK,Ltd.
HCAS Thai Trading Co., Ltd.
PHCP,INC.
Hitachi Cable Vietnam Co., Ltd.
PHCP Properties Holdings, Inc.
Hitachi Cable Asia Pacific (HCAP) Pte. Ltd.
Hitachi Cable Austria GmbH

Of the above consolidated subsidiaries, Hitachi Cable (Johor) Sdn. Bhd. and the 16 other companies whose fiscal years had previously ended on December 31, as well as Hitachi Cable Austria GmbH, whose fiscal year had ended on January 31, have changed their dates of settlement of accounts to March 31 starting this consolidated fiscal year.

Due to this tentative settlement and changes in fiscal years, for Shanghai Hitachi Cable Co., Ltd. and the 25 other companies above, financial statements have been subject to consolidation for the 15-month period from January 1, 2011 through March 31, 2012. For Hitachi Cable Austria GmbH, financial statements have been subject to consolidation for the 14-month period from February 1, 2011 through March 31, 2012.

Result based on the above, net sales increased 22,587 million yen, operating income increased 582 million yen, ordinary income increased 572 million yen, net loss before taxes and other adjustments increased 463 million yen and net loss increased 687 million yen.

(7) Additional information

(Application of the Accounting Standard for Accounting Changes and Error Corrections, etc.)

The Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No. 24; December 4, 2009) and the Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No. 24; December 4, 2009) have been applied to accounting changes and corrections of past errors undertaken since the beginning of this fiscal year.

(8) Notes on consolidated financial statements

(Segment Information)

1. Summary of reporting segments

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 undertakes corresponding 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 segments are the reporting segments: Industrial Infrastructure Products; Electronic & Automotive Products; Information Systems Devices & Materials; Metal Materials & Component Products; and Sales Companies.

The areas of business in which the Industrial Infrastructure Products segment is active include industrial systems products and power & energy business and optical communication products. Areas of business in which the Electronic & Automotive Products segment is active include automotive components, electronic products and magnet wire products. The Information Systems Devices & Materials segment handles business areas such as information network, wireless system and compound semiconductor. The Metal Materials & Component Products segment handles business areas that include copper strips, copper products, lead frame, and package materials.

2. Methods for calculating net sales, profit or loss, assets, liabilities, and other accounts for each reporting segment

In general, methods of account processing for business segments reported are identical to those described under "Notes on bases for the preparation of these consolidated financial statements."

Figures for profit by reporting segment are based on operating income. Internal income and transfers between segments are based on actual market prices.

3. Information concerning amounts of net sales, profit or loss, assets, liabilities, and other accounts for each reporting segment

## I Previous Consolidated Fiscal Year (Apr.1, 2010-Mar.31, 2011)

(Million Yen)

	Reporting segments						Adjustment amount (Note2)	Amount booked to consolidated financial statements (Note3)
	Industrial Infrastructure Products	Electronic & Automotive Products	Information Systems Devices & Materials	Metal Materials & Component Products	Sales Companies	Total		
Net sales								
Sales to customers (Note1)	86,069	147,524	52,621	97,219	35,846	419,279	—	419,279
In-house sales or transfer between operating segments (Note1)	30,580	79,628	3,669	19,376	131,105	264,358	(264,358)	—
Total	116,649	227,152	56,290	116,595	166,951	683,637	(264,358)	419,279
Segment income (loss)	(1,077)	3,039	795	(3,208)	1,857	1,406	(618)	788
Segment assets	73,329	122,125	46,524	83,520	68,920	394,418	(123,668)	270,750
Other accounts								
Depreciation	3,375	5,541	4,017	7,068	147	20,148	—	20,148
Increase in tangible fixed assets and intangible fixed assets	1,685	3,318	2,348	2,732	70	10,153	—	10,153

(Note1) In-house sales or transfers between reporting segments are removed from the buyer reporting segment, not the seller reporting segment. This means the figure for net sales to external customers is the figure resulting after eliminating internal purchases from total net sales.

(Note2) Adjustment amounts are as follows:

- (1) The amount of (618) million yen in adjustments to segment income or (loss) reflects (378) million yen in amortization of goodwill, 750 million yen in elimination of transactions within and between segments, and (990) million yen in Company income/loss not allocated to any reporting segment.
- (2) The amount of (123,668) million yen in adjustments to segment assets reflects (143,184) million yen in elimination of transactions within and between segments and 19,516 million yen in Company assets not allocated to any reporting segment.

(Note3) Segment income or (loss) is adjusted against operating income or (loss) on the Consolidated Statement of Profit and Loss.

## II This Consolidated Fiscal Year (Apr.1, 2011-Mar.31, 2012)

(Million Yen)

	Reporting segments						Adjustment amount (Note2)	Amount booked to consolidated financial statements (Note3)
	Industrial Infrastructure Products	Electronic & Automotive Products	Information Systems Devices & Materials	Metal Materials & Component Products	Sales Companies	Total		
Net sales								
Sales to customers (Note1)	91,372	164,340	48,048	86,587	42,193	432,540	—	432,540
In-house sales or transfer between operating segments (Note1)	33,268	78,805	3,657	15,166	144,928	275,824	(275,824)	—
Total	124,640	243,145	51,705	101,753	187,121	708,364	(275,824)	432,540
Segment income (loss)	(208)	2,405	530	(2,123)	2,127	2,731	(765)	1,966
Segment assets	69,633	117,724	43,437	76,191	69,735	376,720	(130,838)	245,882
Other accounts								
Depreciation	2,959	5,539	3,739	4,336	143	16,716	—	16,716
Increase in tangible fixed assets and intangible fixed assets	2,089	5,662	2,587	2,495	100	12,933	—	12,933

(Note1) In-house sales or transfers between reporting segments are removed from the buyer reporting segment, not the seller reporting segment. This means the figure for net sales to external customers is the figure resulting after eliminating internal purchases from total net sales.

(Note2) Adjustment amounts are as follows:

- (1) The amount of (765) million yen in adjustments to segment income or (loss) reflects (310) million yen in amortization of goodwill, 218 million yen in elimination of transactions within and between segments, and (673) million yen in Company income/loss not allocated to any reporting segment.
- (2) The amount of (130,838) million yen in adjustments to segment assets reflects (149,718) million yen in elimination of transactions within and between segments and 18,880 million yen in Company assets not allocated to any reporting segment.

(Note3) Segment income or (loss) is adjusted against operating income or (loss) on the Consolidated Statement of Profit and Loss.

## 4. Changes in reporting segments

As part of the reorganization effective April 1, 2011, the Hitachi Cable Group has revised its reporting segments starting this consolidated fiscal year. Previously, the five segments were Electronic & Automotive Products, Information Systems, Semiconductor Materials & Packaging, Metal Materials & Component Products, and Sales Companies; the updated five segments are Industrial Infrastructure Products, Electronic & Automotive Products, Information Systems Devices & Materials, Metal Materials & Component Products, and Sales Companies.

## 5. Information by area

Previous Consolidated Fiscal Year (Apr.1, 2010-Mar.31, 2011)

(1)Net sales

(Million Yen)

Japan	Asia	North America	Others	Total
300,521	90,231	21,327	7,200	419,279

(2)Tangible fixed assets

(Million Yen)

Japan	Others	Total
63,005	18,958	81,963

This Cnsolidated Fiscal Year (Apr.1, 2011-Mar.31, 2012)

(1)Net sales

(Million Yen)

Japan	Asia	North America	Others	Total
297,108	100,500	25,610	9,322	432,540

(2)Tangible fixed assets

(Million Yen)

Japan	Others	Total
48,447	18,510	66,957

(Per-share information)

Previous Consolidated Fiscal Year (Apr.1, 2010-Mar.31, 2011)	This Cnsolidated Fiscal Year (Apr.1, 2011-Mar.31, 2012)
Net assets per share 285.12 yen	Net assets per share 221.37 yen
Net income per share (35.65) yen	Net income per share (62.35) yen
Although dilutive securities are included, the fully-diluted earnings per share amount is not indicated because the earnings per share is negative.	Although dilutive securities are included, the fully-diluted earnings per share amount is not indicated because the earnings per share is negative.

Note: Shown below are the bases for calculations of net loss per share:

	Previous Consolidated Fiscal Year (Apr.1, 2010-Mar.31, 2011)	This Cnsolidated Fiscal Year (Apr.1, 2011-Mar.31, 2012)
Net income per share		
Net loss (million yen)	(12,993)	(22,758)
Amount not reverting to holders of common stock (million yen)	—	—
Net loss on common stock (million yen)	(12,993)	(22,758)
Average shares issued and outstanding during this fiscal year (thousands)	364,409	365,003

(Significant events occurring after the end of this fiscal year)

Not applicable

## 5. Non-consolidated Financial Statements

## (1) Non-consolidated Balance Sheet

(Units: million yen)

	End of previous fiscal year (March 31, 2011)	End of this fiscal year (March 31, 2012)
(Assets)		
Current assets		
Cash and cash equivalents	3,654	4,359
Notes receivable	3,805	2,995
Accounts receivable	56,172	49,232
Merchandise and products	3,217	2,637
In-process inventories	17,848	13,333
Raw materials and supplies	7,130	3,870
Advances	25	—
Prepaid expenses	87	114
Short-term loans	2,137	5,849
Other accounts receivable	8,680	8,471
Other	407	195
Allowance for doubtful accounts	(7,941)	(1,926)
Total current assets	95,221	89,129
Fixed assets		
Tangible fixed assets		
Buildings	68,648	63,297
Cumulative depreciation	(45,702)	(46,565)
Buildings (net)	22,946	16,732
Structures	9,451	9,364
Cumulative depreciation	(8,479)	(8,596)
Structures (net)	972	768
Machinery and equipment	154,528	144,671
Cumulative depreciation	(143,411)	(137,630)
Machinery and equipment (net)	11,117	7,041
Vehicles	360	338
Cumulative depreciation	(331)	(325)
Vehicles (net)	29	13
Tools and supplies	23,910	22,421
Cumulative depreciation	(21,817)	(20,878)
Tools and supplies (net)	2,093	1,543
Land	7,115	6,748
Lease assets	218	108
Cumulative depreciation	(38)	(108)
Lease assets (net)	180	—
Construction in progress	627	490
Total tangible fixed assets	45,079	33,335
Intangible fixed assets		
Goodwill	33	11
Leaseholds	657	654
Usage rights	63	47
Software	5,983	3,642
Total intangible fixed assets	6,736	4,354

(Units: million yen)

	End of previous fiscal year (March 31, 2011)	End of this fiscal year (March 31, 2012)
Investments and other assets		
Negotiable securities	4,567	3,648
Shares in affiliates	39,179	34,464
Investments	640	387
Investments in affiliates	15,694	16,584
Long-term loans to affiliates	9,890	19,833
Claims provable in bankruptcy, claims provable in rehabilitation and other	—	695
Other	2,238	2,029
Allowance for doubtful accounts	(4,307)	(13,307)
Investments and other assets	67,901	64,333
Total fixed assets	119,716	102,022
Total assets	214,937	191,151
(Liabilities)		
Current liabilities		
Trade accounts payable	48,546	47,417
Short-term debt	1,496	217
Lease liabilities	—	12
Other accounts payable	1,325	3,751
Accounts payable facilities	1,986	2,793
Corporate tax payable	97	106
Expenses payable	7,422	7,417
Deferred tax liabilities	86	38
Advances received	729	389
Deposits received	1,817	1,574
Reserves for losses due to disasters	3,584	78
Reserves for losses on debt guarantees	1,020	655
Reserves for losses on construction	51	—
Provision for surcharge	—	1,504
Other	174	125
Total current liabilities	68,333	66,076
Fixed liabilities		
Company bonds	5,000	5,000
Long-term debt	23,500	28,500
Lease liabilities	212	—
Deferred tax liabilities	2,062	1,632
Retirement and severance benefits	18,246	13,070
Reserves for directors' retirement allowances	359	231
Provision of product warranties	—	4
Asset retirement obligations	—	43
Long-term accounts payable	—	2,362
Total fixed liabilities	49,379	50,842
Total liabilities	117,712	116,918

(Units: million yen)

	End of previous fiscal year (March 31, 2011)	End of this fiscal year (March 31, 2012)
(Net assets)		
Shareholders' equity		
Common stock	25,948	25,948
Capital surplus		
Capital reserves	34,839	34,839
Total capital surplus	34,839	34,839
Retained earnings		
Income reserves	6,512	6,512
Other earned surplus		
Special redemption reserves	5	3
Reserve for advanced depreciation of fixed assets	352	369
Voluntary reserves	36,964	—
Earned surplus carried forward	(4,225)	9,384
Total retained earnings	39,608	16,268
Treasury stock	(3,980)	(2,999)
Total shareholders' equity	96,415	74,056
Valuation and translation adjustments		
Net unrealized holding gain on securities	612	114
Deferred hedging gains/losses	198	63
Total valuation and translation adjustments	810	177
Total net assets	97,225	74,233
Total liabilities and net assets	214,937	191,151

## (2) Non-consolidated Profit and Loss Sheet

(Units: million yen)

	Previous fiscal year (Apr.1, 2010- Mar.31, 2011)	This fiscal year (Apr.1, 2011- Mar.31, 2012)
Net sales	258,718	244,650
Cost of sales		
Product inventory at beginning of period	3,060	3,217
Cost of finished goods	241,868	227,332
Total	244,928	230,549
Product inventory at end of period	3,217	2,637
Cost of goods sold	241,711	227,912
Total return on sales	17,007	16,738
Sales and general administrative expenses		
Packaging and shipping cost	3,899	3,457
Other cost of sales	2,203	1,439
Transfer to allowance for doubtful accounts	—	935
Employee salary and benefits	4,743	4,656
Retirement and severance benefits	1,010	1,061
Welfare expense	992	1,113
Depreciation	152	145
R&D costs	5,709	5,781
Other	3,273	2,879
Total sales and general administrative expenses	21,981	21,466
Operating loss	(4,974)	(4,728)
Non-operating income		
Interest received	260	204
Dividends received	2,116	1,744
Insurance income	29	704
Income from lease of fixed assets	546	537
Other	906	1,340
Total non-operating income	3,857	4,529
Non-operating expenses		
Interest expense	622	511
Interest on company bonds	65	64
Exchange loss	171	—
Commission	110	195
Other	597	758
Total non-operating expenses	1,565	1,528
Ordinary loss	(2,682)	(1,727)

(Units: million yen)

	Previous fiscal year (Apr.1, 2010- Mar.31, 2011)	This fiscal year (Apr.1, 2011- Mar.31, 2012)
Extraordinary income		
Amount of reversal of reserves for losses due to disaster	—	1,491
Gains on sale of fixed assets	15	841
Proceeds for sale of shares in affiliates	556	462
Gains on sale of negotiable securities	95	31
Amount of reversal reserves for losses on debt guarantees	—	365
Total extraordinary income	666	3,190
Extraordinary losses		
Impairment losses	830	9,664
Restructuring costs	98	4,119
Losses due to disasters	3,705	530
Transfer to provision for surcharge	—	1,504
Revaluation losses on shares in affiliates	856	5,218
Transfer to allowance for doubtful accounts	4,085	2,123
Transfer to reserves for losses on debt guarantees	1,020	—
Other	182	1,012
Total extraordinary losses	10,776	24,170
Net loss before taxes and other adjustments	(12,792)	(22,707)
Corporate, residence, and enterprise taxes	(665)	127
Corporate tax adjustments	(630)	(45)
Total corporate taxes, etc.	(1,295)	82
Net loss	(11,497)	(22,789)

## (3) Non-consolidated Statement of Changes in Shareholders' Equity

(Units: million yen)

	Previous fiscal year (Apr.1, 2010- Mar.31, 2011)	This fiscal year (Apr.1, 2011- Mar.31, 2012)
Shareholders' equity		
Common stock		
Balance at beginning of current year	25,948	25,948
Balance at end of current year	25,948	25,948
Capital surplus		
Capital reserves		
Balance at beginning of current year	34,839	34,839
Balance at end of current year	34,839	34,839
Total capital surplus		
Balance at beginning of current year	34,839	34,839
Balance at end of current year	34,839	34,839
Retained earnings		
Income reserves		
Balance at beginning of current year	6,512	6,512
Balance at end of current year	6,512	6,512
Other retained earnings		
Special redemption reserves		
Balance at beginning of current year	140	5
Changes during current year		
Provision of special redemption reserves	—	1
Transfer from special redemption reserves	(135)	(3)
Total changes during current year	(135)	(2)
Balance at end of current year	5	3
Reserve for advanced depreciation of fixed assets		
Balance at beginning of current year	364	352
Changes during current year		
Provision of reserve for advanced depreciation of fixed assets	—	30
Transfer from reserve for advanced depreciation of fixed assets	(12)	(13)
Total changes during current year	(12)	17
Balance at end of current year	352	369
Voluntary reserves		
Balance at beginning of current year	36,964	36,964
Changes during current year		
Transfer from voluntary reserves	—	(36,964)
Total changes during current year	—	(36,964)
Balance at end of current year	36,964	—

(Units: million yen)

	Previous fiscal year (Apr.1, 2010- Mar.31, 2011)	This fiscal year (Apr.1, 2011- Mar.31, 2012)
Retained earnings carried forward		
Balance at beginning of current year	8,946	(4,225)
Changes during current year		
Cash dividends	(1,821)	—
Net loss	(11,497)	(22,789)
Sale of treasury stock	0	(551)
Provision of special redemption reserves	—	(1)
Transfer from special redemption reserves	135	3
Provision of reserve for advanced depreciation of fixed assets	—	(30)
Transfer from reserves for decrease in fixed assets	12	13
Transfer from voluntary reserves	—	36,964
Total changes during current year	(13,171)	13,609
Balance at end of current year	(4,225)	9,384
Total retained earnings		
Balance at beginning of current year	52,926	39,608
Changes during current year		
Cash dividends	(1,821)	—
Net loss	(11,497)	(22,789)
Sale of treasury stock	0	(551)
Total changes during current year	(13,318)	(23,340)
Balance at end of current year	39,608	16,268
Treasury stock		
Balance at beginning of current year	(3,975)	(3,980)
Changes during current year		
Acquisition of treasury stock	(5)	(2)
Sale of treasury stock	0	983
Total changes during current year	(5)	981
Balance at end of current year	(3,980)	(2,999)
Total shareholders' equity		
Balance at beginning of current year	109,738	96,415
Changes during current year		
Cash dividends	(1,821)	—
Net loss	(11,497)	(22,789)
Acquisition of treasury stock	(5)	(2)
Sale of treasury stock	0	432
Total changes during current year	(13,323)	(22,359)
Balance at end of current year	96,415	74,056

	(Units: million yen)	
	Previous fiscal year	This fiscal year
	(Apr.1, 2010- Mar.31, 2011)	(Apr.1, 2011- Mar.31, 2012)
Valuation and translation adjustments		
Net unrealized holding gain on securities		
Balance at beginning of current year	959	612
Changes during current year		
Net changes during current year in accounts other than shareholders' equity	(347)	(498)
Total changes during current year	(347)	(498)
Balance at end of current year	612	114
Deferred hedging gains/losses		
Balance at beginning of current year	(68)	198
Changes during current year		
Net changes during current year in accounts other than shareholders' equity	266	(135)
Total changes during current year	266	(135)
Balance at end of current year	198	63
Total valuation and translation adjustments		
Balance at beginning of current year	891	810
Changes during current year		
Net changes during current year in accounts other than shareholders' equity	(81)	(633)
Total changes during current year	(81)	(633)
Balance at end of current year	810	177
Total net assets		
Balance at beginning of current year	110,629	97,225
Changes during current year		
Cash dividends	(1,821)	—
Net loss	(11,497)	(22,789)
Acquisition of treasury stock	(5)	(2)
Sale of treasury stock	0	432
Net changes during current year in accounts other than shareholders' equity	(81)	(633)
Total changes during current year	(13,404)	(22,992)
Balance at end of current year	97,225	74,233

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